

Beaverton School District  
16550 SW Merlo Road  
Beaverton, Oregon 97006

# Comprehensive Annual Financial Report

For the Year Ended June 30, 2009



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**BEAVERTON SCHOOL DISTRICT**  
Beaverton, Oregon

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Prepared by:  
Business Services Department

Mr. Jerome Colonna  
Superintendent

Ms. Claire Hertz  
Chief Financial Officer

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**BEAVERTON SCHOOL DISTRICT**

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Beaverton School District  
16550 SW Merlo Road  
Beaverton, Oregon 97006

# Introductory Section

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

November 16, 2009

To the Beaverton School District Community  
Beaverton, Oregon

Oregon Municipal Audit Law requires that an independent audit be made of all District funds within six months following the close of the fiscal year. Pursuant to this requirement, the Comprehensive Annual Financial Report of Beaverton School District (the District) for the fiscal year ended June 30, 2009 is hereby submitted.

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

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors, beginning on page 7.

#### **PROFILE OF THE DISTRICT**

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

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

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

The Beaverton School District School Board, elected by a majority of the voting electorate, is the governing body responsible for the District's public decisions. The seven-member Board has oversight responsibility and control over all activities related to the District. A Board-appointed Budget Committee and 50 elected local school committees work in conjunction with the School Board in governing the District.

The management staff includes a superintendent, two deputy superintendents, three chief officers, and 108 principals, vice-principals and district managers. The District employs 3,544 full-time equivalent personnel, including principals, vice-principals, administrators, teachers, supervisors, secretarial staff, bus drivers, maintenance personnel, cafeteria staff and other support staff. There were 37,613 students enrolled in Beaverton schools during the 2008-09 school year and 37,536 students projected for the 2009-10 year.

## ECONOMIC CONDITION

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

Washington County covers 727 square miles and includes eleven incorporated cities such as Beaverton, Hillsboro, Tigard and Tualatin, as well as a portion of the City of Portland. Careful land use management of residential and industrial growth has made it possible to preserve 75% of the County's agricultural and forest lands.

The area's current economic base includes electronics, manufacturing, construction, food processing, agriculture and timber. Of the approximately 37,500 employee high-tech industry jobs in Oregon, Washington County accounted for approximately 25,700 or 68.5%

in the period ended December 31, 2008. Among the major electronics firms located in Washington County are Intel, Tektronix and Maxim Integrated Products.

A major manufacturing employer in the Beaverton area is Nike, an athletic footwear and apparel manufacturer. Its 176-acre world headquarters campus is located in Washington County, and according to the Beaverton Chamber of Commerce, it is Washington County's third leading employer with approximately 7,000 employees.

The Portland-Vancouver PMSA relies heavily on the manufacturing and high technology industries, business that has been weakened by the slow down in their industry. According to the Oregon Employment Department, at the end of June 2009, the Portland-Vancouver PMSA unemployment rate was 11.4%, as compared to the Oregon unemployment rate of 12.0% and the nation's rate of 9.5%.

## MAJOR PROGRAMS

The District Goal for 2004-2009 is to increase academic achievement district-wide with a special emphasis on literacy and mathematics gains for each student. The intent is to give every student the skills to succeed in challenging courses, meet academic standards, graduate from high school and be fully prepared *for a range of post-secondary education and vocational options*.

In addition to a broad array of programs such as general, special, vocational, and technological education, the District continues to move forward with innovative staff training and curriculum development programs to meet the higher student achievement standards and new high school diploma requirements set by the Oregon State Board of Education in 2007. Each year students in grades three through twelve are assessed to determine if each student has demonstrated attainment of these high standards.

## FINANCIAL INFORMATION

**Investment Management.** Throughout the year, cash not required for current operations was invested in the State of Oregon Local Government Investment Pool, U.S. Treasury securities, U.S. Agency securities, demand deposits, time certificates of deposit, and corporate securities. All investments were in accordance with the District's Fiscal Management Policies. Interest income on pooled cash and investments recorded in the General Fund is allocated to the various funds based upon their monthly interfund balances.

**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 294.520, inclusive. The budget for each individual fund is a plan for the financial operation to be conducted during the coming fiscal year and is adopted annually, prior to July 1, by the Board of Education. After adoption, the budget may be revised through procedures specified in State statute and Board policy.

**Long-term Financial Planning.** The District's unreserved, undesignated fund balance in the General Fund (6.0 percent of total General Fund revenues) is greater than the amount set by Board policy for budgetary and planning purposes (a minimum 5.0 percent of total adopted revenues). Since the District is dependent on the State of Oregon for a substantial portion of its operating funds, and funding levels can vary from year to year, adherence to this policy is critical for maintaining long-term financial stability.

**Significant Financial Events.** On November 7, 2006, District voters approved a capital construction bond measure authorizing the District to sell general obligation bonds in the amount of \$195 million. The District planned to issue the bonds in two sales; the first for \$149 million occurred in January 2007. Bond proceeds are being used for the construction of a new elementary school, a K-8 school, 100 additional classrooms at existing schools, and the creation of two new high school option programs. As the average age of the District's buildings is in excess of 28 years, funds will also be used to make extensive renovations to facilities throughout the district, for the purchase of land for future construction, and to pay bond issuance costs. The second issuance of bonds in the amount of \$46 million which included a premium occurred in March 2009.

The District issued a Full Faith and Credit Obligation debt in March 2009 totaling \$23 million with proceeds to be used for the construction of the Transportation Service Center, an option school auditorium, bus particulate traps and an option high school remodel.

#### 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, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's basic financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report.

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

Section of this report.

#### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Beaverton School District for its Comprehensive Annual Financial Report for the year ended June 30, 2008. This was the twenty-ninth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

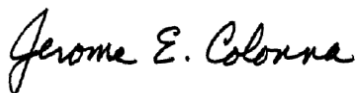
In addition, the Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to Beaverton School District for its Comprehensive Annual Financial Report for the year ended June 30, 2008. This was the twenty-eighth consecutive year that the District has received this prestigious award.

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

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

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

Respectfully submitted,



Jerome Colonna  
Superintendent



Claire Hertz  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Beaverton School District  
Oregon

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

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



A handwritten signature in black ink, appearing to read "M. L. R. T.", positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", positioned above the title "Executive Director".

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**BEAVERTON SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2008

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

*Angeh Pituman*

President

*John D. Munn*

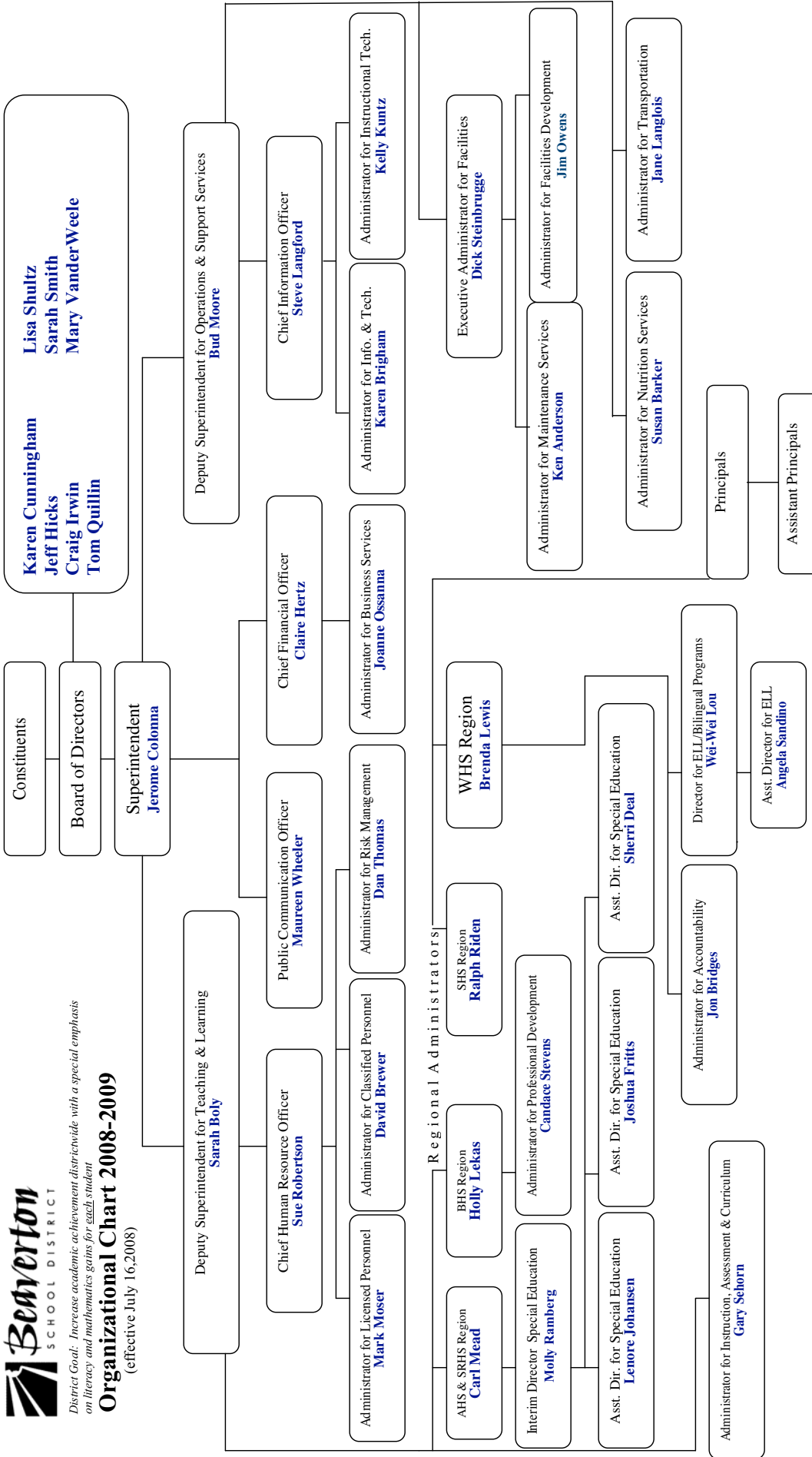
Executive Director



*District Goal: Increase academic achievement districtwide with a special emphasis on literacy and mathematics gains for each student*

# Organizational Chart 2008-2009

(effective July 16, 2008)



**BEAVERTON SCHOOL DISTRICT  
Appointed and Elected Officials**

Administrative Office:

16550 SW Merlo Road  
Beaverton, Oregon 97006

Jerome Colonna  
Melvin G. (Bud) Moore, Ph.D.  
Sarah Boly

Superintendent and Clerk  
Deputy Superintendent  
Deputy Superintendent

**School Board as of June 30, 2009**

<b>Name</b>	<b>Term Expires</b>
Craig Irwin, Chair 18340 SW Salix Ridge Beaverton, Oregon 97006	June 30, 2009
Mary VanderWeele, Vice Chair 2330 SW Imperial Court Portland, Oregon 97225	June 30, 2011
Karen Cunningham 6896 SW 67 <sup>th</sup> Portland, Oregon 97223	June 30, 2009
Tom Quillin 15319 NW Eugene Lane Portland, Oregon 97229	June 30, 2009
Sarah Smith 19890 SW Gassner Road Aloha, Oregon 97007	June 30, 2009
Jeff Hicks 9980 SW Buckskin Terrace Beaverton, Oregon 97008	June 30, 2011
Lisa Schultz 12860 SW Glenhaven Street Portland, Oregon 97225	June 30, 2011

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Beaverton School District  
16550 SW Merlo Road  
Beaverton, Oregon 97006

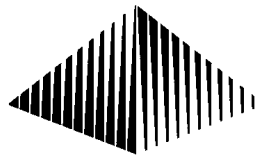
# Financial Section

Financial Section

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**INDEPENDENT AUDITOR'S REPORT**

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## GROVE, MUELLER & SWANK, P.C.

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

### ***INDEPENDENT AUDITOR'S REPORT***

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beaverton School District, Washington County, Oregon (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.


In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Management's Discussion and Analysis and the Schedule of Funding Progress for Other Postemployment Benefits are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory, other supplementary information, and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The schedule of revenues, expenditures and changes in fund balance - budget and actual (GAAP basis), General Fund, the other supplementary information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

By:   
Charles A. Swank, A Shareholder  
November 16, 2009

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

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**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009**

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, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, which can be found on pages i - v of this report.

**FINANCIAL HIGHLIGHTS**

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2009 by \$171.1 million (net assets). Of this amount, \$15.9 million (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors in accordance with the District's fiscal policies.
- The District's total net assets increased by \$11.4 million for the fiscal year, a 7.1 percent improvement in the District's financial position as compared to the prior year.
- The District's governmental funds report combined ending fund balance of \$106.3 million, a decrease of \$12.8 million from the prior year. Approximately 29.2 percent of this total amount, \$31.0 million, is unreserved, available for appropriation at the District's discretion with \$72.9 million restricted for use on capital projects, and the balance, \$2.4 million, restricted for debt service.
- At the end of the fiscal year, unreserved fund balance for the General Fund was \$17.2 million, or about 6.0 percent of total general fund revenue.
- Total cost of all the District's programs was \$359.1 million for the fiscal year, an increase of \$.5 million (.1 percent) from the prior year.
- The District's total long-term debt increased by \$42.7 million (7.4 percent) during the 2008-09 fiscal year. The District issued \$42.8 million of general obligation bonds, \$22.7 full faith and credit obligation bonds, a premium of \$3.4 million and entered into \$2.8 million in capital leases. The District's debt was offset by debt service payments of \$29.0 million 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 in addition to the basic financial statements.

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

*The Statement of Net Assets.* The *Statement of Net Assets* focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of what the District owns (assets), what it owes (liabilities), and the net difference (net assets). Net assets may be further separated into amounts restricted for specific purposes and unrestricted amounts. Over time,

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

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

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

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

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

The government-wide financial statements can be found on pages 21 and 22 of this report.

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

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

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

The District maintains nine individual governmental funds. Information is presented

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Debt Service, and Capital Projects Funds, all of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided as Supplemental Information. The basic governmental fund financial statements can be found on pages 23 and 26.

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

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

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

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

The basic fiduciary fund financial statements are located on pages 30 - 31 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 32 - 55 of this report.

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted previously, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$171.1 million at June 30, 2009.

Capital assets, which consist of the District's land, buildings, building improvements, construction-in-progress, vehicles, and equipment, represent about 61.6 percent of total assets.

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

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

The District's largest liability (91.6 percent) is for the repayment of general obligation and limited tax pension obligation bonds. Other liabilities, representing about 8.4 percent of the District's total liabilities, consist principally of payables on accounts and salaries and benefits.

Most of the District's net assets (89.3 percent) reflect its investment in capital assets (e.g. land, buildings, vehicles and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

<b>Beaverton School District</b>			
<b>Net Assets</b>			
<b>(in thousands)</b>			
	<b>Governmental Activities</b>		<b>Increase (Decrease) from Fiscal 2008</b>
	<b>2009</b>	<b>2008</b>	
Current and other assets	\$ 323,116	\$ 347,914	\$ (24,798)
Capital assets	519,009	444,021	74,988
Total assets	<u>842,125</u>	<u>791,935</u>	<u>50,190</u>
Bonds payable	614,638	573,412	41,226
Other liabilities	56,365	58,815	(2,450)
Total liabilities	<u>671,003</u>	<u>632,227</u>	<u>38,776</u>
Net assets:			
Invested in capital assets, net of related debt	152,810	129,859	22,951
Restricted	2,403	5,935	(3,532)
Unrestricted	15,909	23,914	(8,005)
Total net assets	<u>\$ 171,122</u>	<u>\$ 159,708</u>	<u>\$ 11,414</u>

During the current fiscal year, the District's overall financial position improved as indicated by an increase of \$11.4 million in net assets. Unrestricted net assets decreased by \$8.0 million. At the same time, the District's investment in capital assets, net of related debt, increased by \$23.0 million due to ongoing construction projects financed primarily by bond proceeds received in January 2007 and April 2009.

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

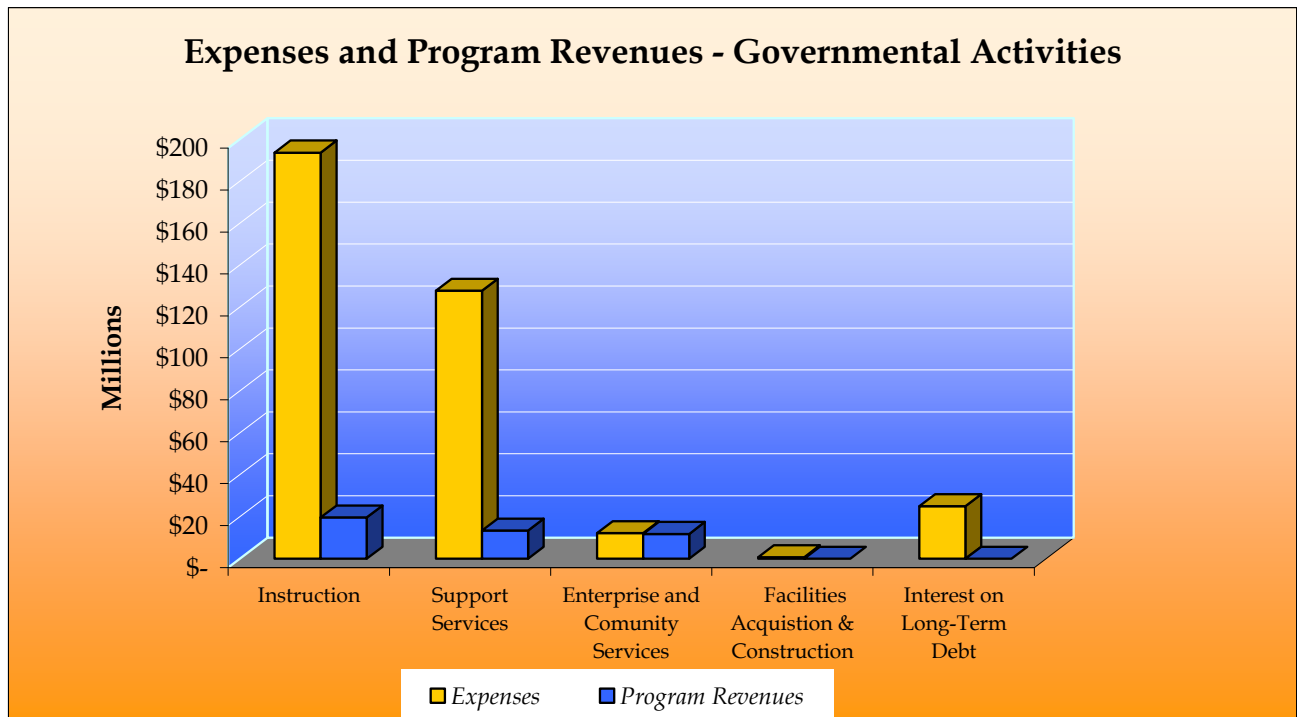
**Governmental activities.** The key elements of the change in the District's net assets for the year ended June 30, 2009 are as follows:

<b>Beaverton School District Changes in Net Assets (in thousands)</b>			
	<u>Governmental Activities</u>		<b>Increase (Decrease)</b>
	<u>2009</u>	<u>2008</u>	<u>from Fiscal 2008</u>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 7,860	\$ 7,524	\$ 336
Operating grants and contributions	30,898	22,889	8,009
Capital grants and contributions	5,934	993	4,941
General revenues:			
Property taxes	132,497	128,951	3,546
Local option taxes	39	55	(16)
Construction excise tax	1,114	313	801
State school fund	171,866	173,258	(1,392)
Other state and local sources	14,992	14,191	801
Earnings on investments	3,444	9,631	(6,187)
Miscellaneous	1,849	1,274	575
Total revenues	<u>370,493</u>	<u>359,079</u>	<u>11,414</u>
<b>Expenses:</b>			
Instruction	193,630	194,486	(856)
Support services	127,716	126,647	1,069
Enterprise and community services	12,121	12,183	(62)
Facilities acquisition and construction	621	-	621
Interest on long-term debt	24,991	25,316	(325)
Total expenses	<u>359,079</u>	<u>358,632</u>	<u>447</u>
Increase in net assets	11,414	447	10,967
Net assets - July 1	159,708	159,261	447
Net assets - June 30	<u>\$ 171,122</u>	<u>\$ 159,708</u>	<u>\$ 11,414</u>

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009**

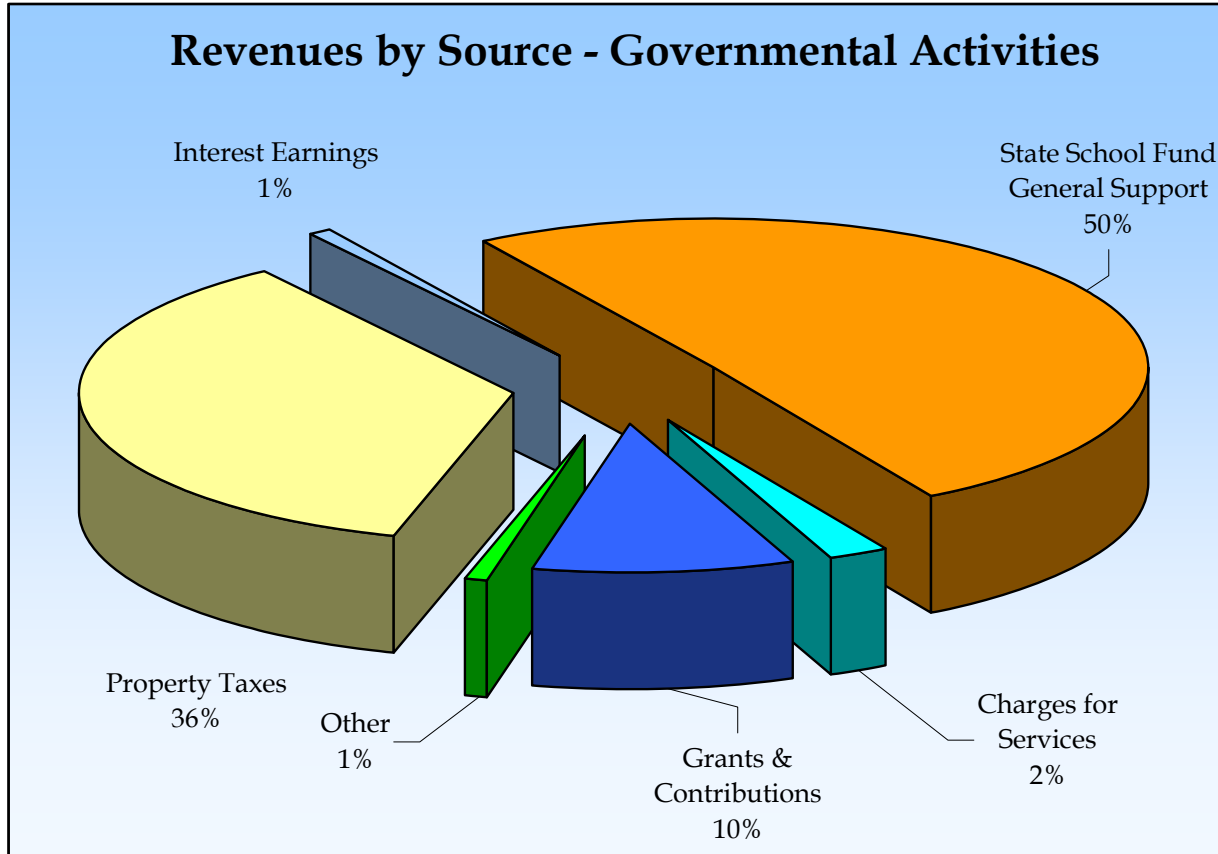
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

- Operating grants and contributions increased by \$8.0 million (35.0 percent) over 2008-09 due to the State Fiscal Stabilization Fund program under the American Recovery and Reinvestment Act of 2009 (ARRA).
- Capital grants and contributions increased by \$4.9 million (497.6 percent) due to an Oregon State Facilities Grant received to furnish and equip newly constructed facilities.
- Property taxes increased by 2.7 percent overall during 2008-09 mostly due to an increase in collections to service the general obligation debt of the District.
- Oregon State School Fund revenues decreased by \$1.4 million (0.8 percent) during the year. This decrease is the result of a mid-year reduction to the State's per pupil allocation as a result of a weak and fluctuating economy.
- Earnings on investments decreased by \$6.2 million (64.2 percent) as investments in the capital projects fund declined due to completed construction, as well as overall decline in interest rates for all other investments.
- Support services expenses were increased \$1.1 million (.8 percent) greater than 2008-09 due to inflationary increases on utilities, service contracts and fuel and purchases for technology.



**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**



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

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

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

At June 30, 2009, the District's governmental funds reported combined ending fund balances of \$106.3 million, a decrease of \$12.8 million in comparison with the prior year. Approximately \$31.0 million (29.2 percent) of the ending fund balance constitutes *unreserved and undesignated ending fund balance*, which is available for spending at the District's discretion, as compared to \$30.1 million in the prior year. Of the fund balance, 68.6 percent or \$72.9 million, is designated for capital projects, as authorized by voters, and an additional \$2.4 million (2.3 percent) is designated for debt service obligations.

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (CONTINUED)**

*General Fund.* The General Fund is the chief operating fund of the District. As of June 30, 2009, unreserved fund balance was \$17.2 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund revenues. During the previous year the fund balance was 3.4 percent of total General Fund Revenues and well under the 5.0 percent board policy minimum. The Fund balance has been restored to a 6.0 percent level during 2008-09. The fund balance increased by \$7.5 million through mid-year budget reductions due to declining resources from the State School Fund. The District is dedicated to maintaining a fund balance above the 5.0 percent level in future years.

*Debt Service Fund.* The Debt Service Fund has a total fund balance of \$2.4 million, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year was \$3.5 million (60.0 percent). This decrease is due to the retirement of debt that required a fund balance be carried forward annually as the debt payment was due prior to property tax receipts in the next fiscal year.

*Capital Projects Fund.* The Capital Projects Fund has a total fund balance of \$72.9 million, all of which is dedicated for ongoing capital projects, as authorized by District voters in the November 2006 election. The fund balance decreased by only \$7.5 million during the current fiscal year, due to the issuance of additional bonds totaling \$46 million, and an aggressive construction schedule for expenditures for land, new construction, additions and other improvements.

**BUDGETARY HIGHLIGHTS**

The Board approved appropriation transfers to the Budget for the fiscal year ended June 30, 2009. The following changes were made to the General Fund:

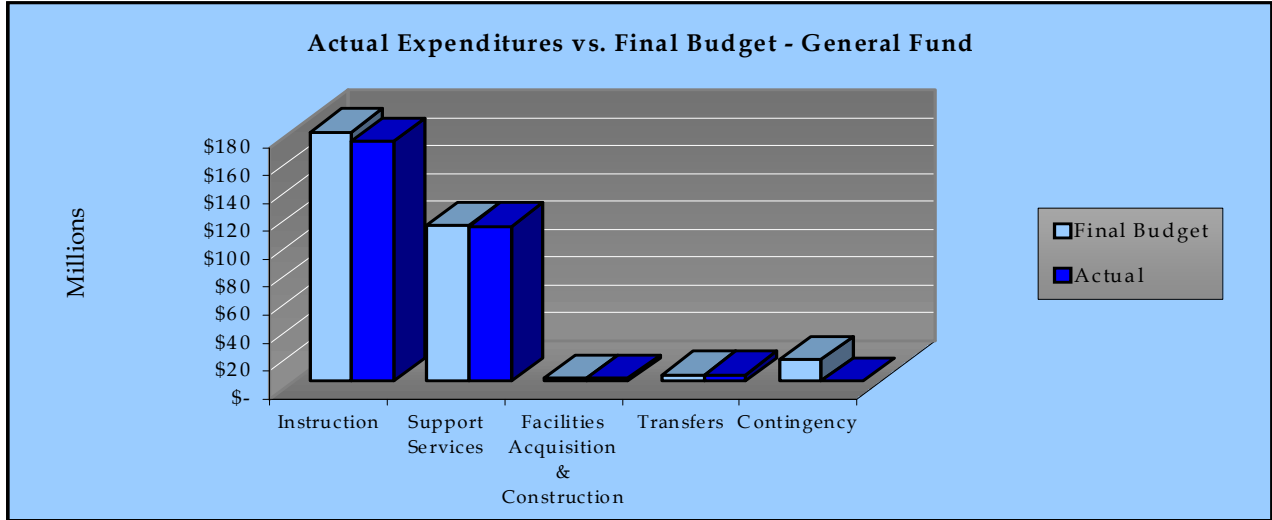
An appropriation transfer of \$3.2 million from contingency to instruction in the amount of \$1.0 million in support of instructional materials, \$.9 million to support services for unanticipated fuel and utilities increases, \$.5 million to facilities acquisition and construction for portable classrooms, and \$.8 million in transfers to Student Activities Fund and Nutrition Services Fund.

Supplemental budgets were approved by the Board to transfer in \$4.5 million to General Fund from the Long-Term Planning Fund and the Pension Trust Fund due to a decline in state revenue, interest earnings and a lower than anticipated beginning fund balance from 2007-08.

Revenues were \$6.1 million lower than budgeted. This includes a reduction of \$9.8 million in State School Funding due to high unemployment and income tax revenue reductions at the state level. Actual expenditures were \$25.1 million less than budgeted, as shown in the chart below, because the District reduced spending four times during the year due to loss of revenue and restoring the fund balance to the 5.0 percent Board policy level.

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009**

**BUDGETARY HIGHLIGHTS (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.

During the year, the District's investment in capital assets net of accumulated depreciation increased by nearly \$75.0 million. The major capital asset events, net of disposals, for the year include the following:

- Completion of a new elementary school, substantial completion of a new K-8 school and numerous major school renovation projects totaling \$71.4 million.
- Significant progress towards the completion of a transportation center for \$3.4 million.
- Purchased 31 new buses costing \$2.9 million.

As of June 30, 2009 the District's investment in capital assets, net of accumulated depreciation, is over \$519 million, as shown in the following table:

<b>Beaverton School District Accumulated Assets (net of accumulated depreciation) (in thousands)</b>			
	<u>2009</u>	<u>2008</u>	<b>Increase (Decrease) from Fiscal 2008</b>
Land	\$ 50,399	\$ 50,395	\$ 4
Buildings and improvements	412,052	304,955	107,097
Vehicles & equipment	19,594	18,438	1,156
Construction in progress	<u>36,964</u>	<u>70,233</u>	<u>(33,269)</u>
Total capital assets, net of related accumulated depreciation	<u>\$ 519,009</u>	<u>\$ 444,021</u>	<u>\$ 74,988</u>

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009**

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

Additional information regarding the District's capital assets can be found in Note 5 on page 44 of this report.

**Long-term debt** At the end of the current fiscal year, the District had total bonded debt outstanding of \$620.3 million. The debt consisted of general obligation, full faith and credit obligation, pension obligation debt net of unamortized premium/ discount, and capital leases.

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

During the current fiscal year, as shown in the following table, the District's total debt increased by \$42.7 million (7.4 percent). The increase is a result of issuances of \$42.8 million in general obligation bonds, \$22.7 million in full faith and credit obligations and related \$3.4 million of unamortized premium and an increase of \$2.8 million in capital leases offset by principal payments of \$27.3 million and amortization expense of about \$1.7 million.

<b>Beaverton School District Outstanding Debt (in thousands)</b>			
	<u>2009</u>	<u>2008</u>	<b>Increase (Decrease) from Fiscal 2008</b>
General obligation bonds	\$ 395,935	\$ 377,140	\$ 18,795
Pension obligation bonds	181,225	183,135	(1,910)
Full faith and credit obligation bonds	22,650	-	22,650
Unamortized premium	14,828	13,137	1,691
Capital leases	5,650	4,223	1,427
	<u>\$ 620,288</u>	<u>\$ 577,635</u>	<u>\$ 42,653</u>

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

Additional information on the District's long-term debt can be found in Note 7 on pages 45 - 47 of this report.

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009**

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

The most significant economic factor for the District is the State of Oregon's State School Fund. For the year ended June 30, 2009, the State School Fund - General Support provided over 50 percent of the District's General Fund program resources. The District is expecting flat revenue from the State School Fund for the year ended June 30, 2010, based on the distribution formula determined by the Oregon State Legislature for the 2009-2011 biennium coupled with an expected flat school enrollment. The recent news of a poor state economic forecast reveals a flattening trend in State School funding for the District for the next few years.

The costs of salaries and related benefits are expected to increase slightly in 2009-10, based on a lower than usual attrition rate, and a lower number of new employees. Mid-year employees will receive a 2.5 - 3.0 percent increase in salary in addition to salary step increases which are based on length of service with the District, but salaries were also reduced by a corresponding reduction in work days. Health insurance costs will rise due to an increase to the employer paid cap which is \$1,094 per eligible employee per month.

For the immediate future the District expects flat enrollment growth as a result of the state's sluggish economy and uncertain housing market. Enrollment decreased by approximately 176 students to a total enrollment of 37,613 during the year ended June 30, 2009, and the District has an increased enrollment of 512 students at the start of the 2009-10 school year.

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

The District's Budget Committee and School Board have considered all of these factors while preparing the District's budget for the 2009-10 fiscal year.

School Board policy mandates that the District budget a minimum of 5.0 percent of its General Fund as contingency, and that a 5.0 percent fund balance be maintained. The fund balance was below the 5.0 percent level at the beginning of the 2008-09 fiscal year and rose during the year to 6.0 percent. The District will maintain a minimum of a 5.0 percent fund balance in future years.

**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 Coordinator at 16550 SW Merlo Road, Beaverton, Oregon 97006.

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## **BASIC FINANCIAL STATEMENTS**

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**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 20009**

**ASSETS:**

Cash and investments	\$ 140,325,783
Receivables	15,514,887
Inventories	275,929
Bond issuance costs	3,172,204
Prepaid PERS unfunded actuarial liability	163,827,421
Capital assets not being depreciated:	
Land	50,398,873
Construction in progress	36,963,720
Capital assets, net of accumulated depreciation:	
Buildings and improvements	412,052,143
Vehicles and equipment	19,594,102
	<hr/>
<b>TOTAL ASSETS</b>	<b>842,125,062</b>

**LIABILITIES:**

Accounts payable	12,423,731
Accrued salaries and benefits	27,129,759
Accrued interest payable	2,402,535
Unearned revenue	578,301
Accrued claims losses	2,545,325
Other accrued liabilities	988,148
Other postemployment benefit obligation	4,647,200
Capital leases payable:	
Due within one year	1,594,444
Due in more than one year	4,055,638
Bonds payable:	
General obligation bonds due within one year	27,375,458
Limited tax pension obligation bonds due within one year	2,410,000
General obligation bonds due in more than one year	406,037,128
Limited tax pension obligation bonds due in more than one year	178,815,000
	<hr/>
<b>TOTAL LIABILITIES</b>	<b>671,002,667</b>

**NET ASSETS:**

Invested in capital assets, net of related debt	152,810,342
Restricted for debt service	2,403,428
Unrestricted	15,908,625
	<hr/>
<b>TOTAL NET ASSETS</b>	<b>\$ 171,122,395</b>

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2009**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Regular programs	\$ 140,652,507	\$ 1,014,574	\$ 8,147,706	\$ -	\$ (131,490,227)
Special programs	52,117,226	-	10,003,667	-	(42,113,559)
Summer school programs	779,413	-	362,572	-	(416,841)
Student support services	22,610,312	-	1,408,821	-	(21,201,491)
Instructional staff support	20,347,527	-	3,457,150	-	(16,890,377)
General administration support	1,832,985	-	-	-	(1,832,985)
School administration	23,114,665	-	11,733	-	(23,102,932)
Business support services	45,243,492	1,791,522	605,838	5,933,674	(36,912,458)
Central activities support	14,509,009	-	184,214	-	(14,324,795)
Supplemental retirement program	179,037	-	-	-	(179,037)
Nutrition services	11,898,361	4,956,527	6,640,234	-	(301,600)
Community services	130,491	97,596	76,416	-	43,521
Custody and care of children services	86,772	-	-	-	(86,772)
Facilities acquisition and construction	585,880	-	-	-	(585,880)
Interest on long-term debt	24,991,499	-	-	-	(24,991,499)
<b>Total governmental activities</b>	<b>\$ 359,079,176</b>	<b>\$ 7,860,219</b>	<b>\$ 30,898,351</b>	<b>\$ 5,933,674</b>	<b>(314,386,932)</b>
General revenues:					
Property taxes levied for general purposes					94,730,145
Local option taxes levied for general purposes					39,316
Property taxes levied for debt service					37,766,753
Construction excise tax					1,113,898
State school fund - general support					164,302,257
SSF - unrestricted school improvement grant					7,563,762
Common school fund					2,833,379
Unrestricted state and local sources					12,158,536
Earnings on investments					3,444,218
Miscellaneous					1,848,896
<b>Total general revenues</b>					<b>325,801,160</b>
<b>CHANGE IN NET ASSETS</b>					<b>11,414,228</b>
Net assets - July 1, 2008					159,708,167
Net assets - June 30, 2009					<b>\$ 171,122,395</b>

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>ASSETS</b>					
Equity in pooled cash and investments	\$ 36,707,855	\$ 1,126,132	\$ 82,082,089	\$ 13,742,942	\$ 133,659,018
Cash with fiscal agent	2,039	83,161	100,000	-	185,200
Receivables	4,469,342	170,277	328,832	4,663,711	9,632,162
Property taxes receivable	4,164,553	1,660,014	-	-	5,824,567
Due from other funds	1,496,762	806,265	-	-	2,303,027
Inventories	-	-	-	266,937	266,937
<b>TOTAL ASSETS</b>	<b>\$ 46,840,551</b>	<b>\$ 3,845,849</b>	<b>\$ 82,510,921</b>	<b>\$ 18,673,590</b>	<b>\$ 151,870,911</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 2,596,117	\$ -	\$ 8,871,075	\$ 860,861	\$ 12,328,053
Accrued salaries and benefits	22,593,849	-	647	1,654,062	24,248,558
Due to other funds	835,416	-	37	1,575,128	2,410,581
Deferred revenue	3,611,987	1,442,421	-	-	5,054,408
Unearned revenue	4,800	-	-	573,501	578,301
Other liabilities	15,407	-	774,990	197,751	988,148
<b>TOTAL LIABILITIES</b>	<b>29,657,576</b>	<b>1,442,421</b>	<b>9,646,749</b>	<b>4,861,303</b>	<b>45,608,049</b>
Fund Balances:					
Unreserved, reported in:					
General fund	17,182,975	-	-	-	17,182,975
Debt service fund	-	2,403,428	-	-	2,403,428
Capital projects fund	-	-	72,864,172	-	72,864,172
Special revenue funds	-	-	-	13,812,287	13,812,287
<b>Total fund balances</b>	<b>17,182,975</b>	<b>2,403,428</b>	<b>72,864,172</b>	<b>13,812,287</b>	<b>106,262,862</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 46,840,551</b>	<b>\$ 3,845,849</b>	<b>\$ 82,510,921</b>	<b>\$ 18,673,590</b>	<b>\$ 151,870,911</b>

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET ASSETS  
JUNE 30, 2009**

<b>TOTAL FUND BALANCES</b>		\$ 106,262,862
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 666,428,716	
Accumulated depreciation	<u>(147,470,209)</u>	518,958,507
A portion of the District's revenues are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported in the governmental funds.		
		5,054,408
The unamortized portion of issuance costs is not reported as an asset in the governmental funds.		
		3,172,204
Internal service funds are used by the District to charge the costs of printing services and insurance premiums and claims to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
		4,062,918
Compensated absences are reported when earned as a liability in the Statement of Net Assets while in the governmental funds only the portion that requires the use of current financial resources is reported as a liability.		
		(2,878,522)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term deb and capital lease are not accrued in the governmental funds, but rather are recognized as an expenditure when due. These liabilities consist of:		
Accrued interest payable	(2,402,535)	
Bonds payable	(614,637,586)	
Capital leases payable	<u>(5,650,082)</u>	(622,690,203)
PERS Unfunded Actuarial Liability (UAL) was prepaid in 2004-05 and recorded as an expenditure in the governmental fund financial statements. The prepaid asset will be reduced as the bond is paid.		
		163,827,421
The liability for other postemployment benefits obligation due at June 30, 2009 is not recorded in the governmental funds, but it is accrued as an expense and a liability in the government-wide statements.		
		<u>(4,647,200)</u>
<b>TOTAL NET ASSETS</b>		<u><u>\$ 171,122,395</u></u>

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2009**

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>REVENUES:</b>					
Property taxes	\$ 93,810,960	\$ 37,407,374	\$ -	\$ -	\$ 131,218,334
Local option levy	39,316	-	-	-	39,316
Construction excise tax	-	-	1,113,898	-	1,113,898
Federal sources	7,185,069	-	-	22,257,394	29,442,463
State and local sources	184,008,221	1,331,502	-	7,451,885	192,791,608
Charges for services	158,392	-	-	6,032,689	6,191,081
Rentals	490,440	-	1,174,581	4,067	1,669,088
Investment earnings	915,479	403,076	1,764,399	257,509	3,340,463
Contributions and donations	-	-	37,521	1,186,709	1,224,230
Recovery of prior years' expenditures	24,199	-	500	-	24,699
Services to other funds	-	10,063,782	-	-	10,063,782
Other	1,034,592	-	-	823,082	1,857,674
<b>TOTAL REVENUES</b>	<b>287,666,668</b>	<b>49,205,734</b>	<b>4,090,899</b>	<b>38,013,335</b>	<b>378,976,636</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	171,951,684	-	-	16,590,383	188,542,067
Support services	110,473,090	-	1,071,187	13,766,284	125,310,561
Enterprise and community services	-	-	-	12,010,508	12,010,508
Facilities acquisition and construction	817,371	-	81,926,278	205,520	82,949,169
Debt service:					
Principal	-	27,335,773	-	-	27,335,773
Interest	-	26,076,306	-	-	26,076,306
<b>TOTAL EXPENDITURES</b>	<b>283,242,145</b>	<b>53,412,079</b>	<b>82,997,465</b>	<b>42,572,695</b>	<b>462,224,384</b>
<b>(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>4,424,523</b>	<b>(4,206,345)</b>	<b>(78,906,566)</b>	<b>(4,559,360)</b>	<b>(83,247,748)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	10,998,944	675,000	2,616,191	4,132,638	18,422,773
Transfers out	(7,948,829)	-	-	(11,673,944)	(19,622,773)
Issuance of debt	-	-	65,460,000	-	65,460,000
Premium on long-term debt issued	-	-	3,355,265	-	3,355,265
Capital leases	-	-	-	2,837,449	2,837,449
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,050,115</b>	<b>675,000</b>	<b>71,431,456</b>	<b>(4,703,857)</b>	<b>70,452,714</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>7,474,638</b>	<b>(3,531,345)</b>	<b>(7,475,110)</b>	<b>(9,263,217)</b>	<b>(12,795,034)</b>
<b>FUND BALANCE, July 1, 2008</b>	<b>9,708,337</b>	<b>5,934,773</b>	<b>80,339,282</b>	<b>23,075,504</b>	<b>119,057,896</b>
<b>FUND BALANCE, June 30, 2009</b>	<b>\$ 17,182,975</b>	<b>\$ 2,403,428</b>	<b>\$ 72,864,172</b>	<b>\$ 13,812,287</b>	<b>\$ 106,262,862</b>

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2009**

**NET CHANGE IN FUND BALANCES** \$ (12,795,034)

*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 outlays exceeded depreciation in the current period:

Expenditures for capital assets	\$ 86,305,084	
Less current year depreciation	(11,307,988)	74,997,096

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

Debt issued	(68,815,265)	
Debt principal repaid	25,925,000	
Debt interest repaid	1,664,720	(41,225,545)

The PERS UAL was prepaid in 2004-05 and recorded as an expenditure in the governmental financial statements. The prepaid asset is being amortized over the life of the pension obligation bonds. (5,910,040)

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

Issuance cost on bonds	598,555	
Amortization of issuance costs	(260,960)	337,595

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. (569,488)

Certain revenues that do not meet the measurable and available criteria are not recognized in the current year in the governmental funds. In the Statement of Activities, they are recognized as revenue when earned. 1,278,564

Internal service funds are used by the District to charge the costs of printing services and insurance premiums and claims to the individual funds. The net income is reported with governmental activities. (730,550)

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. (207,669)

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

Debt issued	(2,837,449)	
Debt principal repaid	1,410,773	
Accrued interest	(10,425)	(1,437,101)

In the Statement of Activities, contributions for other postemployment benefits less than the actuarially determined contribution amount increase the other postemployment benefit obligation. In the governmental funds the entire contribution is recognized as an expenditure. This is the amount by which the obligation increased: (2,323,600)

**CHANGE IN NET ASSETS** \$ 11,414,228

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS  
JUNE 30, 2009**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 6,481,565
Receivables	58,158
Due from other funds	107,586
Inventory	<u>8,992</u>
Total current assets	6,656,301

Capital assets, net of accumulated depreciation	<u>50,331</u>
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<b>TOTAL ASSETS</b>	<u><u>6,706,632</u></u>
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**LIABILITIES**

Current liabilities:

Accounts payable	95,678
Accrued claims losses	2,545,325
Accrued salaries and benefits	2,679
Due to other funds	<u>32</u>

<b>TOTAL CURRENT LIABILITIES</b>	<u><u>2,643,714</u></u>
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**NET ASSETS**

Invested in capital assets	50,331
Unrestricted	<u>4,012,587</u>

<b>TOTAL NET ASSETS</b>	<u><u>\$ 4,062,918</u></u>
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See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2009**

<b>OPERATING REVENUES:</b>	
Charges for services	\$ 2,029,792
Recovery of prior years' expenditures	191,919
Other	<u>6,312</u>
<b>TOTAL OPERATING REVENUES</b>	<u>2,228,023</u>
<b>OPERATING EXPENSES:</b>	
Losses and claims	1,210,218
Insurance premiums and assessments	1,771,630
Salaries and benefits	697,901
Services, supplies and materials	510,277
Facilities acquisition and construction	65,579
Depreciation	<u>6,723</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>4,262,328</u>
<b>OPERATING LOSS</b>	(2,034,305)
<b>NONOPERATING REVENUE:</b>	
Investment earnings	<u>103,755</u>
<b>LOSS BEFORE TRANSFERS</b>	(1,930,550)
Transfers in	<u>1,200,000</u>
<b>CHANGE IN NET ASSETS</b>	(730,550)
<b>NET ASSETS, July 1, 2008</b>	<u>4,793,468</u>
<b>NET ASSETS, June 30, 2009</b>	<u><u>\$ 4,062,918</u></u>

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2009**

**CASH FLOWS FROM OPERATING**

**ACTIVITIES:**

Received for services	\$ 440,137
Received from recovery of prior years' expenditures	191,919
Received from interfund services provided	1,535,159
Paid for goods and services	(2,366,460)
Paid to claimants	(1,210,218)
Paid to employees	(699,093)
	<u>                    </u>

**NET CASH USED BY OPERATING ACTIVITIES** (2,108,556)

**CASH FLOWS FROM NONCAPITAL**

**FINANCING ACTIVITIES:**

Transfer from other funds	1,200,000
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**CASH FLOWS FROM CAPITAL AND RELATED**

**FINANCING ACTIVITIES:**

Purchases of capital assets	2,153
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**CASH FLOWS FROM INVESTING**

**ACTIVITIES:**

Interest received	<u>103,755</u>
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**NET INCREASE IN CASH AND**

**CASH EQUIVALENTS** (802,648)

**CASH AND CASH EQUIVALENTS, JULY 1, 2008** 7,284,213

**CASH AND CASH EQUIVALENTS, JUNE 30, 2009** \$ 6,481,565

**RECONCILIATION OF OPERATING LOSS TO NET CASH**

**USED BY OPERATING ACTIVITIES:**

Operating loss	\$ (2,034,305)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	6,723
Changes in assets and liabilities:	
Receivables	(29,524)
Inventory	13,917
Due from other funds	(31,251)
Accounts payable	(32,891)
Due to other funds	(33)
Accrued salaries and benefits	(1,192)
	<u>                    </u>

**NET CASH USED BY OPERATING ACTIVITIES** \$ (2,108,556)

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2009**

	Private Purpose Trust Fund	Agency Fund
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ 328,432	\$ 2,040,328
Receivables	2	-
	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u>328,434</u>	<u>2,040,328</u>
<b>LIABILITIES</b>		
Due to student groups	-	2,040,328
Scholarships payable:		
Due within one year	64,000	-
Due in more than one year	7,500	-
	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES</b>	<u>71,500</u>	<u>2,040,328</u>
<b>NET ASSETS</b>		
Held in trust for:		
Pension benefits	-	-
Scholarships	256,934	-
	<u>          </u>	<u>          </u>
<b>TOTAL NET ASSETS</b>	<u>\$ 256,934</u>	<u>\$ -</u>

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2009**

	Private Purpose Trust Fund
<b>ADDITIONS:</b>	
Contributions:	
Donations	\$ 56,663
Miscellaneous	2,223
Investment earnings	4,003
	<hr/>
Total additions	62,889
	<hr/>
<b>DEDUCTIONS:</b>	
Scholarships	49,439
	<hr/>
<b>CHANGE IN NET ASSETS</b>	13,450
<b>NET ASSETS, July 1, 2008</b>	243,484
	<hr/>
<b>NET ASSETS, June 30, 2009</b>	\$ 256,934
	<hr/> <hr/>

See notes to basic financial statements.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

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

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

**Basis of Presentation**

**Government-wide Financial Statements**

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

**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.

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, assist in long-term planning, and to account for the accumulation of resources to be used for payments to employees who receive supplemental early retirement stipends and post-employment health care benefits.

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

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

The Agency Fund accounts for the receipts, disbursements and cash balances of the various schools' student body activity funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

Government-wide, internal service, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include state school fund support, property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues. Agency funds have no measurement focus and only report assets and liabilities and use the accrual basis of accounting.

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

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

Cash, Cash Equivalents and Investments

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments (Continued)

The District's investments consist of time certificates of deposit, corporate securities, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

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

Property Taxes Receivable

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

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

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of State school support, claims for reimbursement of costs under various federal and state grants, and investment interest. Amounts are periodically reviewed for collectability. At June 30, 2009, no allowance for doubtful accounts is considered necessary.

Grants

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

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

Pension Assets

The District also reports a PERS asset which represents the District's unamortized balance of the prepaid unfunded actuarial liability at June 30, 2009. The pension asset is equal to payments made from the issuance of pension bonds less accumulated amortization calculated on the straight-line method over the life of the pension obligation bonds.

Capital Assets

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

Buildings and improvements	10 to 50 years
Equipment	5 to 30 years

Self-Insurance

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Self-Insurance (Continued)

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

- General Liability and School Board errors and omissions - \$500,000 per occurrence
- Fire loss, property damage, all risk (theft, vandalism, etc.) - \$500,000 per occurrence
- Workers' compensation claims - \$350,000 per claim
- Long-term disability claims - payment of all claims for the first fifty-one months of disability for eligible administrator and classified staff. Eligible certified staff are fully insured for disability claims.

Retirement Plans

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

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

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

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

Post Employment Health Care Benefits

Eligible employees who elected early retirement prior to June 30, 2004 are entitled to payment of group medical insurance premiums. Such costs are recorded as expenses in the Pension Trust Fund and are funded as premiums become due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Fund Equity

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

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 agency fund is not required to be budgeted. 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, 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budget (Continued)**

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

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

**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.

**2. CASH AND INVESTMENTS**

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

Cash and investments are comprised of the following at June 30, 2009:

Cash with fiscal agent	\$ 185,200
Petty cash	443
Deposits with banks	4,073,675
Time certificates of deposit	945,801
Investments	137,489,424
	<u>\$ 142,694,543</u>

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**2. CASH AND INVESTMENTS (CONTINUED)**

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

Statement of Net Assets	
Cash and investments	\$ 140,325,783
Statement of Net Assets Fiduciary Funds	
Equity in pooled cash and investments	<u>2,368,760</u>
	<u>\$ 142,694,543</u>

At year-end, the District's net carrying amount of deposits was \$4,259,318 and the bank balance was \$7,365,660. The difference is due to transactions in progress. Deposits are insured to the legal limits by federal deposit insurance. The remaining amount is secured in accordance with Oregon Revised Statutes 295 under a collateral program administered by the Oregon State Treasurer. Effective July 1, 2008, House Bill 2901, which was passed during the 2007 Regular Session of the Oregon Legislative Assembly, significantly revised the Oregon Revised Statutes 295. The changes streamlined the collateralization process for bank depositories and local governments and also established a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. In the event of a 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.

As of June 30, 2009 the District held the following investments and maturities:

Investment Type	Fair Value	Weighted average maturity in years	% of investment portfolio
Bankers' acceptances	\$ 4,664,550	0.212	3.4 %
Corporate securities	23,646,655	0.444	17.2
Local Government Investment Pool	25,675,376	0.003	18.7
U.S. Agency securities	<u>83,502,843</u>	<u>0.432</u>	<u>60.7</u>
	<u>\$ 137,489,424</u>	<u>0.346</u>	<u>100.0 %</u>

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:

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**2. CASH AND INVESTMENTS (CONTINUED)**

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

The maximum amount of pooled investments to be placed in the LGIP is \$42,523,082. This amount is limited by Oregon statute and will increase proportionately with the Portland Consumer Price Index. The limit can be temporarily exceeded for ten business days and does not apply either to pass-through funds or to funds invested on behalf of another governmental unit.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the investments above, except for the investment in the LGIP which is not evidenced by securities, are held in safekeeping by the financial institution counterparty in the financial institution's general customer account name.

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

At June 30, 2009, the District's investments were rated as follows:

Investment Type	Highest Rating From Moody's Investors Service or Standard & Poor's Corporation					
	Total	Aaa/AAA	Aa/AA	A/A	P-1/A-1	Not Rated
Bankers' acceptances	\$ 4,664,550	\$ -	\$ 4,664,550	\$ -	\$ -	\$ -
Corporate securities	23,646,655	-	23,646,655	-	-	-
Local Government Investment Pool	25,675,376	-	-	-	-	25,675,376
U.S. Agency securities	83,502,843	83,502,843	-	-	-	-
	\$ 137,489,424	\$ 83,502,843	\$ 28,311,205	\$ -	\$ -	\$ 25,675,376

The Oregon State Treasurer maintains the Oregon Short-Term Fund, of which the LGIP is a part. Participation by local governments is voluntary. The State of Oregon investment

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2009*

**2. CASH AND INVESTMENTS (CONTINUED)**

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

The District's policy for investing in individual issuers varies depending on the type of investments. US Treasury and Agency securities do not have restrictions regarding concentration with any one issuer. No more than 25% of the total portfolio of investments may be invested in a single issuer of bankers' acceptances. Investments in corporate securities of any one issuer may not exceed 5% of the investment portfolio. At June 30, 2009, more than 5% of the District's portfolio was invested in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and Federal Farm Credit Bank's securities. These investments were 30.5%, 14.7%, 7.4% and 5.1%, respectively, of the District's total investments.

**3. RECEIVABLES**

Receivables are comprised of the following as of June 30, 2009:

<u>Account</u>	<u>Amount</u>
Property taxes receivable	
General Fund	\$ 4,164,553
Debt Service	1,660,014
Total property taxes receivable	<u>5,824,567</u>
Grants receivable	
Other Governmental Funds	4,583,283
Total grants receivable	<u>4,583,283</u>
Interest and other	
General Fund	4,469,342
Debt Service Fund	170,277
Capital Projects Fund	328,832
Other Governmental Funds	80,428
Internal Service Funds	58,158
Total interest and other receivables	<u>5,107,037</u>
Total receivables	<u><u>\$ 15,514,887</u></u>

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**4. INTERFUND RECEIVABLES AND PAYABLES**

The composition of interfund balances as of June 30, 2009 is as follows:

	Due to Other Funds	Due from Other Funds
General Fund	\$ 835,416	\$ 1,496,762
Debt Service Fund	-	806,265
Other Governmental Funds	1,575,128	-
Capital Projects Fund	37	-
Internal Service Funds	32	107,586
Total	<u>\$ 2,410,613</u>	<u>\$ 2,410,613</u>

There is a \$1,496,762 interfund balance between the General Fund and the Other Governmental Funds to fund reimbursable expenditures in the Special Programs Fund. The remaining \$913,851 interfund balances between the General Fund and all other funds are the result of payroll accruals at year end.

**5. CAPITAL ASSETS**

Capital assets activity for the year was as follows:

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009
Capital assets not being depreciated:				
Land	\$ 50,394,506	\$ 4,367	\$ -	\$ 50,398,873
Construction in progress	70,233,147	32,935,101	(66,204,528)	36,963,720
Total capital assets not being depreciated	<u>120,627,653</u>	<u>32,939,468</u>	<u>(66,204,528)</u>	<u>87,362,593</u>
Capital assets being depreciated:				
Buildings and improvements	429,150,619	118,663,162	(130,878)	547,682,903
Vehicles and equipment	30,469,296	3,454,440	(2,454,243)	31,469,493
Total capital assets being depreciated	<u>459,619,915</u>	<u>122,117,602</u>	<u>(2,585,121)</u>	<u>579,152,396</u>
Less accumulated depreciation for:				
Buildings and improvements	(124,195,301)	(11,435,459)	-	(135,630,760)
Vehicles and equipment	(12,031,649)	(1,758,790)	1,915,048	(11,875,391)
Total accumulated depreciation	<u>(136,226,950)</u>	<u>(13,194,249)</u>	<u>1,915,048</u>	<u>(147,506,151)</u>
Total capital assets being depreciated, net	<u>323,392,965</u>	<u>108,923,353</u>	<u>(670,073)</u>	<u>431,646,245</u>
Total capital assets, net	<u>\$ 444,020,618</u>	<u>\$ 141,862,821</u>	<u>\$ (66,874,601)</u>	<u>\$ 519,008,838</u>

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2009*

**5. CAPITAL ASSETS (CONTINUED)**

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

Regular programs	\$ 6,251,435
Special programs	2,101,844
Summer school programs	36,944
Student support services	967,138
Instructional staff support	810,127
General administration	59,374
School administration	1,043,665
Business support services	1,332,619
Central activities	350,967
Nutrition services	234,858
Enterprise and community service	5,278
	<u>\$ 13,194,249</u>

**6. CAPITAL LEASES**

The District entered into lease agreements as lessee for financing the acquisition of buses for student transportation. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the net present value of their future minimum lease payments as of the inception date. During the fiscal year, capital lease obligations increased from \$4,223,406 to \$5,650,082 due to an additional contract of \$2,837,449 and an offset by principal payments of \$1,410,773. The leased buses were purchased for \$8,066,066 and have a net book value of \$7,113,476 and accumulated depreciation of \$952,590 at June 30, 2009. The capital lease obligations are paid by a transfer from the General Fund to the Debt Service Fund.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 1,594,444	\$ 157,255	\$ 1,751,699
2011	1,647,809	103,890	1,751,699
2012	1,516,284	49,584	1,565,868
2013	740,393	13,663	754,056
2014	<u>151,152</u>	<u>681</u>	<u>151,833</u>
Total	<u>\$ 5,650,082</u>	<u>\$ 325,073</u>	<u>\$ 5,975,155</u>

7. LONG-TERM DEBT

General Obligation Bonds

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

Full Faith and Credit Obligation Bonds

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

Limited Tax Pension Obligation Bonds

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

Bond proceeds were paid to the Oregon Public Employees Retirement System. An intercept agreement with the State of Oregon was required as a condition of issuance; therefore a portion of State School Fund support is withheld on a monthly basis to repay debt. Funds are accumulated and invested by a trust officer and annual principal and interest payments are made each June 30, beginning June 2005 and ending June 2028. The bond interest rates range from 4.11% to 4.76%. The District recorded the amounts deposited with PERS as a prepayment of its actuarial obligation, and accounts for the payment of principal and interest as a pension expense annually. The prepayment is being amortized over the life of the bonds based on the straight-line method. This method most closely recognizes the remaining prepaid asset.

Long-term liability activity for the year ended June 30, 2009 is as follows:

	Balance			Balance	Due Within
	July 1, 2008	Additions	Reductions	June 30, 2009	One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 377,140,000	\$ 42,810,000	\$ 24,015,000	\$ 395,935,000	\$ 25,685,000
Pension obligation bonds	183,135,000	-	1,910,000	181,225,000	2,410,000
Full Faith & Credit obligation bonds	-	22,650,000	-	22,650,000	55,000
Unamortized premium	13,137,041	3,355,265	1,664,720	14,827,586	1,635,458
Total bonds payable, net	<u>\$ 573,412,041</u>	<u>\$ 68,815,265</u>	<u>\$ 27,589,720</u>	<u>\$ 614,637,586</u>	<u>\$ 29,785,458</u>

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**7. LONG-TERM DEBT (CONTINUED)**

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 following is a summary of long-term debt transactions of governmental activities for the year ended June 30, 2009:

Issue Date	Original Issue	Principal			Outstanding at June 30, 2009	Interest Rates
		Outstanding at June 30, 2008	Additions	Reductions		
<u>General Obligation Bonds:</u>						
May 1, 1998	\$75,000,000	\$ 3,775,000	\$ -	\$ 3,775,000	\$ -	4.75 %
September 14, 1999	33,390,000	1,540,000	-	1,540,000	-	4.90 %
January 9, 2001	40,000,000	9,535,000	-	1,750,000	7,785,000	4.10 - 4.40%
March 14, 2002	55,000,000	15,250,000	-	2,285,000	12,965,000	4.00 - 4.40%
November 13, 2003	54,780,000	47,140,000	-	2,330,000	44,810,000	3.00 - 5.00%
October 21, 2004	104,530,000	82,940,000	-	8,900,000	74,040,000	4.50 - 5.00%
December 2, 2004	27,800,000	19,800,000	-	2,225,000	17,575,000	5.00 %
November 10, 2005	49,470,000	48,070,000	-	1,050,000	47,020,000	4.00 - 5.00%
January 24, 2007	149,090,000	149,090,000	-	160,000	148,930,000	4.13 - 5.00%
April 2, 2009	42,810,000	-	42,810,000	-	42,810,000	3.00 - 5.00%
		<u>377,140,000</u>	<u>42,810,000</u>	<u>24,015,000</u>	<u>395,935,000</u>	
<u>Limited Tax Pension Obligation Bonds:</u>						
June 21, 2005	189,935,000	183,135,000	-	1,910,000	181,225,000	4.18 - 4.76%
<u>Full Faith and Credit Obligation Bonds:</u>						
March 19, 2009	22,650,000	-	22,650,000	-	22,650,000	2.50 - 5.13%
<u>Total G.O. and Pension Bonds</u>		<u>560,275,000</u>	<u>65,460,000</u>	<u>25,925,000</u>	<u>599,810,000</u>	
<u>Unamortized Premium</u>		<u>13,137,041</u>	<u>3,355,265</u>	<u>1,664,720</u>	<u>14,827,586</u>	
Total		<u>\$573,412,041</u>	<u>\$ 68,815,265</u>	<u>\$ 27,589,720</u>	<u>\$614,637,586</u>	

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2009*

**7. LONG-TERM DEBT (CONTINUED)**

Future bond maturities are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 28,150,000	\$ 28,390,921	\$ 56,540,921
2011	32,175,000	26,505,474	58,680,474
2012	36,050,000	25,066,256	61,116,256
2013	39,560,000	23,396,270	62,956,270
2014	43,195,000	21,541,089	64,736,089
2015-2019	154,170,000	82,032,555	236,202,555
2020-2024	149,085,000	48,761,925	197,846,925
2025-2029	109,015,000	12,640,232	121,655,232
2030-2034	5,775,000	1,588,549	7,363,549
2035-2036	2,635,000	697,777	3,332,777
	<u>\$ 599,810,000</u>	<u>\$ 270,621,048</u>	<u>\$ 870,431,048</u>

Outstanding issues are callable as follows:

- September 14, 1999 - at par plus accrued interest beginning June 1, 2009
- November 13, 2003 - at par plus accrued interest beginning May 1, 2013
- October 21, 2004 - at par plus accrued interest beginning December 1, 2014
- January 24, 2007 - at par plus accrued interest beginning June 1, 2016
- March 19, 2009 - at par plus accrued interest beginning June 1, 2020

In prior years, the District defeased general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. As a result, the early refunded bonds are considered to be defeased. Accordingly, the trust account assets and the liabilities for the defeased obligations are not included in the District's basic financial statements. At June 30, 2009, \$49,040,000 of general obligation bonds outstanding are considered defeased.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2009*

**8. INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2009 are as follows:

	<b>Transfer In</b>	<b>Transfer Out</b>
General Fund	\$ 10,998,944	\$ 7,948,829
Debt Service Fund	675,000	-
Capital Projects Fund	2,616,191	-
Other Governmental Funds	4,132,638	11,673,944
Internal Service Fund	1,200,000	-
	<hr/>	<hr/>
Total	<u>\$ 19,622,773</u>	<u>\$ 19,622,773</u>

The District made transfers from the General Fund to the Capital Projects Fund in the amount of \$2,616,191 to fund building and site improvements in District facilities, \$1,200,000 to the Internal Service Fund to fund property insurance premiums, and \$4,132,638 to Other Governmental Funds. Of this amount, \$3,205,592 was used to partially fund high school athletics and middle and high school activities and \$667,046 was used to finance replacement of copiers, computers and other technology related equipment and \$260,000 of Nutrition Services equipment.. The District also made transfers from Other Governmental Funds to the Debt Service Fund totaling \$675,000 to pay principal and interest payments on capital lease obligations for the purchase of buses. Finally, the District transferred \$11,673,944 from Other Governmental Funds to the General Fund to provide resources for prioritized funding requests.

**9. OTHER POSTEMPLOYMENT BENEFITS (OPEBS)**

**Early Retirement**

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

These programs were established under separate collective bargaining agreements and provide provisions for early retirement after 30 years of service or age 58 with at least 10 years of continuous District service immediately preceding retirement. This optional early retirement program provides the employee with the following:

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

**9. OTHER POSTEMPLOYMENT BENEFITS (OPEBS)(CONTINUED)**

**Early Retirement (Continued)**

- For eligible classified employees who retired after June 30, 1996 and before June 30, 2004, a monthly stipend of \$400 or medical benefits is provided for up to four years or until age 65, whichever comes earlier.
- For eligible administrators, a monthly stipend of \$475 is provided until age 62. In addition, medical benefits are provided for eligible administrators born before January 1, 1943.

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

**Funding policy** - The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. Although there is no obligation on the part of the District to fund these benefits in advance, the District fully funded the obligation in the Pension Trust Fund based on an actuarially determined rate. The Pension Trust Fund also accounts for resources and payment of post-employment health care benefits for early retirees. In 2008-09, the District transferred \$1,700,000 in excess contributions to the General Fund.

**Annual pension cost and net pension obligation** - The District's annual pension cost and net pension obligation (NPO) (asset) for the current year and prior years were as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Annual required contribution	\$ 30,924	\$ 30,924	\$ 30,924
Interest on net pension obligation	(5,935)	(24,819)	(80,481)
Adjustment to annual required contribution	<u>111,430</u>	<u>466,009</u>	<u>1,511,099</u>
Annual pension cost	136,419	472,114	1,461,542
Contributions made	<u>-</u>	<u>-</u>	<u>(70,000)</u>
(Increase) decrease in net pension obligation	136,419	472,114	1,391,542
NPO (Asset) at beginning of year	<u>(148,366)</u>	<u>(620,479)</u>	<u>(2,012,021)</u>
NPO (Asset) at end of year	<u>\$ (11,947)</u>	<u>\$ (148,366)</u>	<u>\$ (620,479)</u>

The annual required contribution (ARC) for the current year was determined as part of the July 1, 2006 actuarial valuation using the aggregate cost method, which does not identify, nor separately amortize unfunded actuarial liabilities. The actuarial assumptions included: (a) an assumed inflation rate of 2.50% and an assumed health care inflation rate of 8.0% per year in 2005-2006 grading down to 5.0% after 7 years; (b) a rate of return on investment of present and future assets of 4.0% compounded annually; (c) no future increase in benefits payable from this program; (d) no post-retirement benefit increases; and (e) no projected salary increases. The actuarial valuation indicated that the present value of benefits decreased about 69.0% from 2004 to 2006. The primary reason for the decrease is that this is a closed

9. OTHER POSTEMPLOYMENT BENEFITS (OPEBS)(CONTINUED)

Early Retirement (Continued)

population, and future retirees for the most part are not eligible for coverage under this plan. The actuarial value of assets was determined using market value and an interest rate of 4.0%.

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

Program membership consisted of 183 retirees receiving benefits at July 1, 2006, the date of the last actuarial valuation.

Postemployment Health Care Benefits

**Plan Description** - The District, as a result of collective bargaining agreements, offers postemployment health care benefits for all employees who have completed a specified number of years of continuous service, are eligible for full PERS benefits, and elected to retire prior to June 30, 1996.

For these retirees, benefits are fully paid by the District and are available for a maximum of ten years or until the retiree is eligible for Medicare.

As a result of collective bargaining, benefits in the District's Early Retirement Program, as previously described, replaced postemployment health care benefits for eligible certified employees retiring after June 30, 1996 and before June 30, 2004. Eligible Certified employees retiring after June 30, 1996 may receive medical benefits only on a self-pay basis.

Benefits will continue for those employees already receiving benefits, who retired prior to June 30, 1996.

**Contributions** - Contributions are financed by a transfer from the General Fund. Transfers to the Pension Trust fund in fiscal years 2009, 2008, and 2007 were \$0, \$0, and \$60,149 respectively. Expenditures are recorded in the Pension Trust Fund on the pay-as-you-go basis. The cost of these benefits in fiscal years 2009, 2008, and 2007 amounted to approximately \$180,600, \$389,600, and \$1,077,000 respectively.

Retirees receiving benefits totaled 18, 43, and 138 for fiscal years 2009, 2008, and 2007 respectively.

9. OTHER POSTEMPLOYMENT BENEFITS (OPEBS)(CONTINUED)

**Postemployment Health Insurance Subsidy**

The District implemented GASB Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB) for the fiscal year ended June 30, 2008. This implementation allows the District to report its liability for other postemployment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

**Plan Description** - The District operates a single-employer retiree benefit plan that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. There are 3,551 active and 449 retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements.

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

The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. Instead, the activities of the plan are reported in the General Fund.

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

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

	2009	2008
Annual required contribution	\$ 4,511,147	\$ 4,511,147
Interest on net pension obligation	-	-
Adjustment to annual required contribution	-	-
Annual OPEB cost	4,511,147	4,511,147
Contributions made	(2,187,547)	(2,187,547)
Increase in net OPEB obligation	2,323,600	2,323,600
Net OPEB obligation- beginning of year	2,323,600	-
Net OPEB obligation- end of year	<u>\$ 4,647,200</u>	<u>\$ 2,323,600</u>

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

Postemployment Health Insurance Subsidy (Continued)

**Annual OPEB Cost and Net OPEB Obligation (Continued)**

The District's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for 2009 were as follows:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Annual</u> <u>OPEB cost</u>	<u>Contribution</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2008	\$ 4,511,147	\$ 2,187,547	48%	\$ 2,323,600
2009	4,511,147	2,187,547	48%	4,647,200

**Funded Status and Funding Progress** - As of July 1, 2006, the most recent actuarial valuation date, for the period ended July 1, 2008; the District's actuarial accrued liability (AAL) for benefits was \$38,056,842, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) was \$38,056,842. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will eventually present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions** - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2006 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a discount rate of 4 percent and a 90 percent assumption of participants who elect medical coverage at retirement. They also assume medical and prescription drug costs would increase at 8 percent inflation for the current year, grading down to an annual rate of 5 percent after eight years which is consistent with expectations for long-term health care cost inflation. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates, and withdrawal rates, are the same as those used by Oregon PERS for School Districts.

**Tax Sheltered Annuity**

The District offers its employees two tax deferred annuity programs established pursuant to Sections 403(b) and 457(b) of the Internal Revenue Code (the Code). Contributions are made through salary reductions from participating employees up to the amounts specified in the

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

Tax Sheltered Annuity (Continued)

Code. No contributions are required from the District. As of June 30, 2009, 1,220 employees were participating in the 403(b) traditional plan, 101 employees were participating in the 403(b) Roth plan and 65 employees were participating in the 457(b) plan.

Retirement Health Insurance Account (RHIA)

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

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.37% Tier 1 and Tier 2 payroll and 0.26% of OPSRP of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2007, 2008 and 2009 were approximately \$706,000, \$784,000, and \$797,000, which equaled the required contributions each year.

## 10. PENSION PLAN

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

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

**Funding Policy** - Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The District is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF rate in effect for the year ended June 30, 2009 was 8.25%. The OPSRP rates in effect for the year ended June 30, 2009 was 10.52%. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

**Annual Pension Cost** - The District's contributions to PERS for the years ending June 30, 2009, 2008, and 2007 were approximately \$16,910,000, \$15,494,000, and \$11,615,000 respectively, which equaled the required contribution for the year. During the 2004-05 year the District issued limited tax pension obligation bonds, the proceeds of which were used to finance its estimated unfunded actuarial liability (See Note 7).

## 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District does not engage in risk financing activities where the risk is greater than the self insurance amounts. Settlements have not exceeded insurance coverage for each of the three years ended June 30, 2009. There have been no reductions to

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2009*

**11. RISK MANAGEMENT (CONTINUED)**

the District's insurance coverage during the year. The District anticipates that all accrued claims losses will be paid within twelve months.

Changes in the balances of claims liabilities for the fiscal years ended June 30, 2009 and 2008 are as follows:

	2009	2008
Accrued claim losses, July 1	\$ 2,545,324	\$ 2,545,325
Incurred claims, including an estimate of claims incurred but not reported (IBNR)	1,210,219	1,138,719
Claim payments	(1,210,218)	(1,138,720)
Accrued claim losses, June 30	\$ 2,545,325	\$ 2,545,324

**12. SCHOOL FUNDING**

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

**13. 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 \$36 million for goods, services, and construction of facilities.

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

The District is subject to IRS regulations regarding arbitrage compliance for its General Obligation Bonds used in the construction program. At June 30, 2009 it is estimated that the District could have a future liability of no more than \$1.0 million. It is anticipated that this liability will decrease over time.

**14. NEW PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This pronouncement issued February 2009 will be effective for the District beginning with its fiscal year ending June 30, 2011. The Statement establishes new classifications for fund equity and new definitions for governmental fund types and may have a slight impact on future financial presentations.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**BEAVERTON SCHOOL DISTRICT  
 SCHEDULE OF FUNDING PROGRESS FOR  
 OTHER POSTEMPLOYMENT BENEFITS  
 JUNE 30, 2009**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilty (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
July 1, 2006	\$ -	\$ 38,056,842	\$ 38,056,842	- %	n/a	n/a

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (GAAP BASIS)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2009**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Property taxes	\$ 96,275,000	\$ 94,369,560	\$ 93,810,960	\$ (558,600)
Local option levy	35,000	35,000	39,316	4,316
State and local sources	193,830,800	193,830,800	184,008,221	(9,822,579)
Federal sources	-	-	7,185,069	7,185,069
Charges for services	69,000	69,000	158,392	89,392
Rentals	425,000	425,000	490,440	65,440
Investment earnings	1,500,000	650,496	915,479	264,983
Recovery of prior years' expenditures	-	-	24,199	24,199
Other	1,613,000	1,613,000	1,034,592	(578,408)
<b>Total revenues</b>	<b>293,747,800</b>	<b>290,992,856</b>	<b>287,666,668</b>	<b>(3,326,188)</b>
<b>EXPENDITURES:</b>				
Instruction	176,635,008	177,644,011	171,951,684	5,692,327
Support services	115,376,031	116,258,071	110,473,090	5,784,981
Facilities acquisition and construction	592,702	1,109,149	817,371	291,778
Contingencies	15,782,454	12,625,964	-	12,625,964
<b>Total expenditures</b>	<b>308,386,195</b>	<b>307,637,195</b>	<b>283,242,145</b>	<b>24,395,050</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(14,638,395)</b>	<b>(16,644,339)</b>	<b>4,424,523</b>	<b>21,068,862</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	6,900,000	11,354,944	10,998,944	(356,000)
Transfers out	(7,262,891)	(8,011,891)	(7,948,829)	63,062
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(362,891)</b>	<b>3,343,053</b>	<b>3,050,115</b>	<b>(292,938)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(15,001,286)</b>	<b>(13,301,286)</b>	<b>7,474,638</b>	<b>20,775,924</b>
<b>FUND BALANCE, July 1, 2008</b>	<b>15,001,286</b>	<b>13,301,286</b>	<b>9,708,337</b>	<b>(3,592,949)</b>
<b>FUND BALANCE, June 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,182,975</b>	<b>\$ 17,182,975</b>

**OTHER SUPPLEMENTARY INFORMATION**

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**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2009**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Property taxes	\$ 37,157,378	\$ 37,157,378	\$ 37,407,374	\$ 249,996
State and local sources	1,331,502	1,331,502	1,331,502	-
Investment earnings	265,000	265,000	403,076	138,076
Services to other funds	9,900,000	9,900,000	10,063,782	163,782
<b>TOTAL REVENUES</b>	<b>48,653,880</b>	<b>48,653,880</b>	<b>49,205,734</b>	<b>551,854</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	27,485,525	27,485,525	27,335,773	149,752
Interest	26,099,005	26,099,005	26,076,306	22,699
Contingencies	1,641,989	1,641,989	-	1,641,989
<b>TOTAL EXPENDITURES</b>	<b>55,226,519</b>	<b>55,226,519</b>	<b>53,412,079</b>	<b>1,814,440</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(6,572,639)</b>	<b>(6,572,639)</b>	<b>(4,206,345)</b>	<b>2,366,294</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	675,000	675,000	675,000	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>(5,897,639)</b>	<b>(5,897,639)</b>	<b>(3,531,345)</b>	<b>2,366,294</b>
<b>FUND BALANCE, July 1, 2008</b>	<b>5,897,639</b>	<b>5,897,639</b>	<b>5,934,773</b>	<b>37,134</b>
<b>FUND BALANCE, June 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,403,428</b>	<b>\$ 2,403,428</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2009**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Construction excise tax	\$ -	\$ -	\$ 1,113,898	\$ 1,113,898
Investment earnings	3,145,400	3,145,400	1,764,399	(1,381,001)
Rentals	1,240,000	1,240,000	1,174,581	(65,419)
Contributions and donations	-	-	37,521	37,521
Recovery of prior years' expenditures	-	-	500	500
<b>TOTAL REVENUE</b>	<b>4,385,400</b>	<b>4,385,400</b>	<b>4,090,899</b>	<b>(294,501)</b>
<b>EXPENDITURES:</b>				
Support services	1,447,531	3,447,531	1,071,187	2,376,344
Facilities acquisition and construction	157,974,060	180,974,060	81,926,278	99,047,782
<b>TOTAL EXPENDITURES</b>	<b>159,421,591</b>	<b>184,421,591</b>	<b>82,997,465</b>	<b>101,424,126</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(155,036,191)</b>	<b>(180,036,191)</b>	<b>(78,906,566)</b>	<b>101,129,625</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	2,616,191	2,616,191	2,616,191	-
Issuance of debt	45,910,000	70,910,000	65,460,000	(5,450,000)
Premium on long-term debt issued	-	-	3,355,265	3,355,265
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>48,526,191</b>	<b>73,526,191</b>	<b>71,431,456</b>	<b>(2,094,735)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(106,510,000)</b>	<b>(106,510,000)</b>	<b>(7,475,110)</b>	<b>99,034,890</b>
<b>FUND BALANCE, July 1, 2008</b>	<b>106,510,000</b>	<b>106,510,000</b>	<b>80,339,282</b>	<b>(26,170,718)</b>
<b>FUND BALANCE, June 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 72,864,172</b>	<b>\$ 72,864,172</b>

## NONMAJOR GOVERNMENTAL FUNDS

These funds account for revenues and expenditures restricted for specific educational projects, the District's food dispensing program, future capital equipment replacement, student participation fees, early retirement and post-employment health care benefits. Included are the following funds:

*Student Activity Fund* – accounts for the District's activity and athletic programs. The major sources of revenue are student participation fees and receipts from event admission charges.

*Categorical Fund* – accounts for resources reserved for expenditures on classroom supplies and equipment, capital improvements and replacements, classroom programs, and to supplement existing resources available for students.

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

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

*Food 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.

*Pension Trust Fund* – accounts for the accumulation of resources to be used for payments to employees who receive supplemental early retirement stipends and post-employment health care benefits. Resources are contributed by the District's General Fund at actuarially determined amounts.

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**BEAVERTON SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	Special Revenue Funds						Total
	Student Activity	Categorical	Special Programs	Long-Term Planning	Food Services	Pension Trust	
<b>ASSETS</b>							
Equity in pooled cash and investments	\$ 489,959	\$ 6,889,609	\$ -	\$ 4,317,314	\$ 1,151,445	\$ 894,615	\$ 13,742,942
Accounts receivable	16,003	35,501	3,559,510	-	28,924	-	3,639,938
Grants receivable	-	-	-	-	1,023,773	-	1,023,773
Inventories	-	-	-	-	266,937	-	266,937
<b>TOTAL ASSETS</b>	<b>\$ 505,962</b>	<b>\$ 6,925,110</b>	<b>\$ 3,559,510</b>	<b>\$ 4,317,314</b>	<b>\$ 2,471,079</b>	<b>\$ 894,615</b>	<b>\$ 18,673,590</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 10,220	\$ 235,077	\$ 437,556	\$ 17,910	\$ 160,098	\$ -	\$ 860,861
Accrued salaries and benefits	115,929	-	1,084,150	-	453,983	-	1,654,062
Due to other funds	5,110	-	1,549,734	-	20,284	-	1,575,128
Unearned revenue	-	-	488,070	-	85,431	-	573,501
Other liabilities	-	-	-	-	197,751	-	197,751
<b>TOTAL LIABILITIES</b>	<b>131,259</b>	<b>235,077</b>	<b>3,559,510</b>	<b>17,910</b>	<b>917,547</b>	<b>-</b>	<b>4,861,303</b>
Fund Balances:							
Unreserved, undesignated	374,703	6,690,033	-	4,299,404	1,553,532	894,615	13,812,287
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 505,962</b>	<b>\$ 6,925,110</b>	<b>\$ 3,559,510</b>	<b>\$ 4,317,314</b>	<b>\$ 2,471,079</b>	<b>\$ 894,615</b>	<b>\$ 18,673,590</b>

**BEAVERTON SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2009**

	Special Revenue Funds						Total
	Student Activity	Categorical	Special Programs	Long-Term Planning	Food Services	Pension Trust	
<b>REVENUES:</b>							
Federal sources	\$ -	\$ -	\$ 15,781,353	\$ -	\$ 6,476,041	\$ -	\$ 22,257,394
State and local sources	-	4,602,172	2,162,301	560,474	126,938	-	7,451,885
Charges for services	1,080,229	-	-	-	4,952,460	-	6,032,689
Rentals	-	-	-	-	4,067	-	4,067
Investment earnings	32,708	57,344	-	112,123	16,297	39,037	257,509
Contributions and donations	170,396	-	1,016,313	-	-	-	1,186,709
Other	122,702	638,116	29,386	32,878	-	-	823,082
<b>TOTAL REVENUES</b>	<b>1,406,035</b>	<b>5,297,632</b>	<b>18,989,353</b>	<b>705,475</b>	<b>11,575,803</b>	<b>39,037</b>	<b>38,013,335</b>
<b>EXPENDITURES:</b>							
Instruction	4,237,879	-	12,352,504	-	-	-	16,590,383
Support services	98,207	3,000,190	6,364,848	4,118,794	9,842	174,403	13,766,284
Enterprise and community services	84,804	-	185,615	164,877	11,575,212	-	12,010,508
Facilities, acquisition and construction	-	27,725	86,386	91,409	-	-	205,520
<b>TOTAL EXPENDITURES</b>	<b>4,420,890</b>	<b>3,027,915</b>	<b>18,989,353</b>	<b>4,375,080</b>	<b>11,585,054</b>	<b>174,403</b>	<b>42,572,695</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(3,014,855)</b>	<b>2,269,717</b>	<b>-</b>	<b>(3,669,605)</b>	<b>(9,251)</b>	<b>(135,366)</b>	<b>(4,559,360)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	3,205,592	-	-	667,046	260,000	-	4,132,638
Transfers out	-	-	-	(9,973,944)	-	(1,700,000)	(11,673,944)
Capital leases	-	-	-	2,837,449	-	-	2,837,449
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,205,592</b>	<b>-</b>	<b>-</b>	<b>(6,469,449)</b>	<b>260,000</b>	<b>(1,700,000)</b>	<b>(4,703,857)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>190,737</b>	<b>2,269,717</b>	<b>-</b>	<b>(10,139,054)</b>	<b>250,749</b>	<b>(1,835,366)</b>	<b>(9,263,217)</b>
<b>FUND BALANCE, July 1, 2008</b>	<b>183,966</b>	<b>4,420,316</b>	<b>-</b>	<b>14,438,458</b>	<b>1,302,783</b>	<b>2,729,981</b>	<b>23,075,504</b>
<b>FUND BALANCE, June 30, 2009</b>	<b>\$ 374,703</b>	<b>\$ 6,690,033</b>	<b>\$ -</b>	<b>\$ 4,299,404</b>	<b>\$ 1,553,532</b>	<b>\$ 894,615</b>	<b>\$ 13,812,287</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
STUDENT ACTIVITY FUND  
YEAR ENDED JUNE 30, 2009**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Charges for services	\$ 2,600,935	\$ 2,600,935	\$ 1,080,229	\$ (1,520,706)
Investment earnings	-	-	32,708	32,708
Contributions and donations	11,783	11,783	170,396	158,613
Other	38,000	38,000	122,702	84,702
<b>TOTAL REVENUES</b>	<b>2,650,718</b>	<b>2,650,718</b>	<b>1,406,035</b>	<b>(1,244,683)</b>
<b>EXPENDITURES:</b>				
Instruction	5,503,223	5,992,223	4,237,879	1,754,344
Support services	209,815	209,815	98,207	111,608
Enterprise and community services	95,002	95,002	84,804	10,198
<b>TOTAL EXPENDITURES</b>	<b>5,808,040</b>	<b>6,297,040</b>	<b>4,420,890</b>	<b>1,876,150</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(3,157,322)</b>	<b>(3,646,322)</b>	<b>(3,014,855)</b>	<b>631,467</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	2,716,592	3,205,592	3,205,592	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>(440,730)</b>	<b>(440,730)</b>	<b>190,737</b>	<b>631,467</b>
<b>FUND BALANCE, July 1, 2008</b>	<b>440,730</b>	<b>440,730</b>	<b>183,966</b>	<b>(256,764)</b>
<b>FUND BALANCE, June 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 374,703</b>	<b>\$ 374,703</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
CATEGORICAL FUND  
YEAR ENDED JUNE 30, 2009**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
State and local sources	\$ 3,000,000	\$ 3,000,000	\$ 4,602,172	\$ 1,602,172
Investment earnings	116,800	116,800	57,344	(59,456)
Other	400,000	400,000	638,116	238,116
<b>TOTAL REVENUES</b>	<b>3,516,800</b>	<b>3,516,800</b>	<b>5,297,632</b>	<b>1,780,832</b>
<b>EXPENDITURES:</b>				
Support services	3,363,989	3,363,989	3,000,190	363,799
Facilities acquisition and construction	5,254,371	4,898,371	27,725	4,870,646
<b>TOTAL EXPENDITURES</b>	<b>8,618,360</b>	<b>8,262,360</b>	<b>3,027,915</b>	<b>5,234,445</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(5,101,560)</b>	<b>(4,745,560)</b>	<b>2,269,717</b>	<b>7,015,277</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	-	(356,000)	-	356,000
<b>NET CHANGE IN FUND BALANCE</b>	<b>(5,101,560)</b>	<b>(5,101,560)</b>	<b>2,269,717</b>	<b>7,371,277</b>
<b>FUND BALANCE, July 1, 2008</b>	<b>5,101,560</b>	<b>5,101,560</b>	<b>4,420,316</b>	<b>(681,244)</b>
<b>FUND BALANCE, June 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,690,033</b>	<b>\$ 6,690,033</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL PROGRAMS FUND  
YEAR ENDED JUNE 30, 2009**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Federal sources	\$ 22,125,636	\$ 22,125,636	\$ 15,781,353	\$ (6,344,283)
State and local sources	711,516	711,516	2,162,301	1,450,785
Contributions and donations	3,814,975	3,814,975	1,016,313	(2,798,662)
Other	68,638	68,638	29,386	(39,252)
<b>TOTAL REVENUES</b>	<b>26,720,765</b>	<b>26,720,765</b>	<b>18,989,353</b>	<b>(7,731,412)</b>
<b>EXPENDITURES:</b>				
Instruction	15,343,319	15,343,319	12,352,504	2,990,815
Support services	10,319,446	10,319,446	6,364,848	3,954,598
Enterprise and community services	514,000	514,000	185,615	328,385
Facilities acquisition and construction	544,000	544,000	86,386	457,614
<b>TOTAL EXPENDITURES</b>	<b>26,720,765</b>	<b>26,720,765</b>	<b>18,989,353</b>	<b>7,731,412</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, July 1, 2008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, June 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
LONG-TERM PLANNING FUND  
YEAR ENDED JUNE 30, 2009**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
State and local sources	\$ 650,000	\$ 650,000	\$ 560,474	\$ (89,526)
Investment earnings	175,000	175,000	112,123	(62,877)
Other	-	-	32,878	32,878
<b>TOTAL REVENUES</b>	<b>825,000</b>	<b>825,000</b>	<b>705,475</b>	<b>(119,525)</b>
<b>EXPENDITURES:</b>				
Support services	5,151,326	5,151,326	4,118,794	1,032,532
Enterprise and community services	656,015	656,015	164,877	491,138
Facilities acquisition and construction	105,052	105,052	91,409	13,643
Contingencies	5,744,000	3,345,056	-	3,345,056
<b>TOTAL EXPENDITURES</b>	<b>11,656,393</b>	<b>9,257,449</b>	<b>4,375,080</b>	<b>4,882,369</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(10,831,393)</b>	<b>(8,432,449)</b>	<b>(3,669,605)</b>	<b>4,762,844</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	730,108	730,108	667,046	(63,062)
Transfers out	(7,575,000)	(9,973,944)	(9,973,944)	-
Capital leases	2,934,799	2,934,799	2,837,449	(97,350)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,910,093)</b>	<b>(6,309,037)</b>	<b>(6,469,449)</b>	<b>(160,412)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(14,741,486)</b>	<b>(14,741,486)</b>	<b>(10,139,054)</b>	<b>4,602,432</b>
<b>FUND BALANCE, July 1, 2008</b>	<b>14,741,486</b>	<b>14,741,486</b>	<b>14,438,458</b>	<b>(303,028)</b>
<b>FUND BALANCE, June 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,299,404</b>	<b>\$ 4,299,404</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOOD SERVICES FUND  
YEAR ENDED JUNE 30, 2009**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Federal sources	\$ 6,508,325	\$ 6,508,325	\$ 6,476,041	\$ (32,284)
State and local sources	130,053	130,053	126,938	(3,115)
Charges for services	5,429,936	5,429,936	4,952,460	(477,476)
Rentals	-	-	4,067	4,067
Investment earnings	41,283	41,283	16,297	(24,986)
<b>TOTAL REVENUES</b>	<b>12,109,597</b>	<b>12,109,597</b>	<b>11,575,803</b>	<b>(533,794)</b>
<b>EXPENDITURES:</b>				
Support services	11,488	11,488	9,842	1,646
Enterprise and community services	12,479,405	12,739,405	11,575,212	1,164,193
Contingencies	960,369	960,369	-	960,369
<b>TOTAL EXPENDITURES</b>	<b>13,451,262</b>	<b>13,711,262</b>	<b>11,585,054</b>	<b>2,126,208</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,341,665)</b>	<b>(1,601,665)</b>	<b>(9,251)</b>	<b>1,592,414</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	-	260,000	260,000	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,341,665)</b>	<b>(1,341,665)</b>	<b>250,749</b>	<b>1,592,414</b>
<b>FUND BALANCE, July 1, 2008</b>	<b>1,341,665</b>	<b>1,341,665</b>	<b>1,302,783</b>	<b>(38,882)</b>
<b>FUND BALANCE, June 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,553,532</b>	<b>\$ 1,553,532</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL  
PENSION TRUST FUND  
YEAR ENDED JUNE 30, 2009**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 36,000	\$ 36,000	\$ 39,037	\$ 3,037
<b>TOTAL REVENUES</b>	<u>36,000</u>	<u>36,000</u>	<u>39,037</u>	<u>3,037</u>
<b>EXPENDITURES:</b>				
Support services	997,155	965,000	174,403	790,597
Operating contingency	1,667,845	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>2,665,000</u>	<u>965,000</u>	<u>174,403</u>	<u>790,597</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(2,629,000)	(929,000)	(135,366)	(787,560)
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers out	-	(1,700,000)	(1,700,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(2,629,000)	(2,629,000)	(1,835,366)	793,634
<b>FUND BALANCE, July 1, 2008</b>	<u>2,629,000</u>	<u>2,629,000</u>	<u>2,729,981</u>	<u>100,981</u>
<b>FUND BALANCE, June 30, 2009</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 894,615</u>	<u>\$ 894,615</u>

## **INTERNAL SERVICE FUNDS**

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

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

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

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

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**BEAVERTON SCHOOL DISTRICT  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2009**

	Printing Services	Insurance Reserve	Workers' Compensation	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 559,966	\$ 2,119,499	\$ 3,802,100	\$ 6,481,565
Receivables	2,369	3,535	52,254	58,158
Due from other funds	-	66,731	40,855	107,586
Inventory	8,992	-	-	8,992
<b>TOTAL CURRENT ASSETS</b>	<b>571,327</b>	<b>2,189,765</b>	<b>3,895,209</b>	<b>6,656,301</b>
Capital assets, net of accumulated depreciation	50,331	-	-	50,331
<b>TOTAL ASSETS</b>	<b>621,658</b>	<b>2,189,765</b>	<b>3,895,209</b>	<b>6,706,632</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	22,425	72,594	659	95,678
Accrued claims losses	-	1,085,615	1,459,710	2,545,325
Accrued salaries and benefits	-	-	2,679	2,679
Due to other funds	-	-	32	32
<b>TOTAL LIABILITIES</b>	<b>22,425</b>	<b>1,158,209</b>	<b>1,463,080</b>	<b>2,643,714</b>
<b>NET ASSETS</b>				
Invested in capital assets	50,331	-	-	50,331
Unrestricted	548,902	1,031,556	2,432,129	4,012,587
<b>TOTAL NET ASSETS</b>	<b>\$ 599,233</b>	<b>\$ 1,031,556</b>	<b>\$ 2,432,129</b>	<b>\$ 4,062,918</b>

**BEAVERTON SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2009**

	Printing Services	Insurance Reserve	Workers' Compensation	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 438,203	\$ 1,000,244	\$ 591,345	\$ 2,029,792
Recovery of prior years' expenditures	-	114,216	77,703	191,919
Other	-	6,312	-	6,312
<b>TOTAL OPERATING REVENUES</b>	<b>438,203</b>	<b>1,120,772</b>	<b>669,048</b>	<b>2,228,023</b>
<b>OPERATING EXPENSES:</b>				
Losses and claims	-	416,868	793,350	1,210,218
Insurance premiums and assessments	-	1,681,536	90,094	1,771,630
Salaries and benefits	84,193	195,403	418,305	697,901
Services, supplies and materials	224,962	217,688	67,627	510,277
Facilities acquisition and construction	-	65,579	-	65,579
Depreciation	6,723	-	-	6,723
<b>TOTAL OPERATING EXPENSES</b>	<b>315,878</b>	<b>2,577,074</b>	<b>1,369,376</b>	<b>4,262,328</b>
<b>OPERATING INCOME (LOSS)</b>	<b>122,325</b>	<b>(1,456,302)</b>	<b>(700,328)</b>	<b>(2,034,305)</b>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
Investment earnings	5,876	36,388	61,491	103,755
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>128,201</b>	<b>(1,419,914)</b>	<b>(638,837)</b>	<b>(1,930,550)</b>
Transfers in	-	1,200,000	-	1,200,000
<b>CHANGE IN NET ASSETS</b>	<b>128,201</b>	<b>(219,914)</b>	<b>(638,837)</b>	<b>(730,550)</b>
<b>NET ASSETS, July 1, 2008</b>	<b>471,032</b>	<b>1,251,470</b>	<b>3,070,966</b>	<b>4,793,468</b>
<b>NET ASSETS, June 30, 2009</b>	<b>\$ 599,233</b>	<b>\$ 1,031,556</b>	<b>\$ 2,432,129</b>	<b>\$ 4,062,918</b>

BEAVERTON SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 YEAR ENDED JUNE 30, 2009

	Printing Services	Insurance Reserve	Workers' Compensation	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Received for services	\$ 440,137	\$ -	\$ -	\$ 440,137
Received from recovery of prior years' expenditures	-	114,216	77,703	191,919
Received from interfund services provided	-	1,019,367	515,792	1,535,159
Paid for goods and services	(196,353)	(1,995,132)	(174,975)	(2,366,460)
Paid to claimants	-	(416,868)	(793,350)	(1,210,218)
Paid to employees	(84,193)	(195,403)	(419,497)	(699,093)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>159,591</b>	<b>(1,473,820)</b>	<b>(794,327)</b>	<b>(2,108,556)</b>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfer from other funds	-	1,200,000	-	1,200,000
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchases of capital assets	2,153	-	-	2,153
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	5,876	36,388	61,491	103,755
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>167,620</b>	<b>(237,432)</b>	<b>(732,836)</b>	<b>(802,648)</b>
<b>CASH AND CASH EQUIVALENTS, JULY 1, 2008</b>	<b>392,346</b>	<b>2,356,931</b>	<b>4,534,936</b>	<b>7,284,213</b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2009</b>	<b>\$ 559,966</b>	<b>\$ 2,119,499</b>	<b>\$ 3,802,100</b>	<b>\$ 6,481,565</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 122,325	\$ (1,456,302)	\$ (700,328)	\$ (2,034,305)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	6,723	-	-	6,723
Changes in assets and liabilities:				
Receivables	1,934	17,392	(48,850)	(29,524)
Inventory	13,917	-	-	13,917
Due from other funds	-	(4,581)	(26,670)	(31,251)
Accounts payable	14,692	(30,329)	(17,254)	(32,891)
Due to other funds	-	-	(33)	(33)
Accrued salaries and benefits	-	-	(1,192)	(1,192)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 159,591</b>	<b>\$ (1,473,820)</b>	<b>\$ (794,327)</b>	<b>\$ (2,108,556)</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
PRINTING SERVICES FUND  
YEAR ENDED JUNE 30, 2009**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Charges for services	\$ 518,918	\$ 518,918	\$ 438,203	\$ (80,715)
Investment earnings	-	-	5,876	5,876
<b>TOTAL REVENUES</b>	<b>518,918</b>	<b>518,918</b>	<b>444,079</b>	<b>(74,839)</b>
<b>EXPENDITURES:</b>				
Support services	518,918	518,918	315,878	203,040
<b>EXCESS OF REVENUES OVER EXPENDITURES AND NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>128,201</b>	<b>128,201</b>
<b>FUND BALANCE, July 1, 2008</b>	<b>-</b>	<b>-</b>	<b>89,346</b>	<b>89,346</b>
<b>FUND BALANCE, June 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 217,547</b>	<b>\$ 217,547</b>

**RECONCILIATION TO GAAP BASIS:**

<b>FUND BALANCE, June 30, 2009</b>	\$ 217,547
Contributed assets	<u>381,686</u>
<b>NET ASSETS, June 30, 2009</b>	<u><u>\$ 599,233</u></u>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
INSURANCE RESERVE FUND  
YEAR ENDED JUNE 30, 2009**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Charges for services	\$ 978,892	\$ 978,892	\$ 1,000,244	\$ 21,352
Investment earnings	50,000	50,000	36,388	(13,612)
Recovery of prior years' expenditures	-	-	114,216	114,216
Other	-	-	6,312	6,312
<b>TOTAL REVENUES</b>	<b>1,028,892</b>	<b>1,028,892</b>	<b>1,157,160</b>	<b>128,268</b>
<b>EXPENDITURES:</b>				
Instruction	52,020	52,020	12,852	39,168
Support services	2,888,059	2,888,059	2,498,643	389,416
Facilities acquisition and construction	-	260,308	65,579	194,729
Operating contingency	38,813	38,813	-	38,813
<b>TOTAL EXPENDITURES</b>	<b>2,978,892</b>	<b>3,239,200</b>	<b>2,577,074</b>	<b>662,126</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,950,000)</b>	<b>(2,210,308)</b>	<b>(1,419,914)</b>	<b>790,394</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	1,200,000	1,200,000	1,200,000	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>(750,000)</b>	<b>(1,010,308)</b>	<b>(219,914)</b>	<b>790,394</b>
<b>FUND BALANCE, July 1, 2008</b>	<b>750,000</b>	<b>1,010,308</b>	<b>1,251,470</b>	<b>241,162</b>
<b>FUND BALANCE, June 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,031,556</b>	<b>\$ 1,031,556</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
WORKERS' COMPENSATION FUND  
YEAR ENDED JUNE 30, 2009**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Charges for services	\$ 600,000	\$ 600,000	\$ 591,345	\$ (8,655)
Investment earnings	80,000	80,000	61,491	(18,509)
Recovery of prior years' expenditures	-	-	77,703	77,703
<b>TOTAL REVENUES</b>	<b>680,000</b>	<b>680,000</b>	<b>730,539</b>	<b>50,539</b>
<b>EXPENDITURES:</b>				
Support services	1,560,547	1,560,547	1,369,376	191,171
Operating contingency	2,039,415	2,039,415	-	2,039,415
<b>TOTAL EXPENDITURES</b>	<b>3,599,962</b>	<b>3,599,962</b>	<b>1,369,376</b>	<b>2,230,586</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND NET CHANGE IN FUND BALANCE</b>	<b>(2,919,962)</b>	<b>(2,919,962)</b>	<b>(638,837)</b>	<b>2,281,125</b>
<b>FUND BALANCE, July 1, 2008</b>	<b>2,919,962</b>	<b>2,919,962</b>	<b>3,070,966</b>	<b>151,004</b>
<b>FUND BALANCE, June 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,432,129</b>	<b>\$ 2,432,129</b>

## **FIDUCIARY FUNDS**

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

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

*Agency Fund* - accounts for the receipts, disbursements and cash balances of the various schools' student body activity funds.

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**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL  
PRIVATE PURPOSE TRUST FUND  
YEAR ENDED JUNE 30, 2009**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Contributions and donations	\$ 44,000	\$ 44,000	\$ 56,663	\$ 12,663
Investment earnings	4,000	4,000	4,003	3
Miscellaneous	-	-	2,223	2,223
<b>TOTAL REVENUES</b>	<b>48,000</b>	<b>48,000</b>	<b>62,889</b>	<b>14,889</b>
<b>EXPENDITURES:</b>				
Enterprise and community services	368,485	368,485	48,739	319,746
<b>NET CHANGE IN FUND BALANCE</b>	<b>(320,485)</b>	<b>(320,485)</b>	<b>14,150</b>	<b>334,635</b>
<b>FUND BALANCE, July 1, 2008</b>	<b>320,485</b>	<b>320,485</b>	<b>314,284</b>	<b>(6,201)</b>
<b>FUND BALANCE, June 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 328,434</b>	<b>\$ 328,434</b>

**RECONCILIATION TO GAAP BASIS:**

<b>FUND BALANCE, June 30, 2009</b>	\$ 328,434
Scholarships payable	(71,500)
<b>NET ASSETS, June 30, 2009</b>	<b>\$ 256,934</b>

**BEAVERTON SCHOOL DISTRICT  
 STATEMENT OF CHANGES IN ASSET AND LIABILITY  
 AGENCY FUND  
 YEAR ENDED JUNE 30, 2009**

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<b><u>ASSET</u></b>				
Equity in pooled cash and investments	<u>\$ 1,860,028</u>	<u>\$ 6,330,821</u>	<u>\$ 6,150,521</u>	<u>\$ 2,040,328</u>
<b><u>LIABILITY</u></b>				
Due to student groups	<u>\$ 1,860,028</u>	<u>\$ 6,330,821</u>	<u>\$ 6,150,521</u>	<u>\$ 2,040,328</u>

**OTHER FINANCIAL SCHEDULES**

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**BEAVERTON SCHOOL DISTRICT  
REVENUE SUMMARY - ALL FUNDS  
YEAR ENDED JUNE 30, 2009**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700	Total
<b>Local Sources</b>							
1111 Current year taxes	\$ 92,186,172	\$ -	\$ 36,739,988	\$ -	\$ -	\$ -	\$ 128,926,160
1112 Prior year taxes	1,561,828	-	641,571	-	-	-	2,203,399
1114 Payments in lieu of property taxes	62,960	-	25,815	-	-	-	88,775
1122 Prior year local option levy	39,316	-	-	-	-	-	39,316
1130 Construction excise tax	-	-	-	1,113,898	-	-	1,113,898
1200 Received from local government	-	29,386	-	-	-	-	29,386
1300 Tuition	31,941	7,762	-	-	-	-	39,703
1411 Fees - transportation	126,451	-	-	-	-	-	126,451
1510 Investment earnings	915,479	218,472	403,076	1,764,399	103,755	43,040	3,448,221
1600 Food service sales	-	4,952,460	-	-	-	-	4,952,460
1712 Admissions	-	181,552	-	-	-	-	181,552
1744 Fees - district events	-	772,393	-	-	-	-	772,393
1751 Commissions	-	20,926	-	-	-	-	20,926
1762 Fund raising	-	120,002	-	-	-	-	120,002
1810 Preschool services	-	97,596	-	-	-	-	97,596
1912 Rentals	490,440	4,117	-	1,174,581	-	-	1,669,138
1920 Contributions	1,009	1,360,695	-	37,521	-	56,663	1,455,888
1941 Services provided	-	-	-	-	-	-	-
1951 Textbook sales	209	-	-	-	-	-	209
1960 Recovery of prior years' expenditures	24,199	21,748	-	500	191,919	-	238,366
1971 Printing services	-	-	-	-	438,203	-	438,203
1972 Services to other funds	-	-	10,063,782	-	1,591,589	-	11,655,371
1980 Fees charged to grants	599,764	-	-	-	-	-	599,764
1990 Miscellaneous	132,736	468,035	-	-	6,312	2,223	609,306
1994 Third party billing	243,307	-	-	-	-	-	243,307
1995 Proceeds from the sale of capital assets	57,567	9,875	-	-	-	-	67,442
<b>Total local sources</b>	<b>96,473,378</b>	<b>8,265,019</b>	<b>47,874,232</b>	<b>4,090,899</b>	<b>2,331,778</b>	<b>101,926</b>	<b>159,137,232</b>
<b>Intermediate Sources</b>							
2101 County school fund	393,087	-	-	-	-	-	393,087
2102 ESD apportionment	5,606,788	106,410	-	-	-	-	5,713,198
2200 Restricted revenue	-	1,045,413	-	-	-	-	1,045,413
2910 Strategic investment program	46,205	455,347	-	-	-	-	501,552
<b>Total intermediate sources</b>	<b>6,046,080</b>	<b>1,607,170</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,653,250</b>
<b>State Sources</b>							
3101 State school fund	164,302,257	-	-	-	-	-	164,302,257
3102 State school fund match	-	123,123	-	-	-	-	123,123
3103 Common school fund	2,833,379	-	-	-	-	-	2,833,379
3106 School improvement grant	7,563,762	-	-	-	-	-	7,563,762
3199 Other unrestricted grants-in-aid	3,262,743	4,602,172	-	-	-	-	7,864,915
3222 State school fund - transportation equip	-	-	1,331,502	-	-	-	1,331,502
3299 Other restricted grants-in-aid	-	1,119,420	-	-	-	-	1,119,420
<b>Total state sources</b>	<b>177,962,141</b>	<b>5,844,715</b>	<b>1,331,502</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>185,138,358</b>
<b>Federal Sources</b>							
4300 Restricted direct from federal	-	1,253,619	-	-	-	-	1,253,619
4500 Restricted through state	7,185,069	20,397,096	-	-	-	-	27,582,165
4700 Federal grants	-	49,762	-	-	-	-	49,762
4910 Commodities	-	556,917	-	-	-	-	556,917
<b>Total federal sources</b>	<b>7,185,069</b>	<b>22,257,394</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,442,463</b>
<b>Other Sources</b>							
5110 Proceeds from the sale of bonds	-	-	-	65,460,000	-	-	65,460,000
5120 Proceeds from bond premium	-	-	-	3,355,265	-	-	3,355,265
5160 Proceeds from capital leases	-	2,837,449	-	-	-	-	2,837,449
5200 Transfers in	10,998,944	4,132,638	675,000	2,616,191	1,200,000	-	19,622,773
<b>Total other sources</b>	<b>10,998,944</b>	<b>6,970,087</b>	<b>675,000</b>	<b>71,431,456</b>	<b>1,200,000</b>	<b>-</b>	<b>91,275,487</b>
<b>TOTAL REVENUES</b>	<b>\$ 298,665,612</b>	<b>\$ 44,944,385</b>	<b>\$ 49,880,734</b>	<b>\$ 75,522,355</b>	<b>\$ 3,531,778</b>	<b>\$ 101,926</b>	<b>\$ 472,646,790</b>

**BEAVERTON SCHOOL DISTRICT  
GENERAL FUND (100) EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2009**

Instruction	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Total
1110 Elementary programs	\$ 43,752,941	\$ 17,425,244	\$ 142,689	\$ 2,473,533	\$ -	\$ -	\$ 63,794,407
1120 Middle school programs	21,483,126	8,630,058	90,401	1,104,704	20,031	1,157	31,329,477
1130 High school programs	25,348,538	10,141,457	123,439	1,249,211	3,450	10,483	36,876,578
1210 Talented and gifted programs	334,542	91,752	59,905	85,972	-	480	572,651
1220 Restrictive programs	8,490,118	4,772,433	280,998	65,019	-	-	13,608,568
1250 Resource rooms	6,015,820	2,755,665	-	-	-	-	8,771,485
1280 Alternative education	1,139,258	464,641	1,017,524	53,116	-	-	2,674,539
1290 Designated programs	9,499,876	4,154,139	142,041	121,624	-	59,018	13,976,698
1460 Summer school programs	278,167	60,281	4,320	4,513	-	-	347,281
Total instruction	116,342,386	48,495,670	1,861,317	5,157,692	23,481	71,138	171,951,684
Support services							
2110 Attendance and social work services	1,385,658	787,318	35,845	23,721	-	815	2,233,357
2120 Guidance services	6,076,392	2,536,677	37,267	57,558	-	4,578	8,712,472
2130 Health services	990,283	411,315	68,995	9,486	-	-	1,480,079
2140 Psychological services	1,837,961	661,246	4,872	40,436	-	-	2,544,515
2150 Speech pathology and audiology services	1,989,799	747,254	27,421	13,985	-	-	2,778,459
2190 Service direction - student support services	1,504,534	509,977	462,300	221,697	83,204	9,563	2,791,275
2210 Improvement of instruction services	4,451,814	1,691,594	49,084	41,321	-	94,165	6,327,978
2220 Educational media services	4,258,176	1,923,165	109,259	789,016	-	225	7,079,841
2230 Assessment and testing	154,649	63,208	109,287	77,233	-	-	404,377
2240 Instructional staff development	894,561	1,043,549	73,522	41,248	-	-	2,052,880
2310 Board of education services	60,111	24,107	162,924	4,871	-	23,851	275,864
2320 Executive administration services	826,010	282,340	262,775	146,855	-	4,439	1,522,419
2410 Office of the principal services	14,614,720	5,892,316	153,368	407,181	-	10,480	21,078,065
2490 Other support services - school administration	977,559	358,531	10,052	3,375	-	-	1,349,517
2510 Direction of business support services	154,226	55,660	77,137	9,346	-	5,294	301,663
2520 Fiscal services	958,158	409,123	22,543	17,452	-	3,775	1,411,051
2540 Operation and maintenance of plant services	9,169,433	4,172,104	8,054,941	1,442,128	43,944	39,430	22,921,980
2550 Student transportation services	7,767,078	4,614,570	185,803	1,620,754	-	3,204	14,191,409
2570 Internal services	377,221	169,731	866,249	138,768	-	6,108	1,558,077
2620 Planning and development services	350,049	125,138	20,222	3,515	-	3,085	502,009
2630 Information services	294,190	106,326	72,876	14,862	-	375	488,629
2640 Staff services	1,331,760	520,668	150,730	63,498	-	1,629	2,068,285
2660 Technology services	2,848,928	1,137,946	1,604,627	685,752	115,178	6,458	6,398,889
Total support services	63,273,270	28,243,863	12,622,099	5,874,058	242,326	217,474	110,473,090
Facilities Acquisition and Construction							
4110 Service area direction	266,332	99,731	52,478	10,453	-	865	429,859
4120 Site acquisition and development	-	-	-	-	-	-	-
4150 Building acquisition, construction and improvement services	-	-	1,273	-	382,919	3,320	387,512
Total facilities acquisition and construction	266,332	99,731	53,751	10,453	382,919	4,185	817,371
<b>TOTAL EXPENDITURES</b>	<b>\$ 179,881,988</b>	<b>\$ 76,839,264</b>	<b>\$ 14,537,167</b>	<b>\$ 11,042,203</b>	<b>\$ 648,726</b>	<b>\$ 292,797</b>	<b>\$ 283,242,145</b>

**BEAVERTON SCHOOL DISTRICT  
SPECIAL REVENUE FUNDS (200) EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2009**

Instruction	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Total
1110 Elementary programs	\$ 270,113	\$ 59,562	\$ 35,348	\$ 17,807	\$ -	\$ -	\$ 382,830
1120 Middle school programs	187,647	39,602	15,675	26,430	-	-	269,354
1130 High school programs	2,633,877	703,844	565,972	274,472	-	51,373	4,229,538
1210 Programs for Talented & Gifted	3,798	743	-	121	-	-	4,662
1220 Restrictive programs	1,990,696	948,973	1,292,170	61,391	-	-	4,293,230
1250 Resource rooms	444,908	218,415	-	-	-	-	663,323
1260 Early intervention	62,794	13,927	14,577	9,422	-	-	100,720
1270 Educationally disadvantaged	2,979,409	1,423,942	207,173	472,297	-	3,209	5,086,030
1280 Alternative education	133,123	39,238	42,428	33,099	58,500	3,725	310,113
1290 Designated programs	395,952	154,877	113,998	175,822	-	55	840,704
1490 Other summer school	277,529	62,504	60,511	9,335	-	-	409,879
Total instruction	9,379,846	3,665,627	2,347,852	1,080,196	58,500	58,362	16,590,383
Support services							
2110 Attendance and social work services	43,718	20,213	317	2,573	-	-	66,821
2120 Guidance services	228,177	88,756	31,191	45,933	-	-	394,057
2130 Health services	-	-	50,766	-	-	-	50,766
2150 Speech pathology and audiology services	303,947	133,118	-	-	-	-	437,065
2190 Service direction - student support services	128,446	43,812	465,218	7,811	-	-	645,287
2210 Improvement of instruction services	472,357	171,037	108,113	76,317	-	-	827,824
2220 Educational media services	491	40	53,811	37,849	-	-	92,191
2230 Assessment and testing	5,414	1,010	-	986	-	-	7,410
2240 Instructional staff development	1,893,254	531,899	462,082	177,154	-	8,603	3,072,992
2410 Office of the principal services	7,260	6,005	-	-	-	-	13,265
2490 Other support services - school administration	40,219	4,365	12,981	9,637	-	-	67,202
2520 Fiscal services	26,770	8,365	-	-	-	599,764	634,899
2540 Operation and maintenance of plant services	43,630	18,431	-	504	52,642	-	115,207
2550 Student transportation services	-	-	6,075	42,705	2,839,436	-	2,888,216
2570 Internal services	-	-	347,153	2,103,809	696,457	-	3,147,419
2620 Planning and development services	-	-	2,000	-	-	-	2,000
2660 Technology services	-	-	337,313	704,254	87,693	-	1,129,260
Total support services	3,193,683	1,027,051	1,877,020	3,209,532	3,676,228	608,367	13,591,881
Enterprise and community services							
3110 Service area direction	717,061	288,200	41,091	578,591	-	64	1,625,007
3120 Food preparation and dispensing services	2,727,610	1,501,065	83,919	5,405,037	-	13,097	9,730,728
3140 Food services - summer school	80,844	17,378	6,510	171,263	-	-	275,995
3190 Other food services	-	-	3,868	91,234	69,775	-	164,877
3370 Nonpublic school students	26,520	11,089	-	-	-	-	37,609
3390 Other community services	8,742	1,848	79,125	1,773	-	-	91,488
3500 Custody and care of children	51,112	33,692	-	-	-	-	84,804
Total enterprise and community services	3,611,889	1,853,272	214,513	6,247,898	69,775	13,161	12,010,508
Facilities acquisition and construction							
4150 Building acquisition, construction, and improvement services	-	-	61,000	215,326	(70,806)	-	205,520
<b>TOTAL EXPENDITURES</b>	<b>\$ 16,185,418</b>	<b>\$ 6,545,950</b>	<b>\$ 4,500,385</b>	<b>\$ 10,752,952</b>	<b>\$ 3,733,697</b>	<b>\$ 679,890</b>	<b>\$ 42,398,292</b>

BEAVERTON SCHOOL DISTRICT  
 DEBT SERVICE FUND (300) EXPENDITURE SUMMARY  
 YEAR ENDED JUNE 30, 2009

Other Uses	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
5110 Debt Service	-	-	-	-	-	53,412,079	-	53,412,079
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**BEAVERTON SCHOOL DISTRICT  
CAPITAL PROJECTS FUND (400) EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2009**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Total
Support services							
2510 Fiscal services	\$ -	\$ -	\$ 600,755	\$ -	\$ -	\$ -	\$ 600,755
2540 Operation and maintenance of plant services	19,436	6,830	414,943	18,585	10,570	68	470,432
Total support services	<u>19,436</u>	<u>6,830</u>	<u>1,015,698</u>	<u>18,585</u>	<u>10,570</u>	<u>68</u>	<u>1,071,187</u>
Facilities acquisition and construction							
4110 Service area direction	1,015,447	369,277	71,558	1,527	-	1,183,792	2,641,601
4120 Site acquisition and development services	-	-	45,906	-	-	-	45,906
4150 Building acquisition, construction, and improvement services	-	-	6,156,461	73,635	71,184,540	1,824,135	79,238,771
Total facilities acquisition and construction	<u>1,015,447</u>	<u>369,277</u>	<u>6,273,925</u>	<u>75,162</u>	<u>71,184,540</u>	<u>3,007,927</u>	<u>81,926,278</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,034,883</u>	<u>\$ 376,107</u>	<u>\$ 7,289,623</u>	<u>\$ 93,747</u>	<u>\$ 71,195,110</u>	<u>\$ 3,007,995</u>	<u>\$ 82,997,465</u>

**BEAVERTON SCHOOL DISTRICT  
INTERNAL SERVICE FUND (600) EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2009**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Total
<b>Instruction</b>							
1110 Elementary programs	\$ 55	\$ 13	\$ -	\$ 4,138	\$ -	\$ -	\$ 4,206
1120 Middle school programs	-	-	-	999	-	-	999
1130 High school programs	-	-	-	7,647	-	-	7,647
Total instruction	55	13	-	12,784	-	-	12,852
<b>Support services</b>							
2220 Educational media services	-	-	-	10,465	-	-	10,465
2410 Office of the principal services	-	-	-	917	-	-	917
2490 Other support services - school administration	-	-	-	-	-	-	-
2540 Operation and maintenance of plant services	-	-	1,250	685	-	-	1,935
2550 Student transportation services	4,356	3,585	-	-	-	-	7,941
2570 Internal services	55,988	28,205	124,473	89,998	10,491	6,723	315,878
2640 Staff services	107,439	46,566	49,109	294	-	12	203,420
2690 Other support services	323,824	127,870	183,602	26,209	-	2,981,836	3,643,341
Total support services	491,607	206,226	358,434	128,568	10,491	2,988,571	4,183,897
<b>Facilities acquisition and construction</b>							
4150 Building acquisition, construction, and improvement services	-	-	60,347	-	5,232	-	65,579
<b>TOTAL EXPENDITURES</b>	\$ 491,662	\$ 206,239	\$ 418,781	\$ 141,352	\$ 15,723	\$ 2,988,571	\$ 4,262,328

**BEAVERTON SCHOOL DISTRICT  
 FIDUCIARY FUND (700) EXPENDITURE SUMMARY (NON-GAAP BASIS)  
 YEAR ENDED JUNE 30, 2009**

	Object 100	Object 200	Object 300	Object 400	Object 700	Total
Support services						
2700 Supplemental retirement program	\$ 123,000	\$ 51,403	\$ -	\$ -	\$ -	\$ 174,403
Enterprise and community services						
3390 Other community services	-	-	33,000	15,739	-	48,739
<b>TOTAL EXPENDITURES</b>	<b>\$ 123,000</b>	<b>\$ 51,403</b>	<b>\$ 33,000</b>	<b>\$ 15,739</b>	<b>\$ -</b>	<b>\$ 223,142</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF PROPERTY TAX TRANSACTIONS  
YEAR ENDED JUNE 30, 2009**

	<u>Tax Year</u>	<u>Uncollected July 1, 2008*</u>	<u>Levy as Extended by Assessor</u>	<u>Discounts Allowed</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Uncollected June 30, 2009</u>
<b><u>GENERAL FUND</u></b>								
Current	2008-09		\$ 96,897,588	\$ (2,420,570)	\$ 33,206	\$ (184,446)	\$ (91,364,504)	\$ 2,961,274
Prior	2007-08	\$ 2,232,063		3,410	88,048	(156,437)	(1,413,464)	753,620
	2006-07	546,521	-	786	42,997	(33,603)	(284,245)	272,456
	2005-06	250,975	-	687	40,846	(24,151)	(175,093)	93,264
	2004-05	80,426	-	120	15,400	(5,921)	(58,511)	31,514
	2003-04	27,316	-	37	2,830	(2,744)	(6,840)	20,599
	2002-03 and prior	48,139 *	-	8	5,991	(8,507)	(13,805)	31,826
	Rounding adjustments	-	-	-	-	66	(66)	-
Total prior		3,185,440	-	5,048	196,112	(231,297)	(1,952,024)	1,203,279
<b>TOTAL GENERAL FUND</b>		<b>\$ 3,185,440</b>	<b>\$ 96,897,588</b>	<b>\$ (2,415,522)</b>	<b>\$ 229,318</b>	<b>\$ (415,743)</b>	<b>\$ (93,316,528)</b>	<b>\$ 4,164,553</b>
<b><u>DEBT SERVICE FUND</u></b>								
Current	2008-09		\$ 38,617,166	\$ (964,684)	\$ 13,234	\$ (73,509)	\$ (36,412,033)	\$ 1,180,174
	2007-08	\$ 970,590		1,483	38,287	(68,025)	(614,631)	327,704
Prior	2006-07	185,364	-	267	14,583	(11,397)	(96,408)	92,409
	2005-06	75,227	-	206	12,243	(7,239)	(52,482)	27,955
	2004-05	32,588	-	49	6,240	(2,400)	(23,708)	12,769
	2003-04	8,452	-	12	876	(850)	(2,116)	6,374
	2002-03 and prior	19,103	-	3	2,377	(3,376)	(5,478)	12,629
	Rounding adjustments	-	-	-	-	(172)	172	-
Total prior		1,291,324	-	2,020	74,606	(93,459)	(794,651)	479,840
<b>TOTAL DEBT SERVICE FUND</b>		<b>\$ 1,291,324</b>	<b>\$ 38,617,166</b>	<b>\$ (962,664)</b>	<b>\$ 87,840</b>	<b>\$ (166,968)</b>	<b>\$ (37,206,684)</b>	<b>\$ 1,660,014</b>

\* Restated July 1, 2008 uncollected balance in 2002-03 and prior

**BEAVERTON SCHOOL DISTRICT  
 SUPPLEMENTAL INFORMATION AS REQUIRED  
 BY THE OREGON DEPARTMENT OF EDUCATION  
 YEAR ENDED JUNE 30, 2009**

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

	Objects 325 & 326
Function 2540	\$ 4,898,862
Function 2550	-

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

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

Exclude these functions:

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

Exclude these functions:

- 2550 Pupil Transportation
- 3100 Food Service
- 3300 Community Services
- 4150 Construction

\$	28,564
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Beaverton School District  
16550 SW Merlo Road  
Beaverton, Oregon 97006

# Statistical Section

Statistical Section

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## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
Financial Trends These schedules contain trend information to help the reader understand how financial performance has changed over time.	100
Revenue Capacity These schedules contain information to help the reader assess the Beaverton School District's most significant local revenue sources, state school fund and property taxes.	107
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the ability to issue additional debt in the future.	111
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	114
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	116

Sources: The information in these schedules is derived from the comprehensive annual financial reports for fiscal years ended June 30, 2002-08, unless otherwise noted. Beaverton School District implemented GASB Statement 34 in fiscal year 2002 and implemented GASB Statement 44 in Fiscal Year 2006.

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

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

**Note:** The District began to report accrual information when it implemented GASB Statement 34 in 2002. Over time, ten fiscal years will be presented.

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

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

**Note:** The District began to report accrual information when it implemented GASB Statement 34 in 2002. Over time, ten fiscal years will be presented.

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

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
<b>Net (Expense)/Revenue</b>								
Total primary government net expense	\$ (314,386,932)	\$ (327,226,591)	\$ (295,411,103)	\$ (281,410,045)	\$ (252,031,369)	\$ (216,328,691)	\$ (221,385,476)	\$ (217,559,374)
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
Taxes								
Property taxes levied for general purposes	94,730,145	89,855,636	85,231,015	81,140,182	76,679,466	73,043,378	70,585,644	67,746,192
Local option taxes levied for general purposes	39,316	54,801	263,290	21,111,336	290,906	17,951,531	-	-
Property taxes levied for debt service	37,766,753	39,095,179	28,975,739	30,785,798	31,022,313	28,154,398	28,012,647	24,108,688
Construction excise tax	1,113,898	313,311	-	-	-	-	-	-
State school fund	171,866,019	173,257,834	162,075,476	141,588,593	130,056,624	138,912,496	110,557,301	135,438,000
Common school fund	2,833,379	3,757,889	3,247,263	2,877,013	2,535,781	831,259	2,000,775	939,968
Unrestricted state and local sources	12,158,536	10,433,342	7,932,886	6,894,581	6,155,175	4,708,987	3,170,979	1,606,323
Earnings on investments	3,444,218	9,631,356	1,424,131	6,320,153	5,212,090	1,275,197	1,722,908	3,228,923
Miscellaneous	1,848,896	1,274,003	11,148,982	4,099,523	2,711,758	1,496,522	2,528,506	507,276
Total primary government	323,952,264	326,399,348	289,149,800	290,717,656	251,952,355	264,877,246	216,050,254	233,068,094
<b>Change in Net Assets</b>								
Total primary government	\$ 9,565,332	\$ (827,243)	\$ (6,261,303)	\$ 9,307,611	\$ (79,014)	\$ 48,548,555	\$ (5,335,222)	\$ 15,508,720

**Note:** The District began to report accrual information when it implemented GASB Statement 34 in 2002. Over time, ten fiscal years will be presented.

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

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
General Fund								
Unreserved	\$ 17,182,975	\$ 9,708,337	\$ 16,311,004	\$ 26,750,246	\$ 34,874,198	\$ 42,781,430	\$ 11,501,177	\$ 23,463,351
Total general fund	<u>\$ 17,182,975</u>	<u>\$ 9,708,337</u>	<u>\$ 16,311,004</u>	<u>\$ 26,750,246</u>	<u>\$ 34,874,198</u>	<u>\$ 42,781,430</u>	<u>\$ 11,501,177</u>	<u>\$ 23,463,351</u>
All Other Governmental Funds								
Reserved for inventories	\$ -	\$ -	\$ -	\$ 211,032	\$ 178,613	\$ 154,761	\$ 103,329	\$ 260,470
Unreserved, reported in:								
Debt service fund	2,403,428	5,934,773	5,877,081	6,562,852	5,351,360	10,204,317	10,296,738	10,961,375
Capital projects funds	72,864,172	80,339,282	150,332,989	13,016,390	50,922,847	61,963,592	28,748,170	70,486,769
Special revenue funds	<u>13,812,287</u>	<u>20,345,523</u>	<u>26,640,016</u>	<u>23,150,903</u>	<u>21,948,289</u>	<u>23,406,526</u>	<u>15,440,442</u>	<u>15,528,304</u>
Total all other governmental funds	<u>\$ 89,079,887</u>	<u>\$ 106,619,578</u>	<u>\$ 182,850,086</u>	<u>\$ 42,941,177</u>	<u>\$ 78,401,109</u>	<u>\$ 95,729,196</u>	<u>\$ 54,588,679</u>	<u>\$ 97,236,918</u>

**Note:** The District began to report accrual information when it implemented GASB Statement 34 in 2002. Over time, ten fiscal years will be presented.

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

*(modified accrual basis of accounting)*

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Federal sources:								
Federal grants	\$ 22,966,422	\$ 15,402,495	\$ 13,816,650	\$ 14,641,622	\$ 13,762,221	\$ 11,205,537	\$ 8,498,299	\$ 8,630,029
Food services	6,476,041	5,947,121	5,476,602	5,061,998	4,808,336	4,333,519	3,854,996	3,436,987
Total federal sources	<u>29,442,463</u>	<u>21,349,616</u>	<u>19,293,252</u>	<u>19,703,620</u>	<u>18,570,557</u>	<u>15,539,056</u>	<u>12,353,295</u>	<u>12,067,016</u>
State sources:								
State School Support	182,178,041	176,212,759	166,196,365	142,052,184	129,714,366	138,603,657	110,450,915	128,955,222
Common School Fund	2,833,379	3,757,889	3,247,263	2,877,013	2,535,780	831,259	2,000,775	939,968
Nutrition services	126,938	133,309	133,309	131,728	133,102	132,775	136,100	133,940
Other	7,653,250	8,287,664	6,764,285	5,201,625	5,487,010	4,260,689	2,374,423	7,428,386
Total state sources	<u>192,791,608</u>	<u>188,391,621</u>	<u>176,341,222</u>	<u>150,262,550</u>	<u>137,870,258</u>	<u>143,828,380</u>	<u>114,962,213</u>	<u>137,457,516</u>
Local sources:								
Ad valorem taxes	131,218,334	128,162,210	114,187,597	113,729,273	110,140,999	103,442,033	101,791,357	93,052,630
Local Option Levy	39,316	54,801	263,290	21,111,336	-	17,951,530	-	-
Food service sales	4,952,460	5,256,072	5,155,080	5,155,262	5,458,185	5,298,164	5,201,155	5,126,377
Interest and other income	9,075,363	15,141,413	14,208,913	21,743,467	9,444,129	5,387,212	3,575,644	6,562,880
Other revenues	12,503,043	11,276,968	17,071,530	1,474,718	1,687,007	1,329,671	2,766,078	651,956
Total local sources	<u>157,788,516</u>	<u>159,891,464</u>	<u>150,886,410</u>	<u>163,214,056</u>	<u>126,730,320</u>	<u>133,408,610</u>	<u>113,334,234</u>	<u>105,393,843</u>
Total revenues	<u>\$ 380,022,587</u>	<u>\$ 369,632,701</u>	<u>\$ 346,520,884</u>	<u>\$ 333,180,226</u>	<u>\$ 283,171,135</u>	<u>\$ 292,776,046</u>	<u>\$ 240,649,742</u>	<u>\$ 254,918,375</u>

**Note:** The District began to report accrual information when it implemented GASB Statement 34 in 2002. Over time, ten fiscal years will be presented.

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

*(modified accrual basis of accounting)*

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	\$ 188,542,067	\$ 188,329,573	\$ 176,790,381	\$ 166,708,094	\$ 148,860,060	\$ 131,333,468	\$ 132,760,466	\$ 130,018,795
Pupil personnel services	22,134,153	21,848,902	19,387,314	17,327,799	16,934,964	14,186,742	14,938,329	14,306,641
Instructional media services	7,172,032	7,146,052	7,254,632	6,392,841	6,260,522	5,671,181	5,000,170	5,492,814
Instruction and curriculum development services	7,567,589	8,842,212	9,353,046	5,362,684	3,042,110	2,299,282	2,399,644	2,483,751
Instructional staff training	5,125,872	3,125,866	2,553,112	3,418,579	1,631,324	977,351	1,661,743	2,063,960
Board of education	275,864	184,538	172,757	124,018	133,601	143,304	196,317	108,120
General administration	1,522,419	1,203,654	1,196,802	1,215,448	1,111,301	953,862	942,178	1,048,627
School administration	22,508,049	22,462,904	21,228,944	18,406,389	16,644,872	15,288,210	14,904,928	14,130,343
Fiscal services	2,948,368	2,336,876	2,685,069	1,921,401	1,866,135	1,858,116	1,962,240	2,695,644
Central services	15,294,568	13,927,923	10,898,286	10,746,320	10,168,642	8,523,260	7,787,758	9,286,699
Pupil transportation services	17,079,625	17,112,898	15,326,487	13,195,270	12,064,717	11,045,645	11,353,341	10,208,464
Operation and maintenance of plant	23,507,619	23,653,905	22,377,493	22,959,195	20,545,643	16,500,476	15,869,968	17,140,982
Supplemental retirement	-	-	500,000	1,160,000	901,565	2,000,000	2,000,000	2,000,000
Community services	12,010,508	12,047,652	11,170,622	10,520,259	10,077,303	9,730,906	9,191,452	8,447,333
Capital outlay								
Facilities acquisition/construction	82,949,169	78,045,230	21,846,308	54,214,334	20,142,844	3,031,221	4,832,961	6,274,002
Other capital outlay	-	-	-	4,328	-	22,646,732	40,807,550	23,713,699
Debt service								
Principal	27,335,773	22,480,622	22,434,588	20,145,000	22,395,000	15,590,000	14,305,000	12,005,000
Interest	26,076,306	29,254,294	21,105,620	21,545,175	14,229,248	13,053,849	14,366,111	11,952,299
Bond issuance costs	-	-	-	272,879	2,156,265	-	-	-
Total expenditures	\$ 462,049,981	\$ 452,003,101	\$ 366,281,461	\$ 375,640,014	\$ 309,166,117	\$ 274,833,605	\$ 295,280,155	\$ 273,377,172
Expenditures for capital assets	\$ 86,305,084	\$ 79,848,844	\$ 23,776,623	\$ 56,029,870	\$ 21,873,413	\$ 25,129,119	\$ 45,177,340	\$ 29,832,501
Debt service as a percentage of noncapital expenditures	14.21%	13.90%	12.71%	13.13%	13.50%	11.47%	11.46%	9.84%

Note: The District began to report accrual information when it implemented GASB Statement 34 in 2002. Over time, ten fiscal years will be presented.

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

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

**Note:** The District began to report accrual information when it implemented GASB Statement 34 in 2002. Over time, ten fiscal years will be presented.

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

Fiscal Year	Assessed Value		Total Taxable Value	Total Direct Rate <sup>a</sup>	Real Market Value		Total Real Market Value	Assessed Value as a percentage of RMV
	Residential Property	Personal Property			Residential Property	Personal Property		
2009	\$ 19,879,698,122	\$ 756,844,311	\$ 20,636,542,433	\$ 6.564	\$ 34,596,844,797	\$ 756,844,311	\$ 35,353,689,108	58.37 %
2008	18,840,746,410	714,828,590	19,555,575,000	6.736	33,577,338,341	714,828,590	34,292,166,931	57.03
2007	17,890,649,550	677,600,693	18,568,250,243	6.290	30,455,125,534	677,600,693	31,132,726,227	59.64
2006	16,966,445,698	656,320,613	17,622,766,311	7.976	24,457,151,531	656,328,649	25,113,480,180	70.17
2005	16,072,163,801	676,100,709	16,748,264,510	6.597	22,023,686,581	676,100,709	22,699,787,290	73.78
2004	15,278,975,133	705,947,091	15,984,922,224	8.010	20,836,937,638	705,953,664	21,542,891,302	74.20
2003	14,583,452,321	804,238,376	15,387,690,697	6.558	19,399,697,246	804,238,819	20,203,936,065	76.16
2002	13,896,521,558	803,918,524	14,700,440,082	6.367	18,454,182,485	803,919,565	19,258,102,050	76.33

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

**Note:** This is a new table in accordance with the new reporting model, and to remain consistent throughout the statistical section, we are presenting data from the date of our GASB Statement 34 implementation, which is fiscal year 2002. Over time, ten fiscal years will be presented.

**Source:** Washington County Dept. of Assessment & Taxation

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

**Overlapping Rates**

Fiscal Year	District Direct Rates			Total	Overlapping Rates												
	General Purposes	Local Option	Bonds		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
2009	\$ 4.6930	\$ -	\$ 1.8713	\$ 6.5643	\$ 0.503	\$ 5.387	\$ 7.392	\$ 2.688	\$ 1.429	\$ 1.843	\$ 4.115	\$ 2.984	\$ 0.398	\$ 0.080	\$ 0.070	\$ 5.394	\$ 0.154
2008	4.6930	-	2.043	6.7358	0.505	4.767	7.110	2.739	1.434	1.869	4.184	3.033	0.429	0.086	0.070	5.233	0.154
2007	4.6930	-	1.5970	6.2900	0.489	4.767	7.813	2.727	1.443	1.819	4.212	2.449	0.278	0.097	0.070	5.295	0.154
2006	4.6930	1.5000	1.7830	7.9760	0.495	4.767	7.918	2.715	1.451	1.822	4.014	2.840	0.284	0.119	0.070	5.307	0.154
2005	4.6930	-	1.9038	6.5968	0.510	4.767	7.979	2.698	1.455	1.826	4.104	2.873	0.284	0.110	0.070	5.279	0.154
2004	4.6930	1.5000	1.8172	8.0102	0.512	4.767	8.189	2.678	1.464	1.827	3.974	2.896	0.290	0.108	0.070	5.272	0.154
2003	4.6930	-	1.8654	6.5584	0.494	4.767	6.966	2.901	1.462	1.821	3.607	2.915	0.284	0.124	0.070	5.174	0.154
2002	4.6930	-	1.6736	6.3666	0.550	4.767	6.720	2.580	1.470	1.830	3.320	2.960	0.320	0.140	0.070	5.210	0.154

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

Source: Washington Co. Department of Assessment and Taxation.

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

<u>Taxpayer</u>	June 2009			June 2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Intel	\$ 1,101,356,820	1	3.12 %			
Nike, Inc.	411,842,849	3	1.16	\$ 182,019,612	1	1.42 %
Pacific Realty Associates	283,366,710	5	0.8			
Maxim Integrated Products, Inc.	171,437,490	7	0.48	71,243,240	5	0.56
Tektronix, Inc.	135,299,503	8	0.38	137,624,579	3	1.07
ERP Operating LP	115,412,910	9	0.33			
BV Centercal LLC	107,785,506	10	.30			
PPR Washington Square LLC				58,243,780	7	0.45
Talcott Realty I Limited Partnership				46,704,270	9	0.36
Amberjack Ltd.				59,493,000	6	0.46
Spieker Properties, LP				40,132,070	10	0.31
<u>Public Utilities</u>						
Verizon	438,548,983	2	1.24			
Portland General Electric Co.	343,427,950	4	0.97	83,498,800	4	0.65
Northwest Natural Gas	286,150,490	6	0.81	57,745,532	8	0.45
General Telephone Co. of the NW				143,056,149	2	1.12
Total Assessed Value of Tax District	\$ 35,353,689,108		9.29 %	\$ 12,824,127,519		6.85 %

Source: Washington County Department of Assessment & Taxation

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

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 135,514,754	\$ 127,776,537	94.29 %	\$ 2,746,675	\$ 130,523,212	96.32 %
2008	131,816,688	125,156,223	94.95	2,532,422	127,688,645	96.87
2007	117,082,726	111,488,243	95.22	2,499,575	113,987,818	97.36
2006	136,250,808	129,582,128	95.11	3,354,729	132,936,857	97.57
2005	110,578,642	104,969,221	94.93	2,436,379	107,405,600	97.13
2004	122,925,379	116,177,565	94.51	2,572,482	118,750,047	96.60
2003	101,039,286	95,475,768	94.49	2,299,073	97,774,841	96.77
2002	93,828,115	88,742,927	94.58	2,268,295	91,011,222	97.00

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

**Note:** To remain consistent throughout the statistical section, we are presenting data from the date of our GASB Statement 34 implementation, which is fiscal year 2002. Over time, ten fiscal years will be presented.

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

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

Fiscal Year	General				FFC		Pension		Un-		Capital			Net General Bonded Debt			Total Debt											
	Obligation		Bonds		Obligation		Bonds		amortized		Leases		Leases		General Bonded Debt		As a Percentage of Actual Value of Property		Per Capita <sup>a</sup>		Primary Government		Percentage of Taxable Value		Percentage of Personal Income <sup>a</sup>		Per Capita <sup>a</sup>	
	Bonds	Obligation	Bonds	Obligation	Bonds	Obligation	Bonds	Obligation	Premium	Capital	Leases	Capital	Leases	Debt	Value of Property	Per Capita <sup>a</sup>	Government	Income <sup>a</sup>	Personal	Income <sup>a</sup>	Capita <sup>a</sup>	Government	Value	Income <sup>a</sup>	Capita <sup>a</sup>	Capita <sup>a</sup>		
2009	\$ 395,935	\$ 181,225	\$ 22,650	\$ 14,828	\$ 5,650	\$ 410,763	n/a	\$ 620,288	0.00012	%	n/a	\$	0.0030	%	n/a	\$	0.031	%	n/a	n/a	\$	0.0030	%	0.031	%	\$	2,316	
2008	377,140	183,135	-	13,137	4,223	390,277	\$	577,635	0.00011		1,565		0.0030		1,685		599,057	0.032		2,447		0.0032		0.032				
2007	397,880	184,025	-	14,616	2,536	412,496		468,692	0.00013		1,195		0.0027		1,994		485,599	0.030		2,107		0.0029		0.030				
2006	267,395	187,700	-	13,597	-	280,992		309,640	0.00011		1,365		0.0019		1,365		269,275	0.020		1,365		0.0019		0.020				
2005	284,875	189,935	-	10,789	-	295,664		283,644	0.00013		1,205		0.0017		1,205		283,644	0.018		1,205		0.0017		0.018				
2004	308,215	-	-	1,425	-	309,640		283,644	0.00014		1,374		0.0019		1,374			0.019		1,374		0.0019		0.019				
2003	269,025	-	-	250	-	269,275			0.00013																			
2002	283,330	-	-	314	-	283,644			0.00015																			

<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.

n/a - Information not available as of printing.

**Note:** To remain consistent throughout the statistical section, we are presenting data from the date of our GASB Statement 34 implementation, which is fiscal year 2002. Over time, ten fiscal years will be presented.

**BEAVERTON SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2009**

<u>Governmental Unit</u>	Net Property-tax Backed Debt Outstanding	Percent Within School District	Estimated Share of Direct and Overlapping Debt
Beaverton School District	\$ 418,585,000	100.00 %	\$ 418,585,000
Tualatin Hills Park and Recreation District	71,685,000	96.81	69,398,894
Tualatin Valley Fire and Rescue	29,000,000	51.09	14,817,144
Washington County	31,535,000	47.79	15,069,284
Portland Community College	234,345,000	20.47	47,978,858
City of Tigard	10,011,895	16.65	1,667,311
Metro	187,666,896	16.07	30,155,818
Tri-Met	36,380,000	16.22	5,900,690
Multnomah County	56,570,000	0.16	88,815
City of Portland	97,430,000	0.11	125,093
Subtotal, overlapping debt			<u>185,201,906</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 603,786,906</u></u>

**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.

**Source:** State of Oregon - Office of the Treasurer

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

*(dollars in thousands)*

Legal Debt Margin Calculation for Fiscal Year 2009

Real Market Value	\$ 35,353,689,108
Debt limit (7.95% of real market value)	2,810,618,284
Debt applicable to limit	395,935,000
Legal debt margin	\$ 2,414,683,284

Fiscal Year	Debt limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
	\$	\$	\$	%
2009	\$ 2,810,618,284	\$ 395,935,000	\$ 2,414,683,284	14.09
2008	\$ 2,726,227,271	\$ 377,140,000	\$ 2,349,087,271	13.83
2007	2,475,051,735	397,880,000	2,077,171,735	16.08
2006	1,996,521,674	267,395,000	1,729,126,674	13.39
2005	1,804,633,090	284,875,000	1,519,758,090	15.79
2004	1,712,659,859	308,215,000	1,404,444,859	18.00
2003	1,606,212,917	269,025,000	1,337,187,917	16.75
2002	1,531,019,113	283,330,000	1,247,689,113	18.51

**Note:** To remain consistent throughout the statistical section, we are presenting data from the date of our GASB Statement 34 implementation, which is fiscal year 2002. Over time, ten fiscal years will be presented.

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

Calendar Year	Population <sup>a</sup> <i>Estimated</i>	Personal Income <sup>b</sup> <i>(thousands of dollars)</i>	Per Capita		Unemployment Rate <sup>c</sup> <i>(Washington County)</i>
			Personal Income	Personal Income	
2009	248,264	n/a	n/a	n/a	n/a
2008	249,399	\$19,945,179	\$38,371	9.7 %	9.7 %
2007	244,767	18,607,666	36,259	4.6	4.6
2006	235,100	17,337,966	34,626	5.2	5.2
2005	230,500	16,120,965	33,069	6.2	6.2
2004	226,900	15,418,518	32,140	7.4	7.4
2003	223,500	14,972,521	31,690	6.9	6.9
2002	206,505	14,843,915	32,075	5.5	5.5

**Notes:**

n/a - Information not available as of printing.

To remain consistent throughout our statistical section, we are presenting data from the date of our GASB Statement 34 implementation, which is fiscal year 2002 . Over time, ten years of data will be presented.

<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  
MAJOR EMPLOYMENT INDUSTRIES  
CURRENT AND SEVEN YEARS PRIOR**

<u>Employer</u>	December 31, 2008			December 31, 2001		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Trade, transportation and utilities: Wholesale trade, Retail trade, Transportation and utilities	47,895	1	20.43 %	45,843	2	20.06 %
Manufacturing Wood and Lumber, Metals, Food, Rubber/Plastic, Computer and Electronic, Machinery, Other	42,033	2	17.93	50,872	1	22.26
Professional and business services	31,928	3	13.62	34,296	3	15.01
Government	23,152	4	9.87	16,517	5	7.23
Healthcare and social assistance	22,504	5	9.60	15,533	4	6.80
Leisure and hospitality	19,086	6	8.14	16,607	10	7.27
Financial activities: Finance, insurance, real estate	13,499	7	5.76	13,140	7	5.75
Construction	11,633	8	4.96	12,591	6	5.51
Information Publishing, Telecommunications, Other (broadcasting, ISP, etc.)	8,042	9	3.43	8,688	8	3.80
Other services (agriculture, repairs, misc.)	7,497	10	3.20	7,265	9	3.18
Educational services	4,454	11	1.90	3,551	11	1.55
Natural Resources and mining	2,750	12	1.16	3,607	12	1.58
<b>Total Employment</b>	<b>234,473</b>		<b>100.00 %</b>	<b>228,510</b>		<b>100.00 %</b>

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

**Note:** Major Employment Industries historical data (from OLMIS) is only available from 2001 forward. Therefore, prior years reporting will use 2001 data until year 2010 when ten years prior to each reporting year will be used.

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

	2009 Salary Range	Full-time Equivalent Employees as of June 30,								% Change 2008 to 2009	
		2009	2008	2007	2006	2005	2004	2003	2002		
<b>Instruction</b>											
Certified	\$ 36,086	1,622	1,681	1,639	1,638	1,522	1,388	1,432	1,477	1477	(3.53) %
Support	27,477	35,090	82	83	78	59	61	45	69	99	(1.00)
<b>Special Programs</b>											
Certified	36,086	70,754	334	355	331	303	309	250	261	253	(6.02)
Support	23,754	30,992	234	241	205	198	159	143	157	165	(2.61)
Administration	96,308	116,656	4	3	3	1	1	2	2	2	33.33
<b>Summer School</b>											
Certified	36,086	70,754	1	2	2	0	0	0	0	0	(19.84)
<b>Student Support Services</b>											
Certified	36,086	70,754	188	188	161	132	121	116	128	139	0.08
Support	21,819	83,762	65	67	62	53	51	49	58	60	(2.94)
Administration	96,308	116,656	3	3	3	3	3	2	3	2	-
<b>Instructional Staff Support</b>											
Certified	36,086	70,754	125	123	122	57	55	52	55	56	1.62
Support	23,754	62,317	38	34	34	31	31	10	37	13	12.50
Administration	111,989	116,656	3	3	2	2	2	2	5	6	-
<b>General Administration Support</b>											
Support	34,798	133,078	6	6	5	5	3	3	3	6	(7.80)
Administration	127,833	194,198	3	3	3	3	3	3	3	3	-
<b>School Administration</b>											
Certified	36,086	70,754	11	15	4	7	4	4	4	4	(26.67)
Support	23,754	62,130	108	105	101	95	91	86	88	73	2.59
Administration	93,972	128,260	97	95	90	86	83	82	82	83	2.11
<b>Business Support Services</b>											
<b>General Business</b>											
Support	23,754	83,762	18	17	17	16	16	15	16	16	4.71
Administration	105,332	133,159	2	2	2	2	2	2	2	2	-
<b>Facilities</b>											
Support	21,944	83,762	205	203	203	197	196	183	185	195	0.99
Administration	106,409	128,260	1	1	1	1	1	2	3	3	-
<b>Transportation</b>											
Support	21,944	83,762	189	189	187	185	185	183	183	158	-
Administration	105,332	109,720	1	1	1	1	1	1	2	2	-
<b>Other Administration Support</b>											
Support	21,819	72,114	11	11	9	7	7	7	8	8	-
<b>Central Support Services</b>											
Certified	36,086	70,754	7	5	7	6	7	5	5	5	43.30
Support	23,754	87,110	59	60	54	52	48	42	44	47	(1.35)
Administration	96,654	133,159	7	7	6	6	6	6	7	7	-
<b>Food Services</b>											
Support	19,864	49,670	114	109	105	108	109	107	114	112	4.87
Administration	105,332	109,720	1	1	1	1	1	1	1	1	-
<b>Facilities Acquisition and Construction</b>											
Support	23,754	75,442	3	4	4	4	2	2	2	2	(14.29)
Administration	106,409	128,260	2	2	2	1	1	0	0	1	-
<b>Total</b>			3,544	3,618	3,442	3,259	3,081	2,793	2,958	2,998	

**Notes:**

To remain consistent throughout the statistical section, we are presenting data from the date of our GASB Statement 34 implementation, which is fiscal year 2002. Over time, ten fiscal years will be presented.

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

Source: Beaverton School District records.

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost per Student		Expenditures <sup>b</sup>	Cost per Student	Percentage Change		Certified Staff <sup>c</sup>	Student-Certified Staff Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals	
			per Student	per Student			Change	Change			Meals	Meals
2009	37,613	\$ 325,688,733	\$ 8,659	\$ 12,284	\$ 462,049,981	\$ 12,284	2.70 %	2,288	16.44	35.8 %		
2008	37,789	322,222,955	8,527	11,961	452,003,101	11,961	23.07	2,368	15.95	32.8		
2007	37,687	300,894,945	7,984	9,719	366,281,461	9,719	(5.18)	2,265	16.64	31.7		
2006	36,646	279,458,298	7,626	10,251	375,640,014	10,251	19.74	2,143	17.10	30.0		
2005	36,116	250,242,760	6,929	8,560	309,166,117	8,560	10.04	2,017	17.91	31.0		
2004	35,328	220,511,803	6,242	7,779	274,833,605	7,779	(6.95)	1,864	18.95	28.0		
2003	35,320	220,968,533	6,256	8,360	295,280,155	8,360	6.11	1,884	18.75	24.0		
2002	34,699	219,432,172	6,324	7,879	273,377,172	7,879	n/a	1,932	17.96	22.0		

**Notes:**

To remain consistent throughout our statistical section, we are presenting data from the date of our Statement 34 implementation, which is fiscal year 2002. Over time, ten fiscal years will be presented.

<sup>a</sup>Operating expenditures are all governmental fund expenditures less debt service and capital outlays.

<sup>b</sup>Expenditures include capital projects and debt service activity.

<sup>c</sup>Includes classroom, music, physical education, special education teachers, counselors and librarians.  
n/a - Information not available as of printing.

**Source:** Beaverton School District records.

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

	Fiscal Year								Average Age of Buildings (in years)
	2009	2008	2007	2006	2005	2004	2003	2002	
<b>Schools</b>									
<b>Elementary</b>									
Buildings	32	32	32	31	31	31	30	30	45
Square feet	1,865,333	1,874,720	1,874,720	1,768,674	1,768,674	1,768,674	1,658,392	1,658,392	
Capacity	19,849	19,162	18,954	17,809	17,548	17,587	17,772	17,582	
Enrollment	17,801	17,693	17,572	16,968	16,647	16,177	16,280	16,316	
Percent used	90%	92%	93%	95%	95%	92%	92%	93%	
<b>Middle</b>									
Buildings	9	8	8	8	8	8	8	8	34
Square feet	1,088,018	1,024,714	1,038,458	1,038,458	1,038,458	1,038,458	1,038,458	1,038,458	
Capacity	8,829	8,176	8,110	8,121	8,072	8,219	8,268	8,038	
Enrollment	8,124	8,265	8,293	8,221	8,359	8,346	8,394	8,093	
Percent used	92%	101%	102%	101%	104%	102%	102%	101%	
<b>High</b>									
Buildings	8	7	7	7	7	7	7	7	40
Square feet	1,469,139	1,435,263	1,435,263	1,435,263	1,435,263	1,435,263	1,435,263	1,435,263	
Capacity	11,184	10,696	10,515	10,350	10,293	10,208	10,173	9,962	
Enrollment	11,688	11,831	11,822	11,457	11,110	10,805	10,613	10,290	
Percent used	105%	111%	112%	111%	108%	106%	104%	103%	
<b>Other</b>									
Buildings	3	3	3	3	3	3	3	3	37
Square feet	50,607	50,607	50,607	50,607	50,607	50,607	50,607	50,607	
<b>Administrative</b>									
Buildings	1	1	1	1	1	1	1	1	33
Square feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	
<b>Transportation</b>									
Garages/Buildings	4	4	4	4	3	1	1	1	13
Buses	320	320	303	283	271	252	249	244	

**Notes:**

To remain consistent throughout the statistical section, we are presenting data from the date of our GASB Statement 34 implementation, which is fiscal year 2002. Over time, ten fiscal years will be presented.  
n/a - Information not available as of printing.

Source: Beaverton School District Annual District Statistics.

Beaverton School District  
16550 SW Merlo Road  
Beaverton, Oregon 97006

# Single Audit Section

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## GROVE, MUELLER & SWANK, P.C.

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### ***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***

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Beaverton School District, Washington County, Oregon, as of and for the year ended June 30, 2009, which collectively comprise the Beaverton School District's basic financial statements and have issued our report thereon dated November 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Internal Control over Financial Reporting**

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

*Compliance and Other Matters*

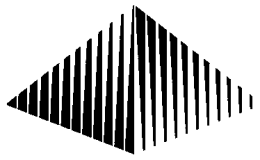
As part of obtaining reasonable assurance about whether Beaverton School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and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

We noted certain matters that we reported to management of Beaverton School District, Washington County, Oregon, in a separate letter dated November 16, 2009.

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

  
CERTIFIED PUBLIC ACCOUNTANTS

November 16, 2009



## GROVE, MUELLER & SWANK, P.C.

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

### ***REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133***

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

#### **Compliance**

We have audited the compliance of Beaverton School District, Washington County, Oregon (the District) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2008-1 and 2009-1.

#### **Internal Control Over Compliance**

The management of Beaverton School District, Washington County, Oregon, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in

order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

CERTIFIED PUBLIC ACCOUNTANTS

November 16, 2009

**Beaverton School District**  
**Schedule of Expenditures of Federal, State and Local Awards**  
**Special Programs Fund**  
**Year Ended June 30, 2009**

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Period Covered</u>	<u>Grant Amount</u>	<u>2008-09 Revenue and Expenditures</u>
<b>U.S. Department of Education</b>					
Direct:					
Fund for the Improvement of Education	84.215L	S215L070415	10/01/07 - 09/30/12	\$ 4,434,988	\$ 812,180
	84.215L	V215L052239	07/01/05 - 06/30/10	924,721	146,674
	84.215X	U215X080121	07/01/08 - 06/30/11	999,382	294,765
					<u>1,253,619</u>
Passed through Oregon Department of Education:					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	84.010A	12732	07/01/08 - 09/30/09	5,559,086	4,723,048
	84.010A	9875	07/01/07 - 09/30/08	5,350,177	557,509
					<u>5,280,557</u>
Title I Grants to Local Educational Agencies - ARRA	84.389	15603	02/17/09 - 09/30/10	4,719,171	-
Title I, Part A Cluster Total					<u>5,280,557</u>
Title IC - Migrant Education - State Grant Program					
	84.011A	11207	07/01/07 - 09/30/08	214,329	51,546
	84.011A	12919	07/01/08 - 09/30/09	178,779	133,140
	84.011A	15387	04/01/09 - 06/30/09	1,500	1,500
	84.011A	12390	05/01/08 - 08/31/08	52,223	34,339
	84.011A	14761	05/01/09 - 08/31/09	40,667	3,982
	84.011A	11946	07/01/07 - 09/30/08	37,000	7,243
	84.011	14377	07/01/08 - 09/30/09	20,298	19,903
					<u>251,653</u>
Title IIA - Improving Teacher Quality State Grants					
	84.367A	12951	07/01/08 - 09/30/09	1,073,464	676,335
	84.367A	10080	07/01/07 - 09/30/08	1,040,448	416,967
	84.367	12199	04/01/08 - 06/30/09	95,000	94,901
	84.367	13724	08/15/08 - 09/30/08	8,000	8,000
					<u>1,196,203</u>
Title IID - Education Technology State Grants					
	84.318x	10274	07/01/07 - 09/30/08	52,063	107
	84.318x	13145	07/01/08 - 09/30/09	52,342	50,265
					<u>50,372</u>
Title III - English Language Acquisition Grants					
	84.365	13888	07/01/08 - 09/30/09	682,388	486,248
	84.365	11529	07/01/07 - 09/30/08	780,763	486,715
					<u>972,963</u>
Title IV - Safe and Drug-Free Schools					
	84.186A	11025	07/01/07 - 02/15/09	135,355	49,696
	84.186A	13984	07/01/08 - 06/30/09	111,186	90,649
					<u>140,345</u>
Title IVB - 21st Century Community Learning Centers					
	84.287A	12524	07/01/08 - 06/30/09	317,770	270,000
	84.287A	9829	07/01/07 - 09/30/08	317,770	36,613
					<u>306,613</u>
Title V - State Grants For Innovative Programs					
	84.298	10458	07/01/07 - 09/30/08	45,283	33,709
Title X - Education for Homeless Children and Youth					
	84.196	13949	07/01/08 - 09/30/09	11,227	11,227
	84.196	10989	09/01/07 - 06/30/09	12,300	2,019
					<u>13,246</u>

Education for Homeless Children and Youth - ARRA	84.387	15498	02/17/09 - 09/30/10	63,504	-
					-
Advanced Placement Program (IB)	84.330A	N/A	07/01/08 - 06/30/09	8,621	8,300
Reading First State Grants	84.357	11316	09/01/07 - 08/31/09	280,723	21,007
Special Education Cluster (IDEA)					
Special Education Grants to States	84.027A	11343	07/01/07 - 12/31/08	5,706,686	1,014,790
	84.027A	13581	07/01/08 - 12/31/09	5,514,060	4,597,413
	84.027	14844	07/01/08 - 09/30/09	8,657	-
	84.027	13798	10/01/08 - 06/30/09	18,426	18,426
	84.027	13348	08/15/08 - 06/30/09	14,463	14,463
	84.027	14544	01/01/09 - 09/30/09	20,000	6,171
					5,651,263
Special Education Grants to States - ARRA	84.391	15138	02/17/09 - 06/30/10	3,648,239	-
Special Education Cluster (IDEA) Total					5,651,263
Career and Technical Education - Basic Grants to States	84.048A	9566	07/01/07 - 09/30/08	325,610	13,082
	84.048A	12318	07/01/08 - 09/30/09	275,013	260,419
					273,501
Tech-Prep Education	84.243	12318	07/01/08 - 09/30/09	33,979	32,187
State Fiscal Stabilization Fund Cluster					
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act - ARRA	84.394	N/A	02/17/09 - 06/30/10	7,185,069	7,185,069
State Fiscal Stabilization Fund Cluster Total					7,185,069
<b>Total U.S. Department of Education</b>					<b>22,670,607</b>
<b>U.S. Department of Health &amp; Human Services</b>					
Passed through Oregon Department of Human Services:					
Vocational Rehabilitation Cluster					
Rehabilitation Services - Vocational Rehabilitation Grants	84.126A	121541	07/01/07 - 06/30/09	157,169	86,903
Vocational Rehabilitation Cluster Total					86,903
Passed through Oregon Employment Department:					
Child Care and Development Block Grant	93.575	#CCD 09-073	07/01/08 - 06/30/09	54,999	54,999
<b>Total U.S. Department of Health &amp; Human Services</b>					<b>141,902</b>
<b>U.S. Department of Labor</b>					
Employee Benefits Security Administration (EBSA), Recovery Act					
COBRA Premium Assistance - ARRA <sup>4</sup>	17.151	N/A	02/17/09 - 06/30/10	8,728	-
Passed through Hillsboro School District					
WIA Youth Activities	17.259	N/A	07/01/08 - 06/30/13	112,166	49,762
<b>Total U.S. Department of Labor</b>					<b>49,762</b>
<b>U.S. Department of Transportation</b>					
Passed through Oregon Department of Transportation					
Highway Planning and Construction	20.205	HU-09-10-14	10/01/08 - 09/30/09	15,778	6,118
<b>Total U.S. Department of Transportation</b>					<b>6,118</b>

**U.S. Department of Agriculture:**

Passed through Oregon Department of Education:

Child Nutrition Cluster:

School Breakfast Program	10.553	N/A	07/01/08 - 06/30/09	1,026,678	1,026,678
National School Lunch Program	10.555	N/A	07/01/08 - 06/30/09	4,984,453	4,984,453
Summer Food Service Program for Children	10.559	N/A	07/01/08 - 06/30/09	341,601	341,601
Summer Food Service Program for Children	10.559	12312	04/01/08 - 09/30/08	20,593	10,468
Child Nutrition Cluster Total					<u>6,363,200</u>

Food and Nutrition

Child Care - Food Program	10.558	N/A	07/01/08 - 06/30/09	123,309	123,309
Fresh Fruit and Vegetable Program	10.582	14224	07/01/08 - 09/30/08	16,810	7,323
Fresh Fruit and Vegetable Program	10.582	14477	10/01/08 - 06/30/09	56,846	37,537
					<u>168,169</u>

**Total U.S. Department of Agriculture**

6,531,369

**FEDERAL GRANTS**

29,399,758

**State and local awards:**

Ackley Foundation (Intel NW Science Expo)	N/A	N/A	01/18/09 - 04/30/09	2,000	1,987
Beaverton Arts Council: Merlo Mural	N/A	N/A	06/25/09 - 06/04/10	9,000	2,250
BEF: Barnes Extended Day Program	N/A	N/A	07/01/08 - 06/30/09	10,000	9,169
BEF: Beaver Acres Summer Sounds	N/A	N/A	05/01/09 - 10/31/09	7,584	1,880
BEF: Bonny Slope CMXHC	N/A	N/A	07/01/08 - 06/30/09	7,500	2,755
BEF: Cedar Mill Crossing Homework Club	N/A	N/A	07/01/08 - 06/30/09	7,500	7,136
BEF: Cedar Park After the Bell	N/A	N/A	07/01/08 - 06/30/09	4,000	-
BEF: Chehalem After School Enrichment	N/A	N/A	07/01/08 - 06/30/09	10,000	8,187
BEF: Conestoga After the Bell	N/A	N/A	07/01/08 - 06/30/09	4,000	-
BEF: Five Oaks After the Bell	N/A	N/A	07/01/08 - 06/30/09	6,500	5,281
BEF: Findley Dragon Academy Summer School	N/A	N/A	04/01/08 - 11/30/08	3,988	3,988
BEF: Highland Park After the Bell	N/A	N/A	07/01/87 - 06/30/09	4,000	3,967
BEF: HSHS Summer Bridge Camp	N/A	N/A	04/01/08 - 11/30/08	10,000	5,228
BEF: Jacob Wismer Eagle's Summer Adventure	N/A	N/A	04/01/08 - 11/30/08	10,000	9,607
BEF: Kinnaman Summer School	N/A	N/A	04/01/08 - 11/30/08	10,000	10,000
BEF: McKay Summer School	N/A	N/A	05/01/09 - 10/31/09	8,338	4,043
BEF: Meadow Park After the Bell	N/A	N/A	07/01/08 - 06/30/09	6,500	6,500
BEF: Mt View After the Bell	N/A	N/A	07/01/08 - 06/30/09	6,500	6,430
BEF: Oak Hills Extended Kindergarten	N/A	N/A	07/01/08 - 06/30/09	7,603	2,381
BEF: Raleigh Park Homework Club	N/A	N/A	07/01/08 - 06/30/09	9,450	5,142
BEF: Scholls Heights Future Authors	N/A	N/A	07/01/08 - 06/30/09	7,170	6,793
BEF: Stoller After the Bell	N/A	N/A	07/01/08 - 06/30/09	4,000	1,614
BEF: Terra Linda STEP Summer School	N/A	N/A	04/01/08 - 11/30/08	9,929	6,450
BEF: West TV Summer - Engineering for Girls	N/A	N/A	04/01/08 - 11/30/08	9,980	5,928
BEF: Whitford After the Bell	N/A	N/A	07/01/08 - 06/30/09	6,500	6,500
Beaverton Together: Five Oaks After School Program	N/A	N/A	09/01/08 - 06/30/09	21,782	20,239
Beaverton Together: SRHS Social Norms Marketing	N/A	N/A	09/30/08 - 06/30/09	4,000	4,000
CEYP "Tax Credit" Donations	N/A	N/A	10/01/02 - open	114,300	17,690
E3: Medical Magnet Seed	N/A	N/A	03/03/06 - 06/30/09	528,868	254,563
ETIC: HS2 Leading the Way	N/A	N/A	09/18/07 - 06/30/09	74,000	32,653
Intel : HSHS Technology	N/A	N/A	08/24/07 - 08/31/08	48,000	987
Intel : Science Fair	N/A	N/A	07/01/08 - 06/30/09	13,582	6,232
Intel : Science Fair	N/A	N/A	07/01/07 - 06/30/09	17,132	4,858
Kaiser: Child Healthcare Program	N/A	N/A	06/01/09 - open	20,000	-
MACC: Enhanced Internet Filter	N/A	N/A	01/01/09 - open	104,400	-
MACC: Router Upgrades	N/A	N/A	12/06/07 - 12/31/08	39,705	1,573
MACC: Router Upgrade/PCN	N/A	N/A	07/01/08 - 06/30/09	90,787	57,000
Mentoring Teachers	N/A	12268	04/01/08 - 06/30/09	740,000	740,000
Metro: Whitford Woods Restoration	N/A	N/A	09/11/07 - 12/31/09	3,155	1,592

Nike	N/A	N/A	07/01/08 - 06/30/09	600,000	530,895
Nike: Summer Feeding Program	N/A	N/A	07/01/08 - 09/30/09	2,000	1,502
NWRES D: Autism	N/A	N/A	07/01/08 - 06/30/09	629,300	629,300
NWRES D: School Improvement Fund	N/A	N/A	07/01/08 - 06/30/09	252,515	165,474
NW Regional ESD - Equipment	N/A	N/A	Not Restricted	804,485	29,386
Oregon DEQ State Clean Diesel Program	N/A	N/A	10/01/08 - 06/30/09	42,705	42,705
Outward Bound: Expeditionary Learning	N/A	N/A	06/19/07 - 06/30/09	23,600	12,996
OLN: Oregon Leadership Network	N/A	11303	10/01/07 - 09/30/08	85,000	31,482
OLN: Oregon Leadership Network	N/A	13780	09/01/08 - 06/30/09	119,676	115,048
RACC: Merlo Mural	N/A	N/A	12/11/08 - 12/31/09	4,250	4,250
Regional Data Warehouse - ETL Support	N/A	12158	03/01/08 - open	33,333	24,110
Regional Data Warehouse #2	N/A	15091	04/16/09 - open	1,527	-
SB622 - Tech	N/A	N/A	06/13/01 - open	833,340	181,445
2005 Strategic Investment	N/A	N/A	02/11/05 - open	228,660	1,283
Washington County: After School Programs (4 schools)	N/A	N/A	07/01/08 - 06/30/09	33,816	30,410
Washington County: Community Learning Center Evaluation	N/A	N/A	07/01/08 - 06/30/09	2,000	2,000
Washington County: Family Resource Center	N/A	N/A	07/01/08 - 06/30/09	79,125	79,125
Washington County: Merlo Station Health Center	N/A	N/A	12/01/08 - 06/30/09	51,766	51,759
Washington County: STARS	N/A	N/A	09/01/08 - 06/30/09	31,165	23,937
Washington County: Youth Summit	N/A	N/A	10/01/08 - 06/30/09	8,550	4,815
Washington Mutual: ESL Parental Involvement	N/A	N/A	11/17/03 - open	35,000	328
Washington Mutual: ELL Learning Communities	N/A	N/A	10/05/04 - open	25,000	-
Washington Mutual: Spanish-Speaking Community Liason	N/A	N/A	11/30/05 - open	15,000	330
OVR S: Youth in Transition (State-funded portion)	N/A	121541	07/01/07 - 06/30/09	42,537	23,520

**Total State and local projects/grants**

**3,250,703**

**TOTAL Federal, State and Local Awards**

**\$ 32,650,461**

**Notes:**

1. This schedule is presented on the modified accrual basis of accounting.
2. Donated commodities are valued at their estimated fair value
3. In FY 07/08 the commodities removed from CFDA 10.550 and allocated to 10.555
4. Per ARRA, this COBRA premium assistance of 65% is paid by the District and reimbursed by the Federal Government through quarterly 941 tax credit. This reimbursement is treated as a receivable and not recorded as revenue or an expenditure.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS**  
**YEAR ENDED JUNE 30, 2009**

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**PURPOSE OF THE SCHEDULE**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PRESENTATION**

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

**FEDERAL FINANCIAL ASSISTANCE**

Pursuant to the Single Audit Act of 1984 and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

**MAJOR PROGRAMS**

The Single Audit Act of 1984 and OMB Circular A-133 establish criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes.

**REPORTING ENTITY**

The reporting entity is fully described in notes to the financial statements. The Schedule includes all federal programs administered by the District for the year ended June 30, 2009.

**REVENUE AND EXPENDITURE RECOGNITION**

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

**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2009**

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**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's opinion issued:	Unqualified
Internal control reporting:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major program:

CFDA Numbers

Name of Federal Program or Cluster

84.010	Title IA
84.048	Perkins
84.186	Safe & Drug Free Schools
84.365	Title III
84.367	Title IIA
84.394	State Fiscal Stabilization Fund (ARRA)

Dollar threshold used to distinguish between type A and type B programs: \$883,274

District qualified as low-risk auditee? Yes

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

DEPARTMENT OF EDUCATION

**Finding 2008-1: CFDA #84.215 Smaller Learning Communities - Noncompliance with required certified payroll records**

**Statement of Condition:** For the fiscal year 2007-2008, grant charges for some payroll hours were based on scheduled hours rather than documented and approved hours.

**Criteria:** Circular A-87 requires employee payroll hours charged to the above grants to be approved by management semi-annually for those working 100% on the grant and monthly for those working less than 100% on the grant.

**BEAVERTON SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**YEAR ENDED JUNE 30, 2009**

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**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)**

**Finding 2008-1: CFDA #84.215 Smaller Learning Communities - Noncompliance with required certified payroll records (Continued)**

**Cause:** The District used a time and effort time sheet format approved by the Oregon Department of Education. The grants for which this finding is written were not using the approved form.

**Effect:** There are no questioned costs, only documentation issues.

**Recommendation:** We recommended the District implement procedures for documenting and approving payroll expenditures which meet the documentation requirements of Circular A-87.

**Corrective Action Response:** The District agrees with the finding and has developed a new electronic timesheet format according to 2 CFR 225 (OMB A-87) that has been communicated to schools and departments prior to the end of the year. The first users of the new form were summer program staff who began working in late June 2009.

**Finding 2009-1: CFDA #84.010 Title IA and 84.367 Title IIA - Noncompliance with required certified payroll records**

**Statement of Condition:** For the fiscal year 2008-2009, grant charges for some payroll hours were based on scheduled hours rather than documented and approved hours.

**Criteria:** Circular A-87 requires employee payroll hours charged to the above grants to be approved by management semi-annually for those working 100% on the grant and monthly for those working less than 100% on the grant.

**Cause:** The District used a time and effort time sheet format approved by the Oregon Department of Education. The grants for which this finding is written were not using the approved form.

**Effect:** There are no questioned costs, only documentation issues.

**Recommendation:** We recommend the District implement procedures for documenting and approving payroll expenditures which meet the documentation requirements of Circular A-87.

**Corrective Action Response:** The District agrees with the finding and has developed a new electronic timesheet format according to 2 CFR 225 (OMB A-87) that has been communicated to schools and departments prior to the end of the year. The first users of the new form were summer program staff who began working in late June 2009.

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Beaverton School District  
16550 SW Merlo Road  
Beaverton, Oregon 97006

# Audit Comments/Disclosures

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## **AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS**

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

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**BEAVERTON SCHOOL DISTRICT, WASHINGTON COUNTY, OREGON**  
**COMMENTS AND DISCLOSURES REQUIRED BY STATE OF OREGON MINIMUM**  
**STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS**  
**YEAR ENDED JUNE 30, 2009**

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Oregon Administrative Rules 162-10-000 through 162-16-000 of 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, comments, and disclosures required in annual financial reports. Required comments and disclosures related to our audit of such financial statements and schedules are set forth on the following pages.

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beaverton School District, Washington County, Oregon (the District) as of and for the year ended June 30, 2009, which collectively comprised Beaverton School District, Washington County, Oregon's basic financial statements and have issued our report thereon dated November 16, 2009. 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.

**ACCOUNTING AND INTERNAL CONTROL**

Our reports relating to accounting and internal control systems are contained in the Single Audit Section of this annual financial report. We separately issued our letter of recommendations to management.

**ACCOUNTING RECORDS**

The District's accounting records were reasonably maintained and adequate to support our audit of the basic financial statements.

**ADEQUACY OF COLLATERAL SECURING DEPOSITORY BALANCES**

The District has complied with Oregon Revised Statutes Chapter 295 in relation to deposit accounts.

**INVESTMENTS**

Public funds appear to be invested in compliance with ORS 294, except that the District's investment in the Local Government Investment Pool exceeded the limitation imposed by ORS 294.810 at times during the year.

**LEGAL REQUIREMENTS RELATING TO DEBT**

The general obligation bonded debt of the District is in compliance with the limitation imposed by ORS. We noted no defaults in principal, interest, sinking fund, or redemption provisions with respect to any of the District's bonded debt, and no breach of the bond agreements at June 30, 2009.

**BUDGET COMPLIANCE**

The District appears to have complied in all material respects with Local Budget Law (ORS 294.305 to 294.520) in the preparation, adoption and execution of its budget and tax levy for the year ended June 30, 2009 and the preparation and adoption of its budget for the year ending June 30, 2010, except that the publication requirements for principal and interest by debt issue were not in compliance for the June 30, 2010 budget year. A description of the budgeting process is in the notes to the basic financial statements.

**BEAVERTON SCHOOL DISTRICT, WASHINGTON COUNTY, OREGON**  
**COMMENTS AND DISCLOSURES REQUIRED BY STATE OF OREGON MINIMUM**  
**STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS (Continued)**  
**YEAR ENDED JUNE 30, 2009**

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**INSURANCE POLICIES AND FIDELITY BONDS**

We have reviewed the District's legally required insurance and fidelity bond coverage at June 30, 2009. We ascertained that such policies appeared to be in force and comply with legal requirements relating to insurance and fidelity bond coverage.

**PUBLIC CONTRACTS AND PURCHASING**

The District's procedures for awarding public contracts were reviewed and found to be in accordance with ORS Chapter 279.

**PROGRAMS FUNDED FROM OUTSIDE SOURCES**

We reviewed the District's compliance with appropriate laws, rules, and regulations that could have material impact on the basic financial statements for programs funded wholly or partially by other governmental agencies. The entity is in compliance with the guidelines in all material respects.


In a separate report dated November 16, 2009, we have reported on the Schedule of Expenditures of Federal Awards. We have also reported on internal control over financial reporting and on compliance and other matters based on an audit of the basic financial statements performed in accordance with *Government Auditing Standards*, and on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133.

**STATE SCHOOL FUND DISTRIBUTION FORMULA FACTORS**

We have reviewed the District's system for reporting to the Oregon State Department of Education average daily attendance and related items in compliance with ORS 327.013. We found no instances in which the District had not properly reported the required information.

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

*GROVE, MUELLER & SWANK, PC*  
*CERTIFIED PUBLIC ACCOUNTANTS*

By:   
Charles A. Swank, A Shareholder  
November 16, 2009