

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON

EUGENE, OREGON

***Comprehensive Annual Financial Report
Year Ended June 30, 2015***

Prepared By

*Business Services Department
Simon Levear, Director*

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December 31, 2015

To the Bethel School District Community
Eugene, 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 Bethel School District (the District) for the fiscal year ended June 30, 2015 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). District management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting information is available for the District to prepare the financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management. 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.

INDEPENDENT AUDIT

The Bethel School District's financial statements have been audited by Grove, Mueller & Swank, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the District for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2015, 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.

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 12.

PROFILE OF THE DISTRICT

In 1948 voters approved formation of the Bethel School District by consolidating five smaller districts. A sixth small district was added in 1960. Since its formation the District's enrollment has increased from 675 to the current 5,650. Enrollment projections for the 2015 year reflect slight decrease to 5,550. The District's total population is approximately 38,000.

Bethel is the third largest school district in Lane County. Its students are drawn from 31.7 square miles in the southern part of the Willamette Valley in the Eugene-Springfield metropolitan area. Bethel School District, a kindergarten through twelfth grade district, has one comprehensive high school, Willamette High; an alternative education high school, Kalapuya High; two middle schools, Cascade and Shasta; two kindergarten through eighth grade schools: MeadowView and Prairie Mountain; and five elementary schools, Clear Lake, Danebo, Fairfield, Irving and Malabon. The District offers a broad array of programs such as general, special, vocational, alternative and technological education.

The District has taken pride in maintaining its facilities and managing growth. The oldest building in the District is Willamette High School, originally built in 1949. Through the support of the community, additions and renovations have enlarged the high school to a capacity of 1,590 students. The two middle schools were constructed six years apart with Cascade being built in 1955 and Shasta in 1961. The elementary schools range in age from 38 years to 61 years with Fairfield being the oldest and Clear Lake being rebuilt after a fire in 1976. The most recent additions to the District include the two K-8 schools, Meadow View in 1998, Prairie Mountain in 2002, and the alternative high school, Kalapuya, built in 2002.

The Bethel School District is financially independent. A seven-member elected school board is responsible for the District's operations and programs, and accordingly appoints the administration of the District, who share accountability for oversight. The school board and administration take their stewardship responsibilities very seriously. Consistent with this, District facilities are well-maintained and well-equipped. There are no component units and the District is not a component unit of another entity.

The District annually prepares a budget in accordance with requirements prescribed in the Oregon Revised Statutes. The objective of the District's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Directors. Activities of all funds are included in the annual appropriated budget.

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

The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the District's Board of Directors. Activities of the General Fund, Special Revenue funds, Debt Service Fund, and Capital Projects Fund are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount), is established by major function level within an individual fund. Transfers of appropriations between budget categories must be authorized by resolution of the Board of Directors.

As demonstrated by the statements and schedules included in the Financial Section of this report, the District continues to meet its responsibility for sound financial management.

ECONOMIC CONDITIONS AND OUTLOOK

Bethel School District is located in the Eugene-Springfield metropolitan area. Eugene is Oregon's second largest city and the seat of Lane County government. The City of Eugene together with the City of Springfield comprises a metropolitan area that serves as the regional center for industry, service and trade, as well as for cultural, academic and recreational activities. Eugene is the home of the University of Oregon, the State's premier research institution as well as Lane Community College and Northwest Christian University.

Lane County's economy is still recovering from a severe recession. What started in construction and manufacturing due to declining home values and restricted credit, spread across the local economy with employment losses in all sectors except health care. While recovery continues the pace remains sluggish. Job growth is averaging about half that of a typical expansion.

LONG-TERM FINANCIAL PLANNING

The District's unassigned fund balance in the General Fund (17.9 percent of total General Fund revenues) is a little above the Government Finance Officers Association recommended range of five to fifteen percent or no less than two months of operating expenditures. However, the District's ability to predict revenues in Oregon's unstable financial environment necessitated the need to maintain a larger ending fund balance. Regardless of the continued uncertainty, the District is in the process of reducing its ending fund balance to be in alignment with recommended GFOA best practices. 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, maintaining adequate reserves is critical.

MAJOR PROGRAMS

The quality and quantity of programs offered by Bethel School District are related to both the amount of funding provided as well as the effective and efficient management of those funds. To maximize the benefit to our community's children, the District must continue its effort to cultivate strong relationships with and between students, parents, staff, and community members in local fiscal decision making. In optimizing those funds for the benefit of the students, the District will strive to:

- Maximize the positive impact on classroom instruction, instructional support, readiness to learn, and efforts to increase student achievement and engagement so that all students make progress toward meeting state standards, District goals, and personal aspirations.
- Protect and maintain the community's investment in our facilities, physical spaces, equipment, and other assets.
- Prepare for both short and long-term fiscal responsibilities including: labor agreements, reserves, fund balances, planning for current and future mandates along with community needs, and by investing in the sustainable growth of new and existing efficient and effective programs.

In spite of reductions over the last few years, the District has still garnered great success with continued improvements in literacy instruction; implementation of a new math program at elementary and middle school levels; partnerships with local agencies to provide tutoring services; grants to deliver new instruction at the high school level; a new pre-kindergarten program; initiatives to fight childhood obesity; improvements to parent access to student information; advances in providing healthy local foods to our students; new teacher and administrator growth and evaluation processes; the opening of a school-based health center; new educational enhancement grants and school beautification efforts through the Bethel Education Foundation; an active and effective College and Career Center that is successfully attaining more scholarships and support for

high school students; and the list goes on. These projects are a testament to the giving heart of our staff *and* community. The Bethel family wants the very best for its kids and is seeking out opportunities to do just that. Because of these efforts our students thrive in a number of ways: With statewide achievements in basketball, swimming, volleyball, chess, DECA, FBLA, OBOB, cheerleading, music, culinary arts, math, and more. With the support of Bethel programs and staff, our children are not only reaching for excellence, they are achieving it.

SIGNIFICANT FINANCIAL EVENTS

Sustainability is a key factor in any budget, but especially a declining revenue budget. The district has faced budget sustainability issues from the onset of the recession. These have included declining state revenue, increasing personnel costs, short-term federal and state funding, and use of District reserve funds.

Employee concessions have had a significant and beneficial impact on the district's budget. However, they do not constitute a sustainable solution. They help address issues for a single year at a time, then previous employee agreements fall back into place. This unsustainable practice will lead to one of three future outcomes: (1) Employees and the District through normal bargaining or determination processes permanently reset compensation at sustainable levels; (2) Significant staffing reductions are made elsewhere in the budget to compensate for current salary and benefit costs; or (3) The District realizes a proportionate and reliable increase in State School Fund revenue.

November 6, 2012, Bethel voters approved a \$49.5 million general obligation bond for the construction of two new elementary schools, replacing 56 year old Fairfield Elementary and 54 year old Malabon Elementary School. A science wing addition will be constructed at Willamette High School. Other major projects to be paid from the bond include: textbook adoptions, technology upgrades, roofing and security throughout the District. Election results demonstrated the confidence and support voters have in the District. All eleven precincts had a wide margin of approval with an overall 73% approval rate. This was the highest in Bethel history.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bethel School District for its Comprehensive Annual Financial Report for the year ended June 30, 2014. This was the nineteenth consecutive year that the District has received this prestigious recognition. 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.

Many individuals throughout the District provided information needed for the preparation of this report. We wish to express our appreciation to the staff of Bethel's Business Services Department and Administrative Office. Staff: Nancy Porter, Bridget Wadsworth, Cyndi Cutler, Connie Quinn, Nathan Voelsch, Linda Northrup, Robin Fleming, Kathleen Larsen, and Keli Kephart. They all played an important part in the timely and accurate preparation of this Comprehensive Annual Financial Report.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Colt Gill". The signature is stylized with a large, sweeping loop at the end.

Colt Gill
Superintendent

A handwritten signature in black ink, appearing to read "Simon Levear". The signature is written in a cursive style with a prominent initial "S".

Simon Levear
Director of Business Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

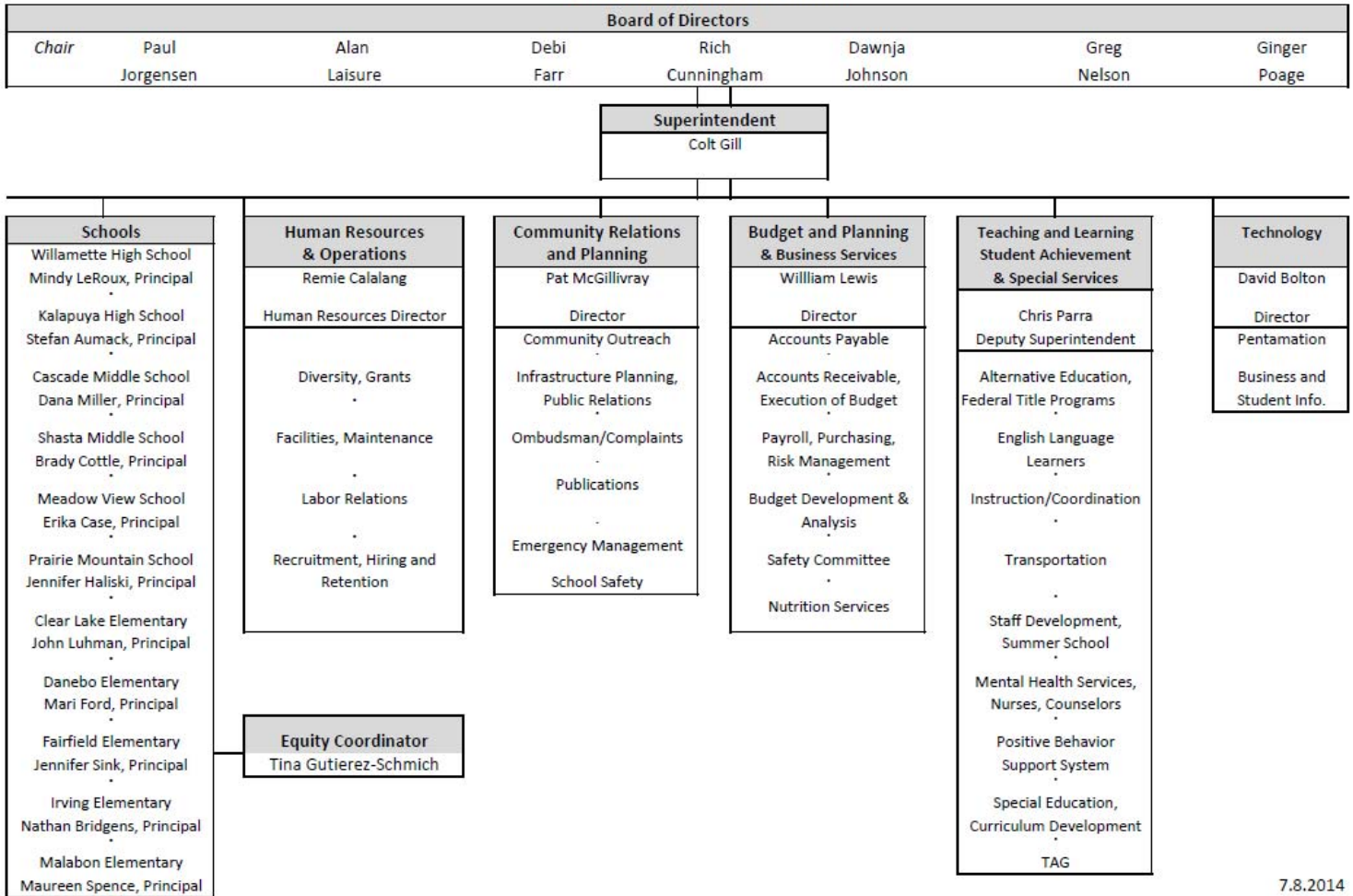
**Lane County School
District No. 52 (Bethel), Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

**Bethel School District #52
2014-2015 Organizational Chart**



7.8.2014

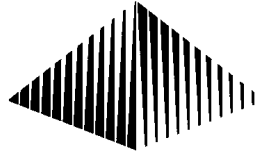
BOARD OF DIRECTORS

Paul Jorgensen 4284 Avalon Avenue Eugene, Oregon 97402	Chairperson
Alan Laisure 5589 Livingston Avenue Eugene, Oregon 97402	Vice-Chairperson
Greg Nelson 1234 Hilo Drive Eugene, Oregon 97404	Director
Dawnja Johnson 575 Cottonwood Place Eugene, Oregon 97404	Director
Ginger Poage 4325 Catalina Street Eugene, Oregon 97402	Director
Rich Cunningham 4150 Quest Drive #128 Eugene, Oregon 97402	Director
Debi Farr 1929 Praslin Street Eugene, Oregon 97402	Director

ADMINISTRATIVE OFFICERS

Colt Gill, Superintendent-Clerk
Simon Levear, Director of Business Operations

Administrative Office
4640 Barger Drive
Eugene, Oregon 97402



GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S REPORT

School Board
Bethel School District No. 52
Eugene, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel School District No. 52, Lane County, Oregon (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel School District No. 52, Lane County, Oregon as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in the notes to the financial statements, in 2015, the District adopted new accounting guidance, GASB Statement No. 68, “*Accounting and Reporting for Pension Plans – an amendment of GASB Statement No. 27*” and GASB Statement No. 71, “*Pension Transition for Contributions Made Subsequent to the Measurement Date*”. The net position as of July 1, 2014 has been restated for this change. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information, and statistical section, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures

applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Reports on Other Legal and Regulatory Requirements

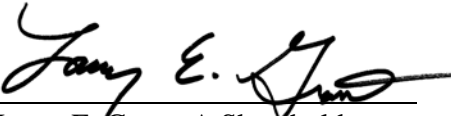
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 31, 2015, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

By: 
Larry E. Grant, A Shareholder
December 31, 2015

BETHEL SCHOOL DISTRICT No. 52
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

As management of Bethel School District No. 52 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter, which can be found on pages 1-5 of this report.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the net position of the District at June 30, 2015 was \$36.6 million. Of this amount, \$7.3 million (unrestricted net position) may be used to meet the District's on going obligation to citizens and creditors in accordance with the District's fiscal policies.
- The District's total net position decreased by \$5.2 million for the fiscal year, a 12.6 percent decrease in the District's financial position as compared to the prior year. This change consisted of prior period adjustments totaling a decrease of \$19.3 million and a current year increase of \$14.1 million.
- The District's governmental funds reported a combined ending fund balance of \$30.7 million, a decrease of \$30 million from the prior year. Approximately 28 percent of this total amount, \$8.5 million, is unassigned and available for appropriation at the District's discretion.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$8.5 million, which represents about 17.9 percent of total General Fund expenditures.
- Total cost of all the District's programs was \$46.1 million for the fiscal year, a decrease of \$8.3 million (15.2 percent) from the prior year.
- The District's total long-term liabilities decreased by \$2.1 million (3.1 percent) during the 2014-15 fiscal year.

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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

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

Statement of Activities. The *Statement of Activities* presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce

net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

In the government-wide financial statements, the District's activities are shown as governmental activities.

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 Oregon's State School Fund, property taxes, and other intergovernmental revenues.

The government-wide financial statements can be found on pages 18 and 19 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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District maintains four fund types: general operating, special revenue, debt service and capital projects. The fund financial statements are found on pages 20 through 23.

Notes to 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 financial statements can be found on pages 24 through 43 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. Net position may serve as a useful indicator of a government's financial position over time. In the case of the District, net position totaled \$36.6 million on June 30, 2015.

Net investment in capital assets, which consist of the District's land, buildings, building improvements, site improvements, construction in progress, vehicles, and equipment less related debt, represent approximately 78 percent of total net position. The District uses the capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities. The remaining assets consist mainly of investments, cash, and grants and property taxes receivable.

The District's largest liability (about 88 percent) is for the repayment of long-term debt (general obligation bonds and other postemployment obligation benefits). Current liabilities consist almost entirely of payables on accounts and payroll benefits.

Bethel School District No. 52
Statements of Net Position
June 30,

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Current and other assets	\$ 40,053,050	\$ 66,710,355	\$ (26,657,305)
PERS net pension asset	10,764,630	-	10,764,630
Capital assets, net	73,575,133	46,825,511	26,749,622
Total assets	<u>124,392,813</u>	<u>113,535,866</u>	<u>10,856,947</u>
Deferred outflows	5,560,386	-	5,560,386
Total assets and deferred outflows	<u>129,953,199</u>	<u>113,535,866</u>	<u>16,417,333</u>
Current liabilities	8,501,598	5,969,686	2,531,912
Long-term liabilities	63,660,124	65,738,686	(2,078,562)
Total liabilities	<u>72,161,722</u>	<u>71,708,372</u>	<u>453,350</u>
Deferred inflows	21,221,774	-	21,221,774
Total liabilities and deferred inflows	<u>93,383,496</u>	<u>71,708,372</u>	<u>21,675,124</u>
Net position:			
Net investment in capital assets	28,370,475	29,980,258	(1,609,783)
Restricted	852,641	217,755	634,886
Unrestricted	7,346,587	11,629,481	(4,282,894)
Total net position	<u>\$ 36,569,703</u>	<u>\$ 41,827,494</u>	<u>\$ (5,257,791)</u>

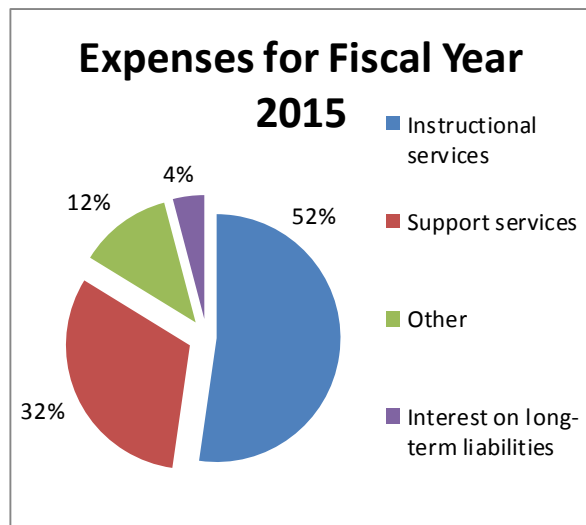
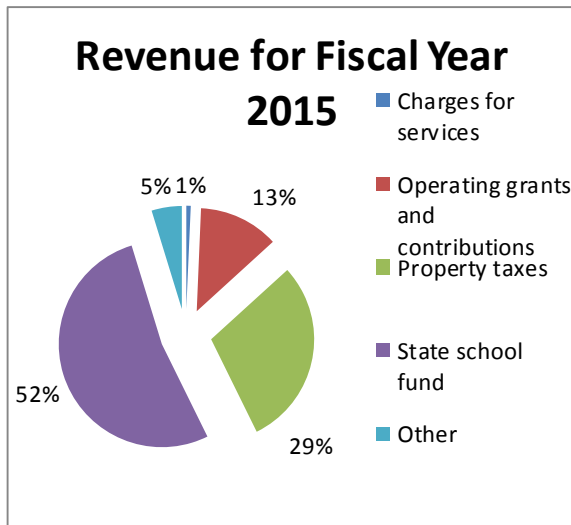
Statement of Activities. During the 2014-15 fiscal year, the District's net position increased by \$14.1 million as compared to a \$4.0 million increase in 2013-14. The key elements in this change are the net effect of the following:

- Total revenues for the District's governmental activities increased 3.0 percent.
- Local property tax revenue increased by 5.7 percent.
- State School Fund revenue increased by 1.4 percent.
- Total expenses for the District's governmental activities decreased 15.2 percent as a result of adjustments related to GASB Statement No. 68.

The beginning net position for the year ended June 30, 2015 does not match prior year's ending net position because GASB Statement No. 68 required a restatement of beginning net position as of July 1, 2014 but did not require any restatement of prior year amounts because the information is not available and not possible to calculate.

Bethel School District No. 52
Statements of Activities
June 30,

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Revenues			
Program revenues			
Charges for services	\$ 411,309	\$ 384,732	\$ 26,577
Operating grants and contributions	7,566,516	7,134,454	432,062
General revenues			
Property taxes	17,721,460	16,768,907	952,553
State school fund	31,631,980	31,184,043	447,937
Other	2,857,209	2,941,405	(84,196)
<i>Total revenues</i>	<u>60,188,474</u>	<u>58,413,541</u>	<u>1,774,933</u>
Expenses			
Instructional services	24,093,425	29,306,992	(5,213,567)
Support services	14,532,451	18,122,976	(3,590,525)
Other	5,596,685	5,643,153	(46,468)
Interest on long-term liabilities	1,886,502	1,315,665	570,837
<i>Total expenses</i>	<u>46,109,063</u>	<u>54,388,786</u>	<u>(8,279,723)</u>
Change in net position	14,079,411	4,024,755	10,054,656
Net position, beginning of year (as restated)	<u>22,490,292</u>	<u>37,802,739</u>	<u>(15,312,447)</u>
Net position, end of year	<u>\$ 36,569,703</u>	<u>\$ 41,827,494</u>	<u>\$ (5,257,791)</u>



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

At June 30, 2015 the District's governmental funds reported combined ending fund balances of \$30.7 million.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2015, unassigned fund balance was \$8.5 million. As a measure of the fund's liquidity, it may be useful to compare unassigned fund balance to total fund revenues. Unassigned fund balance represents 17.9 percent of total General Fund revenues.

The fund balance decreased by \$0.8 million during the current fiscal year. The change is attributed, in part to General Fund expenditures increasing \$3.8 million from the prior year.

Capital Projects Fund. The Capital Projects Fund has a total fund balance of \$15.9 million all of which is restricted for construction and remodeling of District facilities. The Capital Projects Fund was added in 2013 to support capital projects utilizing a portion of the April 2013 and all of the December 2013 general obligation bonds. These proceeds are being used to support school level security upgrades, district-wide technology upgrades, district wide maintenance projects, and architectural and engineering services in preparation for school construction.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. During the year, there was one transfer of appropriations by resolution affecting the original General Fund budget.

Final budget compared to actual results. The most significant difference between estimated revenue and actual revenue was State School Fund. Actual revenue was \$936 thousand lower than anticipated partly due to lower than anticipated enrollment growth.

Actual total expenditures were within appropriations.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings and improvements, site improvements, and equipment and vehicles. As of June 30, 2015, the District had invested \$73.5 million in capital assets, net of accumulated depreciation.

Capital Assets
(net of depreciation)
June 30,

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Land and improvements	\$ 2,565,671	\$ 2,565,671	\$ -
Construction in process	30,355,784	3,687,062	26,668,722
Building and improvements, equipment and vehicles	67,478,443	65,996,474	1,481,969
Accumulated depreciation	(26,824,765)	(25,423,696)	(1,401,069)
Total	<u>\$ 73,575,133</u>	<u>\$ 46,825,511</u>	<u>\$ 26,749,622</u>

Additional information on the District's capital asset activity can be found on page 33.

Long-term debt. During the year ended June 30, 2015, \$1.7 million of principal was paid on long-term debt and no additional general obligation bonds were issued during the year. At June 30, 2015, the District had total bonded debt outstanding of \$56.9 million.

Additional information on the District's long-term debt can be found on pages 34-35.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the District is the State of Oregon's State School Fund formula. The formula consists of a General Purpose Grant, a Transportation Grant, and certain local revenues. For the year ended June 30, 2015, the State School Fund General Purpose Grant provided 27 percent of the District's total revenues, and 59 percent of the District's General Fund revenues. The District is expecting increasing revenue from the State School Fund for the year ended June 30, 2016, based on current projections for the 2015-2017 biennium from the State of Oregon Legislative Revenue Office. The state economic forecast reveals a slow recovery and slight increase in State School funding for the District for the next few biennia.

Total enrollment in 2014-15 increased 12 ADM (average daily membership) from the previous year. Enrollment is expected to decrease in 2015-16 due to the birth rates in Lane County.

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

The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2015-16 fiscal year.

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 Director of Business Services, at 4640 Barger Drive, Eugene, and Oregon 97402.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2015

ASSETS

Cash and investments	\$ 36,855,054
Receivables	3,174,491
Inventories	23,505
PERS net pension asset	10,764,630
Capital assets not being depreciated	
Land	2,565,671
Construction in progress	30,355,784
Capital assets, net of accumulated depreciation	
Buildings	39,518,161
Equipment and vehicles	1,135,517
	<hr/>
<i>Total Assets</i>	124,392,813

DEFERRED OUTFLOWS OF RESOURCES

PERS deferred outflows	5,560,386
	<hr/>
<i>Total Assets and Deferred Outflows of Resources</i>	129,953,199

LIABILITIES

Accounts payable and accrued liabilities	7,674,388
Unearned revenue	303,004
Accrued compensated absences payable	432,496
Accrued interest	91,710
Long-term liabilities	
Portion due within one year	2,435,000
Portion due in more than one year	58,709,552
Other postemployment benefit obligation - early retirement	1,370,960
Other postemployment benefit obligation - implicit rate subsidy	1,144,612
	<hr/>
<i>Total Liabilities</i>	72,161,722

DEFERRED INFLOWS OF RESOURCES

PERS deferred inflows	21,221,774
	<hr/>
<i>Total Liabilities and Deferred Inflows of Resources</i>	93,383,496

NET POSITION

Net investment in capital assets	28,370,475
Restricted for debt service	852,641
Unrestricted	7,346,587
	<hr/>
<i>Total Net Position</i>	\$ 36,569,703

The accompanying notes are an integral part of the financial statements.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
FUNCTIONS/PROGRAMS				
Governmental Activities:				
Instructional services	\$ 24,093,425	\$ 9,600	\$ 5,935,859	\$ (18,147,966)
Support services	14,532,451	95,339	1,610,000	(12,827,112)
Enterprise and community services	2,019,680	306,370	20,657	(1,692,653)
Facilities maintenance services	3,577,005	-	-	(3,577,005)
Interest on long-term liabilities	1,886,502	-	-	(1,886,502)
<i>Total Governmental Activities</i>	<u>\$ 46,109,063</u>	<u>\$ 411,309</u>	<u>\$ 7,566,516</u>	(38,131,238)
General Revenues:				
Property taxes, levied for general purposes				13,130,246
Property taxes, levied for debt service				4,591,214
Construction excise tax				146,908
State school fund				31,631,980
Common school fund				604,536
Unrestricted state and local funds				653,526
Earnings on investments				285,080
Miscellaneous				1,167,159
<i>Total General Revenues</i>				<u>52,210,649</u>
<i>Change in net position</i>				14,079,411
<i>Net position - beginning of the year, as restated (see notes to the financial statements)</i>				<u>22,490,292</u>
<i>Net position - ending</i>				<u>\$ 36,569,703</u>

The accompanying notes are an integral part of the financial statements.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
BALANCE SHEET – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

		<u>Special Revenue</u>	<u>Capital Projects</u>
	<u>General</u>	<u>Grants</u>	<u>Capital Projects</u>
ASSETS			
Cash and investments	\$ 12,068,073	\$ 1,057,763	\$ 20,011,535
Property taxes receivable	1,039,201	-	-
Other receivables	376,169	1,318,618	-
Inventories	-	23,505	-
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	\$ 13,483,443	\$ 2,399,886	\$ 20,011,535
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 480,472	\$ 37,436	\$ 2,741,349
Accrued expenses	-	-	1,330,292
Accrued salaries and benefits	3,069,576	-	-
Unearned revenue	-	303,004	-
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	3,550,048	340,440	4,071,641
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	957,964	-	-
Fund Balance:			
Non-spendable inventory	-	23,505	-
Restricted for:			
Capital projects	-	-	15,939,894
Debt service	-	-	-
Committed to:			
Grants	-	2,035,941	-
Insurance services	491,499	-	-
Assigned to:			
Special projects	-	-	-
Unassigned	8,483,932	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances</i>	8,975,431	2,059,446	15,939,894
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	\$ 13,483,443	\$ 2,399,886	\$ 20,011,535
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<i>Other Governmental Funds</i>	<i>Total</i>
\$ 3,717,683	\$ 36,855,054
404,295	1,443,496
36,208	1,730,995
-	23,505
<hr/>	<hr/>
\$ 4,158,186	\$ 40,053,050
<hr/>	<hr/>
\$ 15,263	\$ 3,274,520
-	1,330,292
-	3,069,576
-	303,004
<hr/>	<hr/>
15,263	7,977,392
372,238	1,330,202
-	23,505
-	15,939,894
572,113	572,113
-	2,035,941
-	491,499
3,198,572	3,198,572
-	8,483,932
<hr/>	<hr/>
3,770,685	30,745,456
<hr/>	<hr/>
\$ 4,158,186	\$ 40,053,050
<hr/>	<hr/>

The accompanying notes are an integral part of the financial statements.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
YEAR ENDED JUNE 30, 2015

FUND BALANCES		\$ 30,745,456
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 100,399,898	
Accumulated depreciation	<u>(26,824,765)</u>	73,575,133
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are not reported as revenue in the governmental funds.		1,330,202
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		
These liabilities consist of:		
Accrued interest payable	(91,710)	
Compensated absences payable	(432,496)	
Bonds payable	(61,144,552)	
Other postemployment benefit obligation - early retirement	(1,370,960)	
Other postemployment benefit obligation - implicit rate subsidy	<u>(1,144,612)</u>	(64,184,330)
Long-term pension liabilities/assets not payable in the current year are not reported as governmental fund liabilities/assets. Actuarial changes create deferred outflows and inflows of resources. These consist of:		
PERS net pension asset (liability)	10,764,630	
Net deferred outflows of resources	5,560,386	
Net deferred inflows of resources	<u>(21,221,774)</u>	<u>(4,896,758)</u>
TOTAL NET POSITION		<u>\$ 36,569,703</u>

The accompanying notes are an integral part of the financial statements.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

		<u>Special Revenue</u>	<u>Capital Projects</u>
	<u>General Fund</u>	<u>Grants</u>	<u>Capital Projects</u>
REVENUES			
Property taxes	\$ 12,885,571	\$ -	\$ -
Construction excise tax	-	-	-
Intergovernmental			
Intermediate sources	104,407	2,351,649	-
State sources	33,847,916	696,136	-
Federal sources	299,119	5,050,505	-
Charges for services	-	306,370	-
Contributions	-	26,702	-
Investment earnings	102,819	1,705	178,079
Miscellaneous	171,654	112,531	-
	<u>47,411,486</u>	<u>8,545,598</u>	<u>178,079</u>
<i>Total Revenues</i>			
EXPENDITURES			
Current			
Instruction	28,402,166	3,873,339	-
Support services	18,814,671	2,146,613	-
Enterprise and community services	103,049	2,292,422	-
Facilities acquisition and construction	-	-	2,457,010
Debt Service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	28,150,691
	<u>47,319,886</u>	<u>8,312,374</u>	<u>30,607,701</u>
<i>Total Expenditures</i>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	91,600	233,224	(30,429,622)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	586,000	-
Transfers out	(865,043)	-	-
	<u>(865,043)</u>	<u>586,000</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>			
NET CHANGE IN FUND BALANCES	(773,443)	819,224	(30,429,622)
FUND BALANCES, beginning of year	9,748,874	1,240,222	46,369,516
FUND BALANCES, ending	<u>\$ 8,975,431</u>	<u>\$ 2,059,446</u>	<u>\$ 15,939,894</u>

<i>Other</i>		
<i>Governmental</i>		
<i>Funds</i>	<i>Total</i>	
\$ 4,800,530	\$ 17,686,101	
146,908	146,908	
-	2,456,056	
3,360	34,547,412	
68,792	5,418,416	
169,983	476,353	
74,446	101,148	
2,477	285,080	
1,016,725	1,300,910	
<hr/>		
6,283,221	62,418,384	
1,181,179	33,456,684	
204,215	21,165,499	
33,312	2,428,783	
-	2,457,010	
1,720,000	1,720,000	
3,037,189	3,037,189	
-	28,150,691	
<hr/>		
6,175,895	92,415,856	
107,326	(29,997,472)	
279,043	865,043	
-	(865,043)	
<hr/>		
279,043	-	
<hr/>		
386,369	(29,997,472)	
3,384,316	60,742,928	
<hr/>		
\$ 3,770,685	\$ 30,745,456	
<hr/>		

The accompanying notes are an integral part of the financial statements.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

NET CHANGE IN FUND BALANCES \$(29,997,472)

Governmental funds report capital outlay as expenditures. However, 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	\$ 28,150,691	
Less current year depreciation	<u>(1,401,069)</u>	26,749,622

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

Debt principal repaid	1,720,000	
Amortization of bond premium	<u>350,217</u>	2,070,217

In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due. 800,470

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied. 35,359

Early retirement incentives are recognized as an expenditure in the governmental fund when they are paid. In the Statement of Activities early retirement incentives are recognized as expenditures when earned. 8,345

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

Net change in PERS net pension liability/asset	34,999,477	
Net change in deferred outflows of resources	662,741	
Net change in deferred inflows of resources	<u>(21,221,774)</u>	14,440,444

Compensated absences are recognized as an expenditure in the governmental fund when they are paid. In the Statement of Activities compensated absences are recognized as expenditures when earned. (27,574)

CHANGE IN NET POSITION \$ 14,079,411

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bethel School District No. 52 (the District) is a municipal corporation governed by a separately elected seven-member Board of Directors. Administrative officials are approved by the Board. The daily functioning of the District is under the supervision of the Superintendent-Clerk. As required by accounting principles generally accepted in the United States of America, 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 Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. 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/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, except that interfund services are not eliminated. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided and (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.

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

Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each being 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 - This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. Principal revenue sources are an apportionment from the State of Oregon and property taxes. For reporting purposes the General Fund also includes the Insurance Reserve Fund. This fund accounts for insurance related activities. The major source of revenue is from interfund transfers or insurance claim proceeds.

Grants Fund - This fund is used to account for the expenditures and receipts of various local, state and federal grants.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Capital Projects Fund - This fund accounts for the construction and rehabilitation of District schools. Primary source of revenue is general obligation bond proceeds.

In addition, the District reports the following as nonmajor governmental funds:

Special Projects Fund - This fund is used for various special programs administered by the District. Principal revenue sources are fees from student activities.

Debt Service Fund - This fund accounts for the payment of principal and interest on general obligation bonded debt. Principal revenue sources are property taxes.

In the prior year, the Food Service Fund was separately stated. In the current year, this fund was closed and reestablished as a subfund of the Grants Fund. As a result, the beginning fund balance of the Food Service Fund has been reclassified to the Grants Fund.

Measurement Focus and Basis of Accounting

Government-wide 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 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. Revenues from grants, entitlements, and donations are 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.

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 and claims and judgments, 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.

Cash and Investments

The District's cash consist of cash on hand, demand and time deposits. The District's investments consist of the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The LGIP is stated at cost which approximates fair value.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes Receivable

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

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

Accounts and Other Receivables

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

Grants

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

Inventories

Inventories of supplies and materials in the governmental funds are stated at cost. Inventories of food and supplies are valued at invoice cost (first-in, first-out). Inventoried items are charged to expenditures of the user department at the time of withdrawal from inventory (consumption method). Commodity inventories are not recorded as title to them is not considered to pass to the District until they are consumed.

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.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	20 to 60 years
Equipment and vehicles	3 to 20 years

Retirement Plans

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement Plans (Continued)

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

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

Other Postemployment Benefits

The District currently maintains an early retirement program which provides for payment of stipends and/or health insurance benefits to qualified employees. The District's employees who elect retirement are entitled to participate in the District's group medical insurance plan as provided by Oregon Revised Statutes.

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 payment as the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued when earned in the government-wide financial statements. These obligations will be paid from the fund from which employee wages are charged. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements. Compensated absences will be paid from general revenues and are expected to be paid within 12 months.

Governmental Fund Balances

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

Governmental Fund type fund balances are classified as follows:

- **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.
- **Restricted** – Amounts that can be spent only for specific purposes when the constraints placed on the use of these resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed** – Amounts that can be used only for specific purposes determined by a formal action (resolution) of the School Board. The School Board can modify or rescind the commitment at any time through taking a similar formal action.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Balances (Continued)

- **Assigned** - Amounts that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the School Board approves which resources should be "reserved" during the adoption of the annual budget. The District's Director of Business Services uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the District's Annual Financial Report.
- **Unassigned** – All amounts not included in other spendable classifications. This residual classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

Definitions of Governmental Fund Types

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

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

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

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

Use of Restricted Resources

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

Long-term Debt

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Debt (Continued)

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

Budget

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

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

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. During the year, one appropriation transfer was made and no supplemental budgets were adopted. Appropriations lapse at the end of each fiscal year.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) so will not be recognized as an outflow of resources (expense) until that time. The District has one item that qualifies for reporting in this category, arising only under the accrual basis of accounting. As such, this item, *PERS deferred outflows*, which relates to the deferral of PERS contributions under GASB 68, only appears on the statement of net position.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. One item, *PERS deferred inflows*, which relates to the deferral of the differences between projected and actual PERS investment earnings, arises only under a full accrual basis of accounting and only appears on the statement of net position. The other item, *unavailable revenue – property taxes*, only arises under a modified accrual basis of accounting and as such, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that effect 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 may differ from those estimates.

CASH AND INVESTMENTS

The District maintains an internal cash and investments pool that is available for use by all funds.

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

	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and Deposits		
Cash on hand	\$ 1,400	\$ 1,400
Deposits with financial institutions	2,666,008	2,666,008
Investments		
Local Government Investment Pool	34,187,646	34,187,646
	<u>\$ 36,855,054</u>	<u>\$ 36,855,054</u>

Deposits

At June 30, 2015, the District's deposits with various financial institutions had a bank value of \$4,099,141 and a book balance of \$2,666,008. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions up to \$250,000 each for the aggregate of all demand accounts and the aggregate of all savings and time deposits accounts at each institution. Deposits not covered, if any, are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a 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. At June 30, 2015, the balance covered by the PFCP was \$3,290,283.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

CASH AND INVESTMENTS (Continued)

Credit Risk

Oregon Revised Statutes authorize school districts to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States, commercial paper, bankers' acceptances guaranteed by a qualified financial institution, repurchase agreements, interest bearing bonds of any city, county, port or school district in Oregon (subject to specific standards), and the Oregon State Local Government Investment Pool, among others. The Board of Education has adopted an investment policy for the District, which complies with state statutes, as it relates to the credit risk of investments.

Investments

As of June 30, 2015, the District held the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Weighted average maturity in years</u>	<u>% of investment portfolio</u>
Local Government Investment Pool	\$ 34,187,646	0.003	100.0%

The "weighted average maturity in years" calculation assumes that all investments are held until maturity. The Oregon Local Government Investment Pool is unrated.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

CASH AND INVESTMENTS (Continued)

Interest Rate Risk

In accordance with its investment policy, the District manages its exposure to declines in fair value of its investments by structuring the investment portfolio, so that securities mature to meet the cash flow needs of ongoing operations. The District's investment policy also limits investments as follows:

<u>Investment type</u>	<u>Maximum % of portfolio</u>	<u>Maximum length to maturity</u>
U.S. Treasury Obligations	100.0%	18 months
U.S. Government Agency Securities	100.0%	18 months
Banker's Acceptances	25.0%	18 months
Certificate of Deposits	25.0%	18 months
Repurchase Transactions	25.0%	18 months
Commerical Paper	25.0%	18 months
Corporate Notes	10.0%	18 months
Local Government Investment Pool	100.0%	1 day

The LGIP investment is limited by Oregon Statute to an amount in excess of \$40 million, which amount will increase proportionately to 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.

The State Treasurer of the State of Oregon maintains the Oregon Short-term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The funds deposited in the Local Government Investment Pool are recorded at cost, which approximates fair value. At June 30, 2015, the fair value of the position in the Oregon State Treasurer's Short-term Investment Pool was approximately equal to the pool shares. The funds in the Local Government Investment Pool are not subject to risk evaluation.

Custodial Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The District's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

CASH AND INVESTMENTS (Continued)

Custodial Risk - Investments (Continued)

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

<i>Investment type</i>	<i>Rating by Moody's</i>			<i>Not rated</i>	<i>Total</i>
	<i>Aaa</i>	<i>Aa1</i>	<i>Aa3</i>		
Local Government Investment Pool	\$ -	\$ -	\$ -	\$ 34,187,646	\$ 34,187,646

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any funds. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

CAPITAL ASSETS

Capital assets activity for the year was as follows:

	<i>Balance</i> <i>July 1, 2014</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <i>June 30, 2015</i>
Capital assets not being depreciated:				
Land	\$ 2,565,671	\$ -	\$ -	\$ 2,565,671
Construction in process	3,687,062	28,091,697	(1,422,975)	30,355,784
<i>Total capital assets not being depreciated</i>	6,252,733	28,091,697	(1,422,975)	32,921,455
Capital assets being depreciated:				
Buildings and improvements	63,854,609	1,195,473	-	65,050,082
Equipment	765,882	286,496	-	1,052,378
Vehicles	1,375,983	-	-	1,375,983
<i>Total capital assets being depreciated</i>	65,996,474	1,481,969	-	67,478,443
Less accumulated depreciation for:				
Buildings and improvements	(24,295,091)	(1,236,830)	-	(25,531,921)
Equipment	(242,747)	(91,592)	-	(334,339)
Vehicles	(885,858)	(72,647)	-	(958,505)
<i>Total accumulated depreciation</i>	(25,423,696)	(1,401,069)	-	(26,824,765)
<i>Total capital assets being depreciated, net</i>	40,572,778	80,900	-	40,653,678
<i>Total capital assets, net</i>	<u>\$ 46,825,511</u>	<u>\$ 28,172,597</u>	<u>\$ (1,422,975)</u>	<u>\$ 73,575,133</u>

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

<i>Program</i>	
Instructional services	\$ 4,785
Support services	
Pupil transportation	51,078
Other support services	65,735
Enterprise and community services	23,224
Facilities maintenance services	1,256,247
<i>Total</i>	<u>\$ 1,401,069</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

LONG-TERM DEBT

The District issued 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.

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

	<u>Original Issue</u>	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>
Governmental Activities						
General obligation bonds, Series 2013	\$ 20,860,000	\$ 19,165,000	\$ -	\$ 1,720,000	\$ 17,445,000	\$ 2,435,000
General obligation bonds, Series 2013 B & C	39,496,166	39,496,166	-	-	39,496,166	-
<i>Total</i>		58,661,166	-	1,720,000	56,941,166	2,435,000
Issuance premium, Series 2013		1,741,324	-	209,603	1,531,721	-
Issuance premium, Series 2013 B & C		2,812,279	-	140,614	2,671,665	-
<i>Total</i>		<u>\$ 63,214,769</u>	<u>\$ -</u>	<u>\$ 2,070,217</u>	<u>\$ 61,144,552</u>	<u>\$ 2,435,000</u>
General obligation bonds, Series 2013 - issued April 2013, due in annual installments of \$675,000 to \$2,730,000, plus interest paid semi-annually at 1.25% to 5.0% through 2028.					\$ 17,445,000	
General obligation bonds, Series 2013 B & C - issued December 2013, due in annual installments of \$75,000 to \$5,345,000 plus interest paid semi-annually at 1.47% to 5.0% through 2034.					39,496,166	
Issuance premium, Series 2013 - amortized through 2028.					1,531,721	
Issuance premium, Series 2013 B & C - amortized through 2034.					2,671,665	
					<u>\$ 61,144,552</u>	

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

LONG-TERM DEBT (Continued)

Future debt service requirements are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2016	\$ 2,435,000	\$ 2,200,688	\$ 4,635,688
2017	2,575,000	2,164,162	4,739,162
2018	2,804,909	2,118,554	4,923,463
2019	3,050,000	2,017,888	5,067,888
2020	1,650,223	2,069,689	3,719,912
2021-2025	10,347,856	10,006,394	20,354,250
2026-2030	15,068,178	8,491,822	23,560,000
2031-2034	19,010,000	2,473,000	21,483,000
	<u>\$ 56,941,166</u>	<u>\$ 31,542,197</u>	<u>\$ 88,483,363</u>

COMPENSATED ABSENCES

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

Compensated absences activity for the year is as follows:

<i>Outstanding July 1, 2014</i>	<i>Increases</i>	<i>Decreases</i>	<i>Outstanding June 30, 2015</i>	<i>Amount Due in One Year</i>
\$ 404,922	\$ 220,496	\$ 192,922	\$ 432,496	\$ 432,496

INTERFUND TRANSFERS

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

	<i>Transfers In</i>	<i>Transfers Out</i>
General	\$ -	\$ 865,043
Grants	586,000	-
Other governmental funds		
Special Projects	279,043	-
	<u>\$ 865,043</u>	<u>\$ 865,043</u>

INTERFUND TRANSFERS (Continued)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

PENSION PLAN

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

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

PERS Pension (Chapter 238)

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

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

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

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

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

PENSION PLAN (Continued)

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

Oregon Public Service Retirement Plan Pension Program (OPSRP DB)

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

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

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

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

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

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

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

Benefit Changes After Retirement.

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

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

PENSION PLAN (Continued)

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation, which became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2015 were \$5,560,386, excluding amounts to fund employer specific liabilities. In addition, approximately \$1,545,814 in employee contributions were paid or picked up by the District in fiscal year 2015.

At June 30, 2015, the District reported a net pension asset of \$10,764,630 for its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2012, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2012, the District's proportion was 0.47 percent.

	<u><i>Deferred Outflow of Resources</i></u>	<u><i>Deferred (Inflow) of Resources</i></u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (20,771,375)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	<u>(450,399)</u>
Subtotal - Amortized Deferrals (below)	-	(21,221,774)
District contributions subsequent to measurement date	<u>5,560,386</u>	<u>-</u>
Net deferred outflow (inflow) of resources		<u>\$ (15,661,388)</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

PENSION PLAN (Continued)

Contributions (Continued)

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

<u>Year ending June 30,</u>	<u>Amount</u>
2016	\$ (5,290,757)
2017	(5,290,757)
2018	(5,290,757)
2019	(5,290,757)
2020	(58,746)
Thereafter	-
Total	<u>\$ (21,221,774)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB Statement No. 68 reporting summary dated July 29, 2015. Oregon PERS produces an independently audited CAFR which can be found at:

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

Actuarial Valuations

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

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

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

PENSION PLAN (Continued)

Actuarial Valuations (Continued)

Actuarial Methods and Assumptions:

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

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

Discount Rate

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

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

PENSION PLAN (Continued)

Sensitivity

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

	<i>1% Decrease</i> <i>(6.75%)</i>	<i>Discount</i> <i>Rate (7.75%)</i>	<i>1% Increase</i> <i>(8.75%)</i>
District's proportionate share of the net pension liability (asset)	\$ 22,795,598	\$ (10,764,630)	\$ (39,148,711)

Changes in Plan Provisions Subsequent to Measurement Date

The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients. PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision on the total pension liability and employer's net pension liability (asset) has not been fully determined. However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology, which is summarized below (dollars in millions). Estimates Post-Moro have been rounded to the nearest \$10 million.

	<i>June 30, 2014 Measurement Date for</i> <i>all PERS Employers (in millions)</i>	
	<i>Pre- Moro</i>	<i>Post- Moro</i>
Total pension liability	\$ 63,135	\$ 68,050
Fiduciary net position	65,402	65,400
Net pension liability (asset)	<u>\$ (2,267)</u>	<u>\$ 2,650</u>

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEBs)

The District reports 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 in the financial statements.

The schedules of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time. Actuarial calculations of the OPEB plan reflect a long-term perspective and are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

Early Retirement Program (ERP)

Stipend Benefits

Description - The District maintains a single-employer early retirement supplement program for eligible employees of the District. The program generally covers staff that have completed twelve years of continuous service and have reached retirement age. Upon reaching age 58, an employee may elect retirement. In addition, an employee may elect to retire as early as age 55 with a reduced stipend. A stipend is paid to the participant until age 62, unless the District receives notification of eligibility for unemployment payments filed with the State Employment Services. At that time, stipend payments cease. Early retirement benefits are recorded as expenditures when paid. For the year ended June 30, 2015, a total of \$104,437 was paid to 33 retirees. The District does not issue a stand-alone report for this plan.

Funding Policy - The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. The program is not accounted for in a pension trust fund; therefore, designated funds are not legally restricted to pay future benefits. The program is funded on a pay-as-you-go basis. The activities of the program are reported in the General Fund.

Health Insurance Benefits

Description - The District maintains a single-employer early retirement health insurance supplement program for eligible employees of the District. The program generally covers staff that have completed twelve years of continuous service and have reached retirement age. Upon reaching age 58, an employee may elect retirement. In addition, an employee may elect to retire as early as age 55. A premium is paid for the participant until age 62, unless the District receives notification of eligibility for unemployment payments filed with the State Employment Services. At that time, insurance payments cease. Early retirement benefits are recorded as expenditures when paid. For the year ended June 30, 2015 a total of \$925,842 was paid for 95 retirees. The District does not issue a stand-alone report for this plan.

Funding Policy - The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. The program is funded on a pay-as-you-go basis. The activities of the program are reported in the General Fund.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

OTHER POST EMPLOYMENT BENEFITS (OPEBs) (Continued)

Early Retirement Program (ERP) (Continued)

Annual ERP OPEB Cost and Net ERP OPEB Obligation - The District's annual ERP other postemployment benefit cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount determined in accordance within the parameter of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a closed period not to exceed thirty years.

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

	2015	2014	2013
Annual required contribution	\$ 1,024,946	\$ 1,024,946	\$ 884,370
Interest on net pension obligation	43,134	48,719	70,529
Adjustment to annual required contribution	(127,450)	(142,188)	(129,989)
Annual ERP OPEB cost	940,630	931,477	824,910
Estimated contributions	(1,007,484)	(1,117,603)	(964,214)
Increase (decrease) in net ERP OPEB obligation	(66,854)	(186,126)	(139,304)
Net ERP OPEB obligation at beginning of year	1,437,814	1,623,940	1,763,244
Net ERP OPEB obligation at end of year	<u>\$ 1,370,960</u>	<u>\$ 1,437,814</u>	<u>\$ 1,623,940</u>

The District's annual ERP OPEB cost, the contribution, the percentage of annual ERP OPEB cost contributed to the plans, and the net ERP OPEB obligation for 2015 were as follows:

Fiscal Year Ended June 30	Annual ERP OPEB cost	Contribution	Percentage of Annual ERP OPEB Cost Contributed	Net ERP OPEB Obligation
2015	\$ 940,630	\$ 1,007,484	107.1%	\$ 1,370,960
2014	931,477	1,117,603	120.0%	1,437,814
2013	824,910	964,214	116.9%	1,623,940

Funded Status and Funding Progress – As of July 1, 2013, the most recent actuarial valuation date, for the period ended June 30, 2015; the District's actuarial accrued liability (AAL) for benefits was \$8,042,719, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,042,719. The covered payroll for the year ended June 30, 2015 was \$25,881,214. The ratio of the total UAAL to annual covered payroll is 31%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents 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.

OTHER POST EMPLOYMENT BENEFITS (OPEBs) (Continued)

Early Retirement Program (ERP) (Continued)

Methods and Assumptions – The projected unit credit actuarial cost method was used to determine contribution levels for the retiree benefits. Contribution levels are comprised of two components: normal cost and amortization payments. Under this method, the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in stipends and medical premiums) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year.

The present value of benefits accrued as of the valuation date is called the accrued liability. The difference between the accrued liability and the actuarial value of plan assets is called the unfunded accrued liability. The unfunded accrued liability is being amortized as a level dollar amount, over an open period of six years for stipend benefits, over an open period of 16 years for explicit medical benefits, and over an open period of 30 years for implicit medical benefits.

In the July 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The assumptions included a discount rate of 3.0 percent. They also assume annual premium increase rate would be 7.5 percent for the current year, grading down to an annual rate of 5.0 percent after 17 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.

Postemployment Health Insurance Subsidy

Plan Description - The District operates a single-employer retiree benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses. There are 572 active and 104 retired members. Benefits and eligibility for members are established through the collective bargaining agreements. The District does not issue a stand-alone report for this plan.

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 determined in accordance within the parameter of GASB Statement No. 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 liabilities (or funding excess) over an open period not to exceed thirty years.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

OTHER POST EMPLOYMENT BENEFITS (OPEBs) (Continued)

Postemployment Health Insurance Subsidy (Continued)

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

	2015	2014	2013
Annual required contribution	\$ 930,716	\$ 930,716	\$ 746,230
Interest on net pension obligation	32,583	31,153	37,773
Adjustment to annual required contribution	(53,794)	(51,434)	(33,727)
Annual OPEB cost	909,505	910,435	750,276
Estimated contributions	(850,996)	(862,780)	(656,171)
Increase in net OPEB obligation	58,509	47,655	94,105
Net OPEB obligation at beginning of year	1,086,103	1,038,448	944,343
Net OPEB obligation at end of year	<u>\$ 1,144,612</u>	<u>\$ 1,086,103</u>	<u>\$ 1,038,448</u>

The District's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for 2015 were as follows:

Fiscal Year Ended June 30,	Annual OPEB cost	(Estimated) Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 909,505	\$ 850,996	93.6%	\$ 1,144,612
2014	910,435	862,780	94.8%	1,086,103
2013	750,276	656,171	87.5%	1,038,448

Methods and Assumptions – The projected unit credit actuarial cost method was used to determine contribution levels for the subsidized retiree health benefits. Contribution levels are comprised of two components: normal cost and amortization payments. Under this method, the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year.

The present value of benefits accrued as of the valuation date is called the accrued liability. The difference between the accrued liability and the actuarial value of plan assets is called the unfunded accrued liability. The unfunded accrued liability is being amortized as a level dollar amount, over an open period of six years for stipend benefits, over an open period of 16 years for explicit medical benefits, and over an open period of 30 years for implicit medical benefits.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

OTHER POST EMPLOYMENT BENEFITS (OPEBs) (Continued)

Postemployment Health Insurance Subsidy (Continued)

In the July 1, 2013 valuation, the projected unit credit actuarial cost method was used. The assumptions included a discount rate of 3.0 percent. They also assume annual premium increase rate would be 7.5 percent for the current year, grading down to an annual rate of 5.0 percent after 17 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.

Funded Status and Funding Progress – As of July 1, 2013, the most recent actuarial valuation date, for the periods ending June 30, 2014 and June 30, 2015; the District's actuarial accrued liability (AAL) for benefits was \$9,178,750, and the actuarial value of assets was \$0-, resulting in an unfunded actuarial liability (UAAL) of \$9,178,750. The covered payroll for the year ended June 30, 2015 was \$25,881,214. The ratio of the total UAAL to annual covered payroll is 35%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Retirement Health Insurance Account

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 the OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. The plan, which was established under Oregon Revised Statutes (ORS) 238.420, provided for a payment of up to \$60 per month toward the costs of Medicare companion health insurance for eligible retirees. A comprehensive annual financial report of the funds administered by the OPERS may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700 or by accessing the PERS website at www.oregon.gov/PERS/.

Funding Policy – Participating school districts are contractually required to contribute at a rate assessed each year by the OPERS, currently 0.59% of annual covered OPERF payroll and 0.49% of covered OPSRP payroll. The OPERS Board of Trustees sets the rates based on the annual required contribution (ARC) of the employers, an amount actuarially determined in accordance with the parameters of GASB Statement No. 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, 2015, 2014 and 2013 were \$139,759, \$121,446, and \$116,700, respectively, which equaled the required contributions each year.

CLAIMS AND LITIGATION

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

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

CLAIMS AND LITIGATION (Continued)

Management has represented that there are no contingent liabilities that require disclosure or recognition in accordance with Accounting Standards Codification (ASC) No. 450-20. Such contingent liabilities would include, but would not be confined to: notes or accounts receivable which have been discounted; pending suits; proceedings, hearings, or negotiations possibly involving retroactive adjustments; unsatisfied judgments or claims; taxes in dispute; endorsements or guarantees; and options.

RISK MANAGEMENT

The District purchased commercial insurance to cover all commonly insurable risks, including property, liability, vehicles, fidelity bond, worker’s compensation and unemployment. All policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

CONSTRUCTION COMMITMENTS

The District has active construction projects as of June 30, 2015. As of the end of the fiscal year, the District is committed under various accepted bid agreements and contracts for approximately \$32.5 million for goods, services, and construction of facilities.

BUDGET COMPLIANCE

Excess of Expenditures over Appropriations

Oregon law prohibits expenditures in excess of board approved appropriations. The board approves appropriations for each fund by major function. For the year ended June 30, 2015, expenditures exceeded appropriations as follows:

<u><i>Fund/Appropriation Category</i></u>	<u><i>Appropriation</i></u>	<u><i>Expenditure</i></u>	<u><i>Variance</i></u>
<i>General fund</i>			
Instruction	\$ 28,153,637	\$ 28,402,166	\$ (248,529)
Transfers out	850,359	865,043	(14,684)
<i>Grants</i>			
Support services	1,907,900	2,146,613	(238,713)
<i>Other funds</i>			
<i>Debt service</i>			
Support services	-	3	(3)

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

RESTATEMENT OF PRIOR YEAR NET POSITION

Due to the implementation of GASB Statements 68 and 71, a restatement of the prior year net position was required to record the net pension liability at the prior measurement date and reclassify prior year pension contributions from expenses to deferred outflows:

<i>Net position as previously reported at June 30, 2014</i>	\$ 41,827,494
<i>Prior period adjustment:</i>	
Net pension liability (measurement date as of June 30, 2013)	(24,234,847)
District contributions made during fiscal year 2014 (deferred outflow)	4,897,645
Total prior period adjustment	<u>(19,337,202)</u>
 <i>Net position as restated, at July 1, 2014</i>	 <u><u>\$ 22,490,292</u></u>

NEW PRONOUNCEMENTS

The District implemented the following GASB pronouncements in the current fiscal year.

GASB Statement No. 68 “Accounting and Reporting for Pension Plans—an amendment of GASB Statement No. 27.” The statement establishes accounting and financial reporting requirements related to pensions provided by governments. The statement is effective for fiscal years beginning after June 15, 2014.

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

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

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

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

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

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

NEW PRONOUNCEMENTS (Continued)

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

SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 31, 2015, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULES OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS
YEAR ENDED JUNE 30, 2015

Other postemployment benefit obligation - early retirement:

<u>Valuation Date</u>	<u>Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL / Payroll</u>
July 1, 2013	\$ -	\$ 8,042,719	\$ 8,042,719	0.0%	\$ 23,498,326	34.2%
July 1, 2011	-	7,580,911	7,580,911	0.0%	24,396,220	31.1%
July 1, 2009	-	7,028,303	7,028,303	0.0%	26,194,004	26.8%

Other postemployment benefit obligation - implicit subsidy:

<u>Valuation Date</u>	<u>Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL / Payroll</u>
July 1, 2013	\$ -	\$ 9,178,750	\$ 9,178,750	0.0%	\$ 23,498,326	39.1%
July 1, 2011	-	8,306,794	8,306,794	0.0%	24,396,220	34.0%
July 1, 2009	-	8,089,706	8,089,706	0.0%	26,194,004	30.9%

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULES OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR PERS
YEAR ENDED JUNE 30, 2015

<i>Year Ended June 30,</i>	<i>Employer's proportion of the net pension liability (NPL)</i>	<i>Employer's proportionate share of the net pension liability (NPL)</i>	<i>Employer's covered payroll</i>	<i>NPL as a percentage of covered payroll</i>	<i>Plan fiduciary net position as a percentage of the total pension liability</i>
2015	0.47%	\$ (10,764,630)	\$ 25,881,214	-41.6%	103.6%
2014	0.47%	24,234,847	22,490,011	107.8%	92.0%

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

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

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULES OF CONTRIBUTIONS FOR PERS
YEAR ENDED JUNE 30, 2015

<i>Year Ended June 30,</i>	<i>Statutorily required contribution</i>	<i>Contributions in relation to the statutorily required contribution</i>	<i>Contribution deficiency (excess)</i>	<i>Employer's covered payroll</i>	<i>Contributions as a percent of covered payroll</i>
2015	\$ 5,560,386	\$ 5,560,386	\$ -	\$ 25,881,214	21.5%
2014	4,897,645	4,897,645	-	22,490,011	21.8%

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

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

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
RECONCILIATION OF BUDGETARY TO REPORTING FUNDS –
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GENERAL FUND
YEAR ENDED JUNE 30, 2015

	<i>Budgetary funds</i>		<i>Total (reported as General Fund)</i>
	<i>General</i>	<i>Insurance Reserve</i>	
REVENUES			
Property tax	\$ 12,885,571	\$ -	\$ 12,885,571
Intergovernmental			
Intermediate sources	104,407	-	104,407
State sources	33,847,916	-	33,847,916
Federal sources	299,119	-	299,119
Investment earnings	102,819	-	102,819
Miscellaneous	171,654	-	171,654
<i>Total Revenues</i>	47,411,486	-	47,411,486
EXPENDITURES			
Current			
Instruction	28,402,166	-	28,402,166
Support services	18,799,650	15,021	18,814,671
Enterprise and community services	103,049	-	103,049
<i>Total Expenditures</i>	47,304,865	15,021	47,319,886
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	106,621	(15,021)	91,600
OTHER FINANCING SOURCES (USES)			
Transfers out	(865,043)	-	(865,043)
NET CHANGE IN FUND BALANCES	(758,422)	(15,021)	(773,443)
FUND BALANCES, beginning	9,242,354	506,520	9,748,874
FUND BALANCES, ending	\$ 8,483,932	\$ 491,499	\$ 8,975,431

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2015

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>	<i>Budget and GAAP Basis</i>	
REVENUES				
Property tax	\$ 12,624,410	\$ 12,624,410	\$ 12,885,571	\$ 261,161
Intergovernmental				
Intermediate sources	41,356	41,356	104,407	63,051
State sources	34,690,585	34,690,585	33,847,916	(842,669)
Federal sources	1	1	299,119	299,118
Investment earnings	75,000	75,000	102,819	27,819
Miscellaneous	126,626	126,626	171,654	45,028
<i>Total Revenues</i>	47,557,978	47,557,978	47,411,486	(146,492)
EXPENDITURES				
Current				
Instruction	27,923,637	28,153,637	28,402,166	(248,529)
Support services	19,311,095	19,061,095	18,799,650	261,445
Enterprise and community services	94,415	114,415	103,049	11,366
Operating contingency	4,000,000	3,424,641	-	3,424,641
<i>Total Expenditures</i>	51,329,147	50,753,788	47,304,865	3,448,923
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,771,169)	(3,195,810)	106,621	3,302,431
OTHER FINANCING SOURCES (USES)				
Transfers out	(275,000)	(850,359)	(865,043)	(14,684)
NET CHANGE IN FUND BALANCE	(4,046,169)	(4,046,169)	(758,422)	3,287,747
FUND BALANCE, beginning	8,114,814	8,114,814	9,242,354	1,127,540
FUND BALANCE, ending	\$ 4,068,645	\$ 4,068,645	\$ 8,483,932	\$ 4,415,287

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GRANTS FUND
YEAR ENDED JUNE 30, 2015

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>	<i>Budget and GAAP Basis</i>	
REVENUES				
Intergovernmental				
Intermediate sources	\$ 1,143,666	\$ 1,143,666	\$ 2,351,649	\$ 1,207,983
State sources	760,000	760,000	696,136	(63,864)
Federal sources	6,282,500	6,282,500	5,050,505	(1,231,995)
Charges for services	324,000	324,000	306,370	(17,630)
Contributions	40,000	40,000	26,702	(13,298)
Investment earnings	-	-	1,705	1,705
Miscellaneous	82,000	82,000	112,531	30,531
<i>Total Revenues</i>	8,632,166	8,632,166	8,545,598	(86,568)
EXPENDITURES				
Current				
Instruction	4,259,166	4,490,166	3,873,339	616,827
Support services	1,562,900	1,907,900	2,146,613	(238,713)
Enterprise and community services	2,345,000	2,685,000	2,292,422	392,578
Operating contingency	715,100	125,100	-	125,100
<i>Total Expenditures</i>	8,882,166	9,208,166	8,312,374	895,792
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(250,000)	(576,000)	233,224	809,224
OTHER FINANCING SOURCES (USES)				
Transfers in	275,000	616,000	586,000	(30,000)
NET CHANGE IN FUND BALANCE	25,000	40,000	819,224	779,224
FUND BALANCE, beginning	750,000	750,000	1,240,222	490,222
FUND BALANCE, ending	\$ 775,000	\$ 790,000	\$ 2,059,446	\$ 1,269,446

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015

BUDGETARY BASIS ACCOUNTING

The District accounts for certain transactions on a budgetary basis which differs from GAAP basis. A description of the principal differences between the budgetary basis and GAAP in recording and reporting transactions follows:

	<u>Budgetary Basis</u>	<u>GAAP Basis</u>
USDA Commodity Inventory	USDA commodity inventory is recorded at cost when received and the assigned value is recognized as revenue and expenditures when used.	Revenue is recognized for the difference in cost and assigned value when commodities are received.
Properties acquired by long-term financing such as from capital leases or installment contracts	Only the current year's payment is recorded as a capital outlay expenditure of the fund in which payments are budgeted.	The net present value of the total stream of payments is recorded in the fund from which payments will be made as an expenditure in the year of acquisition with a corresponding offset to other financing sources. Subsequent payments on the obligations are recorded as debt service expenditures.
Classification of expenditures by character	The character of expenditures (current expenditures, capital outlay, debt service) is reported at the object level. Budgets and appropriations are made for each major function.	Expenditures are classified and reported by character (current expenditures, capital outlay and debt service) within the financial statements.

OTHER SUPPLEMENTARY INFORMATION

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
RECONCILIATION OF BUDGETARY TO REPORTING FUNDS –
COMBINING BALANCE SHEET – GENERAL FUND
YEAR ENDED JUNE 30, 2015

	<i>Budgetary funds</i>		<i>Total (reported as General Fund)</i>
	<i>General</i>	<i>Insurance Reserve</i>	
ASSETS			
Cash and investments	\$ 11,576,574	\$ 491,499	\$ 12,068,073
Property taxes receivable	1,039,201	-	1,039,201
Other receivables	376,169	-	376,169
<i>Total Assets</i>	<u>\$ 12,991,944</u>	<u>\$ 491,499</u>	<u>\$ 13,483,443</u>
 LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 480,472	\$ -	\$ 480,472
Accrued salaries and benefits	3,069,576	-	3,069,576
<i>Total Liabilities</i>	<u>3,550,048</u>	<u>-</u>	<u>3,550,048</u>
 Deferred Inflows of Resources:			
Unavailable revenue - property taxes	957,964	-	957,964
 Fund Balance:			
Committed to:			
Insurance services	-	491,499	491,499
Unassigned	8,483,932	-	8,483,932
<i>Total Fund Balance</i>	<u>8,483,932</u>	<u>491,499</u>	<u>8,975,431</u>
 <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	 <u>\$ 12,991,944</u>	 <u>\$ 491,499</u>	 <u>\$ 13,483,443</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL – INSURANCE RESERVE FUND
YEAR ENDED JUNE 30, 2015

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>	<i>Budget and GAAP Basis</i>	<i>with Final Budget</i>
REVENUES				
Miscellaneous	\$ 500	\$ 500	\$ -	\$ (500)
EXPENDITURES				
Current				
Instruction	1,000	1,000	-	1,000
Support services	85,000	85,000	15,021	69,979
Operating contingency	421,361	421,361	-	421,361
<i>Total Expenditures</i>	<u>507,361</u>	<u>507,361</u>	<u>15,021</u>	<u>492,340</u>
NET CHANGE IN FUND BALANCE	(506,861)	(506,861)	(15,021)	(492,840)
FUND BALANCE, beginning	<u>506,861</u>	<u>506,861</u>	<u>506,520</u>	<u>(341)</u>
FUND BALANCE, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 491,499</u></u>	<u><u>\$ 491,499</u></u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budget Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 235,000	\$ 235,000	\$ 178,079	\$ (56,921)
EXPENDITURES				
Current				
Facilities acquisition and construction	45,779,663	45,779,663	30,607,701	15,171,962
Debt Service:				
Principal	230,000	230,000	-	230,000
Capital outlay	-	-	-	-
<i>Total Expenditures</i>	<u>46,009,663</u>	<u>46,009,663</u>	<u>30,607,701</u>	<u>15,401,962</u>
REVENUES OVER EXPENDITURES	(45,774,663)	(45,774,663)	(30,429,622)	15,345,041
FUND BALANCE, beginning	<u>46,620,540</u>	<u>46,620,540</u>	<u>46,369,516</u>	<u>(251,024)</u>
FUND BALANCE, ending	<u>\$ 845,877</u>	<u>\$ 845,877</u>	<u>\$ 15,939,894</u>	<u>\$ 15,094,017</u>

<i>Budget to GAAP Differences</i>	<i>Actual GAAP Basis</i>
\$ -	\$ 178,079
(28,150,691)	2,457,010
-	-
28,150,691	28,150,691
-	30,607,701
-	(30,429,622)
-	46,369,516
<u>\$ -</u>	<u>\$ 15,939,894</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Special Revenue</u>	<u>Debt Service</u>	
	<u>Special Projects</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 3,177,627	\$ 540,056	\$ 3,717,683
Property taxes receivable	-	404,295	404,295
Other receivables	36,208	-	36,208
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	\$ 3,213,835	\$ 944,351	\$ 4,158,186
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 15,263	\$ -	\$ 15,263
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	-	372,238	372,238
Fund Balance:			
Restricted for:			
Debt service	-	572,113	572,113
Assigned			
Special projects	3,198,572	-	3,198,572
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balance</i>	3,198,572	572,113	3,770,685
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	\$ 3,213,835	\$ 944,351	\$ 4,158,186
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Special Revenue</u>	<u>Debt Service</u>	
	<u>Special Projects</u>	<u>Debt Service</u>	<u>Total</u>
REVENUES			
Property taxes	\$ -	\$ 4,800,530	\$ 4,800,530
Construction excise tax	146,908	-	146,908
Intergovernmental			
State sources	3,360	-	3,360
Federal sources	68,792	-	68,792
Charges for services	169,983	-	169,983
Contributions	74,446	-	74,446
Investment earnings	2,083	394	2,477
Miscellaneous	1,016,725	-	1,016,725
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	1,482,297	4,800,924	6,283,221
EXPENDITURES			
Current			
Instruction	1,181,179	-	1,181,179
Support services	204,212	3	204,215
Enterprise and community services	33,312	-	33,312
Debt Service			
Principal	-	1,720,000	1,720,000
Interest and other charges	-	3,037,189	3,037,189
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	1,418,703	4,757,192	6,175,895
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	63,594	43,732	107,326
OTHER FINANCING SOURCES (USES)			
Transfers in	279,043	-	279,043
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	342,637	43,732	386,369
FUND BALANCES, beginning	2,855,935	528,381	3,384,316
	<hr/>	<hr/>	<hr/>
FUND BALANCES, ending	\$ 3,198,572	\$ 572,113	\$ 3,770,685
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2015

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Budget and GAAP Basis</i>	<i>Final Budget</i>
REVENUES				
Construction excise tax	\$ 150,000	\$ 150,000	\$ 146,908	\$ (3,092)
Intergovernmental				
Intermediate sources	300,000	300,000	-	(300,000)
State sources	15,000	15,000	3,360	(11,640)
Federal sources	50,000	50,000	68,792	18,792
Charges for services	65,000	65,000	169,983	104,983
Contributions	150,000	150,000	74,446	(75,554)
Investment earnings	2,500	2,500	2,083	(417)
Miscellaneous	1,150,000	1,150,000	1,016,725	(133,275)
<i>Total Revenues</i>	1,882,500	1,882,500	1,482,297	(400,203)
EXPENDITURES				
Current				
Instruction	1,281,750	1,492,675	1,181,179	311,496
Support services	474,700	498,134	204,212	293,922
Enterprise and community services	49,500	49,500	33,312	16,188
Facilities acquisition and construction	50,000	50,000	-	50,000
<i>Total Expenditures</i>	1,855,950	2,090,309	1,418,703	671,606
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	26,550	(207,809)	63,594	271,403
OTHER FINANCING SOURCES (USES)				
Transfers in	-	234,359	279,043	44,684
NET CHANGE IN FUND BALANCE	26,550	26,550	342,637	316,087
FUND BALANCE, beginning	2,271,782	2,271,782	2,855,935	584,153
FUND BALANCE, ending	\$ 2,298,332	\$ 2,298,332	\$ 3,198,572	\$ 900,240

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2015

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>	<i>Budget and GAAP Basis</i>	<i>with Final Budget</i>
REVENUES				
Property taxes	\$ 4,627,228	\$ 4,627,228	\$ 4,800,530	\$ 173,302
Investment earnings	-	-	394	394
<i>Total Revenues</i>	4,627,228	4,627,228	4,800,924	173,696
EXPENDITURES				
Current				
Support services	-	-	3	(3)
Debt Service				
Principal	1,720,000	1,720,000	1,720,000	-
Interest	3,037,228	3,037,228	3,037,189	39
<i>Total Expenditures</i>	4,757,228	4,757,228	4,757,192	36
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(130,000)	(130,000)	43,732	173,732
FUND BALANCE, beginning	255,000	255,000	528,381	273,381
FUND BALANCE, ending	\$ 125,000	\$ 125,000	\$ 572,113	\$ 447,113

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
YEAR ENDED JUNE 30, 2015

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
LOCAL REVENUES				
1111	Current year's taxes	\$ 12,602,416	\$ 12,324,410	\$ 278,006
1112	Prior year's taxes	216,055	300,000	(83,945)
1190	Penalties and interest on taxes	67,100	-	67,100
1200	Revenue from local governmental units other than districts	6,535	9,000	(2,465)
1500	Earnings on investments	102,819	75,000	27,819
1910	Rentals	2,626	2,626	-
1920	Contributions and donations from private sources	3,628	-	3,628
1960	Recovery of prior years' expenditures	-	15,000	(15,000)
1990	Miscellaneous	158,865	100,000	58,865
1000	<i>Total Local Revenues</i>	13,160,044	12,826,036	334,008
INTERMEDIATE REVENUES				
2101	County school funds	104,407	41,356	63,051
STATE REVENUES				
3101	State school fund - general support	31,631,980	32,568,268	(936,288)
3103	Common school fund	604,536	485,717	118,819
3222	State school fund (SSF) transportation	1,610,000	1,636,600	(26,600)
3299	Other restricted grants-in-aid	1,400	-	1,400
3000	<i>Total State Revenues</i>	33,847,916	34,690,585	(842,669)
FEDERAL REVENUES				
4700	Grants-in-aid from the federal government through other intermediate agencies	6,020	-	6,020
4801	Federal forest fees	293,099	1	293,098
4000	<i>Total Federal Revenues</i>	299,119	1	299,118
5400	FUND BALANCE, Beginning of year	9,242,354	8,114,814	1,127,540
6000	<i>Total Resources</i>	\$ 56,653,840	\$ 55,672,792	\$ 981,048

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (Continued)
YEAR ENDED JUNE 30, 2015

<i>Code</i>	<i>Function</i>	<i>100</i> <i>Salaries</i>	<i>200</i> <i>Employee</i> <i>Benefits</i>	<i>300</i> <i>Purchased</i> <i>Services</i>
INSTRUCTION				
1100	Regular programs			
1111	Primary, K-5	\$ 5,733,674	\$ 3,674,207	\$ 28,818
1113	Elementary extracurricular	6,245	4,221	-
1121	Middle/junior high programs	2,646,338	1,705,173	11,660
1122	Middle/junior high school extracurricular	27,511	18,806	-
1131	High school programs	3,106,437	1,865,784	56,974
1132	High school extracurricular	311,057	112,126	1,523
1200	Special programs			
1210	Programs for the talented and gifted	86	24	324
1250	Resource rooms	3,563,135	2,371,326	229,357
1270	Educationally disadvantaged			
1271	Remediation	12,872	2,290	-
1280	Alternative education	458,090	288,210	833,340
1290	Designated programs			
1291	English second language program	568,132	346,246	558
1292	Teen parent programs	127,468	71,885	-
1400	Summer school programs	26,211	7,497	-
1000	<i>Total Instruction</i>	16,587,256	10,467,795	1,162,554
SUPPORT SERVICES				
2100	Students			
2110	Attendance and social work services	56,732	47,322	77,897
2120	Guidance services	670,495	432,311	-
2130	Health services	256,209	203,234	21,240
2190	Service direction, student support services	201,280	91,548	-
2200	Instructional staff			
2210	Improvement of instruction services	241,871	145,949	39,296
2220	Educational Media Services	274,920	230,089	-
2230	Assessment and testing	8,159	5,007	6,879
2240	Instructional staff development	12,450	5,938	976
2300	General administration			
2310	Board of education services	-	-	221,685
2320	Executive administration services	499,335	307,790	29,737
2400	School administration			
2410	Office of the principal services	2,551,547	1,705,710	35,950
2500	Business			
2520	Fiscal services	365,816	291,092	25,196
2540	Operation and maintenance of plant services	1,383,791	1,076,579	1,752,946
2550	Student transportation services	624,110	461,391	1,012,893
2600	Central activities			
2620	Planning, research, development, evaluation services, grant writing and statistical services	1,141	631	-
2630	Information services	188,405	126,611	226,657
2640	Staff services	25,708	21,197	-
2660	Technology services	271,345	165,419	328,343
2700	Supplemental retirement program	104,437	828,246	-
2000	<i>Total Support Services</i>	7,737,751	6,146,064	3,779,695

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ 42,941	\$ -	\$ -	\$ -	\$ 9,479,640		
-	-	-	-	10,466		
26,655	-	-	-	4,389,826		
505	-	-	-	46,822		
43,064	-	12,533	-	5,084,792		
11,443	-	-	-	436,149		
1,155	-	-	-	1,589		
28,355	11,389	2,594	-	6,206,156		
-	-	-	-	15,162		
2,347	-	-	-	1,581,987		
1,580	-	-	-	916,516		
-	-	-	-	199,353		
-	-	-	-	33,708		
158,045	11,389	15,127	-	28,402,166	\$ 28,153,637	\$ (248,529)
239	-	-	-	182,190		
1,732	-	-	-	1,104,538		
20,324	-	3,458	-	504,465		
-	-	-	-	292,828		
8,832	-	2,706	-	438,654		
38,727	-	-	-	543,736		
21,303	-	-	-	41,348		
7,192	-	-	-	26,556		
1,331	-	14,438	-	237,454		
12,692	-	10,548	-	860,102		
7,091	-	20,036	-	4,320,334		
13,171	-	1,872	-	697,147		
278,013	-	281,377	-	4,772,706		
142,846	-	26,386	-	2,267,626		
-	-	-	-	1,772		
127,725	-	-	-	669,398		
-	-	-	-	46,905		
93,801	-	300	-	859,208		
-	-	-	-	932,683		
775,019	-	361,121	-	18,799,650	19,061,095	261,445

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (Continued)
YEAR ENDED JUNE 30, 2015

<u>Code</u>	<u>Function</u>	<u>100</u> <u>Salaries</u>	<u>200</u> <u>Employee</u> <u>Benefits</u>	<u>300</u> <u>Purchased</u> <u>Services</u>
ENTERPRISE AND COMMUNITY SERVICES				
3100	Food services	\$ -	\$ -	\$ 3,564
3300	Community services			
3330	Civic services	52,323	45,607	165
3000	<i>Total Enterprise and Community Services</i>	52,323	45,607	3,729
OTHER USES				
5200	Transfers of funds	-	-	-
6000	OPERATING CONTINGENCY	-	-	-
7000	FUND BALANCE, End of year	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 24,377,330</u>	<u>\$ 16,659,466</u>	<u>\$ 4,945,978</u>

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ 1,390	\$ -	\$ -	\$ -	\$ 4,954		
-	-	-	-	98,095		
1,390	-	-	-	103,049	\$ 114,415	\$ 11,366
-	-	-	865,043	865,043	850,359	(14,684)
-	-	-	-	-	3,424,641	3,424,641
-	-	-	8,483,932	8,483,932	4,068,645	(4,415,287)
<u>\$ 934,454</u>	<u>\$ 11,389</u>	<u>\$ 376,248</u>	<u>\$ 9,348,975</u>	<u>\$ 56,653,840</u>	<u>\$ 55,672,792</u>	<u>\$ (981,048)</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GRANTS FUND
YEAR ENDED JUNE 30, 2015

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
LOCAL REVENUES				
1200	Revenue from local governmental units other than districts	\$ 28,249	\$ 50,000	\$ (21,751)
1500	Earnings on investments	1,705	-	1,705
1600	Food service	306,370	324,000	(17,630)
1920	Contributions and donations from private sources	26,702	40,000	(13,298)
1990	Miscellaneous	84,282	32,000	52,282
1000	<i>Total Local Revenues</i>	447,308	446,000	1,308
INTERMEDIATE REVENUES				
2200	Restricted revenue	2,265,269	1,143,666	1,121,603
2800	Revenue in lieu of taxes	86,380	-	86,380
2000	<i>Total Intermediate Revenues</i>	2,351,649	1,143,666	1,207,983
STATE REVENUES				
3102	State school fund - school lunch match	20,657	20,000	657
3222	State school fund (SSF) transportation	-	240,000	(240,000)
3299	Other revenue - state sources school improvement	675,479	500,000	175,479
3000	<i>Total State Revenues</i>	696,136	760,000	(63,864)
FEDERAL REVENUES				
4100	Unrestricted revenue direct from the federal government	-	1,517,500	(1,517,500)
4300	Restricted revenue direct from the federal government	12,424	100,000	(87,576)
4500	Restricted revenue from the federal government through the state	4,737,748	4,000,000	737,748
4700	Grants-in-aid from the federal government through other intermediate agencies	163,599	465,000	(301,401)
4900	Revenue for/on behalf of the district	136,734	200,000	(63,266)
4000	<i>Total Federal Revenues</i>	5,050,505	6,282,500	(1,231,995)
OTHER SOURCES				
5200	Interfund transfers	586,000	616,000	(30,000)
5400	FUND BALANCE, Beginning of year	1,240,222	750,000	490,222
6000	<i>Total Resources</i>	<u>\$ 10,371,820</u>	<u>\$ 9,998,166</u>	<u>\$ 373,654</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GRANTS FUND (Continued)
YEAR ENDED JUNE 30, 2015

<i>Code</i>	<i>Function</i>	<i>100</i> <i>Salaries</i>	<i>200</i> <i>Employee</i> <i>Benefits</i>	<i>300</i> <i>Purchased</i> <i>Services</i>
INSTRUCTION				
1100	Regular programs			
1111	Primary, K-5	\$ 2,211	\$ 286	\$ 7,446
1113	Elementary extracurricular	1,082	103	1,322
1121	Middle/junior high programs	13,470	7,450	1,882
1131	High school programs	76,631	37,009	6,841
1200	Special programs			
1220	Programs for students with mental disabilities	1,424	265	-
1250	Resource rooms	1,051,252	680,325	54,240
1260	Early intervention	2,190	1,311	-
1270	Educationally disadvantaged			
1271	Remediation	20,434	3,571	-
1272	Title IA/D	867,739	478,029	-
1280	Alternative education	33,366	22,573	1,470
1290	Designated programs			
1299	Other programs	-	-	12,424
1400	Summer school programs	-	-	-
1000	<i>Total Instruction</i>	<u>2,069,799</u>	<u>1,230,922</u>	<u>85,625</u>
SUPPORT SERVICES				
2100	Students			
2110	Attendance and social work services	12,431	15,613	1,067
2120	Guidance services	43,681	30,333	2,496
2130	Health services	75,436	49,569	86,091
2200	Instructional staff			
2210	Improvement of instruction services	109,639	68,998	93,404
2230	Assessment and testing	25,491	9,471	432,510
2240	Instructional staff development	94,453	35,766	31,125
2500	Business			
2520	Fiscal services	-	-	120
2550	Student transportation services	-	-	2,634
2600	Central activities			
2620	Planning, research, development, evaluation services, grant writing and statistical services	367,397	190,384	98
2640	Staff services	2,375	831	7,882
2660	Technology services	-	-	-
2690	Other support services - central	6,231	508	36,054
2000	<i>Total Support Services</i>	<u>737,134</u>	<u>401,473</u>	<u>693,481</u>
ENTERPRISE AND COMMUNITY SERVICES				
3100	Food services	778,096	503,619	17,238
3300	Community services			
3310	Direction of community services activities	13,965	7,695	5,146
3000	<i>Total Enterprise and Community Services</i>	<u>792,061</u>	<u>511,314</u>	<u>22,384</u>
6000	OPERATING CONTINGENCY	-	-	-
7000	FUND BALANCE, End of year	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 3,598,994</u>	<u>\$ 2,143,709</u>	<u>\$ 801,490</u>

	<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$	12,955	\$ -	\$ -	\$ -	\$ 22,898		
	6,041	-	-	-	8,548		
	53,082	-	-	-	75,884		
	386,608	-	-	-	507,089		
	110	-	-	-	1,799		
	11,485	-	50	-	1,797,352		
	-	-	-	-	3,501		
	1,081	-	-	-	25,086		
	3,502	-	-	-	1,349,270		
	8,235	-	2,919	-	68,563		
	-	-	-	-	12,424		
	925	-	-	-	925		
	484,024	-	2,969	-	3,873,339	\$ 4,490,166	\$ 616,827
	3,023	-	-	-	32,134		
	2,296	-	-	-	78,806		
	7,621	-	57,027	-	275,744		
	178,500	-	-	-	450,541		
	13,993	-	-	-	481,465		
	7,684	-	-	-	169,028		
	-	-	-	-	120		
	-	-	-	-	2,634		
	617	-	-	-	558,496		
	9,747	-	100	-	20,935		
	9,980	22,198	-	-	32,178		
	1,739	-	-	-	44,532		
	235,200	22,198	57,127	-	2,146,613	1,907,900	(238,713)
	960,972	-	358	-	2,260,283		
	3,102	-	2,231	-	32,139		
	964,074	-	2,589	-	2,292,422	2,685,000	392,578
	-	-	-	-	-	125,100	125,100
	-	-	-	2,059,446	2,059,446	790,000	(1,269,446)
\$	1,683,298	\$ 22,198	\$ 62,685	\$ 2,059,446	\$ 10,371,820	\$ 9,998,166	\$ (373,654)

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2015

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
LOCAL REVENUES				
1130	Construction excise tax	\$ 146,908	\$ 150,000	\$ (3,092)
1500	Earnings on investments	2,083	2,500	(417)
1700	Extracurricular activities	9,600	20,000	(10,400)
1800	Community services activities	160,383	45,000	115,383
1910	Rentals	92,713	150,000	(57,287)
1920	Contributions and donations from private sources	74,446	150,000	(75,554)
1990	Miscellaneous	924,012	1,000,000	(75,988)
1000	<i>Total Local Revenues</i>	1,410,145	1,517,500	(107,355)
INTERMEDIATE REVENUES				
2199	Other intermediate sources	-	300,000	(300,000)
STATE REVENUES				
3299	Other restricted grants-in-aid	3,360	15,000	(11,640)
FEDERAL REVENUES				
4500	Restricted revenue from the federal government through the state	41,097	45,000	(3,903)
4700	Grants-in-aid from the federal government through other intermediate agencies	27,695	5,000	22,695
4000	<i>Total Federal Revenues</i>	68,792	50,000	18,792
OTHER SOURCES				
5200	Interfund transfers	279,043	234,359	44,684
5000	<i>Total Other Sources</i>	279,043	234,359	44,684
5400	FUND BALANCE, Beginning of year	2,855,935	2,271,782	584,153
6000	<i>Total Resources</i>	\$ 4,617,275	\$ 4,388,641	\$ 228,634

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - SPECIAL PROJECTS FUND (Continued)
YEAR ENDED JUNE 30, 2015

<i>Code</i>	<i>Function</i>	<i>100</i> <i>Salaries</i>	<i>200</i> <i>Employee</i> <i>Benefits</i>	<i>300</i> <i>Purchased</i> <i>Services</i>
INSTRUCTION				
1100	Regular programs			
1111	Primary, K-5	\$ 41,787	\$ 21,655	\$ 43,083
1121	Middle/junior high programs	1,094	484	16,892
1122	Middle/junior high school extracurricular	-	-	-
1131	High school programs	213	69	143,829
1140	Pre-kindergarten programs	51,725	23,156	-
1200	Special programs			
1280	Alternative education	58	68	2,612
1290	Designated programs			
1292	Teen parent programs	91,578	74,520	205
1000	<i>Total Instruction</i>	186,455	119,952	206,621
SUPPORT SERVICES				
2100	Students			
2110	Attendance and social work services	-	-	1,872
2130	Health services	46,343	16,915	93,798
2200	Instructional staff			
2210	Improvement of instruction services	-	-	-
2240	Instructional staff development	515	59	-
2400	School administration			
2410	Office of the Principal Services	20	7	357
2500	Business			
2520	Fiscal services	-	-	473
2540	Operation and maintenance of plant services	-	-	-
2550	Student transportation services	-	-	1,832
2600	Central activities			
2630	Information services	-	-	-
2660	Technology services	-	-	-
2000	<i>Total Support Services</i>	46,878	16,981	98,332
ENTERPRISE AND COMMUNITY SERVICES				
3100	Food services	-	-	-
3300	Community services	9,069	2,570	132
3000	<i>Total Enterprise and Community Services</i>	9,069	2,570	132
FACILITIES ACQUISITION AND CONSTRUCTION				
4120	Site acquisition and development services	-	-	-
7000	FUND BALANCE, End of year	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 242,402	\$ 139,503	\$ 305,085

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ 165,876	\$ -	\$ -	\$ -	\$ 272,401		
88,719	-	-	-	107,189		
9,433	-	1,000	-	10,433		
391,048	-	-	-	535,159		
57	-	-	-	74,938		
8,448	-	-	-	11,186		
3,143	-	427	-	169,873		
666,724	-	1,427	-	1,181,179	\$ 1,492,675	\$ 311,496
-	-	-	-	1,872		
15,275	-	3,614	-	175,945		
1,123	-	-	-	1,123		
-	-	-	-	574		
366	-	-	-	750		
71	-	-	-	544		
8,577	-	-	-	8,577		
-	-	-	-	1,832		
2,295	-	-	-	2,295		
10,700	-	-	-	10,700		
38,407	-	3,614	-	204,212	498,134	293,922
8,358	-	-	-	8,358		
13,183	-	-	-	24,954		
21,541	-	-	-	33,312	49,500	16,188
-	-	-	-	-	50,000	50,000
-	-	-	3,198,572	3,198,572	2,298,332	(900,240)
\$ 726,672	\$ -	\$ 5,041	\$ 3,198,572	\$ 4,617,275	\$ 4,388,641	\$ (228,634)

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - INSURANCE RESERVE FUND
YEAR ENDED JUNE 30, 2015

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
	LOCAL REVENUES			
1990	Miscellaneous	\$ -	\$ 500	\$ (500)
5400	FUND BALANCE, Beginning of year	506,520	506,861	(341)
6000	<i>Total Resources</i>	<u>\$ 506,520</u>	<u>\$ 507,361</u>	<u>\$ (841)</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - INSURANCE RESERVE FUND (Continued)
YEAR ENDED JUNE 30, 2015

<u>Code</u>	<u>Function</u>	<u>100</u> <u>Salaries</u>	<u>200</u> <u>Employee</u> <u>Benefits</u>	<u>300</u> <u>Purchased</u> <u>Services</u>
	INSTRUCTION			
1100	Regular programs			
1111	Primary, K-5	\$ -	\$ -	\$ -
	SUPPORT SERVICES			
2600	Central activities			
2640	Staff services	-	13,221	1,800
6000	OPERATING CONTINGENCY	-	-	-
7000	FUND BALANCE, End of year	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ -</u>	<u>\$ 13,221</u>	<u>\$ 1,800</u>

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
-	-	-	-	15,021	85,000	69,979
-	-	-	-	-	421,361	421,361
-	-	-	491,499	491,499	-	(491,499)
\$ -	\$ -	\$ -	\$ 491,499	\$ 506,520	\$ 507,361	\$ 841

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2015

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
LOCAL REVENUES				
1111	Current year's taxes	\$ 4,687,422	\$ 4,547,228	\$ 140,194
1112	Prior year's taxes	88,290	80,000	8,290
1190	Penalties and interest on taxes	24,818	-	24,818
1500	Earnings on investments	394	-	394
1000	<i>Total Local Revenues</i>	4,800,924	4,627,228	173,696
5400	FUND BALANCE, Beginning of year	528,381	255,000	273,381
6000	<i>Total Resources</i>	\$ 5,329,305	\$ 4,882,228	\$ 447,077

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) – DEBT SERVICE FUND (Continued)
YEAR ENDED JUNE 30, 2015

<i>Code</i>	<i>Function</i>	<i>100</i> <i>Salaries</i>	<i>200</i> <i>Employee</i> <i>Benefits</i>	<i>300</i> <i>Purchased</i> <i>Services</i>
	<i>SUPPORT SERVICES</i>			
2500	Business			
2520	Fiscal services	\$ -	\$ -	\$ 3
	<i>OTHER USES</i>			
5100	Debt service	-	-	-
7000	<i>FUND BALANCE, End of year</i>	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ -	\$ -	\$ 3

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ (3)
-	-	4,757,189	-	4,757,189	4,757,228	39
-	-	-	572,113	572,113	125,000	(447,113)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,757,189</u>	<u>\$ 572,113</u>	<u>\$ 5,329,305</u>	<u>\$ 4,882,228</u>	<u>\$ (447,077)</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) – CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2015

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
	LOCAL REVENUES			
1500	Earnings on investments	\$ 178,079	\$ 235,000	\$ (56,921)
5400	FUND BALANCE, Beginning of year	46,369,516	46,620,540	(251,024)
6000	<i>Total Resources</i>	<u>\$ 46,547,595</u>	<u>\$ 46,855,540</u>	<u>\$ (307,945)</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) – CAPITAL PROJECTS FUND (Continued)
YEAR ENDED JUNE 30, 2015

<i>Code</i>	<i>Function</i>	<i>100</i> <i>Salaries</i>	<i>200</i> <i>Employee</i> <i>Benefits</i>	<i>300</i> <i>Purchased</i> <i>Services</i>
	<i>FACILITIES ACQUISITION AND CONSTRUCTION</i>			
4110	Service area direction	\$ 181,233	\$ 107,046	\$ 2,688
4150	Building acquisition, construction, and improvement services	64,735	16,639	1,456,337
4190	Other facilities construction services	43,805	31,844	64,066
4000	<i>Total Facilities Acquisition and Construction</i>	289,773	155,529	1,523,091
	<i>OTHER USES</i>			
5000	<i>Total Other Uses</i>	-	-	-
7000	<i>FUND BALANCE, End of year</i>	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 289,773	\$ 155,529	\$ 1,523,091

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ 23	\$ -	\$ -	\$ -	\$ 290,990		
78,057	26,084,805	284,468	-	27,985,041		
2,191,955	-	-	-	2,331,670		
2,270,035	26,084,805	284,468	-	30,607,701	\$ 45,779,663	\$ 15,171,962
-	-	-	-	-	230,000	230,000
-	-	-	15,939,894	15,939,894	845,877	(15,094,017)
\$ 2,270,035	\$ 26,084,805	\$ 284,468	\$ 15,939,894	\$ 46,547,595	\$ 46,855,540	\$ 307,945

OTHER SCHEDULES

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF SUPPLEMENTAL INFORMATION FOR STATE SCHOOL
STATE DEPARTMENT OF EDUCATION
YEAR ENDED JUNE 30, 2015

SUPPLEMENTAL INFORMATION, 2014-2015

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

		Objects 325 & 326
Function 2540	\$	1,002,336
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	4150	Construction	\$	-
1140	Pre-Kindergarten	2550	Pupil Transportation		
1300	Continuing Education	3100	Food Service		
1400	Summer School	3300	Community Services		

STATISTICAL SECTION

Statistical Section

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i>	79
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	83
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
<i>Debt Capacity</i>	87
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<i>Demographic and Economic Information</i>	90
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
<i>Operating Information</i>	93
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
CONDENSED STATEMENT OF NET POSITION
LAST TEN FISCAL YEARS

	2015	2014	2013
ASSETS			
Current and other assets	\$ 50,817,680	\$ 66,710,355	\$ 25,210,993
Net capital assets	73,575,133	46,825,511	43,334,118
<i>Total Assets</i>	124,392,813	113,535,866	68,545,111
DEFERRED OUTFLOWS OF RESOURCES			
PERS deferred outflows	5,560,386	-	-
<i>Total Assets and Deferred Outflows of Resources</i>	129,953,199	113,535,866	68,545,111
LIABILITIES			
Accounts payable and other liabilities	8,501,598	5,969,686	3,269,057
Long-term debt outstanding	63,660,124	65,738,686	27,473,315
<i>Total Liabilities</i>	72,161,722	71,708,372	30,742,372
DEFERRED INFLOWS OF RESOURCES			
PERS deferred inflows	21,221,774	-	-
<i>Total Liabilities and Deferred Inflows of Resources</i>	93,383,496	71,708,372	30,742,372
NET POSITION			
Net investment in capital assets	28,370,475	29,980,258	29,155,144
Restricted for:			
Debt service	852,641	217,755	767,399
Unrestricted	7,346,587	11,629,481	7,880,196
<i>Total Net Position</i>	<u>\$ 36,569,703</u>	<u>\$ 41,827,494</u>	<u>\$ 37,802,739</u>

Fiscal Year						
2012	2011	2010	2009	2008	2007	2006
\$ 19,058,506	\$ 20,774,973	\$ 15,998,188	\$ 15,165,875	\$ 15,903,765	\$ 15,304,393	\$ 13,487,077
44,096,686	44,940,707	46,155,321	47,376,503	46,995,763	48,034,665	48,915,333
63,155,192	65,715,680	62,153,509	62,542,378	62,899,528	63,339,058	62,402,410
-	-	-	-	-	-	-
63,155,192	65,715,680	62,153,509	62,542,378	62,899,528	63,339,058	62,402,410
9,183,036	3,239,815	2,884,979	3,774,723	3,458,991	2,657,041	6,581,149
19,832,587	29,404,163	26,638,300	31,024,832	36,384,128	39,657,674	39,504,820
29,015,623	32,643,978	29,523,279	34,799,555	39,843,119	42,314,715	46,085,969
-	-	-	-	-	-	-
29,015,623	32,643,978	29,523,279	34,799,555	39,843,119	42,314,715	46,085,969
26,971,686	24,225,707	21,885,321	18,345,192	13,545,763	10,487,422	7,570,815
588,933	841,639	1,246,548	525,953	324,017	343,188	441,567
6,578,950	8,004,356	9,498,361	8,871,678	9,186,629	10,193,733	8,304,059
<u>\$ 34,139,569</u>	<u>\$ 33,071,702</u>	<u>\$ 32,630,230</u>	<u>\$ 27,742,823</u>	<u>\$ 23,056,409</u>	<u>\$ 21,024,343</u>	<u>\$ 16,316,441</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2015	2014	2013	2012
EXPENSES				
Instructional services	\$ 24,093,425	\$ 29,306,992	\$ 28,827,126	\$ 31,164,003
Support services	14,532,451	18,122,976	18,036,716	19,391,817
Enterprise and community services	2,019,680	2,334,837	3,268,376	2,170,139
Facilities acquisition and construction	3,577,005	3,308,316	444,777	764,784
Interest on long-term liabilities	1,886,502	1,315,665	518,847	961,803
<i>Total Expenses</i>	<u>46,109,063</u>	<u>54,388,786</u>	<u>51,095,842</u>	<u>54,452,546</u>
PROGRAM REVENUES				
Charges for services				
Instructional services	9,600	12,820	66,859	36,672
Support services	95,339	88,289	103,846	110,103
Enterprise and community services	306,370	283,623	276,587	295,732
Operating grants and contributions				
Instructional services	5,935,859	5,526,146	5,380,686	7,222,202
Support services	1,610,000	1,579,747	1,555,538	1,519,739
Enterprise and community services	20,657	28,561	46,945	21,607
<i>Total Program Revenues</i>	<u>7,977,825</u>	<u>7,519,186</u>	<u>7,430,461</u>	<u>9,206,055</u>
NET (EXPENSES)	(38,131,238)	(46,869,600)	(43,665,381)	(45,246,491)
GENERAL REVENUES				
Property taxes, levies for general purposes	13,130,246	12,021,803	12,092,378	12,040,513
Property taxes, levies for debt service	4,591,214	4,747,104	4,489,989	4,267,847
Construction excise tax	146,908	153,512	144,847	76,936
State school fund	31,631,980	31,184,043	28,116,085	27,621,735
Common school fund	604,536	592,073	626,493	567,476
Unrestricted state and local funds	653,526	505,212	752,783	389,885
Earnings on investments	285,080	242,200	121,277	136,170
Miscellaneous	1,167,159	1,448,408	1,166,475	1,213,796
<i>Total General Revenues</i>	<u>52,210,649</u>	<u>50,894,355</u>	<u>47,510,327</u>	<u>46,314,358</u>
CHANGE IN NET POSITION	<u>\$ 14,079,411</u>	<u>\$ 4,024,755</u>	<u>\$ 3,844,946</u>	<u>\$ 1,067,867</u>

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 31,566,430	\$ 31,519,646	\$ 32,129,947	\$ 32,356,853	\$ 28,459,005	\$ 27,481,207
18,954,506	17,719,441	17,433,684	18,883,185	16,504,911	15,551,581
2,214,326	2,293,078	2,733,372	1,836,829	1,681,740	1,568,407
1,098,761	1,072,767	2,009,000	1,033,416	1,180,128	63,387
985,368	1,221,821	1,362,204	1,521,404	1,695,007	1,893,647
<u>54,819,391</u>	<u>53,826,753</u>	<u>55,668,207</u>	<u>55,631,687</u>	<u>49,520,791</u>	<u>46,558,229</u>
261,179	40,261	36,643	59,027	31,806	23,730
92,905	92,134	93,174	119,416	118,526	107,801
314,864	367,139	412,233	437,760	472,581	465,310
7,773,885	7,703,515	8,548,194	6,819,318	6,515,022	5,526,931
1,289,311	1,500,842	1,504,546	1,452,665	1,341,550	1,328,119
22,868	23,056	22,558	23,149	22,350	22,180
<u>9,755,012</u>	<u>9,726,947</u>	<u>10,617,348</u>	<u>8,911,335</u>	<u>8,501,835</u>	<u>7,474,071</u>
(45,064,379)	(44,099,806)	(45,050,859)	(46,720,352)	(41,018,956)	(39,084,158)
11,729,231	11,625,360	10,965,811	10,391,707	9,961,118	9,425,085
4,219,233	6,284,317	6,511,439	5,362,098	5,244,187	5,019,537
123,933	215,977	1,339	-	-	-
26,359,638	28,060,932	27,971,623	28,957,197	26,487,979	25,340,957
546,375	565,602	442,920	601,310	529,968	516,847
1,345,120	1,125,136	1,500,375	1,171,547	993,537	969,635
106,622	136,313	440,774	1,061,196	972,539	700,931
1,075,699	973,576	1,902,992	1,207,363	1,537,530	1,337,761
<u>45,505,851</u>	<u>48,987,213</u>	<u>49,737,273</u>	<u>48,752,418</u>	<u>45,726,858</u>	<u>43,310,753</u>
<u>\$ 441,472</u>	<u>\$ 4,887,407</u>	<u>\$ 4,686,414</u>	<u>\$ 2,032,066</u>	<u>\$ 4,707,902</u>	<u>\$ 4,226,595</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund				
Unreserved	\$ -	\$ -	\$ -	\$ -
Committed	491,499	506,520	517,427	-
Unassigned	8,483,932	9,242,354	5,606,433	4,704,418
Total general fund	<u>\$ 8,975,431</u>	<u>\$ 9,748,874</u>	<u>\$ 6,123,860</u>	<u>\$ 4,704,418</u>
All Other Governmental Funds				
Unreserved, reported in:				
Debt service fund	\$ -	\$ -	\$ -	\$ -
Capital projects funds	-	-	-	-
Special revenue funds	-	-	-	-
Non-spendable	23,505	24,107	26,608	35,130
Restricted	16,512,007	46,897,897	11,036,495	240,399
Committed	2,035,941	1,216,115	1,150,613	1,511,931
Assigned	3,198,572	2,855,935	2,645,022	2,412,139
Total all other governmental funds	<u>\$ 21,770,025</u>	<u>\$ 50,994,054</u>	<u>\$ 14,858,738</u>	<u>\$ 4,199,599</u>

In 2011, the District adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement changed the categories for reporting fund balance in governmental funds. Accordingly, beginning in 2011 the fund balances are reported in this manner for statistical purposes.

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ -	\$ 6,857,188	\$ 4,753,070	\$ 5,417,250	\$ 8,242,718	\$ 6,901,693
-	-	-	-	-	-
5,967,496	-	-	-	-	-
<u>\$ 5,967,496</u>	<u>\$ 6,857,188</u>	<u>\$ 4,753,070</u>	<u>\$ 5,417,250</u>	<u>\$ 8,242,718</u>	<u>\$ 6,901,693</u>

\$ -	\$ 902,653	\$ 575,618	\$ 12,225	\$ 55,730	\$ 164,524
-	-	-	8,391	153,075	145,565
-	4,555,820	5,356,730	6,441,866	3,470,677	3,049,060
99,480	-	-	-	-	-
6,515,216	-	-	-	-	-
1,474,171	-	-	-	-	-
2,748,797	-	-	-	-	-
<u>\$ 10,837,664</u>	<u>\$ 5,458,473</u>	<u>\$ 5,932,348</u>	<u>\$ 6,462,482</u>	<u>\$ 3,679,482</u>	<u>\$ 3,359,149</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2015	2014	2013	2012
REVENUES				
Local sources	\$ 19,996,500	\$ 19,316,806	\$ 18,762,877	\$ 18,223,061
Intermediate sources	2,456,056	1,502,394	465,757	418,279
State sources	34,547,412	33,500,167	30,489,306	31,260,764
Federal sources	5,418,416	5,523,511	5,246,800	5,785,666
<i>Total Revenues</i>	<u>62,418,384</u>	<u>59,842,878</u>	<u>54,964,740</u>	<u>55,687,770</u>
EXPENDITURES				
Current operating				
Instruction	33,456,684	29,444,718	28,871,580	31,159,833
Support services	21,165,499	19,460,160	18,001,375	19,370,791
Enterprise and community services	2,428,783	2,307,429	2,120,990	2,142,818
Facilities acquisition & construction	2,457,010	6,815,872	848,373	4,231
Debt service				
Principal	1,720,000	3,695,000	3,760,000	9,575,000
Interest	3,037,189	744,293	556,954	961,623
Refinancing costs	-	-	-	-
Capital outlay	28,150,691	4,813,715	24,105	374,617
<i>Total Expenditures</i>	<u>92,415,856</u>	<u>67,281,187</u>	<u>54,183,377</u>	<u>63,588,913</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(29,997,472)	(7,438,309)	781,363	(7,901,143)
OTHER FINANCING SOURCES (USES)				
Transfers in	865,043	40,000	1,251,601	977,634
Transfers out	(865,043)	(40,000)	(1,251,601)	(977,634)
Issuance of long-term debt	-	42,384,924	22,843,994	-
Amounts paid to fiscal agent	-	-	(11,365,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>42,384,924</u>	<u>11,478,994</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u><u>\$(29,997,472)</u></u>	<u><u>\$ 34,946,615</u></u>	<u><u>\$ 12,260,357</u></u>	<u><u>\$ (7,901,143)</u></u>
Debt services as a percentage of noncapital expenditures	7.7%	8.1%	8.1%	16.7%

Fiscal Year						
2011	2010	2009	2008	2007	2006	
\$ 18,183,929	\$ 19,790,163	\$ 20,361,686	\$ 19,306,717	\$ 19,893,703	\$ 17,950,106	
874,694	433,750	242,992	253,093	208,830	631,666	
28,453,842	30,724,706	31,914,429	31,522,990	28,388,157	27,215,149	
8,042,691	7,715,540	7,765,998	6,488,161	5,690,834	5,034,019	
<u>55,555,156</u>	<u>58,664,159</u>	<u>60,285,105</u>	<u>57,570,961</u>	<u>54,181,524</u>	<u>50,830,940</u>	
31,229,822	31,135,433	33,178,509	31,655,886	28,737,212	26,274,127	
18,982,380	17,681,195	18,751,455	18,486,197	16,340,881	15,444,489	
2,132,277	1,193,441	1,369,479	1,818,386	1,648,220	1,561,047	
-	-	-	-	18,218	60,055	
3,555,000	4,770,000	4,410,000	4,065,000	3,680,000	3,333,000	
1,023,828	1,193,441	1,369,479	1,527,929	1,710,218	1,906,991	
85,000	-	-	-	-	-	
42,350	42,350	1,559,146	91,232	385,417	176,118	
<u>57,050,657</u>	<u>56,015,860</u>	<u>60,638,068</u>	<u>57,644,630</u>	<u>52,520,166</u>	<u>48,755,827</u>	
(1,495,501)	2,648,299	(352,963)	(73,669)	1,661,358	2,075,113	
467,506	1,300,000	862,010	3,340,000	440,500	240,000	
(467,506)	(1,300,000)	(862,010)	(3,340,000)	(440,500)	(240,000)	
5,985,000	-	-	-	-	-	
-	-	-	-	-	-	
<u>5,985,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>\$ 4,489,499</u>	<u>\$ 2,648,299</u>	<u>\$ (352,963)</u>	<u>\$ (73,669)</u>	<u>\$ 1,661,358</u>	<u>\$ 2,075,113</u>	
8.0%	10.7%	9.8%	9.7%	10.3%	10.8%	

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
ASSESSED VALUES OF TAXABLE PROPERTY WITHIN SCHOOL DISTRICT NO. 52 BOUNDARIES
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Assessed Value (not including exempt property)				Total Assessed Value	Total Direct Tax Rate	Amount Tax Rate Will Raise	Less: Reduction and Adjustments	Total Taxes Imposed (Net Levy)
	Real Property	Personal Property	Manufactured Structure	Public Utility					
2015	\$ 2,699,161,238	\$ 107,747,411	\$ 56,388,531	\$ 144,893,183	\$ 3,008,190,363	6.13	\$ 18,440,206	\$ (184,899)	\$ 18,255,307
2014	2,596,180,808	107,636,361	55,751,335	137,735,580	2,897,304,084	6.06	17,557,662	(358,808)	17,198,854
2013	2,515,540,078	108,118,076	60,774,386	133,673,430	2,818,105,970	6.15	17,331,351	(313,060)	17,018,291
2012	2,451,476,747	111,719,503	60,736,127	135,062,690	2,758,995,067	6.11	16,857,459	(199,736)	16,657,723
2011	2,705,151,293	n/a	n/a	n/a	2,705,151,293	6.13	16,582,577	(143,546)	16,439,031
2010	2,669,362,520	n/a	n/a	n/a	2,669,362,520	6.88	18,365,214	77,498	18,442,712
2009	2,527,522,943	n/a	n/a	n/a	2,527,522,943	7.16	18,097,064	(131,120)	17,965,944
2008	2,428,242,644	n/a	n/a	n/a	2,428,242,644	6.80	16,512,049	(79,716)	16,432,333
2007	2,291,465,668	n/a	n/a	n/a	2,291,465,668	6.85	15,696,539	(75,407)	15,621,132
2006	2,168,282,960	n/a	n/a	n/a	2,168,282,960	6.88	14,917,786	(92,984)	14,824,802

Notes:
Beginning July 1, 1997 property taxes were based on an assessed value. Assessed value is defined as the lower of "maximum assessed value" or "real market value." For the 1997-1998 tax year, "maximum assessed value" was set at the 1995-1996 real market value less 10 percent. Assessed value for later years is limited to 3 percent annual increases.

The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997.

Source:
FY 2006-2015: Oregon Property Tax Statistics Supplement for the appropriate fiscal year. Table 4a Detail of Taxing District Levies

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	General Tax Permanent Rate	General Obligation Debt Service Rate	Total Direct Tax Rate
2015	\$ 4.5067	\$ 1.62	\$ 6.13
2014	4.5067	1.55	6.06
2013	4.5067	1.64	6.15
2012	4.5067	1.60	6.11
2011	4.5067	1.62	6.13
2010	4.5067	2.37	6.88
2009	4.5067	2.65	7.16
2008	4.5067	2.30	6.80
2007	4.5067	2.34	6.85
2006	4.5067	2.37	6.88

Overlapping Total Property Tax Rates

Fiscal Year	City of Eugene	Junction City Water Control	Lane County Metro Waste Water	Lane County	Lane Community College	River Road Park and Recreation
2015	\$ 7.9800	\$ 0.2523	\$ -	\$ 1.9345	\$ 0.8616	\$ 3.8535
2014	9.3880	0.0252	-	1.3876	0.8646	3.8631
2013	8.1376	0.0253	-	1.3908	0.8640	3.8730
2012	8.1842	0.0283	-	1.3942	0.8782	3.8791
2011	8.4400	0.2800	-	1.3900	0.8600	3.8900
2010	8.4257	0.2900	-	1.3971	0.8534	3.9026
2009	8.5498	0.3000	-	1.4007	0.8705	3.4631
2008	8.0458	0.3115	-	1.4020	0.8306	3.4789
2007	9.0370	0.3100	-	1.3876	0.8370	3.4814
2006	9.0222	0.2900	-	1.4090	0.8814	3.5010

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: Lane County Department of Assessment and Taxation and Linn County Tax Assessor's Office.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
PRINCIPAL PROPERTY TAXPAYERS FOR LANE COUNTY
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank ¹	Percentage of Total Taxable	Taxable Assessed Value	Rank	Percentage of Total Taxable
Ten Largest Taxpayers						
Verizon Communications	\$ 65,927,000	1	2.2			
Seneca Sustainable Energy LLC	53,356,133	2	1.8			
Shepard Investment Group LLC	27,333,923	3	0.9			
Weyerhaeuser NR Company	25,888,635	4	0.9			
Heron Meadows Apartments NW LLC	19,248,784	5	0.6			
SFPP LP	29,430,597	6	1.0			
Flakeboard America LTD	17,239,833	7	0.6			
Datalogic Scanning Inc	16,182,693	8	0.5			
Taft Group 1 Inc	15,984,210	9	0.5			
Seneca Sawmill Co	24,197,861	10	0.8			
Subtotal of Ten Largest Taxpayers	294,789,669		9.8			
All Other Taxpayers	2,713,400,694		90.2			
Total All Taxpayers	<u>\$ 3,008,190,363</u>		<u>100.00%</u>			
Ten Largest Taxpayers (2006)						
Hynix Semiconductor Mfg America Inc	\$ 614,685,640	1	28.3			
Weyerhaeuser Co	431,023,311	2	19.9			
Peacehealth	95,089,952	3	4.4			
Valley River Center	84,629,867	4	3.9			
Qwest Corp	136,625,700	5	6.3			
Northwest Natural Gas Co	79,885,400	6	3.7			
Gateway Mall Partners	46,080,897	7	2.1			
Symantec Corp	41,380,987	8	1.9			
Chase Village LLC	29,670,669	9	1.4			
Metropolitan Life Ins Co	29,148,968	10	1.3			
Subtotal of Ten Largest Taxpayers	1,588,221,391		73.2			
All Other Taxpayers	580,061,569		26.8			
Total All Taxpayers	<u>\$ 2,168,282,960</u>		<u>100.00%</u>			

¹ Ranking is based on amount of tax and not assessed valuation

Source:
Lane County, Division of Assessment and Taxation.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Net 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
2015	\$ 18,212,398	\$ 17,289,838	94.93%	\$ 304,345	\$ 17,594,183	96.61%
2014	17,195,775	16,316,341	94.89	381,160	16,697,501	97.10
2013	16,996,461	16,002,240	94.15	430,373	16,432,613	96.68
2012	16,646,181	15,719,062	94.43	284,977	16,004,039	96.14
2011	16,405,982	15,448,487	94.16	581,194	16,029,681	97.71
2010	18,218,034	17,262,537	94.76	495,169	17,757,706	97.47
2009	18,178,219	16,870,053	92.80	413,623	17,283,676	95.08
2008	16,393,712	15,376,832	93.80	259,092	15,635,924	95.38
2007	15,695,165	14,787,589	94.22	389,250	15,176,839	96.70
2006	14,824,802	14,030,075	94.64	443,306	14,473,381	97.63

Note:

The net taxes levied are for Lane county. Responsibility for the collection of all property taxes rests within the County's Department of Assessment and Taxation. Current taxes are assessed as of July, become due as of November 15 and become delinquent as of May 15. Assessed taxes become a lien upon real property in the fourth year of delinquency. Proceeds of tax sales are applied to delinquent taxes, interest and other costs attributable to the property sold.

¹ The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997.

Source: ED-1 Form, Line 15

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

General Bonded Debt					
Fiscal Year	General Obligation Bonds	Less Amount Available for Repayment	Net General Obligation Bonds Outstanding	Percentage of Actual Taxable Value of Property	Per Student
2015	\$ 61,494,769	\$ 540,056	\$ 60,954,713	0.02	\$ 10,844
2014	63,214,769	498,159	62,716,610	2.16	11,736
2013	24,810,927	394,125	24,416,802	0.01	4,322
2012	17,125,000	6,161,960	10,963,040	0.00	1,945
2011	26,700,000	6,504,408	20,195,592	0.01	3,557
2010	24,270,000	890,198	24,270,000	0.91	4,261
2009	28,990,000	561,148	28,428,852	1.12	4,983
2008	33,350,000	-	33,350,000	1.37	5,768
2007	37,365,000	44,588	37,320,412	1.63	6,436
2006	41,195,000	154,752	41,040,248	1.89	7,383

Other Governmental Activities Debt				Total Debt as Percentage of Personal Income	
Fiscal Year	Capital Leases	Total District	Per Student	Per Capita	
2015	\$ -	\$ 60,954,713	\$ 10,844	\$ 170	n/a*
2014	-	62,716,610	11,736	177	n/a*
2013	-	24,416,802	4,322	69	n/a*
2012	-	10,963,040	1,945	31	n/a*
2011	-	20,195,592	3,557	57	n/a*
2010	-	24,270,000	4,261	69	n/a*
2009	50,000	28,478,852	4,992	82	n/a*
2008	100,000	33,450,000	5,785	97	n/a*
2007	150,000	37,470,412	6,462	111	n/a*
2006	195,000	41,235,248	7,418	123	n/a*

* Data not available at time of publishing

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Source: School District records

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015

Overlapping Issuer	Overlapping Net Property-tax Backed Debt	Percent Overlapping	Overlapping Debt
Lane County	\$ 36,720,000	9.65%	\$ 3,544,104
River Road Parks & Recreation	60,000	1.85%	1,108
Lane Community College	58,135,000	9.52%	5,533,813
City of Eugene	16,530,000	16.23%	2,682,604
Lane ESD	7,055,000	9.68%	682,712
Subtotal, overlapping debt			12,444,341
Direct District net property-tax backed debt			61,494,769
Total direct and overlapping debt			\$ 73,939,110

¹ The overlapping debt is the issuer's Net Property-tax Backed Debt times the percentage of taxable value within the District's boundaries.

Source: Oregon State Treasury, Debt Management Division.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$172,378,495	\$212,214,320	\$193,045,290	\$200,938,074	\$212,214,320	\$ 215,059,528	\$194,832,608	\$199,985,436	\$ 206,396,374	\$ 214,583,318
Total net debt applicable to limit	<u>41,195,000</u>	<u>24,270,000</u>	<u>33,350,000</u>	<u>28,990,000</u>	<u>23,367,347</u>	<u>20,184,784</u>	<u>26,459,601</u>	<u>22,465,601</u>	<u>62,716,610</u>	<u>60,954,713</u>
Legal debt margin	<u>\$131,183,495</u>	<u>\$187,944,320</u>	<u>\$159,695,290</u>	<u>\$171,948,074</u>	<u>\$188,846,973</u>	<u>\$ 194,874,744</u>	<u>\$168,373,007</u>	<u>\$177,519,835</u>	<u>\$ 143,679,764</u>	<u>\$ 153,628,605</u>
Total net debt applicable to the limit as a percentage of debt limit	23.90%	11.44%	17.28%	14.43%	11.01%	9.39%	13.58%	11.23%	30.39%	28.41%

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

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

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

Allowable Percentage of Real Market Value:

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

Source: Lane County Department of Assessment and Taxation.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	Unemployment Rate
2015	n/a	n/a	n/a	6.5
2014	358,337	\$ 13,392,647	\$ 37,374	6.7
2013	356,212	12,724,475	36,630	7.9
2012	354,542	12,778,642	35,940	8.9
2011	353,155	12,524,642	35,465	9.5
2010	351,109	11,525,524	32,826	10.4
2009	346,560	11,644,790	33,601	12.9
2008	343,140	13,126,119	35,027	5.4
2007	338,842	11,214,962	33,098	5.5
2006	336,085	10,580,153	31,480	5.8

Sources:

Population, personal income and per capita information: US Department of Commerce, Bureau of Economic Analysis. Regional Economic Accounts AMSA04-Advance Metropolitan Statistical Area Income Summary
 Unemployment rate information: Oregon Employment Department Labor Force Data.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
PRINCIPAL EMPLOYERS FOR THE EUGENE AREA
CURRENT YEAR AND NINE YEARS AGO

<i>Company</i>	2015			2006		
	<i>Number of Employees</i>	<i>Rank</i>	<i>Percentage of Total Employment</i>	<i>Number of Employees</i>	<i>Rank</i>	<i>Percentage of Total Employment</i>
PeaceHealth Corporation	5,500	1	3.84 %	3,146	2	2.11 %
University of Oregon	5,406	2	3.78	4,000	1	2.68
U.S. Government	1,528	3	1.07	1,800	7	1.20
City of Eugene	1,408	4	0.98	2,200	4	1.47
Springfield School District	1,283	5	0.90	1,406	10	0.94
Lane County	1,279	6	0.89	1,462	9	0.98
Lane County School District 4J	1,163	7	0.81	2,025	5	1.36
Lane Community College	1,009	8	0.70	2,000	6	1.34
Mckenzie-Willamette Medical Center	895	9	0.63	NA	-	NA
Royal Carribean	890	10	0.62	NA	-	NA
Country Coach	NA		NA	1,640	8	1.10
Monaco Coach Corporation	NA	-	NA	2,400	3	1.61
<i>Total Major Employers</i>	20,361		14.22	22,079		14.79
<i>Total All Employers</i>	143,169		100.00 %	149,400		100.00 %

Source:

Eugene Chamber of Commerce and Oregon Employment Department

Notes

- a. Employee count and percent of county employment is as of January 1st of each year.
- b. (Per OLMIS Labor Force Data - Employed Level - Monthly Data (January))

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NUMBER OF FULL TIME EQUIVALENT (FTE) EMPLOYEES
LAST TEN FISCAL YEARS

<i>Fiscal Year Ended June 30,</i>	<i>Certified</i>	<i>Classified</i>	<i>Administrative</i>	<i>Total</i>
2015	287	316	44	647
2014	270	344	40	654
2013	261	334	39	634
2012	287	340	38	665
2011	289	346	39	674
2010	297	330	43	670
2009	336	362	44	742
2008	330	305	43	678
2007	318	330	43	691
2006	308	332	43	683

Source:
District Budget Office/ Management Information Services.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
OPERATING STATISTICS
LAST TEN FISCAL YEARS

<i>Fiscal Year Ended June 30,</i>	<i>General Fund Expenditures</i>	<i>Enrollment</i>	<i>Cost per Pupil</i>	<i>Percentage Change</i>	<i>Certified Staff</i>	<i>Pupil/Teacher Ratio</i>	<i>ADMr</i>
2015	\$ 47,309,581	5,621	\$ 8,416.60	8.77%	287	19.59	5,356.59
2014	43,526,847	5,625	7,738.11	7.28%	270	20.83	5,344.05
2013	40,752,717	5,650	7,212.87	-7.50%	261	21.65	5,649.65
2012	43,954,506	5,637	7,797.50	1.69%	287	19.64	5,637.04
2011	43,536,972	5,678	7,667.66	1.18%	289	19.65	5,677.60
2010	43,172,293	5,697	7,578.07	-1.36%	297	19.18	5,696.34
2009	43,830,049	5,705	7,682.74	3.77%	336	16.98	5,705.01
2008	42,805,914	5,782	7,403.31	7.03%	330	17.52	5,782.33
2007	38,713,294	5,597	6,916.79	6.92%	318	17.60	5,597.14
2006	36,104,156	5,581	6,469.12	80.91%	308	18.12	5,581.18

Note:

Student enrollment figures are as of October 1.

Source:

School District records

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
OPERATING STATISTICS - CAPITAL ASSETS
YEAR ENDED JUNE 30, 2015

<u>Building</u>	<u>Original Year Built</u>	<u>Square Feet</u>	<u>Student Capacity</u>	<u>Student Capacity Used</u>	<u>Percent Used</u>
Administration Complex	1950	10,600	N/A	N/A	N/A
Clear Lake Elementary	1976	51,800	416	293	70%
Danebo Elementary	1965	46,200	464	321	69%
Fairfield Elementary	1953	83,500	440	314	71%
Irving Elementary	1965	56,000	492	374	76%
Malabon Elementary	1958	50,900	416	350	84%
Meadow View School	1998	114,800	836	794	95%
Prairie Mountain School	2004	125,700	848	753	89%
Cascade Middle School	1955	86,700	504	344	68%
Shasta Middle School	1961	88,900	560	434	78%
Kalapuya Alternative School	2002	12,400	175	105	60%
Willamette High School	1949	254,800	1,550	1,539	99%
			<u>6,701</u>	<u>5,621</u>	<u>84%</u>

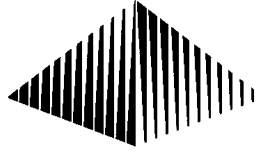
Source:
School District records.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
OPERATING STATISTICS - FREE AND REDUCED LUNCHES
YEAR ENDED JUNE 30, 2015

School	Enrollment	Free & Reduced Counts by School		Percent Free or Reduced
		Free	Reduced	
Clear Lake Elementary	293	188	19	71%
Danebo Elementary	321	209	23	72%
Fairfield Elementary	314	249	29	89%
Irving Elementary	374	143	31	47%
Malabon Elementary	350	198	37	67%
Meadow View School	794	261	66	41%
Prairie Mountain School	753	425	59	64%
Cascade Middle	344	220	50	78%
Shasta Middle	434	198	51	57%
Kalapuya Alternative School	105	75	11	82%
Willamette High School	1,539	608	136	48%
District totals	5,621	2,774	512	58%

Source:
School District records.

COMPLIANCE SECTION



GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

School Board
Bethel School District No. 52
Eugene, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of Bethel School District No. 52, Lane County, Oregon (the District) as of and for the year ended June 30, 2015, and have issued our report thereon dated December 31, 2015.

Compliance and Other Matters

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

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

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

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

- Expenditures exceeded budget appropriations as noted in the notes to the basic financial statements.

- In our testing of teacher experience, we noted one of 25 teachers tested was reported in error. Upon investigation, it was determined to be the result of an error in the system used for reporting to the Department of Education. The District has subsequently corrected their reporting system, as well as corrected information that was reported to the Oregon Department of Education.

Internal Control

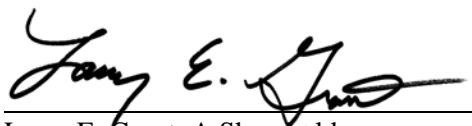
In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the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

We noted certain matters that we reported to management of the District in a separate letter dated December 31, 2015.

Restriction on Use

This report is intended solely for the information and use of the School Board and management of the Bethel School District No. 52 and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

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

By: 
Larry E. Grant, A Shareholder
December 31, 2015

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

<i>Federal Grantor/Pass Through Grantor/ Program Title</i>	<i>Pass Through Entity Identifying Number</i>	<i>Federal CFDA Number</i>	<i>Expenditures</i>
U.S. Department of Education			
Direct programs			
Indian Education- Formula Grants to LEAS 14-15	#S060A 142424	84.060A	\$ 12,424
Passed Through Oregon Department of Education			
Title IA 13-14	28084	84.010	184,505
Title IA 14-15	32536	84.010	1,207,721
<i>Subtotal Title I, Part A</i>			<u>1,392,226</u>
Special Education Cluster (IDEA)			
Extended Assessment Development Grant 13-14	31952	84.027	467,672
IDEA Part B, Section 611 13-14	28399	84.027	535,680
IDEA Part B, Section 611 14-15	33226	84.027	325,291
SPR & I 14-15	32031	84.027	4,660
Extended Assessment 14-15	31815	84.027	1,800
IDEA Enhancement 13-14	29720	84.027	1,200
IDEA Enhancement 14-15	33646	84.027	10,152
Extended Assessment Standard Setting	35380	84.027	160
<i>Subtotal Special Education - Grants to States</i>			<u>1,346,615</u>
IDEA Part B, Section 619 13-14	28812	84.173	8,339
<i>Subtotal Special Education Cluster (IDEA)</i>			<u>1,354,954</u>
School Improvement Grants Cluster			
SIG-School Improvement 1003-G Year 3 2013-2014	28053	84.377	52,969
<i>Subtotal School Improvement Grants Cluster</i>			<u>52,969</u>
Title III - Language Acquisition 13-14	29992	84.365	1,094
Title III - Language Acquisition 14-15	32309	84.365	26,038
<i>Subtotal Title III, Language Acquisition</i>			<u>27,132</u>
Title IIA - Improving Teacher Quality 13-14	28596	84.367	19,988
Title IIA - Improving Teacher Quality 14-15	32860	84.367	104,106
<i>Subtotal Title IIA, Improving Teacher Quality</i>			<u>124,094</u>
Passed Through Lane County School District 4J			
Title IIB - Math and Science Partnerships 13-14	34376	84.366B	2,223
Passed through Oregon Department of Human Resources, Office of Vocational Rehabilitation Services			
Youth Transitions Program	RFGP 3476	84.126A	58,088
Passed through the University of Oregon			
Bethel Graduation Project 13-14 R305E100043	224001C	84.305	22,782
Passed Through Lane ESD			
McKinney Homeless-Competitive 13-14	28797	84.196	500
McKinney Homeless-Competitive 14-15	34330	84.196	5,541
<i>Subtotal Education for Homeless Children and Youth</i>			<u>6,041</u>

See notes to schedule of expenditures of federal awards.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2015

<i>Federal Grantor/Pass Through Grantor/ Program Title</i>	<i>Pass Through Entity Identifying Number</i>	<i>Federal CFDA Number</i>	<i>Expenditures</i>
U.S. Department of Education (Continued)			
Career and Technical Education - Basic Grants to States	31766	84.048	\$ 32,314
Career and Technical Education - Basic Grants to States	TSU SubReimb	84.048	6,020
<i>Subtotal Career and Technical Education</i>			<u>38,334</u>
Passed Through Springfield Public School			
Arts in Education	IGA Springfield SD	84.351	<u>5,685</u>
Total U.S. Department of Education			<u>3,096,952</u>
U.S. Department of Labor			
Passed through Lane Workforce Partnership			
<i>WIA Cluster</i>			
WIA-Workforce Investment Act - Lane Workforce Partnership	22400	17.259	62,006
WIA-Internship - Lane Workforce Partnership	31002	17.259	414
<i>Subtotal WIA Cluster</i>			<u>62,420</u>
Total U.S. Department of Labor			<u>62,420</u>
U.S. Department of Transportation			
Passed through Oregon Department of Transportation			
<i>Highway Planning and Construction Cluster</i>			
Safe Routes to School 13-14 Project #HU-14-10-08	IGA 2012-51	20.205	32,134
<i>Subtotal Highway Planning and Construction Cluster</i>			<u>32,134</u>
Total U.S. Department of Transportation			<u>32,134</u>
U.S. Department of Health & Human Services			
<i>CCDF Cluster</i>			
<i>Passed through Oregon Employment Department</i>			
Infant Toddler Child Care payments	14-030	93.575	15,998
<i>Passed through Oregon Department of Education</i>			
Infant Toddler Program - State of Oregon	9789-A3	93.575	31,840
<i>Subtotal CCDF Cluster</i>			<u>47,838</u>
<i>Passed through Other Intermediate Agencies</i>			
Promoting Safe and Stable Families I	N/A	93.556	7,015
Promoting Safe and Stable Families II	N/A	93.556	4,683
<i>Subtotal Promoting Safe and Stable Families</i>			<u>11,698</u>
Total U.S. Department of Health & Human Services			<u>59,536</u>
U.S. Department of Interior			
Passed through Bureau of Land Management Oregon State Office			
Recreation Resource Management	GRNT1052	15.225	9,700
Recreation Resource Management	GRNT0962	15.225	19,300
<i>Subtotal Recreation Resource Management</i>			<u>29,000</u>
Secure Rural Schools and Community Self-Determination	L14AC00203	15.234	<u>9,109</u>
Total U.S. Department of Interior			<u>38,109</u>

See notes to schedule of expenditures of federal awards.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2015

<i>Federal Grantor/Pass Through Grantor/ Program Title</i>	<i>Pass Through Entity Identifying Number</i>	<i>Federal CFDA Number</i>	<i>Expenditures</i>
<i>U.S. Department of Agriculture</i>			
<i>Passed Through Lane County, Oregon</i>			
<i>Forest Service Schools and Roads Cluster</i>			
<i>Schools and Roads - Federal Forest Fees</i>	N/A	10.665	\$ 293,099
<i>Subtotal Forest Service Schools and Roads Cluster</i>			293,099
<i>Passed Through Oregon Department of Education</i>			
<i>Child Nutrition Cluster</i>			
<i>National School Breakfast Programs</i>	N/A	10.553	418,937
<i>National School Lunch Programs</i>	N/A	10.555	1,106,662
<i>National School Lunch Program Commodity Value Received</i>	N/A	10.555	136,734
<i>Summer Food Service Program for Children</i>	N/A	10.559	18,547
<i>Subtotal Child Nutrition Cluster</i>			1,680,880
<i>Child and Adult Care Food Program</i>	N/A	10.558	81,014
<i>Fresh Fruit and Vegetable Program</i>	N/A	10.582	69,633
<i>Total U.S. Department of Agriculture</i>			2,124,626
<i>U.S. Department of Defense</i>			
<i>Passed through Department of the Army, Office of the Chief of Engineers</i>			
<i>National Resource Management Education & Training Near Fern Ridge Lake</i>	W9127N-14-2-0013-001	12.010	4,639
<i>Total U.S. Department of Defense</i>			4,639
<i>Total Federal Expenditures</i>			\$ 5,418,416

See notes to schedule of expenditures of federal awards.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Purpose of the Schedule

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to the District's 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 either the financial position, changes in fund balances, or the operating funds' revenues and expenditures for the District.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Federal Financial Assistance

Pursuant to the Single Audit Act Amendments of 1996 and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs

The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish criteria to be used in defining major federal financial assistance programs. Major programs for the Bethel School District No. 52 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 the notes to the financial statements. Additionally, the Schedule includes all federal programs administered by the District for the year ended June 30, 2015.

Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded as received in cash or on the accrual basis where measurable and available. Expenditures are recorded when the liability is incurred.



GROVE, MUELLER & SWANK, P.C.

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

School Board
Bethel School District No. 52
Eugene, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel School District No. 52, Lane County, Oregon (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 31, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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


CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2015



GROVE, MUELLER & SWANK, P.C.

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

School Board
Bethel School District No. 52
Eugene, Oregon

Report on Compliance for Each Major Federal Program

We have audited Bethel School District No. 52, Lane County, Oregon (the District)'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

Purpose of this Report

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


CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2015

BETHEL SCHOOL DISTRICT NO. 52. LANE COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

Identification of major program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027 & 84.173	Special Education Cluster (IDEA)
10.553, 10.555 & 10.559	Child Nutrition Cluster
84.367	Title IIA, Improving Teacher Quality

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	No
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FINANCIAL STATEMENT FINDINGS

None.

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

2014-001 – Material Weakness in Controls over Financial Reporting

Condition:

The District's controls over financial reporting are not operating effectively to ensure complete, accurate and timely preparation of financial reports including, but not limited to, the annual financial statements and the schedule of expenditures and federal awards.

Criteria:

Business Services staff are responsible for financial reporting to ensure that the financial reports are timely, complete, and accurate.

BETHEL SCHOOL DISTRICT NO. 52. LANE COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2015

PRIOR YEAR FINANCIAL STATEMENT FINDINGS (Continued)

2014-001 – Material Weakness in Controls over Financial Reporting (Continued)

Cause of condition:

Business Services staff have been under significant time pressures which have limited the amount of time available for additional training necessary for complete and accurate financial reporting.

Potential effect of condition:

Material misstatement of the financial statements and non-timely reporting.

Recommendation:

We recommend that the District ensure appropriate staffing levels for the workload and that District personnel receive additional training to enable them to correctly and accurately prepare financial reports in a timely fashion.

Management response:

The Business Services staff will seek proper training sufficient to prepare accurate and timely reports for the 2014-15 fiscal year.

Current year update:

The finding was resolved in the year under audit.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2014-002 – Title VII: Indian Education – CFDA 84.060; Grant period: Year Ended June 30, 2015, Significant Deficiency in Controls over Compliance with Allowable Costs and Activities

Condition:

The expenditure detail is not being reviewed by a District employee who is knowledgeable about allowable costs and activities.

Criteria:

As a recipient of federal awards, the District is responsible to review and approve expenditures based on the grant agreement and OMB Circular A-87, which provides guidance on allowable costs and activities.

Cause of condition:

The District personnel responsible for review and request of federal funds were not aware that cost principles as defined in Circular A-87 were applicable to the grant.

Potential effect of condition:

We did not identify any questioned costs during our audit procedures, but it is reasonably possible that unallowable costs and activities may be charged in the future, given the absence of District review.

BETHEL SCHOOL DISTRICT NO. 52. LANE COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2015

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

2014-002 – Title VII: Indian Education – CFDA 84.060; Grant period: Year Ended June 30, 2015, Significant Deficiency in Controls over Compliance with Allowable Costs and Activities (Continued)

Recommendation:

All federal expenditures should be reviewed by District employees familiar with the contents of OMB Circular A-87 and specific requirements of the grant agreement.

Management response:

Business Services staff has since read OMB Circular A-87 and retained a copy for future reference. They will review all grant expenditure detail to ensure that it is compliant with the requirements contained within OMB Circular A-87 and specific requirements of the grant agreement.

Current year update:

The finding was resolved in the year under audit.

2014-003 – Title VII: Indian Education – CFDA 84.060; Grant period: Year Ended June 30, 2015, Significant Deficiency in Controls over Compliance with Cash Management

Condition:

Federal funds were requested more than three business days prior to the disbursement of funds. Additionally, these requests were not reviewed by a member of management prior to submission.

Criteria:

Title 31 of the Code of Federal Regulations, Part 205, requires that Federal funds be spent within three business days of receipt.

Cause of condition:

The District personnel responsible for federal grant drawdown requests were not familiar with the cash management rules.

Potential effect of condition:

Violation of federal laws outlining cash management procedures could lead to corrective action including the return of grant revenue.

Recommendation:

All grant drawdown requests should be reviewed by a responsible official prior to being submitted. Additionally, the funds should be disbursed within three business days of receipt.

Management response:

Business Services will disburse funds within three business days of receipt. Additionally, management will review federal grant drawdown requests prior to their submission.

BETHEL SCHOOL DISTRICT NO. 52. LANE COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2015

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

2014-003 – Title VII: Indian Education – CFDA 84.060; Grant period: Year Ended June 30, 2015, Significant Deficiency in Controls over Compliance with Cash Management (Continued)

Current year update:

The finding was resolved in the year under audit.

2014-004 – Title VII: Indian Education – CFDA 84.060; Grant period: Year Ended June 30, 2015, Noncompliance and Significant Deficiency in Controls over Compliance with Eligibility

Condition:

The Department of Education conducted a desk audit and found that certification forms, which are used to determine program eligibility, were not being completed correctly.

Criteria:

No Child Left Behind Act of 2001, section 7117 *Student Eligibility Forms*, outlines the criteria by which applications must be completed and accepted.

Cause of condition:

The District did not have a review and approval process in place to ensure that these forms were filled out and signed correctly.

Potential effect of condition:

The Department of Education desk audit resulted in a 90% reduction of federal revenues for the subsequent year because of disallowed certification forms.

Recommendation:

We recommend that a member of management, familiar with the requirements of the grant, review and initial each form prior to including the individual in the counts used to calculate federal grant revenue.

Management response and corrective action plan:

The District will institute a review process to ensure that every form is reviewed and correctly completed prior to using it in the formula to request federal revenue.

Current year update:

The finding was resolved in the year under audit.