

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON

EUGENE, OREGON

***Comprehensive Annual Financial Report
Year Ended June 30, 2016***

Prepared By

*Business Services Department
Simon Levear, Director*

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December 30, 2016

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, 2016 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, 2016, 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, 2016, 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 11.

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 5,580. Enrollment projections for the 2017-18 school year reflect a 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: Meadow View 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, parts of which were 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 1 year to 51 years with Danebo and Irving being the oldest and the rebuilt Malabon and Fairfield Elementary schools being the newest, having opened in the fall of 2015.

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 (14.1 percent of total General Fund revenues) is within 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. 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 including statewide achievements in sports and clubs. 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.

During the recession, employee concessions had a significant and beneficial impact on the District's budget. The District is currently operating with restored full year calendars and improved teacher/student staffing ratios than those in the recession years; however, adequate and reliable state school funding is necessary to sustain these efforts.

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 was constructed at Willamette High School. Other major projects paid from the bond included: textbook adoptions, technology upgrades, roofing and security improvements 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, 2015. This was the twentieth 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, Kathleen Larsen, Connie Quinn, Nathan Voelsch, Linda Northrup, and Jill Busby. 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,



Chris Parra
Superintendent



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

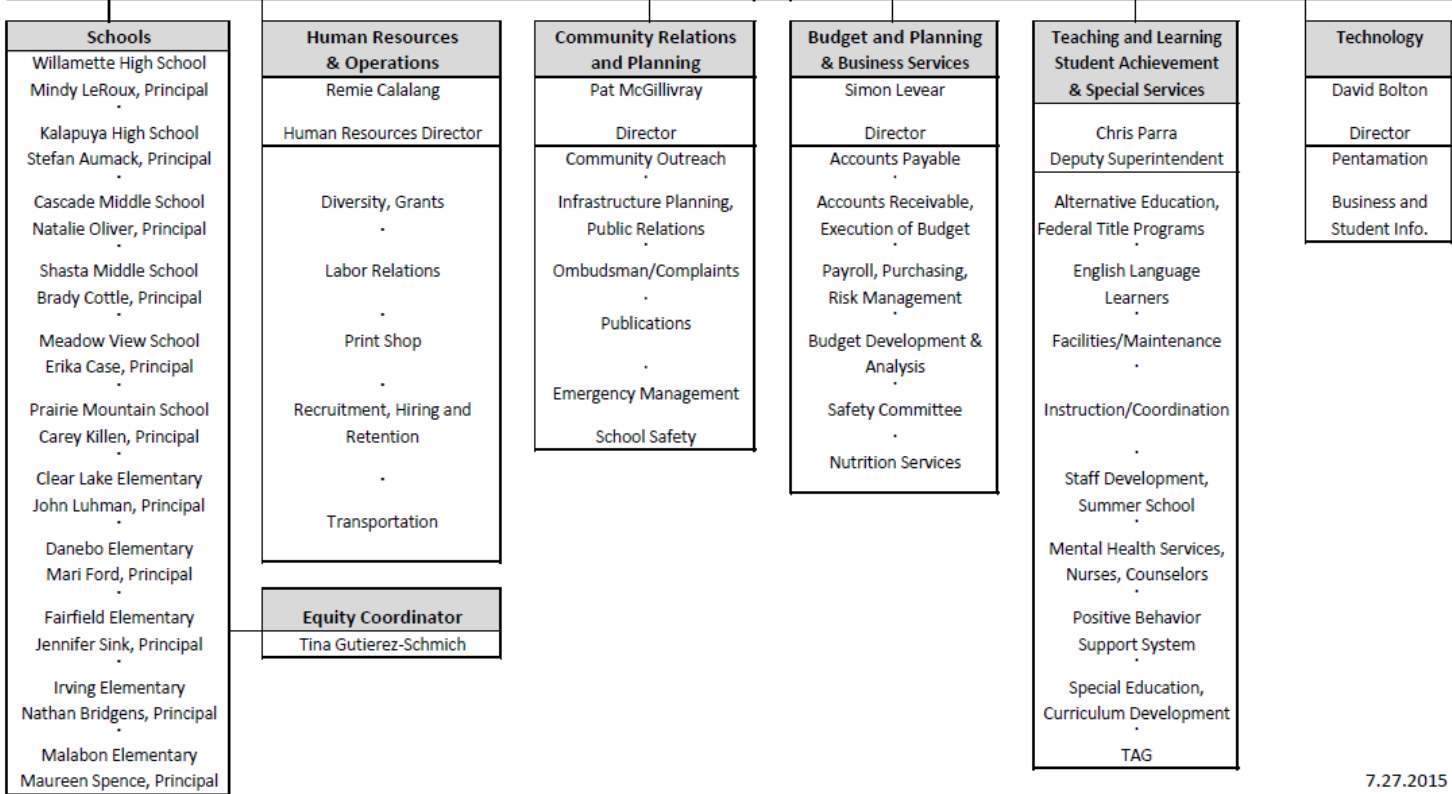
June 30, 2015

Executive Director/CEO

**Bethel School District #52
2015-2016 Organizational Chart**

Board of Directors							
<i>Chair</i>	Alan Laisure	Paul Jorgensen	Debi Farr	Rich Cunningham	Dawnja Johnson	Greg Nelson	Ginger Poage

Superintendent
Colt Gill



7.27.2015

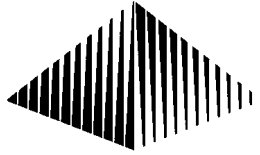
BOARD OF DIRECTORS

Alan Laisure 27554 6 th Street Junction City, Oregon 97448	Chairperson
Rich Cunningham 4150 Quest Drive #128 Eugene, Oregon 97402	Vice-Chairperson
Debi Farr 1929 Praslin Street Eugene, Oregon 97402	Director
Dawnja Johnson 575 Cottonwood Place Eugene, Oregon 97404	Director
Paul Jorgensen 4284 Avalon Avenue Eugene, Oregon 97402	Director
Greg Nelson 1234 Hilo Drive Eugene, Oregon 97404	Director
Ginger Poage 4325 Catalina Street Eugene, Oregon 97402	Director

ADMINISTRATIVE OFFICERS

Colt Gill, Superintendent-Clerk (through June 2016)
Chris Parra (as of July 2016)
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, 2016, 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, 2016, 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.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information, 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 Uniform Guidance, 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 30, 2016, 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 30, 2016, 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 30, 2016

BETHEL SCHOOL DISTRICT No. 52
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

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, 2016. 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 1-4 of this report.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the net position of the District at June 30, 2016 was \$15.3 million. Net position is composed of net investment in capital assets (\$27.1 million), restricted (1.0 million), and a deficit in unrestricted (\$-12.7 million).
- The District's total net position decreased by \$21.2 million for the fiscal year, a 58.0 percent decrease in the District's financial position as compared to the prior year. This change is mainly due to adjustments related to pension expenses.
- The District's governmental funds reported a combined ending fund balance of \$21.3 million, a decrease of \$9.4 million from the prior year. Approximately 31 percent of this total amount, \$7.1 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 \$7.1 million, which represents about 13.8 percent of total General Fund expenditures.
- Total cost of all the District's programs was \$85.4 million for the fiscal year, an increase of \$39.3 million (85.1 percent) from the prior year.
- The District's total long-term liabilities increased by \$22.6 million (35.5 percent) during the 2015-16 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 17 and 18 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 19 through 22.

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 23 through 49 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 \$15.3 million on June 30, 2016.

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,

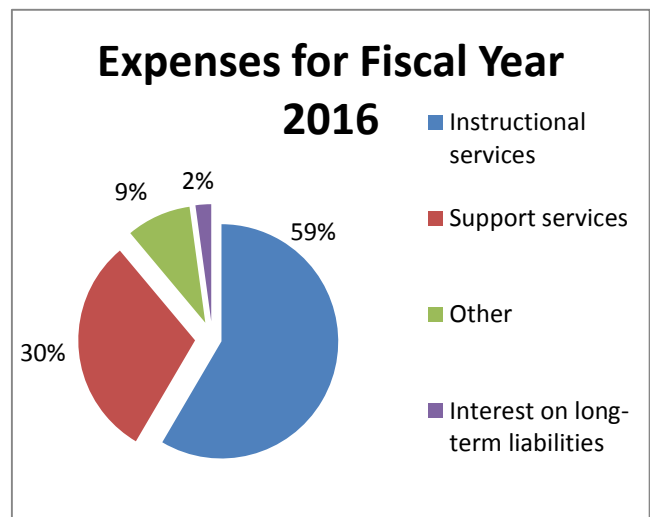
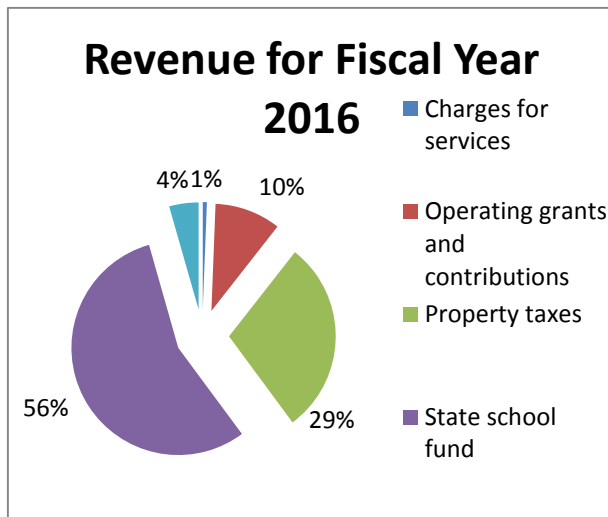
	<u>2016</u>	<u>2015</u>	<u>Change</u>
Current and other assets	\$ 27,426,735	\$ 40,053,050	\$ (12,626,315)
PERS net pension asset	-	10,764,630	(10,764,630)
Capital assets, net	78,330,746	73,575,133	4,755,613
<i>Total assets</i>	<u>105,757,481</u>	<u>124,392,813</u>	<u>(18,635,332)</u>
Deferred outflows	7,314,155	5,560,386	1,753,769
<i>Total assets and deferred outflows</i>	<u>113,071,636</u>	<u>129,953,199</u>	<u>(16,881,563)</u>
Current liabilities	5,188,640	8,501,598	(3,312,958)
Long-term liabilities	86,267,132	63,660,124	22,607,008
<i>Total liabilities</i>	<u>91,455,772</u>	<u>72,161,722</u>	<u>19,294,050</u>
Deferred inflows	6,267,158	21,221,774	(14,954,616)
<i>Total liabilities and deferred inflows</i>	<u>97,722,930</u>	<u>93,383,496</u>	<u>4,339,434</u>
Net position:			
Net investment in capital assets	27,146,288	28,370,475	(1,224,187)
Restricted	975,048	852,641	122,407
Unrestricted	(12,772,630)	7,346,587	(20,119,217)
<i>Total net position</i>	<u>\$ 15,348,706</u>	<u>\$ 36,569,703</u>	<u>\$ (21,220,997)</u>

Statement of Activities. During the 2015-16 fiscal year, the District's net position decreased by \$21.2 million as compared to a \$14.1 million increase in 2014-15. The key elements in this change are the net effect of the following:

- Total revenues for the District's governmental activities increased 4.6 percent.
- Local property tax revenue increased by 3.8 percent.
- State School Fund revenue increased by 10.9 percent.
- Total expenses for the District's governmental activities increased 85.1 percent as a result of adjustments related to pension expense.

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

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Revenues			
Program revenues			
Charges for services	\$ 390,115	\$ 411,309	\$ (21,194)
Operating grants and contributions	6,284,569	7,566,516	(1,281,947)
General revenues			
Property taxes	18,403,138	17,721,460	681,678
State school fund	35,072,395	31,631,980	3,440,415
Other	2,788,911	2,857,209	(68,298)
<i>Total revenues</i>	<u>62,939,128</u>	<u>60,188,474</u>	<u>2,750,654</u>
Expenses			
Instructional services	49,907,806	24,093,425	25,814,381
Support services	25,962,277	14,532,451	11,429,826
Other	7,642,792	5,596,685	2,046,107
Interest on long-term liabilities	1,848,912	1,886,502	(37,590)
<i>Total expenses</i>	<u>85,361,787</u>	<u>46,109,063</u>	<u>39,252,724</u>
Change in net position	(21,220,997)	14,079,411	(35,300,408)
Net position, beginning of year	<u>36,569,703</u>	<u>22,490,292</u>	<u>14,079,411</u>
Net position, end of year	<u><u>\$ 15,348,706</u></u>	<u><u>\$ 36,569,703</u></u>	<u><u>\$ (21,220,997)</u></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, 2016 the District's governmental funds reported combined ending fund balances of \$21.3 million.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2016, unassigned fund balance was \$7.1 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 14.1 percent of total General Fund revenues.

The fund balance decreased by \$1.5 million during the current fiscal year. The change is attributed, in part to General Fund expenditures increasing \$3.7 million from the prior year.

Grants Fund. The Grants Fund has a total fund balance of \$2.9 million at the end of the fiscal year. The fund balance increased approx. \$0.8 million as a result of additional funds received from state sources during the year.

Capital Projects Fund. The Capital Projects Fund has a total fund balance of \$7.2 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 were two transfers 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 \$419 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, 2016, the District had invested \$78.3 million in capital assets, net of accumulated depreciation.

**Capital Assets
(net of depreciation)
June 30,**

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Land and improvements	\$ 2,741,531	\$ 2,565,671	\$ 175,860
Construction in process	440,658	30,355,784	(29,915,126)
Building and improvements, equipment and vehicles	101,962,653	67,478,443	34,484,210
Accumulated depreciation	(26,814,096)	(26,824,765)	10,669
Total	<u><u>\$ 78,330,746</u></u>	<u><u>\$ 73,575,133</u></u>	<u><u>\$ 4,755,613</u></u>

Additional information on the District's capital asset activity can be found on page 32.

Long-term debt. During the year ended June 30, 2016, \$2.4 million of principal was paid on long-term debt and no additional general obligation bonds were issued. At June 30, 2016, the District had total bonded debt outstanding of \$54.5 million.

Additional information on the District's long-term debt can be found on pages 33.

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, 2016, the State School Fund General Purpose Grant provided 56 percent of the District's total revenues, and 72 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, 2017, 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 an increase in State School funding for the District for the next few biennia.

Total enrollment in 2015-16 decreased 11 ADM (average daily membership) from the previous year. Enrollment is expected to decrease in 2016-17 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 2016-17 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
JUNE 30, 2016

ASSETS

Cash and investments	\$ 23,866,034
Receivables	3,517,109
Inventories	43,592
Capital assets not being depreciated	
Land	2,741,531
Construction in progress	440,658
Capital assets, net of accumulated depreciation	
Buildings	73,950,273
Equipment and vehicles	1,198,284
	<hr/>
<i>Total Assets</i>	105,757,481

DEFERRED OUTFLOWS OF RESOURCES

PERS deferred outflows	7,314,155
	<hr/>
<i>Total Assets and Deferred Outflows of Resources</i>	113,071,636

LIABILITIES

Accounts payable and accrued liabilities	4,474,663
Unearned revenue	241,553
Accrued compensated absences	382,244
Accrued interest	90,180
Long-term liabilities	
Portion due within one year	2,575,000
Portion due in more than one year	55,784,335
Other postemployment benefit obligation - early retirement	1,523,832
Other postemployment benefit obligation - implicit rate subsidy	1,343,963
PERS net pension liability	25,040,002
	<hr/>
<i>Total Liabilities</i>	91,455,772

DEFERRED INFLOWS OF RESOURCES

PERS deferred inflows	6,267,158
	<hr/>
<i>Total Liabilities and Deferred Inflows of Resources</i>	97,722,930

NET POSITION

Net investment in capital assets	27,146,288
Restricted for debt service	975,048
Unrestricted	(12,772,630)
	<hr/>
<i>Total Net Position</i>	<u><u>\$ 15,348,706</u></u>

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, 2016

	<i>Expenses</i>	<i>Program Revenues</i>		<i>Net (Expense) Revenue and Change in Net Position</i>	
		<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>		<i>Capital Grants and Contributions</i>
<i>FUNCTIONS/PROGRAMS</i>					
<i>Governmental Activities:</i>					
Instructional services	\$ 49,907,806	\$ 33,474	\$ 6,204,350	\$ -	\$ (43,669,982)
Support services	25,962,277	122,730	59,461	-	(25,780,086)
Enterprise and community services	3,181,898	233,911	20,758	-	(2,927,229)
Facilities maintenance services	4,460,894	-	-	1,201,662	(3,259,232)
Interest on long-term liabilities	1,848,912	-	-	-	(1,848,912)
<i>Total Governmental Activities</i>	<u>\$ 85,361,787</u>	<u>\$ 390,115</u>	<u>\$ 6,284,569</u>	<u>\$ 1,201,662</u>	<u>(77,485,441)</u>
<i>General Revenues:</i>					
Property taxes, levied for general purposes					13,794,212
Property taxes, levied for debt service					4,608,926
Construction excise tax					131,098
State school fund					35,072,395
Common school fund					734,385
Unrestricted state and local funds					520,694
Earnings on investments					228,111
Miscellaneous					1,174,623
<i>Total General Revenues</i>					<u>56,264,444</u>
<i>Change in net position</i>					(21,220,997)
<i>Net position - beginning</i>					<u>36,569,703</u>
<i>Net position - ending</i>					<u>\$ 15,348,706</u>

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

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>Special Revenue</u>		
	<u>General</u>	<u>Grants</u>	<u>Capital Projects</u>
ASSETS			
Cash and investments	\$ 11,159,952	\$ 1,684,209	\$ 7,313,741
Property taxes receivable	1,095,177	-	-
Other receivables	515,722	1,443,385	2,515
Inventories	-	43,592	-
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$ 12,770,851</u>	<u>\$ 3,171,186</u>	<u>\$ 7,316,256</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 2,214,305	\$ 72,285	\$ 91,379
Accrued expenses	-	-	50,000
Accrued salaries and benefits	2,040,860	-	-
Unearned revenue	-	241,553	-
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	4,255,165	313,838	141,379
Deferred Inflows of Resources			
Unavailable revenue - property taxes	1,027,440	-	-
Fund Balance			
Non-spendable inventory	-	43,592	-
Restricted for:			
Capital projects	-	-	7,174,877
Debt service	-	-	-
Committed to:			
Grants	-	2,813,756	-
Insurance services	437,938	-	-
Assigned to:			
Special projects	-	-	-
Unassigned	7,050,308	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances</i>	<u>7,488,246</u>	<u>2,857,348</u>	<u>7,174,877</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 12,770,851</u>	<u>\$ 3,171,186</u>	<u>\$ 7,316,256</u>

<i>Other Governmental Funds</i>	<i>Total</i>
\$ 3,708,132	\$ 23,866,034
412,904	1,508,081
47,406	2,009,028
-	43,592
<u>\$ 4,168,442</u>	<u>\$ 27,426,735</u>
\$ 5,834	\$ 2,383,803
-	50,000
-	2,040,860
-	241,553
<u>5,834</u>	<u>4,716,216</u>
386,635	1,414,075
-	43,592
-	7,174,877
678,593	678,593
-	2,813,756
-	437,938
3,097,380	3,097,380
-	7,050,308
<u>3,775,973</u>	<u>21,296,444</u>
<u>\$ 4,168,442</u>	<u>\$ 27,426,735</u>

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, 2016

FUND BALANCES		\$ 21,296,444
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 105,144,842	
Accumulated depreciation	<u>(26,814,096)</u>	78,330,746
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		1,414,075
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	(90,180)	
Accrued compensated absences	(382,244)	
Bonds payable	(58,359,335)	
Other postemployment benefit obligation - early retirement	(1,523,832)	
Other postemployment benefit obligation - implicit rate subsidy	<u>(1,343,963)</u>	(61,699,554)
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)	(25,040,002)	
Net deferred outflows of resources	7,314,155	
Net deferred inflows of resources	<u>(6,267,158)</u>	<u>(23,993,005)</u>
TOTAL NET POSITION		<u><u>\$ 15,348,706</u></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, 2016

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
		<u>Grants</u>	<u>Capital Projects</u>
REVENUES			
Property taxes	\$ 13,593,813	\$ -	\$ -
Construction excise tax	-	-	-
Intergovernmental			
Intermediate sources	40,374	1,782,762	-
State sources	35,806,740	1,339,630	-
Federal sources	275,256	5,748,225	-
Charges for services	-	233,911	-
Contributions	-	228,616	-
Investment earnings	137,777	5,749	60,523
Miscellaneous	197,259	209,384	-
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	50,051,219	9,548,277	60,523
EXPENDITURES			
Current			
Instruction	31,201,324	3,837,688	-
Support services	19,689,714	1,878,231	-
Enterprise and community services	108,913	2,469,359	-
Facilities acquisition and construction	-	-	1,553,429
Debt Service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	817,555	7,272,111
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	50,999,951	9,002,833	8,825,540
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES			
	(948,732)	545,444	(8,765,017)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	252,458	-
Transfers out	(538,453)	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	(538,453)	252,458	-
NET CHANGE IN FUND BALANCES			
	(1,487,185)	797,902	(8,765,017)
FUND BALANCES, beginning			
	8,975,431	2,059,446	15,939,894
	<hr/>	<hr/>	<hr/>
FUND BALANCES, ending	\$ 7,488,246	\$ 2,857,348	\$ 7,174,877
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<i>Other</i>			
<i>Governmental</i>			
<i>Funds</i>		<i>Total</i>	
\$ 4,725,452		\$ 18,319,265	
131,098		131,098	
-		1,823,136	
-		37,146,370	
71,389		6,094,870	
116,030		349,941	
75,040		303,656	
24,062		228,111	
947,190		1,353,833	
<hr/>		<hr/>	
6,090,261		65,750,280	
1,225,800		36,264,812	
304,692		21,872,637	
28,957		2,607,229	
-		1,553,429	
2,435,000		2,435,000	
2,200,659		2,200,659	
175,860		8,265,526	
<hr/>		<hr/>	
6,370,968		75,199,292	
<hr/>		<hr/>	
(280,707)		(9,449,012)	
285,995		538,453	
-		(538,453)	
<hr/>		<hr/>	
285,995		-	
<hr/>		<hr/>	
5,288		(9,449,012)	
3,770,685		30,745,456	
<hr/>		<hr/>	
\$ 3,775,973		\$ 21,296,444	
<hr/>		<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, 2016

NET CHANGE IN FUND BALANCES		\$ (9,449,012)
<p>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:</p>		
Expenditures for capital assets	\$ 8,089,666	
Loss on disposition of assets	(1,260,055)	
Less current year depreciation	<u>(2,073,998)</u>	4,755,613
<p>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:</p>		
Debt principal repaid	2,435,000	
Amortization of bond premium	<u>350,217</u>	2,785,217
<p>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.</p>		
		1,530
<p>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.</p>		
		83,873
<p>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.</p>		
		(352,223)
<p>In the Statement of Activities, pension expense is adjusted based on the actuarially determined contribution changes:</p>		
Net change in PERS net pension liability/asset	(35,804,632)	
Net change in deferred outflows of resources	1,753,769	
Net change in deferred inflows of resources	<u>14,954,616</u>	(19,096,247)
<p>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.</p>		
		<u>50,252</u>
CHANGE IN NET POSITION		<u><u>\$ (21,220,997)</u></u>

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

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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.

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. This fund's 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. This fund's 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. This fund's principal revenue sources are property taxes.

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.

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.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes Receivable (Continued)

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, 2016, 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 individual 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.

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*, 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 and other changes, 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, 2016

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. Each fund's portion of the pool is displayed in the basic financial statements as "cash and investments."

Cash and investments are comprised of the following as of June 30, 2016:

	<i>Carrying Value</i>	<i>Fair Value</i>
	<u> </u>	<u> </u>
<i>Cash and Deposits</i>		
Cash on hand	\$ 2,350	\$ 2,350
Deposits with financial institutions	4,748,751	4,748,751
<i>Investments</i>		
Local Government Investment Pool	19,114,933	19,114,933
	<u>\$ 23,866,034</u>	<u>\$ 23,866,034</u>

Deposits

At June 30, 2016, the District's deposits with various financial institutions had a bank value of \$5,437,557 and a book balance of \$4,748,751. 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, 2016, the balance covered by the PFCP was \$4,494,893.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

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, 2016, 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	\$ 19,114,933	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.

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.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

CASH AND INVESTMENTS (Continued)

Interest Rate Risk (Continued)

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, 2016, 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.

At June 30, 2016, the District's investments were rated as follows:

<u>Investment type</u>	<u>Rating by Moody's</u>			<u>Not rated</u>	<u>Total</u>
	<u>Aaa</u>	<u>Aa1</u>	<u>Aa3</u>		
Local Government Investment Pool	\$ -	\$ -	\$ -	\$ 19,114,933	\$ 19,114,933

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, 2016

CAPITAL ASSETS

Capital assets activity for the year was as follows:

	<i>Balance July 1, 2015</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2016</i>
Capital assets not being depreciated:				
Land	\$ 2,565,671	\$ 175,860	\$ -	\$ 2,741,531
Construction in process	30,355,784	7,609,464	(37,524,590)	440,658
<i>Total capital assets not being depreciated</i>	<i>32,921,455</i>	<i>7,785,324</i>	<i>(37,524,590)</i>	<i>3,182,189</i>
Capital assets being depreciated:				
Buildings and improvements	65,050,082	37,593,416	(3,344,722)	99,298,776
Equipment	1,052,378	18,266	-	1,070,644
Vehicles	1,375,983	217,250	-	1,593,233
<i>Total capital assets being depreciated</i>	<i>67,478,443</i>	<i>37,828,932</i>	<i>(3,344,722)</i>	<i>101,962,653</i>
Less accumulated depreciation for:				
Buildings and improvements	(25,531,921)	(1,901,249)	2,084,667	(25,348,503)
Equipment	(334,339)	(89,275)	-	(423,614)
Vehicles	(958,505)	(83,474)	-	(1,041,979)
<i>Total accumulated depreciation</i>	<i>(26,824,765)</i>	<i>(2,073,998)</i>	<i>2,084,667</i>	<i>(26,814,096)</i>
<i>Total capital assets being depreciated, net</i>	<i>40,653,678</i>	<i>35,754,934</i>	<i>(1,260,055)</i>	<i>75,148,557</i>
<i>Total capital assets, net</i>	<i>\$ 73,575,133</i>	<i>\$ 43,540,258</i>	<i>\$(38,784,645)</i>	<i>\$ 78,330,746</i>

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

<i>Program</i>	
Instructional services	\$ 4,413
Support services	
Pupil transportation	62,425
Other support services	71,321
Enterprise and community services	18,472
Facilities maintenance services	1,917,367
<i>Total</i>	<i>\$ 2,073,998</i>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

LONG-TERM DEBT

The following is a summary of long-term debt transactions during the year ended June 30, 2016:

	<u>Original Issue</u>	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
General obligation bonds, Series 2013	\$ 20,860,000	\$ 17,445,000	\$ -	\$ 2,435,000	\$ 15,010,000	\$ 2,575,000
General obligation bonds, Series 2013 B & C	39,496,166	39,496,166	-	-	39,496,166	-
<i>Total</i>		56,941,166	-	2,435,000	54,506,166	2,575,000
Issuance premium, Series 2013		1,531,721	-	209,603	1,322,118	-
Issuance premium, Series 2013 B & C		2,671,665	-	140,614	2,531,051	-
<i>Total</i>		<u>\$ 61,144,552</u>	<u>\$ -</u>	<u>\$ 2,785,217</u>	<u>\$ 58,359,335</u>	<u>\$ 2,575,000</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.					\$ 15,010,000	
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.					1,322,118	
Issuance premium, Series 2013 B & C - amortized through 2034.					2,531,051	
					<u>\$ 58,359,335</u>	

Future debt service requirements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,707,650	2,127,650	3,835,300
2021-2025	10,831,758	10,130,692	20,962,450
2026-2030	17,061,626	7,190,374	24,252,000
2031-2034	14,825,000	1,522,500	16,347,500
	<u>\$ 54,506,166</u>	<u>\$ 29,341,509</u>	<u>\$ 83,847,675</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

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:

<u>Outstanding July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding June 30, 2016</u>	<u>Amount Due in One Year</u>
\$ 432,496	\$ 221,338	\$ 271,590	\$ 382,244	\$ 382,244

INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 538,453
Grants	252,458	-
Other governmental funds		
Special Projects	285,995	-
	<u>\$ 538,453</u>	<u>\$ 538,453</u>

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

PENSION PLAN (Continued)

PERS Pension (Chapter 238) (Continued)

salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if it results in greater benefits.

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

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

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

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

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

Oregon Public Service Retirement Plan Pension Program (OPSRP DB)

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

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

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

PENSION PLAN (Continued)

Oregon Public Service Retirement Plan Pension Program (OPSRP DB) (Continued)

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

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

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

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

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

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation, which became effective July 1, 2015. 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, 2016 were \$5,574,636, excluding amounts to fund employer specific liabilities.

At June 30, 2016, the District reported a net pension liability of \$25,040,002 for its proportionate share of the net pension liability. The pension liability was measured as of December 31, 2013, 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, 2013, the District's proportion was 0.44 percent.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

PENSION PLAN (Continued)

Contributions (Continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred (Inflow) of Resources</u>
Difference between expected and actual experience	\$ 1,350,284	\$ -
Changes in proportionate share	-	(665,720)
Net difference between projected and actual earnings on pension plan investments	-	(5,248,952)
Differences between District contributions and proportionate share of contributions	<u>389,235</u>	<u>(352,486)</u>
Subtotal - Amortized Deferrals (below)	1,739,519	(6,267,158)
District contributions subsequent to measurement date	<u>5,574,636</u>	<u>-</u>
Net deferred outflow (inflow) of resources	<u>\$ 7,314,155</u>	<u>\$ (6,267,158)</u>

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	\$ (2,358,322)
2017	(2,358,322)
2018	(2,358,322)
2019	2,449,708
2020	97,619
Total	<u>\$ (4,527,639)</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 May 23, 2016. 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, 2015 through June 30, 2017, 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.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

PENSION PLAN (Continued)

Actuarial Valuations (Continued)

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

Actuarial Methods and Assumptions

Valuation date	December 31, 2013
Measurement date	June 30, 2015
Experience study	2014, published September 2015
Actuarial cost method	Entry age normal
Actuarial Assumptions	
Inflation Rate	2.75%
Long-term expected rate of return	7.75%
Discount rate	7.75%
Projected salary increases	3.75%
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.</p>

(Source: June 30, 2015 PERS CAFR; page 57)

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 2014 Experience Study which is reviewed for the four-year period ending December 31, 2014.

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, 2016

PENSION PLAN (Continued)

Discount Rate (Continued)

Depletion Date Projection – GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

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

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

(Source: June 30, 2015 PERS CAFR; page 58)

Assumed Asset Allocation

Asset Class/Strategy	OIC Policy Range	Current Year Target
Cash	0.0 - 3.0%	0.0%
Debt Securities	15.0 - 25.0	20.0
Public Equity	32.5 - 42.5	37.5
Real Estate	9.5 - 15.5	12.5
Private Equity	16.0 - 24.0	20.0
Alternative Equity	0.0 - 10.0	10.0
Opportunity Portfolio	0.0 - 3.0	0.0
Total		100.0%

(Source: June 30, 2015 PERS CAFR; page 76)

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

PENSION PLAN (Continued)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation *	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Core Fixed Income	7.20%	4.70%	4.50%	6.60%
Short-Term Bonds	8.00	3.76	3.70	3.45
Intermediate-Term Bonds	3.00	4.23	4.10	5.15
High Yield Bonds	1.80	7.21	6.66	11.10
Large Cap US Equities	11.65	8.60	7.20	17.90
Mid Cap US Equities	3.88	9.38	7.30	22.00
Small Cap US Equities	2.27	10.38	7.45	26.40
Developed Foreign Equities	14.21	8.73	6.90	20.55
Emerging Market Equities	5.49	11.51	7.40	31.70
Private Equity	20.00	11.95	8.26	30.00
Hedge Funds/Absolute Return	5.00	6.46	6.01	10.00
Real Estate (Property)	13.75	7.27	6.51	13.00
Real Estate (REITS)	2.50	8.41	6.76	19.45
Commodities	1.25	7.71	6.07	19.70
Assumed Inflation - Mean			2.75%	2.00%

* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of December 18, 2012, and the revised allocation adopted at the June 26, 2013 OIC Meeting.

(Source: June 30, 2015 PERS CAFR; page 57; Table 29)

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.

	<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
District's proportionate share of the net pension liability (asset)	<u>\$ 60,433,112</u>	<u>\$ 25,040,002</u>	<u>\$ (4,787,092)</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

PENSION PLAN (Continued)

Sensitivity (Continued)

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

OPSRP Individual Account Program (OPSRP IAP)

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

Pension Benefits – An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

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

Contributions – The District pays or “picks up” 6 percent of the employees’ covered payroll. The District paid \$1,671,690 in employee contributions for the year ended June 30, 2016.

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.

OTHER POSTEMPLOYMENT BENEFITS (OPEBs) (Continued)

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, 2016, a total of \$113,616 was paid to 29 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, 2016 a total of \$897,984 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.

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.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

OTHER POST EMPLOYMENT BENEFITS (OPEBs) (Continued)

Early Retirement Program (ERP) (Continued)

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

	2016	2015	2014
Annual required contribution	\$ 1,185,720	\$ 1,024,946	\$ 1,024,946
Interest on net pension obligation	41,130	43,134	48,719
Adjustment to annual required contribution	(127,322)	(127,450)	(142,188)
Annual ERP OPEB cost	1,099,528	940,630	931,477
Estimated contributions	(946,656)	(1,007,484)	(1,117,603)
Increase (decrease) in net ERP OPEB obligation	152,872	(66,854)	(186,126)
Net ERP OPEB obligation at beginning of year	1,370,960	1,437,814	1,623,940
Net ERP OPEB obligation at end of year	<u>\$ 1,523,832</u>	<u>\$ 1,370,960</u>	<u>\$ 1,437,814</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 2016 were as follows:

Fiscal Year Ended June 30	Annual ERP OPEB cost	Contribution	Percentage of Annual ERP OPEB Cost Contributed	Net ERP OPEB Obligation
2016	\$ 1,099,528	\$ 946,656	86.1%	\$ 1,523,832
2015	940,630	1,007,484	107.1%	1,370,960
2014	931,477	1,117,603	120.0%	1,437,814

Funded Status and Funding Progress – As of July 1, 2015, the most recent actuarial valuation date, for the period ended June 30, 2016; the District's actuarial accrued liability (AAL) for benefits was \$8,797,134, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,797,134. The covered payroll for the year ended June 30, 2016 was \$25,881,214. The ratio of the total UAAL to annual covered payroll is 34%. 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.

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.

OTHER POST EMPLOYMENT BENEFITS (OPEBs) (Continued)

Early Retirement Program (ERP) (Continued)

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, 2015 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, 2016

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:

	2016	2015	2014
Annual required contribution	\$ 1,035,496	\$ 930,716	\$ 930,716
Interest on net pension obligation	34,338	32,583	31,153
Adjustment to annual required contribution	(56,692)	(53,794)	(51,434)
Annual OPEB cost	1,013,142	909,505	910,435
Estimated contributions	(813,791)	(850,996)	(862,780)
Increase in net OPEB obligation	199,351	58,509	47,655
Net OPEB obligation at beginning of year	1,144,612	1,086,103	1,038,448
Net OPEB obligation at end of year	<u>\$ 1,343,963</u>	<u>\$ 1,144,612</u>	<u>\$ 1,086,103</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 2016 were as follows:

Fiscal Year Ended June 30,	Annual OPEB cost	(Estimated) Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 1,013,142	\$ 813,791	80.3%	\$ 1,343,963
2015	909,505	850,996	93.6%	1,144,612
2014	910,435	862,780	94.8%	1,086,103

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.

In the July 1, 2015 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.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

OTHER POST EMPLOYMENT BENEFITS (OPEBs) (Continued)

Postemployment Health Insurance Subsidy (Continued)

Funded Status and Funding Progress – As of July 1, 2015, the most recent actuarial valuation date for the periods ending June 30, 2016 and June 30, 2017; the District's actuarial accrued liability (AAL) for benefits was \$9,559,853, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial liability (UAAL) of \$9,559,853. The covered payroll for the year ended June 30, 2016 was \$25,881,214. The ratio of the total UAAL to annual covered payroll is 37%. 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 0.53% of annual covered OPERF payroll and 0.45% 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, 2016, 2015 and 2014 were \$138,019, \$139,759, and \$121,446, 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.

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.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

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, 2016. As of the end of the fiscal year, the District is committed under various accepted bid agreements and contracts for approximately \$1.38 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, 2016, expenditures exceeded appropriations as follows:

<i>Fund/Appropriation Category</i>	<i>Appropriation</i>	<i>Expenditure</i>	<i>Variance</i>
<i>Grants</i>			
Support services	\$ 1,664,309	\$ 1,878,231	\$ (213,922)
Facilities acquisition and construction	-	817,555	(817,555)
<i>Other governmental funds</i>			
<i>Special Projects</i>			
Instruction	1,157,200	1,225,800	(68,600)
Facilities acquisition and construction	-	175,860	(175,860)
<i>Debt service</i>			
Support services	-	14	(14)
<i>Insurance</i>			
Support services	15,000	53,561	(38,561)

NEW PRONOUNCEMENTS

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

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. 76 “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. This statement supersedes Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The statement is effective for fiscal years beginning after June 15, 2015.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

NEW PRONOUNCEMENTS (Continued)

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

GASB Statement No. 74 “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”. This statement replaces Statement No. 46, “Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans” as amended, and Statement 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, “Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans”, as amended, and Statement No. 50, “Pension Disclosures”. This statement is effective for financial statement periods beginning after June 15, 2016.

GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. It requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. The statement is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 77, “Tax Abatement Disclosures,” addresses the disclosure requirements for governments that have tax abated properties in their jurisdiction. It will require governments to disclose a description of the tax abatement program, the gross dollar amount of taxes abated during the period, and commitments made by a government, other than to abate taxes, as part of the tax abatement agreement. The statement is effective for fiscal years beginning after December 15, 2015.

GASB Statement No. 78 “Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.” This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that meet certain criteria. The statement is effective for fiscal years beginning after December 15, 2015.

GASB Statement No. 79 “Certain External Investment Pools and Pool Participants”, addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The statement is effective for fiscal years beginning after December 15, 2015.

GASB Statement No. 80 “Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14”, amends the blending requirements for the financial statement presentation of component units of all state and local governments. The statement is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 81 “Irrevocable Split-Interest Agreements”, requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. The statement is effective for fiscal years beginning after December 15, 2016.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

NEW PRONOUNCEMENTS (Continued)

GASB Statement No. 82 “Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73.” This Statement addresses issues regarding (1) the presentation of payroll related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The statement is effective for fiscal years beginning after June 15, 2016.

REQUIRED SUPPLEMENTARY INFORMATION

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULES OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS
YEAR ENDED JUNE 30, 2016

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, 2015	\$ -	\$ 8,797,134	\$ 8,797,134	0.0%	\$ 25,881,214	34.0%
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%

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, 2015	\$ -	\$ 9,559,853	\$ 9,559,853	0.0%	\$ 25,881,214	36.9%
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%

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULES OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR PERS
YEAR ENDED JUNE 30, 2016

<u>Year Ended June 30,</u>	<u>Employer's proportion of the net pension liability (NPL)</u>	<u>Employer's proportionate share of the net pension liability (NPL)</u>	<u>Employer's covered payroll</u>	<u>NPL as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2016	0.44%	\$ 25,040,002	\$ 25,881,214	96.7%	91.9%
2015	0.47%	(10,764,630)	22,490,011	-47.9%	103.6%
2014	0.47%	24,234,847	23,498,326	103.1%	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, 2016

<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>
2016	\$ 5,574,636	\$ 5,574,636	\$ -	\$ 28,167,171	19.8%
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.

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, 2016

	<i>Budgetary funds</i>		<i>Total (reported as General Fund)</i>
	<i>General</i>	<i>Insurance Reserve</i>	
REVENUES			
Property tax	\$ 13,593,813	\$ -	\$ 13,593,813
Intergovernmental			
Intermediate sources	40,374	-	40,374
State sources	35,806,740	-	35,806,740
Federal sources	275,256	-	275,256
Investment earnings	137,777	-	137,777
Miscellaneous	197,259	-	197,259
<i>Total Revenues</i>	50,051,219	-	50,051,219
EXPENDITURES			
Current			
Instruction	31,201,324	-	31,201,324
Support services	19,636,153	53,561	19,689,714
Enterprise and community services	108,913	-	108,913
<i>Total Expenditures</i>	50,946,390	53,561	50,999,951
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(895,171)	(53,561)	(948,732)
OTHER FINANCING SOURCES (USES)			
Transfers out	(538,453)	-	(538,453)
NET CHANGE IN FUND BALANCES	(1,433,624)	(53,561)	(1,487,185)
FUND BALANCES, beginning	8,483,932	491,499	8,975,431
FUND BALANCES, ending	\$ 7,050,308	\$ 437,938	\$ 7,488,246

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, 2016

	<i>Budgeted Amounts</i>		<i>Actual Budget</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>and GAAP</i> <i>Basis</i>	<i>Final Budget</i>
REVENUES				
Property tax	\$ 13,683,648	\$ 13,683,648	\$ 13,593,813	\$ (89,835)
Intergovernmental				
Intermediate sources	114,240	114,240	40,374	(73,866)
State sources	36,102,604	36,102,604	35,806,740	(295,864)
Federal sources	250,001	250,001	275,256	25,255
Investment earnings	95,000	95,000	137,777	42,777
Miscellaneous	175,663	175,663	197,259	21,596
<i>Total Revenues</i>	50,421,156	50,421,156	50,051,219	(369,937)
EXPENDITURES				
Current				
Instruction	32,457,074	32,035,384	31,201,324	834,060
Support services	19,490,167	19,761,858	19,636,153	125,705
Enterprise and community services	77,118	127,118	108,913	18,205
Operating contingency	4,003,102	4,003,102	-	4,003,102
<i>Total Expenditures</i>	56,027,461	55,927,462	50,946,390	4,981,072
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,606,305)	(5,506,306)	(895,171)	4,611,135
OTHER FINANCING SOURCES (USES)				
Transfers out	(440,000)	(540,000)	(538,453)	1,547
NET CHANGE IN FUND BALANCE	(6,046,305)	(6,046,306)	(1,433,624)	4,612,682
FUND BALANCE, beginning	9,100,000	9,100,000	8,483,932	(616,068)
FUND BALANCE, ending	\$ 3,053,695	\$ 3,053,694	\$ 7,050,308	\$ 3,996,614

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, 2016

	<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	\$ 1,567,420	\$ 1,567,420	\$ 1,782,762	\$ 215,342
State sources	786,000	786,000	1,339,630	553,630
Federal sources	5,908,000	5,908,000	5,748,225	(159,775)
Charges for services	340,000	340,000	233,911	(106,089)
Contributions	42,000	42,000	228,616	186,616
Investment earnings	-	-	5,749	5,749
Miscellaneous	88,000	88,000	209,384	121,384
<i>Total Revenues</i>	<u>8,731,420</u>	<u>8,731,420</u>	<u>9,548,277</u>	<u>816,857</u>
EXPENDITURES				
Current				
Instruction	4,763,584	4,683,584	3,837,688	845,896
Support services	1,514,309	1,664,309	1,878,231	(213,922)
Enterprise and community services	2,648,527	2,578,527	2,469,359	109,168
Facilities acquisition and construction	-	-	817,555	(817,555)
<i>Total Expenditures</i>	<u>8,926,420</u>	<u>8,926,420</u>	<u>9,002,833</u>	<u>(76,413)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(195,000)	(195,000)	545,444	740,444
OTHER FINANCING SOURCES (USES)				
Transfers in	355,000	355,000	252,458	(102,542)
NET CHANGE IN FUND BALANCE	<u>160,000</u>	<u>160,000</u>	<u>797,902</u>	<u>637,902</u>
FUND BALANCE, beginning	<u>750,000</u>	<u>750,000</u>	<u>2,059,446</u>	<u>1,309,446</u>
FUND BALANCE, ending	<u><u>\$ 910,000</u></u>	<u><u>\$ 910,000</u></u>	<u><u>\$ 2,857,348</u></u>	<u><u>\$ 1,947,348</u></u>

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2016

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
JUNE 30, 2016

	<i>Budgetary funds</i>		<i>Total (reported as General Fund)</i>
	<i>General</i>	<i>Insurance Reserve</i>	
ASSETS			
Cash and investments	\$ 10,722,014	\$ 437,938	\$ 11,159,952
Property taxes receivable	1,095,177	-	1,095,177
Other receivables	515,722	-	515,722
<i>Total Assets</i>	<u>\$ 12,332,913</u>	<u>\$ 437,938</u>	<u>\$ 12,770,851</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 2,214,305	\$ -	\$ 2,214,305
Accrued salaries and benefits	2,040,860	-	2,040,860
<i>Total Liabilities</i>	4,255,165	-	4,255,165
Deferred Inflows of Resources			
Unavailable revenue - property taxes	1,027,440	-	1,027,440
Fund Balance			
Committed to:			
Insurance services	-	437,938	437,938
Unassigned	7,050,308	-	7,050,308
<i>Total Fund Balance</i>	<u>7,050,308</u>	<u>437,938</u>	<u>7,488,246</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 12,332,913</u>	<u>\$ 437,938</u>	<u>\$ 12,770,851</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, 2016

	<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	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
Instruction	200	200	-	200
Support services	15,000	15,000	53,561	(38,561)
<i>Total Expenditures</i>	15,200	15,200	53,561	(38,361)
NET CHANGE IN FUND BALANCE	(15,200)	(15,200)	(53,561)	38,361
FUND BALANCE, beginning	491,525	491,525	491,499	(26)
FUND BALANCE, ending	\$ 476,325	\$ 476,325	\$ 437,938	\$ (38,387)

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, 2016

	<i>Budgeted Amounts</i>		<i>Actual Budget Basis</i>	<i>Variance with Final Budget</i>	<i>Budget to GAAP Differences</i>	<i>Actual GAAP Basis</i>
	<i>Original</i>	<i>Final</i>				
REVENUES						
Charges for services	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)	\$ -	\$ -
Investment earnings	-	-	60,523	60,523	-	60,523
Miscellaneous	200	200	-	(200)	-	-
<i>Total Revenues</i>	200,200	200,200	60,523	(139,677)	-	60,523
EXPENDITURES						
Current						
Facilities acquisition and construction	11,392,762	11,392,762	8,825,540	2,567,222	(8,089,666)	735,874
Capital outlay	-	-	-	-	8,089,666	8,089,666
<i>Total Expenditures</i>	11,392,762	11,392,762	8,825,540	2,567,222	-	8,825,540
NET CHANGE IN FUND BALANCE	(11,192,562)	(11,192,562)	(8,765,017)	2,427,545	-	(8,765,017)
FUND BALANCE, beginning	14,748,216	14,748,216	15,939,894	1,191,678	-	15,939,894
FUND BALANCE, ending	\$ 3,555,654	\$ 3,555,654	\$ 7,174,877	\$ 3,619,223	\$ -	\$ 7,174,877

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>Special Revenue</u>		
	<u>Special Projects</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 3,055,808	\$ 652,324	\$ 3,708,132
Property taxes receivable	-	412,904	412,904
Other receivables	47,406	-	47,406
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	\$ 3,103,214	\$ 1,065,228	\$ 4,168,442
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 5,834	\$ -	\$ 5,834
Deferred Inflows of Resources			
Unavailable revenue - property taxes	-	386,635	386,635
Fund Balance			
Restricted for:			
Debt service	-	678,593	678,593
Assigned			
Special projects	3,097,380	-	3,097,380
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balance</i>	3,097,380	678,593	3,775,973
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	\$ 3,103,214	\$ 1,065,228	\$ 4,168,442
	<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, 2016

	<u>Special Revenue</u>		
	<u>Special Projects</u>	<u>Debt Service</u>	<u>Total</u>
REVENUES			
Property taxes	\$ -	\$ 4,725,452	\$ 4,725,452
Construction excise tax	131,098	-	131,098
Intergovernmental			
Federal sources	71,389	-	71,389
Charges for services	116,030	-	116,030
Contributions	75,040	-	75,040
Investment earnings	7,361	16,701	24,062
Miscellaneous	947,190	-	947,190
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	1,348,108	4,742,153	6,090,261
EXPENDITURES			
Current			
Instruction	1,225,800	-	1,225,800
Support services	304,678	14	304,692
Enterprise and community services	28,957	-	28,957
Debt Service			
Principal	-	2,435,000	2,435,000
Interest and other charges	-	2,200,659	2,200,659
Capital outlay	175,860	-	175,860
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	1,735,295	4,635,673	6,370,968
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(387,187)	106,480	(280,707)
OTHER FINANCING SOURCES (USES)			
Transfers in	285,995	-	285,995
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	(101,192)	106,480	5,288
FUND BALANCES, beginning	3,198,572	572,113	3,770,685
	<hr/>	<hr/>	<hr/>
FUND BALANCES, ending	\$ 3,097,380	\$ 678,593	\$ 3,775,973
	<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, 2016

	<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	\$ 131,098	\$ (18,902)
Intergovernmental				
Intermediate sources	150,000	150,000	-	(150,000)
State sources	28,000	28,000	-	(28,000)
Federal sources	44,000	44,000	71,389	27,389
Charges for services	58,600	58,600	116,030	57,430
Contributions	150,000	150,000	75,040	(74,960)
Investment earnings	2,250	2,250	7,361	5,111
Miscellaneous	900,000	900,000	947,190	47,190
<i>Total Revenues</i>	1,482,850	1,482,850	1,348,108	(134,742)
EXPENDITURES				
Current				
Instruction	1,157,200	1,157,200	1,225,800	(68,600)
Support services	519,231	519,231	304,678	214,553
Enterprise and community services	40,400	40,400	28,957	11,443
Facilities acquisition and construction	-	-	175,860	(175,860)
<i>Total Expenditures</i>	1,716,831	1,716,831	1,735,295	(18,464)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(233,981)	(233,981)	(387,187)	(153,206)
OTHER FINANCING SOURCES (USES)				
Transfers in	85,000	85,000	285,995	200,995
NET CHANGE IN FUND BALANCE	(148,981)	(148,981)	(101,192)	47,789
FUND BALANCE, beginning	2,249,372	2,249,372	3,198,572	949,200
FUND BALANCE, ending	\$ 2,100,391	\$ 2,100,391	\$ 3,097,380	\$ 996,989

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, 2016

	<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				
Property taxes	\$ 4,835,000	\$ 4,835,000	\$ 4,725,452	\$ (109,548)
Investment earnings	500	500	16,701	16,201
<i>Total Revenues</i>	4,835,500	4,835,500	4,742,153	(93,347)
EXPENDITURES				
Current				
Support services	-	-	14	(14)
Debt Service				
Principal	2,435,010	2,435,010	2,435,000	10
Interest	2,200,688	2,200,688	2,200,659	29
<i>Total Expenditures</i>	4,635,698	4,635,698	4,635,673	25
NET CHANGE IN FUND BALANCE	199,802	199,802	106,480	(93,322)
FUND BALANCE, beginning	525,570	525,570	572,113	46,543
FUND BALANCE, ending	\$ 725,372	\$ 725,372	\$ 678,593	\$ (46,779)

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, 2016

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
LOCAL REVENUES				
1111	Current year's taxes	\$ 13,329,874	\$ 13,263,554	\$ 66,320
1112	Prior year's taxes	192,868	340,094	(147,226)
1113	County tax sales for back taxes	18,176	-	18,176
1190	Penalties and interest on taxes	52,895	80,000	(27,105)
1200	Revenue from local governmental units other than districts	8,211	9,000	(789)
1500	Earnings on investments	137,777	95,000	42,777
1910	Rentals	2,664	2,663	1
1960	Recovery of prior years' expenditures	22,079	-	22,079
1990	Miscellaneous	164,305	164,000	305
1000	<i>Total Local Revenues</i>	13,928,849	13,954,311	(25,462)
INTERMEDIATE REVENUES				
2101	County school funds	40,374	114,240	(73,866)
STATE REVENUES				
3101	State school fund - general support	35,072,395	33,822,440	1,249,955
3103	Common school fund	734,385	610,832	123,553
3222	State school fund (SSF) transportation	-	1,669,332	(1,669,332)
3299	Other restricted grants-in-aid	(40)	-	(40)
3000	<i>Total State Revenues</i>	35,806,740	36,102,604	(295,864)
FEDERAL REVENUES				
4500	Restricted revenue from the federal government through the state	-	1	(1)
4801	Federal forest fees	275,256	250,000	25,256
4000	<i>Total Federal Revenues</i>	275,256	250,001	25,255
5400	FUND BALANCE, Beginning of year	8,483,932	9,100,000	(616,068)
6000	<i>Total Resources</i>	<u>\$ 58,535,151</u>	<u>\$ 59,521,156</u>	<u>\$ (986,005)</u>

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, 2016

<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	\$ 6,976,623	\$ 4,294,243	\$ 21,946
1113	Elementary extracurricular	7,708	3,166	-
1121	Middle/junior high programs	2,821,978	1,762,473	12,749
1122	Middle/junior high school extracurricular	29,064	12,983	600
1131	High school programs	3,284,479	1,953,373	45,752
1132	High school extracurricular	321,122	100,073	2,476
1140	Pre-kindergarten programs	27,100	10,451	-
1200	Special programs			
1210	Programs for the talented and gifted	261	41	-
1250	Resource rooms	3,791,627	2,349,293	407,379
1270	Educationally disadvantaged			
1271	Remediation	21,201	6,304	-
1280	Alternative education	462,771	293,751	899,703
1290	Designated programs			
1291	English second language program	554,663	336,676	20,533
1292	Teen parent programs	52,290	41,507	-
1400	Summer school programs	30,430	7,334	-
1000	<i>Total Instruction</i>	18,381,317	11,171,668	1,411,138
SUPPORT SERVICES				
2100	Students			
2110	Attendance and social work services	56,442	41,293	108,066
2120	Guidance services	830,260	508,640	-
2130	Health services	256,590	191,100	36,327
2190	Service direction, student support services	170,654	109,755	-
2200	Instructional staff			
2210	Improvement of instruction services	267,068	160,401	41,519
2220	Educational Media Services	266,732	214,405	556
2230	Assessment and testing	23,308	7,874	7,463
2240	Instructional staff development	22,054	15,231	39,359
2300	General administration			
2310	Board of education services	-	-	190,785
2320	Executive administration services	611,435	340,593	85,887
2400	School administration			
2410	Office of the principal services	2,593,145	1,677,228	37,201
2500	Business			
2520	Fiscal services	431,423	329,690	31,226
2540	Operation and maintenance of plant services	1,414,745	975,586	1,744,443
2550	Student transportation services	720,378	449,041	1,086,706
2600	Central activities			
2630	Information services	198,568	123,617	199,829
2640	Staff services	28,998	22,502	-
2660	Technology services	349,691	217,626	295,005
2700	Supplemental retirement program	113,616	799,382	-
2000	<i>Total Support Services</i>	8,355,107	6,183,964	3,904,372

<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>
\$ 114,850	\$ -	\$ -	\$ -	\$ 11,407,662		
-	-	-	-	10,874		
22,791	-	-	-	4,619,991		
522	-	-	-	43,169		
41,680	-	12,477	-	5,337,761		
2,163	-	385	-	426,219		
1,807	-	-	-	39,358		
-	-	-	-	302		
26,052	-	2,235	-	6,576,586		
-	-	-	-	27,505		
3,778	-	48	-	1,660,051		
8,035	-	378	-	920,285		
-	-	-	-	93,797		
-	-	-	-	37,764		
221,678	-	15,523	-	31,201,324	\$ 32,035,384	\$ 834,060
96	-	-	-	205,897		
15	-	-	-	1,338,915		
10,944	-	3,255	-	498,216		
20,425	-	-	-	300,834		
44,782	-	9,861	-	523,631		
23,302	-	-	-	504,995		
16	-	-	-	38,661		
4,267	-	-	-	80,911		
4,425	-	13,388	-	208,598		
11,880	-	22,708	-	1,072,503		
32,149	-	22,290	-	4,362,013		
6,438	-	664	-	799,441		
298,698	12,849	294,066	-	4,740,387		
134,022	-	28,923	-	2,419,070		
99,755	-	-	-	621,769		
-	-	-	-	51,500		
93,492	-	-	-	955,814		
-	-	-	-	912,998		
784,706	12,849	395,155	-	19,636,153	19,761,858	125,705

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, 2016

<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>
	<i>ENTERPRISE AND COMMUNITY SERVICES</i>			
3100	Food services	\$ -	\$ -	\$ 5,104
3300	Community services			
3310	Direction of community services activities	54,732	48,912	165
3000	<i>Total Enterprise and Community Services</i>	54,732	48,912	5,269
	<i>OTHER USES</i>			
5200	Transfers of funds	-	-	-
6000	<i>OPERATING CONTINGENCY</i>	-	-	-
7000	<i>FUND BALANCE, End of year</i>	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 26,791,156</u>	<u>\$ 17,404,544</u>	<u>\$ 5,320,779</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>
\$ -	\$ -	\$ -	\$ -	\$ 5,104		
-	-	-	-	103,809		
-	-	-	-	108,913	\$ 127,118	\$ 18,205
-	-	-	538,453	538,453	540,000	1,547
-	-	-	-	-	4,003,102	4,003,102
-	-	-	7,050,308	7,050,308	3,053,694	(3,996,614)
<u>\$ 1,006,384</u>	<u>\$ 12,849</u>	<u>\$ 410,678</u>	<u>\$ 7,588,761</u>	<u>\$ 58,535,151</u>	<u>\$ 59,521,156</u>	<u>\$ 986,005</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, 2016

<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	\$ 26,190	\$ 55,000	\$ (28,810)
1500	Earnings on investments	5,749	-	5,749
1600	Food service	233,911	340,000	(106,089)
1920	Contributions and donations from private sources	228,616	42,000	186,616
1990	Miscellaneous	183,194	33,000	150,194
1000	<i>Total Local Revenues</i>	677,660	470,000	207,660
INTERMEDIATE REVENUES				
2200	Restricted revenue	1,693,363	1,567,420	125,943
2800	Revenue in lieu of taxes	89,399	-	89,399
2000	<i>Total Intermediate Revenues</i>	1,782,762	1,567,420	215,342
STATE REVENUES				
3102	State school fund - school lunch match	20,758	21,000	(242)
3222	State school fund (SSF) transportation	59,461	240,000	(180,539)
3299	Other revenue - state sources school improvement	1,259,411	525,000	734,411
3000	<i>Total State Revenues</i>	1,339,630	786,000	553,630
FEDERAL REVENUES				
4100	Unrestricted revenue direct from the federal government	-	1,563,000	(1,563,000)
4300	Restricted revenue direct from the federal government	-	100,000	(100,000)
4500	Restricted revenue from the federal government through the state	5,461,001	4,000,000	1,461,001
4700	Grants-in-aid from the federal government through other intermediate agencies	124,390	45,000	79,390
4900	Revenue for/on behalf of the district	162,834	200,000	(37,166)
4000	<i>Total Federal Revenues</i>	5,748,225	5,908,000	(159,775)
OTHER SOURCES				
5200	Interfund transfers	252,458	355,000	(102,542)
5400	FUND BALANCE, Beginning of year	2,059,446	750,000	1,309,446
6000	<i>Total Resources</i>	<u>\$ 11,860,181</u>	<u>\$ 9,836,420</u>	<u>\$ 2,023,761</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, 2016

<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	\$ 4,214	\$ 9,341	\$ 8,992
1113	Elementary extracurricular	3,030	776	3,386
1121	Middle/junior high programs	3,586	4,894	2,205
1131	High school programs	3,807	5,162	1,652
1140	Pre-kindergarten programs	72	26	4,645
1200	Special programs			
1220	Programs for students with mental disabilities	591	84	-
1250	Resource rooms	1,055,045	676,834	78,111
1260	Early intervention	1,358	712	-
1270	Educationally disadvantaged			
1271	Remediation	8,226	1,499	-
1272	Title IA/D	1,007,217	570,076	-
1280	Alternative education	43,404	23,748	7,282
1400	Summer school programs	79,310	27,932	1,143
1000	<i>Total Instruction</i>	<u>2,209,860</u>	<u>1,321,084</u>	<u>107,416</u>
SUPPORT SERVICES				
2100	Students			
2110	Attendance and social work services	19,315	9,223	1,350
2120	Guidance services	45,253	30,886	4,516
2130	Health services	104,193	133,275	61,084
2190	Service direction, student support services	1,978	1,138	-
2200	Instructional staff			
2210	Improvement of instruction services	129,521	67,893	83,041
2220	Educational media services			
2230	Assessment and testing	25,000	9,120	207,884
2240	Instructional staff development	36,155	11,020	17,804
2300	General administration	12,307	6,247	-
2500	Business			
2520	Fiscal services	-	-	124
2540	Operation and maintenance of plant services	-	-	-
2550	Student transportation services	813	648	4,247
2600	Central activities			
2620	Planning, research, development, evaluation services, grant writing and statistical services	338,647	156,252	153
2630	Information services	1,267	705	-
2640	Staff services	1,900	602	4,520
2660	Technology services	-	-	-
2690	Other support services - central	6,218	507	36,873
2000	<i>Total Support Services</i>	<u>722,567</u>	<u>427,516</u>	<u>421,596</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>
\$ 14,531	\$ -	\$ 9,320	\$ -	\$ 46,398		
6,635	-	-	-	13,827		
29,265	-	500	-	40,450		
63,032	-	2,625	-	76,278		
3,217	-	472	-	8,432		
201	-	-	-	876		
15,889	-	-	-	1,825,879		
-	-	-	-	2,070		
894	-	-	-	10,619		
4,233	-	-	-	1,581,526		
8,789	27,148	12,155	-	122,526		
422	-	-	-	108,807		
147,108	27,148	25,072	-	3,837,688	\$ 4,683,584	\$ 845,896
4,426	-	-	-	34,314		
1,844	-	-	-	82,499		
5,094	-	428	-	304,074		
-	-	-	-	3,116		
29,226	-	-	-	309,681		
4,785	-	-	-	246,789		
2,729	-	80	-	67,788		
-	-	-	-	18,554		
-	-	4,463	-	4,587		
3,646	-	-	-	3,646		
-	217,250	-	-	222,958		
201	-	-	-	495,253		
-	-	-	-	1,972		
9,190	-	-	-	16,212		
22,470	-	-	-	22,470		
720	-	-	-	44,318		
84,331	217,250	4,971	-	1,878,231	1,664,309	(213,922)

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, 2016

<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>
	<i>ENTERPRISE AND COMMUNITY SERVICES</i>			
3100	Food services	\$ 843,181	\$ 508,664	\$ 3,149
3300	Community services			
3310	Direction of community services activities	481	538	4,401
3390	Other community services	24,202	7,317	715
		<hr/>	<hr/>	<hr/>
3000	<i>Total Enterprise and Community Services</i>	867,864	516,519	8,265
	<i>FACILITIES ACQUISITION AND CONSTRUCTION</i>			
4150	Building acquisition, construction, and improvement services	-	-	-
4180	Other capital items	-	-	-
		<hr/>	<hr/>	<hr/>
4000	<i>Total Facilities Acquisition and Construction</i>	-	-	-
7000	<i>FUND BALANCE, End of year</i>	<hr/>	<hr/>	<hr/>
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 3,800,291</u>	<u>\$ 2,265,119</u>	<u>\$ 537,277</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>
\$ 1,065,825	\$ -	\$ 4,317	\$ -	\$ 2,425,136		
-	-	-	-	5,420		
6,569	-	-	-	38,803		
1,072,394	-	4,317	-	2,469,359	\$ 2,578,527	\$ 109,168
84,033	732,972	-	-	817,005		
550	-	-	-	550		
84,583	732,972	-	-	817,555	-	(817,555)
-	-	-	2,857,348	2,857,348	910,000	(1,947,348)
\$ 1,388,416	\$ 977,370	\$ 34,360	\$ 2,857,348	\$ 11,860,181	\$ 9,836,420	\$ (2,023,761)

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, 2016

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
LOCAL REVENUES				
1130	Construction excise tax	\$ 131,098	\$ 150,000	\$ (18,902)
1500	Earnings on investments	7,361	2,250	5,111
1700	Extracurricular activities	11,395	11,600	(205)
1800	Community services activities	104,635	47,000	57,635
1910	Rentals	120,066	150,000	(29,934)
1920	Contributions and donations from private sources	75,040	150,000	(74,960)
1960	Recovery of prior years' expenditure	(669)	-	(669)
1990	Miscellaneous	827,793	750,000	77,793
1000	<i>Total Local Revenues</i>	1,276,719	1,260,850	15,869
INTERMEDIATE REVENUES				
2199	Other intermediate sources	-	150,000	(150,000)
STATE REVENUES				
3299	Other restricted grants-in-aid	-	28,000	(28,000)
FEDERAL REVENUES				
4500	Restricted revenue from the federal government through the state	30,792	28,000	2,792
4700	Grants-in-aid from the federal government through other intermediate agencies	40,597	16,000	24,597
4000	<i>Total Federal Revenues</i>	71,389	44,000	27,389
OTHER SOURCES				
5200	Interfund transfers	285,995	85,000	200,995
5400	FUND BALANCE, Beginning of year	3,198,572	2,249,372	949,200
6000	<i>Total Resources</i>	<u>\$ 4,832,675</u>	<u>\$ 3,817,222</u>	<u>\$ 1,015,453</u>

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, 2016

<i>Code</i>	<i>Function</i>	<i>100 Salaries</i>	<i>200 Employee Benefits</i>	<i>300 Purchased Services</i>
INSTRUCTION				
1100	Regular programs			
1111	Primary, K-5	\$ 49,125	\$ 23,448	\$ 384
1113	Elementary extracurricular	-	-	43,610
1121	Middle/junior high programs	2,574	1,216	149
1122	Middle/junior high school extracurricular	-	-	17,637
1131	High school programs	761	163	20,702
1132	High school extracurricular	-	-	115,724
1140	Pre-kindergarten programs	35,654	16,808	545
1200	Special programs			
1280	Alternative education	-	-	1,681
1290	Designated programs			
1292	Teen parent programs	175,052	117,836	280
1000	<i>Total Instruction</i>	263,166	159,471	200,712
SUPPORT SERVICES				
2100	Students			
2110	Attendance and social work services	-	-	838
2130	Health services	108,698	81,185	57,948
2200	Instructional staff			
2210	Improvement of instruction services	1,436	183	500
2240	Instructional staff development	11,772	3,895	37
2400	School administration			
2410	Office of the Principal Services	-	-	-
2500	Business			
2520	Fiscal services	-	-	191
2540	Operation and maintenance of plant services	-	-	3,506
2550	Student transportation services	-	-	877
2600	Central activities			
2630	Information services	-	-	-
2660	Technology services	-	-	-
2000	<i>Total Support Services</i>	121,906	85,263	63,897
ENTERPRISE AND COMMUNITY SERVICES				
3100	Food services	-	-	-
3300	Community services	5,657	883	73
3000	<i>Total Enterprise and Community Services</i>	5,657	883	73
FACILITIES ACQUISITION AND CONSTRUCTION				
4120	Site acquisition and development services	-	-	-
7000	FUND BALANCE, End of year	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 390,729	\$ 245,617	\$ 264,682

<u>400</u> <u>Supplies &</u> <u>Materials</u>	<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers</u>	<u>Actual</u> <u>Fund</u> <u>Total</u>	<u>Appropriations</u>	<u>Variance</u>
\$ 39,049	\$ -	\$ -	\$ -	\$ 112,006		
130,831	-	-	-	174,441		
10,563	-	-	-	14,502		
58,500	-	-	-	76,137		
10,084	-	-	-	31,710		
347,171	-	-	-	462,895		
464	-	-	-	53,471		
486	-	-	-	2,167		
4,872	-	431	-	298,471		
602,020	-	431	-	1,225,800	\$ 1,157,200	\$ (68,600)
-	-	-	-	838		
15,870	-	1,680	-	265,381		
959	-	-	-	3,078		
1,730	-	-	-	17,434		
241	-	-	-	241		
-	-	-	-	191		
7,230	-	-	-	10,736		
-	-	-	-	877		
5,035	-	-	-	5,035		
867	-	-	-	867		
31,932	-	1,680	-	304,678	519,231	214,553
9,260	-	-	-	9,260		
11,334	-	1,750	-	19,697		
20,594	-	1,750	-	28,957	40,400	11,443
-	175,860	-	-	175,860	-	(175,860)
-	-	-	3,097,380	3,097,380	2,100,391	(996,989)
\$ 654,546	\$ 175,860	\$ 3,861	\$ 3,097,380	\$ 4,832,675	\$ 3,817,222	\$ (1,015,453)

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, 2016

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
5400	FUND BALANCE, Beginning of year	\$ 491,499	\$ 491,525	\$ (26)

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, 2016

<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	-	51,761	1,800
7000	FUND BALANCE, End of year	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ -</u>	<u>\$ 51,761</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ 200
-	-	-	-	53,561	15,000	(38,561)
-	-	-	437,938	437,938	476,325	38,387
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,938</u>	<u>\$ 491,499</u>	<u>\$ 491,525</u>	<u>\$ 26</u>

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, 2016

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
LOCAL REVENUES				
1111	Current year's taxes	\$ 4,629,042	\$ 4,680,000	\$ (50,958)
1112	Prior year's taxes	76,846	130,000	(53,154)
1190	Penalties and interest on taxes	19,564	25,000	(5,436)
1500	Earnings on investments	16,701	500	16,201
1000	<i>Total Local Revenues</i>	4,742,153	4,835,500	(93,347)
5400	FUND BALANCE, Beginning of year	572,113	525,570	46,543
6000	<i>Total Resources</i>	<u>\$ 5,314,266</u>	<u>\$ 5,361,070</u>	<u>\$ (46,804)</u>

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, 2016

<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>
	SUPPORT SERVICES			
2500	Business			
2520	Fiscal services	\$ -	\$ -	\$ 14
	OTHER USES			
5100	Debt service	-	-	-
7000	FUND BALANCE, End of year	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ -	\$ -	\$ 14

<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>
\$ -	\$ -	\$ -	\$ -	\$ 14	\$ -	\$ (14)
-	-	4,635,659	-	4,635,659	4,635,698	39
-	-	-	678,593	678,593	725,372	46,779
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,635,659</u>	<u>\$ 678,593</u>	<u>\$ 5,314,266</u>	<u>\$ 5,361,070</u>	<u>\$ 46,804</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, 2016

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
LOCAL REVENUES				
1500	Earnings on investments	\$ 60,523	\$ 200,000	\$ (139,477)
1990	Miscellaneous	-	200	(200)
1000	<i>Total Local Revenues</i>	60,523	200,200	(139,677)
5400	FUND BALANCE, Beginning of year	15,939,894	14,748,216	1,191,678
6000	<i>Total Resources</i>	<u>\$ 16,000,417</u>	<u>\$ 14,948,416</u>	<u>\$ 1,052,001</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, 2016

<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	\$ 127,717	\$ 82,993	\$ 6,920
4150	Building acquisition, construction, and improvement services	68,254	14,907	625,300
4190	Other facilities construction services	41,910	28,784	33,171
4000	<i>Total Facilities Acquisition and Construction</i>	237,881	126,684	665,391
7000	<i>FUND BALANCE, End of year</i>	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 237,881	\$ 126,684	\$ 665,391

<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>
\$ -	\$ -	\$ -	\$ -	\$ 217,630		
139,264	6,710,190	10,894	-	7,568,809		
830,610	103,398	1,228	-	1,039,101		
969,874	6,813,588	12,122	-	8,825,540	\$ 11,392,762	\$ 2,567,222
-	-	-	7,174,877	7,174,877	3,555,654	(3,619,223)
<u>\$ 969,874</u>	<u>\$ 6,813,588</u>	<u>\$ 12,122</u>	<u>\$ 7,174,877</u>	<u>\$ 16,000,417</u>	<u>\$ 14,948,416</u>	<u>\$ (1,052,001)</u>

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, 2016

SUPPLEMENTAL INFORMATION, 2015-2016

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

		Objects 325 & 326
Function 2540	\$	970,843
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

	2016	2015	2014
ASSETS			
Current and other assets	\$ 27,426,735	\$ 50,817,680	\$ 66,710,355
Net capital assets	78,330,746	73,575,133	46,825,511
<i>Total Assets</i>	<u>105,757,481</u>	<u>124,392,813</u>	<u>113,535,866</u>
DEFERRED OUTFLOWS OF RESOURCES			
PERS deferred outflows	7,314,155	5,560,386	-
<i>Total Assets and Deferred Outflows of Resources</i>	<u>113,071,636</u>	<u>129,953,199</u>	<u>113,535,866</u>
LIABILITIES			
Accounts payable and other liabilities	5,188,640	8,501,598	5,969,686
Long-term debt outstanding	86,267,132	63,660,124	65,738,686
<i>Total Liabilities</i>	<u>91,455,772</u>	<u>72,161,722</u>	<u>71,708,372</u>
DEFERRED INFLOWS OF RESOURCES			
PERS deferred inflows	6,267,158	21,221,774	-
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>97,722,930</u>	<u>93,383,496</u>	<u>71,708,372</u>
NET POSITION			
Net investment in capital assets	27,146,288	28,370,475	29,980,258
Restricted for:			
Debt service	975,048	852,641	217,755
Unrestricted	<u>(12,772,630)</u>	<u>7,346,587</u>	<u>11,629,481</u>
<i>Total Net Position</i>	<u>\$ 15,348,706</u>	<u>\$ 36,569,703</u>	<u>\$ 41,827,494</u>

Fiscal Year						
2013	2012	2011	2010	2009	2008	2007
\$ 25,210,993	\$ 19,058,506	\$ 20,774,973	\$ 15,998,188	\$ 15,165,875	\$ 15,903,765	\$ 15,304,393
43,334,118	44,096,686	44,940,707	46,155,321	47,376,503	46,995,763	48,034,665
68,545,111	63,155,192	65,715,680	62,153,509	62,542,378	62,899,528	63,339,058
-	-	-	-	-	-	-
68,545,111	63,155,192	65,715,680	62,153,509	62,542,378	62,899,528	63,339,058
3,269,057	9,183,036	3,239,815	2,884,979	3,774,723	3,458,991	2,657,041
27,473,315	19,832,587	29,404,163	26,638,300	31,024,832	36,384,128	39,657,674
30,742,372	29,015,623	32,643,978	29,523,279	34,799,555	39,843,119	42,314,715
-	-	-	-	-	-	-
30,742,372	29,015,623	32,643,978	29,523,279	34,799,555	39,843,119	42,314,715
29,155,144	26,971,686	24,225,707	21,885,321	18,345,192	13,545,763	10,487,422
767,399	588,933	841,639	1,246,548	525,953	324,017	343,188
7,880,196	6,578,950	8,004,356	9,498,361	8,871,678	9,186,629	10,193,733
<u>\$ 37,802,739</u>	<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>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
EXPENSES				
Instructional services	\$ 49,907,806	\$ 24,093,425	\$ 29,306,992	\$ 28,827,126
Support services	25,962,277	14,532,451	18,122,976	18,036,716
Enterprise and community services	3,181,898	2,019,680	2,334,837	3,268,376
Facilities acquisition and construction	4,460,894	3,577,005	3,308,316	444,777
Interest on long-term liabilities	1,848,912	1,886,502	1,315,665	518,847
<i>Total Expenses</i>	<u>85,361,787</u>	<u>46,109,063</u>	<u>54,388,786</u>	<u>51,095,842</u>
PROGRAM REVENUES				
Charges for services				
Instructional services	33,474	9,600	12,820	66,859
Support services	122,730	95,339	88,289	103,846
Enterprise and community services	233,911	306,370	283,623	276,587
Operating grants and contributions				
Instructional services	7,406,012	5,935,859	5,526,146	5,380,686
Support services	59,461	1,610,000	1,579,747	1,555,538
Enterprise and community services	20,758	20,657	28,561	46,945
<i>Total Program Revenues</i>	<u>7,876,346</u>	<u>7,977,825</u>	<u>7,519,186</u>	<u>7,430,461</u>
NET (EXPENSES)	(77,485,441)	(38,131,238)	(46,869,600)	(43,665,381)
GENERAL REVENUES				
Property taxes, levies for general purposes	13,794,212	13,130,246	12,021,803	12,092,378
Property taxes, levies for debt service	4,608,926	4,591,214	4,747,104	4,489,989
Construction excise tax	131,098	146,908	153,512	144,847
State school fund	35,072,395	31,631,980	31,184,043	28,116,085
Common school fund	734,385	604,536	592,073	626,493
Unrestricted state and local funds	520,694	653,526	505,212	752,783
Earnings on investments	228,111	285,080	242,200	121,277
Miscellaneous	1,174,623	1,167,159	1,448,408	1,166,475
<i>Total General Revenues</i>	<u>56,264,444</u>	<u>52,210,649</u>	<u>50,894,355</u>	<u>47,510,327</u>
CHANGE IN NET POSITION	<u>\$ (21,220,997)</u>	<u>\$ 14,079,411</u>	<u>\$ 4,024,755</u>	<u>\$ 3,844,946</u>

Fiscal Year					
2012	2011	2010	2009	2008	2007
\$ 31,164,003	\$ 31,566,430	\$ 31,519,646	\$ 32,129,947	\$ 32,356,853	\$ 28,459,005
19,391,817	18,954,506	17,719,441	17,433,684	18,883,185	16,504,911
2,170,139	2,214,326	2,293,078	2,733,372	1,836,829	1,681,740
764,784	1,098,761	1,072,767	2,009,000	1,033,416	1,180,128
961,803	985,368	1,221,821	1,362,204	1,521,404	1,695,007
<u>54,452,546</u>	<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>
36,672	261,179	40,261	36,643	59,027	31,806
110,103	92,905	92,134	93,174	119,416	118,526
295,732	314,864	367,139	412,233	437,760	472,581
7,222,202	7,773,885	7,703,515	8,548,194	6,819,318	6,515,022
1,519,739	1,289,311	1,500,842	1,504,546	1,452,665	1,341,550
21,607	22,868	23,056	22,558	23,149	22,350
<u>9,206,055</u>	<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>
(45,246,491)	(45,064,379)	(44,099,806)	(45,050,859)	(46,720,352)	(41,018,956)
12,040,513	11,729,231	11,625,360	10,965,811	10,391,707	9,961,118
4,267,847	4,219,233	6,284,317	6,511,439	5,362,098	5,244,187
76,936	123,933	215,977	1,339	-	-
27,621,735	26,359,638	28,060,932	27,971,623	28,957,197	26,487,979
567,476	546,375	565,602	442,920	601,310	529,968
389,885	1,345,120	1,125,136	1,500,375	1,171,547	993,537
136,170	106,622	136,313	440,774	1,061,196	972,539
1,213,796	1,075,699	973,576	1,902,992	1,207,363	1,537,530
<u>46,314,358</u>	<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>\$ 1,067,867</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>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund				
Unreserved	\$ -	\$ -	\$ -	\$ -
Committed	437,938	491,499	506,520	517,427
Unassigned	<u>7,050,308</u>	<u>8,483,932</u>	<u>9,242,354</u>	<u>5,606,433</u>
Total general fund	<u>\$ 7,488,246</u>	<u>\$ 8,975,431</u>	<u>\$ 9,748,874</u>	<u>\$ 6,123,860</u>
All Other Governmental Funds				
Unreserved, reported in:				
Debt service fund	\$ -	\$ -	\$ -	\$ -
Capital projects funds	-	-	-	-
Special revenue funds	-	-	-	-
Non-spendable	43,592	23,505	24,107	26,608
Restricted	7,853,470	16,512,007	46,897,897	11,036,495
Committed	2,813,756	2,035,941	1,216,115	1,150,613
Assigned	<u>3,097,380</u>	<u>3,198,572</u>	<u>2,855,935</u>	<u>2,645,022</u>
Total all other governmental funds	<u>\$ 13,808,198</u>	<u>\$ 21,770,025</u>	<u>\$ 50,994,054</u>	<u>\$ 14,858,738</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					
2012	2011	2010	2009	2008	2007
\$ -	\$ -	\$ 6,857,188	\$ 4,753,070	\$ 5,417,250	\$ 8,242,718
-	-	-	-	-	-
4,704,418	5,967,496	-	-	-	-
<u>\$ 4,704,418</u>	<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>

\$ -	\$ -	\$ 902,653	\$ 575,618	\$ 12,225	\$ 55,730
-	-	-	-	8,391	153,075
-	-	4,555,820	5,356,730	6,441,866	3,470,677
35,130	99,480	-	-	-	-
240,399	6,515,216	-	-	-	-
1,511,931	1,474,171	-	-	-	-
2,412,139	2,748,797	-	-	-	-
<u>\$ 4,199,599</u>	<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>

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

	2016	2015	2014	2013
REVENUES				
Local sources	\$ 20,685,904	\$ 1,996,500	\$19,316,806	\$ 18,762,877
Intermediate sources	1,823,136	2,456,056	2,456,056	465,757
State sources	37,146,370	34,547,412	34,547,412	30,489,306
Federal sources	6,094,870	5,418,416	5,418,416	5,246,800
<i>Total Revenues</i>	<u>65,750,280</u>	<u>44,418,384</u>	<u>61,738,690</u>	<u>54,964,740</u>
EXPENDITURES				
Current operating				
Instruction	36,264,812	33,456,684	33,456,684	28,871,580
Support services	21,872,637	21,165,499	21,165,496	18,001,375
Enterprise and community services	2,607,229	2,428,783	2,428,783	2,120,990
Facilities acquisition & construction	1,553,429	2,457,010	30,607,701	848,373
Debt service				
Principal	2,435,000	1,720,000	1,720,000	3,760,000
Interest	2,200,659	3,037,189	3,037,189	556,954
Refinancing costs	-	-	-	-
Capital outlay	8,265,526	28,150,691	4,813,715	24,105
<i>Total Expenditures</i>	<u>75,199,292</u>	<u>92,415,856</u>	<u>97,229,568</u>	<u>54,183,377</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,449,012)	(47,997,472)	(35,490,878)	781,363
OTHER FINANCING SOURCES (USES)				
Transfers in	538,453	538,453	865,043	1,251,601
Transfers out	(538,453)	(538,453)	(865,043)	(1,251,601)
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>-</u>	<u>42,384,924</u>	<u>11,478,994</u>
NET CHANGE IN FUND BALANCES	<u>\$ (9,449,012)</u>	<u>\$ (47,997,472)</u>	<u>\$ 6,894,046</u>	<u>\$ 12,260,357</u>
Debt services as a percentage of noncapital expenditures	6.9%	7.4%	5.1%	8.0%

Fiscal Year					
2012	2011	2010	2009	2008	2007
\$18,223,061	\$18,183,929	\$19,790,163	\$20,361,686	\$19,306,717	\$19,893,703
418,279	874,694	433,750	242,992	253,093	208,830
31,260,764	28,453,842	30,724,706	31,914,429	31,522,990	28,388,157
5,785,666	8,042,691	7,715,540	7,765,998	6,488,161	5,690,834
<u>55,687,770</u>	<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>
31,159,833	31,229,822	31,135,433	33,178,509	31,655,886	28,737,212
19,370,791	18,982,380	17,681,195	18,751,455	18,486,197	16,340,881
2,142,818	2,132,277	1,193,441	1,369,479	1,818,386	1,648,220
4,231	-	-	-	-	18,218
9,575,000	3,555,000	4,770,000	4,410,000	4,065,000	3,680,000
961,623	1,023,828	1,193,441	1,369,479	1,527,929	1,710,218
-	85,000	-	-	-	-
374,617	42,350	42,350	1,559,146	91,232	385,417
<u>63,588,913</u>	<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>
(7,901,143)	(1,495,501)	2,648,299	(352,963)	(73,669)	1,661,358
977,634	467,506	1,300,000	862,010	3,340,000	440,500
(977,634)	(467,506)	(1,300,000)	(862,010)	(3,340,000)	(440,500)
-	5,985,000	-	-	-	-
-	-	-	-	-	-
-	5,985,000	-	-	-	-
<u>\$ (7,901,143)</u>	<u>\$ 4,489,499</u>	<u>\$ 2,648,299</u>	<u>\$ (352,963)</u>	<u>\$ (73,669)</u>	<u>\$ 1,661,358</u>
16.7%	8.0%	10.7%	9.8%	9.7%	10.3%

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	Assessed Value (not including exempt property)				Total Assessed Value	Total Direct Tax Rate	Amount Tax Rate Will Raise	Less:	Total Taxes Imposed (Net Levy)
	Real Property	Personal Property	Manufactured Structure	Public Utility				Reduction and Adjustments	
2016	\$ 2,846,651,434	\$ 115,457,228	\$ 60,451,992	\$ 163,103,130	\$ 3,185,663,784	6.04	\$ 19,235,675	\$ (230,606)	\$ 19,005,069
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

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 2007-2016: Oregon Department of Revenue Property Tax Statistics Supplement for the appropriate fiscal year.

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	Total Direct Tax Rate
2016	\$ 4.5067	\$ 1.53	\$ 0.04
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

Overlapping Total Property Tax Rates

Fiscal Year	Lane County					River Road
	City of Eugene	Junction City Water Control	Metro Waste Water	Lane County	Lane Community College	Park and Recreation
2016	\$ 7.9659	\$ 0.2523	\$ -	\$ 1.8293	\$ 0.8198	\$ 3.5259
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

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	2016			2007		
	Taxable Assessed Value	Rank ¹	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Ten Largest Taxpayers						
Verizon Communications	\$ 60,860,000	1	1.9			
Seneca Sustainable Energy LLC	49,089,558	2	1.5			
Seneca Sawmill Co	45,323,670	3	1.4			
Shepard Investment Group LLC	28,180,187	4	0.9			
Weyerhaeuser NR Company	24,149,088	5	0.8			
SFPP LP	32,764,735	6	1.0			
Heron Meadows Apartments NW LLC	19,826,248	7	0.6			
Flakeboard America LTD	18,615,607	8	0.6			
Taft Group 1 Inc	16,458,299	9	0.5			
Metropolitan Life Ins Co	14,541,753	10	0.5			
Subtotal of Ten Largest Taxpayers	309,809,145		9.7			
All Other Taxpayers	2,875,854,639		90.3			
Total All Taxpayers	<u>\$ 3,185,663,784</u>		<u>100.00%</u>			
Seneca Sawmill				\$ 26,082,250	1	1.1
OR Dept of Economic Dev				26,148,332	2	1.1
Metropolitan Life Ins Co				10,652,738	3	0.5
Verizon Wireless				23,148,400	4	1.0
Taft Group I inc				12,290,598	5	0.5
Weyerhaeuser Co				19,166,900	6	0.8
Sun Communities Operating				9,927,096	7	0.4
Georgia Pacific Corporation				10,284,864	8	0.5
Crossings Apartments NW LLC				9,357,107	9	0.4
Retained RE SPE LLC				6,630,662	10	0.3
Subtotal of Ten Largest Taxpayers				153,688,947		6.7
All Other Taxpayers				2,137,776,721		93.3
Total All Taxpayers				<u>\$ 2,291,465,668</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
2016	\$ 18,980,851	\$ 17,958,916	94.62%	\$ 269,714	\$ 18,228,630	96.04%
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

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	Percentage of Actual Taxable Value of Property	Per Student
			Obligation Bonds Outstanding		
2016	\$ 58,359,335	\$ 652,324	\$ 57,707,011	1.81	\$ 10,286
2015	61,144,552	540,056	60,604,496	2.01	10,782
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

Other Governmental Activities Debt

Fiscal Year	Capital Leases	Total Debt as Percentage of Personal Income			
		Total District	Per Student	Per Capita	
2016	\$ -	\$ 57,707,011	\$ 10,286	\$ 159	n/a*
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, 2016

Overlapping Issuer	Overlapping Net Property-tax Backed Debt	Percent Overlapping	Overlapping Debt
City of Eugene	\$ 21,443,000	16.13%	\$ 3,458,627
Lane Community College	54,215,000	9.53%	5,167,991
Lane County	34,545,000	9.67%	3,339,569
Lane ESD	6,790,000	9.69%	658,087
River Road Parks & Recreation	270,000	1.84%	4,972
Subtotal, overlapping debt			12,629,246
Direct District net property-tax backed debt			58,359,335
Total direct and overlapping debt			\$ 70,988,581

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>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>	<u>2016</u>
Debt Limit	\$ 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	\$ 226,308,789
Total net debt applicable to limit	<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>60,604,496</u>	<u>57,707,011</u>
Legal debt margin	<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>\$ 153,978,822</u>	<u>\$ 168,601,778</u>
Total net debt applicable to the limit as a percentage of debt limit	11.44%	17.28%	14.43%	11.01%	9.39%	13.58%	11.23%	30.39%	28.24%	25.50%

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
2016	n/a	n/a	n/a	5.9
2015	362,895	\$ 14,468,971	\$ 39,871	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

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 Eugene-Springfield, OR (MSA)

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>	2016			2007		
	<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	3.72 %	4,300	1	2.51 %
University of Oregon	5,479	2	3.71	3,676	2	2.15
U.S. Government	1,602	3	1.08	1,800	5	1.05
City of Eugene	1,463	4	0.99	1,452	7	0.85
Lane County	1,369	5	0.93	1,786	6	1.04
Springfield School District	1,242	6	0.84	1,162	8	0.68
Lane County School District 4J	1,198	7	0.81	2,025	4	1.18
Lane Community College	943	8	0.64	2,531	3	1.48
Mckenzie-Willamette Medical Center	880	9	0.60	750	10	0.44
Royal Carribean	700	10	0.47	NA	-	-
State of Oregon	NA		NA	1,100	9	0.64
<i>Total Major Employers</i>	20,376		13.79	20,582		12.02
<i>Total All Employers</i>	<u>147,703</u>		<u>100.00 %</u>	<u>171,233</u>		<u>100.00 %</u>

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>
2016	297	310	45	652
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>
2016	\$ 51,472,034	5,610	\$ 9,175.05	9.01%	297	18.89	5,574.95
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, 2016

<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	273	66%
Danebo Elementary	1965	46,200	464	295	64%
Fairfield Elementary	2015	65,000	680	359	53%
Irving Elementary	1965	56,000	492	382	78%
Malabon Elementary	2015	61,500	760	403	53%
Meadow View School	1998	114,800	836	777	93%
Prairie Mountain School	2004	125,700	848	760	90%
Cascade Middle School	1955	86,700	504	363	72%
Shasta Middle School	1961	88,900	560	445	79%
Kalapuya Alternative School	2002	12,400	175	110	63%
Willamette High School	1949	265,770	1,550	1,443	93%
			<u>7,285</u>	<u>5,610</u>	<u>77%</u>

Source:
School District records.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
OPERATING STATISTICS - FREE AND REDUCED LUNCHES
YEAR ENDED JUNE 30, 2016

**Non-Community Eligibility Provision
(CEP) Counts by School**

School	Enrollment	Free	Reduced	Percent Free or Reduced
Irving Elementary	383	137	37	45%
Meadow View School	763	241	71	41%
Prairie Mountain School	758	410	66	63%
Shasta Middle	442	195	55	57%
Willamette High School	1,360	527	141	49%
District totals	3,706	1,510	370	51%

Non-CEP Schools reflect actual Free and Reduced percentages.

**Community Eligibility Provision (CEP)
Counts by School**

School	Enrollment	Identified Eligible	Factor	Percent Free or Reduced
Clear Lake Elementary	273	155	1.6	91%
Danebo Elementary	304	181	1.6	95%
Fairfield Elementary	374	234	1.6	100%
Malabon Elementary	403	203	1.6	81%
Cascade Middle	366	177	1.6	77%
Kalapuya Alternative School	114	44	1.6	62%
District totals	1,834	994	1.6	54%

Community Eligibility Provision (CEP) is a meal service option for school districts allowing breakfast and lunch to be served at no cost to all enrolled students. A proxy percentage is used based on the number of students identified as eligible for SNAP, TANF or FDPIR benefits.

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, 2016, and have issued our report thereon dated December 30, 2016.

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.
- Principal and interest were not budgeted separately by issuance.

- In our testing of teacher experience, we noted two of 25 teachers tested were 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.

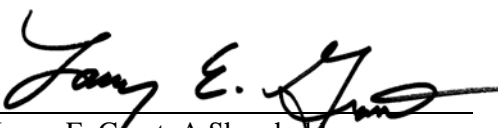
Internal Control

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.

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 30, 2016

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016

<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			
Passed Through Oregon Department of Education			
Title IA 13-14	28084	84.010	\$ 107,503
Title IA 14-15	32536	84.010	216,647
Title IA 15-16	35927	84.010	1,433,728
<i>Subtotal Title I Grants to Local Educational Agencies</i>			<u>1,757,878</u>
Special Education Cluster (IDEA)			
Extended Assessment Development Grant 15-16	35724	84.027	251,252
IDEA Part B, Section 611 14-15	33226	84.027	644,816
IDEA Part B, Section 611 15-16	36813	84.027	348,440
SPR & I 15-16	37801	84.027	5,323
Extended Assessment 15-16	35733	84.027	875
IDEA Enhancement 14-15	33646	84.027	2,579
IDEA Enhancement 15-16	38271	84.027	6,097
Post School Outcomes	40168	84.027	40
<i>Subtotal Special Education - Grants to States</i>			<u>1,259,422</u>
IDEA Part B, Section 619 14-15	33415	84.173	5,826
IDEA Part B, Section 619 15-16	37130	84.173	4,867
<i>Subtotal Special Education - Preschool Grants</i>			<u>10,693</u>
<i>Subtotal Special Education Grants Cluster (IDEA)</i>			<u>1,270,115</u>
SIG-School Improvement 1003-G Year 3	28053	84.377	28,090
Title III - Language Acquisition 15-16	36307	84.365	9,736
Title IIA - Improving Teacher Quality 14-15	32860	84.367	26,760
Title IIA - Improving Teacher Quality 14-15 carryover	32860	84.367	8,897
Title IIA - Improving Teacher Quality 15-16	36124	84.367	140,518
<i>Subtotal Title IIA, Improving Teacher Quality</i>			<u>176,175</u>
Passed Through Lane County School District 4J			
Mathematics and Science Partnerships	34376	84.366	1,201
Passed through Oregon Department of Human Resources, Office of Vocational Rehabilitation Services			
Rehabilitation Services - Vocational Rehabilitation Grants to States	143314-1	84.126	59,585
Passed Through Lane ESD			
McKinney Homeless-Competitive 14-15	34330	84.196	2
McKinney Homeless-Competitive 15-16	36478	84.196	7,828
<i>Subtotal Education for Homeless Children and Youth</i>			<u>7,830</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, 2016

<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 Education (Continued)</i>			
<i>Passed Through Lane ESD</i>			
Career and Technical Education - ACTE	IGA LESD	84.048	\$ 7,042
Career and Technical Education - Basic Grants to States	IGA LESD	84.048	27,355
<i>Subtotal Career and Technical Education</i>			34,397
<i>Passed Through Springfield Public School</i>			
Arts in Education- Year 2	IGA Springfield SD	84.351	8,904
<i>Total U.S. Department of Education</i>			3,353,911
<i>U.S. Department of Labor</i>			
<i>Passed through Lane Workforce Partnership</i>			
<i>WIA/WIOA Cluster</i>			
WIA-Workforce Innovation and Opportunity Act - Lane Workforce Pa	31016	17.259	11,385
WIA-Workforce Innovation and Opportunity Act - Lane Workforce Pa	31038	17.259	57,225
<i>Subtotal WIA/WIOA Cluster</i>			68,610
<i>Total U.S. Department of Labor</i>			68,610
<i>U.S. Department of Transportation</i>			
<i>Passed through Oregon Department of Transportation</i>			
<i>Highway Planning and Construction Cluster</i>			
Safe Routes to School 14-15 Project	IGA 2012-51	20.205	9,324
Safe Routes to School 15-16 Project	IGA 2012-51	20.205	21,480
<i>Subtotal Highway Planning and Construction Cluster</i>			30,804
<i>Total U.S. Department of Transportation</i>			30,804
<i>U.S. Department of Health & Human Services</i>			
<i>CCDF Cluster</i>			
<i>Passed through Oregon Employment Department</i>			
Infant Toddler Child Care payments	14-030	93.575	29,674
<i>Passed through Oregon Department of Education</i>			
Infant Toddler Program - State of Oregon	9789-A4	93.575	19,762
<i>Subtotal CCDF Cluster</i>			49,436
<i>Passed through Other Intermediate Agencies</i>			
Promoting Safe and Stable Families I	N/A	93.556	3,585
Promoting Safe and Stable Families II	N/A	93.556	7,338
<i>Subtotal Promoting Safe and Stable Families</i>			10,923
<i>Total U.S. Department of Health & Human Services</i>			60,359

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, 2016

<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 Interior</i>			
<i>Passed through Bureau of Land Management Oregon State Office</i>			
Recreation Resource Management	GRNT1125	15.225	\$ 8,876
Recreation Resource Management	GRNT0962	15.225	804
<i>Subtotal Recreation Resource Management</i>			<u>9,680</u>
Secure Rural Schools and Community Self-Determination	L14AC00203	15.234	<u>17,776</u>
<i>Total U.S. Department of Interior</i>			<u>27,456</u>
<i>U.S. Department of Agriculture</i>			
<i>Passed Through Lane County, Oregon</i>			
<i>Forest Service Schools and Roads Cluster</i>			
Schools and Roads - Federal Forest Fees	N/A	10.665	275,256
<i>Subtotal Forest Service Schools and Roads Cluster</i>			<u>275,256</u>
<i>Passed Through Oregon Department of Education</i>			
<i>Child Nutrition Cluster</i>			
National School Breakfast Programs	N/A	10.553	506,916
National School Lunch Programs	N/A	10.555	1,396,278
National School Lunch Program Commodity Value Received	N/A	10.555	162,835
Summer Food Service Program for Children	N/A	10.559	31,779
<i>Subtotal Child Nutrition Cluster</i>			<u>2,097,808</u>
Child and Adult Care Food Program	N/A	10.558	103,144
Fresh Fruit and Vegetable Program	Various	10.582	69,846
<i>Total U.S. Department of Agriculture</i>			<u>2,546,054</u>
<i>U.S. Department of Defense</i>			
<i>Passed through Department of the Army, Office of the Chief of Engineers</i>			
Youth Conservation Services	W9127N-14-2-0013-0002	12.010	7,676
<i>Total U.S. Department of Defense</i>			<u>7,676</u>
<i>Total Federal Expenditures</i>			<u><u>\$ 6,094,870</u></u>

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, 2016

Purpose of the Schedule

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2016. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) Because the Schedule presents only a selected portion of the 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

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-87 *Cost Principles for State, Local and Indian Tribal Governments*, where applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

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

Federal Financial Assistance

Pursuant to Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, 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

Uniform Guidance establishes 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 the Uniform Guidance. 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, 2016.

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, 2016, 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 30, 2016.

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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS

December 30, 2016



GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 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, 2016. District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, 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, 2016.

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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


CERTIFIED PUBLIC ACCOUNTANTS

December 30, 2016

BETHEL SCHOOL DISTRICT NO. 52. LANE COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	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 2 CFR 200.516(a)?	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)
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	No
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FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

BETHEL SCHOOL DISTRICT NO. 52. LANE COUNTY, OREGON
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.