Washington State Auditor's Office

Troy Kelley

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Financial Statements and Federal Single Audit Report

Battle Ground School District No. 119

Clark County

For the period September 1, 2013 through August 31, 2014

Published April 2, 2015

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Washington State Auditor
Troy Kelley

April 2, 2015

Board of Directors
Battle Ground School District No. 119
Battle Ground, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Battle Ground School District No. 119's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the District's financial condition.

Sincerely,

Troy X. Kelley

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

Insurance Building, P.O. Box 40021 ☐Olympia, Washington 98504-0021 ☐(360) 902-0370 ☐TDD Relay (800) 833-6388

Restricted Fund Balance. Amounts that are reported as Restricted are those resources of the District that have had a legal restriction placed on their use either from statute, WAC, or other legal requirements that are beyond the control of the board of directors. Restricted fund balance includes anticipated recovery of revenues that have been received but are restricted as to their usage.

Committed Fund Balance. Amounts that are reported as Committed are those resources of the District that have had a limitation placed upon their usage by formal action of the District's board of directors. Commitments are made either through a formal adopted board resolution or are related to a school board policy. Commitments may only be changed when the resources are used for the intended purpose or the limitation is removed by a subsequent formal action of the board of directors
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Assigned Fund Balance. In the General Fund, amounts that are reported as Assigned are those resources that the District has set aside for specific purposes. These accounts reflect tentative management plans for future financial resource use such as the replacement of equipment or the assignment of resources for contingencies. Assignments reduce the amount reported as Unassigned Fund Balance, but may not reduce that balance below zero.

In other governmental funds, Assigned fund balance represents a positive ending spendable fund balance once all restrictions and commitments are considered. These resources are only available for expenditure in that fund and may not be used in any other fund without formal action by the District's board of directors and as allowed by statute.

The Board of Directors are the only persons who have the authority to create Assignments of fund balance.

Unassigned Fund Balance. In the General Fund, amounts that are reported as Unassigned are those net spendable resources of the District that are not otherwise Restricted, Committed, or Assigned, and may be used for any purpose within the General Fund.

In other governmental funds, Unassigned fund balance represents a deficit ending spendable fund balance once all restrictions and commitments are considered.

A negative Unassigned fund balance means that the legal restrictions and formal commitments of the District exceed its currently available resources.

Cash and Cash Equivalents

All of the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables and Payables

All receivables and payables are expected to be collected within one year in the General Fund.

Inventory

Inventory is valued at cost using the weighted average method. The consumption method of inventory is used, which charges inventory as an expenditure when it is consumed. A portion of fund balance, representing inventory, is considered Non-spendable. USDA commodity inventory consists of food donated by the United States Department of Agriculture. It is valued at the prices paid by the USDA for the commodities.

Accounting and Reporting Changes for 2013–2014

Effective for the 2013-2014 school year, the district implemented provisions of *GASB Statement No. 65 Items Previously Reported as Assets and Liabilities*. As a result, deferred property taxes were reclassified from liabilities to deferred inflows of resources.

NOTE 2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

The Clark County Treasurer is the *ex officio* treasurer for the District and holds all accounts of the District. The District directs the County Treasurer to invest those financial resources of the District that the District has determined are not needed to meet the current financial obligations of the District.

All of the District's investments during the year and at year-end were insured or registered and held by the District or its agent in the District's name.

The District's investments as of August 31, 2014 are as follows:

	Number of Securities	Carrying Amount	Market Value
County Treasurer's Investment Pool	0	$6,484,587	$6,217,560

NOTE 3: SIGNIFICANT CONTINGENT LIABILITIES

Litigation

The District has no known legal obligations that would materially impact the financial position of the District.

NOTE 4: SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

There were no events after the balance sheet date that would have a material impact on the next or future fiscal years.

NOTE 5: ANNUAL PENSION COST AND NET PENSION OBLIGATIONS

General Information

Substantially all District full-time and qualifying part-time employees participate in one of the following three contributory, multi-employer, cost-sharing statewide retirement systems managed by the Washington State Department of Retirement Systems (DRS): Teachers' Retirement System (TRS), Public Employees' Retirement System (PERS) and School Employees' Retirement System (SERS). Participation in the programs was as follows:

Membership by retirement system program as of June 30, 2013:

Program	Active Members	Inactive Vested Members	Retired Members
TRS	65,935	9,823	44,220
PERS	150,706	31,047	85,328
SERS	52,295	11,588	9,079

Certificated public employees are members of TRS. Non-certificated public employees are members of PERS (if Plan 1) or SERS.

Plan 1 under the TRS and PERS programs are defined benefit pension plans whose members joined the system on or before September 30, 1977. Plan 1 members are eligible to retire with full benefits after five years of credited service and attainment of age 60, after 25 years of credited service and attainment of age 55, or after 30 years of credited service.

Plan 2 under the TRS or SERS programs are defined benefit pension plans whose members joined on or after October 1, 1977, but before June 30, 1996 or August 31, 2000, for TRS or SERS, respectively. Members of TRS and SERS are eligible to retire with full benefits after five years of credited service and attainment of age 65, after 20 years of credited service and attainment of age 55 with the benefit actuarially reduced from age 65, or 30 years of credited service and receive either a reduced benefit or stricter return-to-work rules.

Plan 3 under the TRS and SERS programs are defined benefit, defined contribution pension plans whose members joined on or after July 1, 1996, or September 1, 2000, for TRS and SERS, respectively. Members are eligible to retire with full benefits at age 65, or they may retire at age 55 with at least ten service years with a reduced benefit amount, or they may retire at age 55 with at least 30 service years and receive either a reduced benefit or stricter return-to-work rules.

Average final compensation (AFC) of Plan 1 TRS and PERS members is the highest average salary during any two consecutive years. For Plan 2 and Plan 3 TRS and SERS members, it is the highest average salary during any five consecutive years.

The retirement allowance of Plan 1 TRS and PERS members is the AFC multiplied by 2 percent per year of service, capped at 60 percent, with a cost-of-living adjustment. For Plan 2 TRS and SERS members, it is the AFC multiplied by 2 percent per year of service with provision for a cost-of-living adjustment. For the defined benefit portion of Plan 3 TRS and SERS members, it is the AFC multiplied by 1 percent per year of service with a cost-of-living adjustment.

The employer contribution rates for PERS, TRS, and SERS (Plans 1, 2, and 3) and the TRS and SERS Plan 2 employee contribution rates are established by the Pension Funding Council based upon the rates set by the Legislature. The employee contribution rate for Plan 1 in PERS and TRS is set by statute at 6 percent and does not vary from year to year. The employer rate is the same for all plans in a system. The methods used to determine the contribution requirements are established under chapters 41.40, 41.32, and 41.35 RCW for PERS, TRS and SERS respectively.

The District’s contribution represents its full liability under both systems, except that future rates may be adjusted to meet the system needs.

Contributions

Employee contribution rates as of August 31, 2014:

Plan 1 TRS	6.00%	Plan 1 PERS	6.00%
Plan 2 TRS	4.69%	Plan 2 SERS	4.646%

Plan 3 TRS and SERS: Member-selected rate between five percent and fifteen percent, depending on plan options.

Employer contribution rates as of August 31, 2014:

Plan 1 TRS	10.39%	Plan 1 PERS	9.21%
Plan 2 TRS	10.39%	Plan 2 SERS	9.82%
Plan 3 TRS	10.39%	Plan 3 SERS	9.82%

Under current law the employer must contribute 100 percent of the employer-required contribution. Employer required contributions in dollars (participant information for all plans is as of August 31):

Plan	Fiscal Year 2013-14	Fiscal Year 2012-13	Fiscal Year 2011-12
Plan 1 TRS	$149,453	$126,861	$145,289
Plan 2 TRS	$1,178,398	$821,748	$711,201
Plan 3 TRS	$3,847,403	$3,074,783	$3,057,012
Plan 1 PERS	$19,572	$15,579	$14,974
Plan 2 SERS	$501,519	$354,274	$334,614
Plan 3 SERS	$928,402	$667,467	$685,413

Historical trend information showing TRS, PERS, and SERS progress in accumulating sufficient assets to pay benefits when due is presented in the state of Washington’s June 30, 2014, comprehensive annual financial report. Refer to this report for detailed trend information. It is available from:

State of Washington
Office of Financial Management
300 Insurance Building
P.O. Box 43113
Olympia, WA 98504-3113

NOTE 6: ANNUAL OTHER POST-EMPLOYMENT BENEFIT COST AND NET OPEB OBLIGATIONS

The State, through the Health Care Authority (HCA), administers an agent multi-employer Other Post-Employment Benefit plan. The Public Employees Benefits Board (PEBB), created within the HCA, is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility criteria for both active and retired employees. Programs include medical, dental, life insurance and long-term disability insurance.

Employers participating in the plan include the State of Washington (which includes general government agencies and higher education institutions), 57 of the state's K–12 school districts and educational service districts (ESDs), and 206 political subdivisions and tribal governments. Additionally, the PEBB plan is available to the retirees of the remaining 247 K–12 school districts and ESDs. The District's retirees are eligible to participate in the PEBB plan under this arrangement.

According to state law, the Washington State Treasurer collects a fee from all school district entities which have employees that are not current active members of the state Health Care Authority but participate in the state retirement system. The purpose of this fee is to cover the impact of the subsidized rate of health care benefits for school retirees that elect to purchase their health care benefits through the state Health Care Authority. For the fiscal year 2013-14, the District was required to pay the HCA $64.40 per month per full-time equivalent employee to support the program, for a total payment of $943,727. This assessment to the District is set forth in the State's operating budget and is subject to change on an annual basis. This amount is not actuarially determined and is not placed in a trust to pay the obligations for post-employment health care benefits.

The District has no control over the benefits offered to retirees, the rates charged to retirees, nor the fee paid to the Health Care Authority. The District does not determine its Annual Required Contribution nor the Net Other Post-Employment Benefit obligation associated with this plan. Accordingly, these amounts are not shown on the financial statements. This is a departure from GAAP.

NOTE 7: COMMITMENTS UNDER NONCAPITALIZED (OPERATING) LEASES

The district has both capital and operating lease obligations within the general fund. There are no related party leases.

A lease would be classified as capital (a purchase by the District) when it meets one or more of the following criteria: the lease transfers ownership of the property to the district at the end of the lease term; the lease contains a bargain purchase option; term is equal to 75% or more of the estimated economic life of the leased property; or the present value of the lease payments, at inception, equals at least 90% of the fair value of the lease property.

An operating lease is any lease not satisfying any of the criteria for capitalization. The lease payments are recognized as expenditures as they become payable.

Capital Lease Commitments

Lessor	Amount	Annual Installment	Final Installment Date	Interest Rate	Balance 8/31/2014
Musco Finance (PHS Turf Lights)	$ 249,278	$49,856	2018	3.95%	$ 181,184
Dell Finance (Servers)	$ 144,638	$31,042	2017	7.31%	$ 94,524
Dell Finance (Computers)	$ 278,523	$97,416	2015	4.93%	$ 92,017
US Bancorp (POA printer)	$ 303,840	$101,280	2015	10.30%	$ 26,640
Dell Finance (Computers)	$ 477,310	$167,087	2016	5.65%	$ 307,836
Kansas Bank (IT Network Security)	$ 58,520	$23,235	2015	8.77%	$ 25,676
GE Capital	$ 168,706	$37,376	2018	3.75%	$ 168,706
Total Capital Lease Commitments					**$ 896,583**

Operating Leases

Year ending August 31	Annual Minimum Lease Payment
2014-2015	$ 283,168
2015-2016	$ 278,097
2016-2017	$ 274,444
2017-2018	$ 25,920
2018-2019	$ 25,920
Total Minimum Payments Required	**$ 887,549**

NOTE 8: REQUIRED DISCLOSURES ABOUT CAPITIAL ASSETS

The District's capital assets are insured in the amount of $421,079,151 for fiscal year 2014. In the opinion of the district's insurance consultant, this amount is sufficient to adequately fund replacement of the district's assets.

NOTE 9: REQUIRED DISCLOSURES ABOUT LONG-TERM LIABILITIES

Long-Term Debt

Bonds payable at August 31, 2014, are comprised of the following individual issues:

Issue Name	Amount Authorized	Annual Installments	Final Maturity	Interest Rate(s)	Amount Outstanding
2006 ESCO	$ 682,130	$34,152 - $41,543	2017	4.40%	$ 236,218
2012 GO Refunding	$ 44,295,000	$820,000- $6,355,000	2023	2.17%	$ 43,475,000
2005 GO Bond	$ 6,895,000	$1,160,000- $3,010,000	2014	3.75% - 5.125%	$ 3,010,000
2007 GO Bond	$ 9,950,000	$220,000 - $700,000	2023	4.00% - 5.00%	$ 5,000,000
2009 Limited GO Bond	$ 3,990,000	$295,000 - $370,000	2024	2.10%	$ 3,695,000
2011 Limited GO Bond	$ 875,000	$83,805 - $93,114	2016	2.80% - 3.85%	$ 450,633
				Total General Obligations Bonds	**$ 55,866,851**

The following is a summary of general obligation long-term debt transactions of the District for the year ended August 31, 2014:

Long-Term Debt Payable at 9/1/2013	$ 59,467,521
New Issue	$ -
Debt Retired	$ 3,600,670
Long-Term Debt Payable at 8/31/2014	**$ 55,866,851**

The following is a schedule of annual requirements to amortize debt at August 31, 2014:

Year Ending August 31	Principal	Interest	Total
2015	$ 3,926,872	1,967,099	$ 5,893,971
2016	$ 4,494,674	1,827,141	$ 6,321,815
2017	$ 4,685,305	1,718,518	$ 6,403,823
2018	$ 4,800,000	1,567,110	$ 6,367,110
2019	$ 5,190,000	1,371,185	$ 6,561,185
2020-2025	$ 32,770,000	3,381,080	$ 36,151,080
TOTAL	**$ 55,866,851**	**$ 11,832,133**	**$ 67,698,984**

At August 31, 2014, the district had $2,571,855available in the debt service fund to service the general obligation bonds.

Short-Term Debt

Interest bearing warrants, short-term loans from the Clark County Treasurer, cover checks issued by the district when there are not enough funds to pay all of its General Fund obligations. This situation arose at various times during the year-ended August 31, 2014, due to the short-term, cash-flow needs. The district had sufficient funds to repay all registered warrants to the Clark County Treasurer prior to August 31, 2014.

NOTE 10: INTERFUND BALANCES AND TRANSFERS

The following table depicts interfund loan activity:

Debtor Fund	Due To	Balance at 9/1/13	Loan Activity		Balance at 8/31/14
			New Loans	Repayments	
Capital Projects Fund	General Fund	$0	$2,505,725	$1,289,317	$1,216,408

NOTE 11: ENTITY RISK MANAGEMENT ACTIVITIES

The District is a member of Schools Insurance Association of Washington (SIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1995, when seven mid-sized school districts in the state of Washington joined together by signing an Interlocal Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Presently, the SIAW program has 37 member districts.

The program allows members to jointly purchase insurance coverage and provide related services, such as administration, risk management, claims administration, etc. Coverage for Wrongful Act Liability and Employee Benefit Liability is on a claims-made basis. All other coverages are on an occurrence basis. The program provides the following forms of group purchased insurance coverage for its members: Property, Earthquake, General Liability, Automotive Liability, Equipment Breakdown, Crime, and Wrongful Acts Liability.

The program acquires Liability insurance through their administrator, Canfield that is subject to a per-occurrence of $100,000. Members are responsible for a standard deductible of $2,500 for each claim (some member deductibles vary), while the program is responsible for the $100,000 self-insured retention (SIR). Insurance carriers cover insured losses over $102,500 to the limits of each policy. Since the program is a cooperative program, there is a joint liability among the participating members towards the sharing of the $100,000 SIR. The program also purchases a Stop Loss Policy with an attachment point of $3,400,000, which it fully funds in its annual budget.

Property insurance is subject to a per-occurrence SIR of $250,000. Members are responsible for a $10,000 deductible for each claim (some member deductibles vary), while the program is responsible for the $250,000 SIR. Insurance carriers cover insured losses over $260,000 to the limits of each policy. Equipment Breakdown insurance is subject to a per-occurrence deductible of $10,000.00. Members are responsible for the deductible amount of each claim.

Members contract to remain in the program for one year and must give notice before December 31 to terminate participation the following September 1. Renewal of the Interlocal Agreement occurs automatically each year. Even after termination, a member is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The program is fully funded by its member participants. Claims are filed by members with Canfield, which has been contracted to perform program administration, claims adjustment and administration, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the year ending August 31, 2014, were $2,956,785.70.

A board of directors of eight members is selected by the membership from the east and west side of the state and is responsible for conducting the business affairs of the program. The Board of Directors has contracted with Canfield to perform day-to-day administration of the program. This program has no employees.

The district is a member of the Worker's Compensation Trust administered by Educational Service District No. 112. This Trust provides industrial injury accident insurance coverage for its membership. The Trust is fully funded by its member participants. Member contributions are calculated based on the members' hours worked. The Trust retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by its excess insurance contracts. The Trust acquires insurance from unrelated underwriters. The Trust's per-occurrence retention limit is $400,000 and the annual aggregate retention is $3,749,476. Since the Trust is a cooperative program, there is a joint liability among participating members. The financial statements of the Trust may be obtained by contacting Educational Service District No. 112.

The district self-insures unemployment compensation for all of its employees. Actual employee claims are paid by the State of Washington, Department of Employment Security and then reimbursed by the district. This self-insurance program costs the district less than full participation in the state unemployment compensation program.

NOTE 12: PROPERTY TAXES

Property tax revenues are collected as the result of special levies passed by the voters in the District. Taxes are levied on January 1. The taxpayer has the obligation of paying all taxes on April 30 or one-half then and one-half on October 31. Typically, slightly more than half of the collections are made on the April 30 date. The October 31 collection is not available in time to cover liabilities for the fiscal period ended August 31. Therefore, the fall portion of property taxes is not accrued as revenue. Instead, the property taxes due on October 31 are recorded as deferred revenue.

NOTE 13: JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

The district is a member of the King County Directors' Association (KCDA). KCDA is a purchasing cooperative designed to pool the member districts' purchasing power. The District's current equity of $33,648 is the accumulation of the annual assignment of KCDA's operating surplus based on the percentage derived from KCDA's total sales to the District compared to all other districts applied against paid administrative fees. The District may withdraw from the joint venture and will receive its equity in ten annual allocations of merchandise or 15 annual payments.

NOTE 14: FUND BALANCE CLASSIFICATION DETAILS

The District's financial statements include the following amounts presented in aggregate.

	General Fund	ASB Fund	Capital Projects Fund	Debt Service Fund
Non-spendable Fund Balance				
Inventory and Prepaid Items	$418,331			
Restricted Fund Balance				
Carryover of Restricted Funds				
Debt Service				
Arbitrage Rebate				
Uninsured Risks	$50,000			
Other Items		$873,551	$607,783	$2,571,855
Committed Fund Balance				
Minimum Fund Balance Policy	$1,870,906			
Other Commitments	$832,154			
Assigned Fund Balance				
Contingencies				
Other Capital Projects				
Other Purposes				
Fund Purposes				
Unassigned Fund Balance			($1,185,135)	

In addition, the Capital Projects Fund has the following amounts in Restricted and Committed Fund Balance, based on the source of the revenues:

Restricted from State Proceeds	$607,783

The Capital Projects ending fund balance of -$577,352 relates to an interfund loan. The interfund loan was established to accommodate student enrollment growth during the school year 2013-2014 to construct and install certain portable/modular classrooms. The Interfund Loan Resolution (No. L-13) was authorized by the Board of Directors of Battle Ground School District No. 119 on November 18, 2013. The resolution authorized interfund loans from the District's General Fund to the Capital Projects Fund. The loan amount cannot exceed $2,700,000 to fund cash flow deficits in the Capital Projects Fund. The source of money for repayment of the interfund loan shall be impact fees and other money due to the Capital Projects Fund. During the 2013-2014 school year impact fees collected were $1,921,565. At the end of the 2013-2014 school year, the interfund loan outstanding balance was $1,216,408. The interfund loan is expected to be fully repaid during the 2014-2015 school year as budgeted receipted impact fees are estimated to be $2,000,000.

The Battle Ground School District Board of Directors has established a minimum fund balance policy for the General Fund to provide for financial stability and contingencies within the District. The Board Policy 6022P, is that the District shall commit $500,000 annually to meet the Committed Fund Balance minimum of 3%. Portions of fund balance that are set aside for the purpose of meeting this policy are recorded on the financial statements as a part of Committed Fund Balance.Board Policy 6022 was met for FY 2013-2014, committing $558,481 to the General Fund committed fund balance.

NOTE 15:POST-EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – BOTH SEPARATELY ISSUED PLAN FINANCIAL STATEMENTS AND EMPLOYER STATEMENTS

457 Plan – Deferred Compensation Plan

District employees have the option of participating in a deferred compensation plan as defined in §457 of the Internal Revenue Code that is administered by the state deferred compensation plan.

403(b) Plan – Tax Sheltered Annuity (TSA)

The District offers a tax deferred annuity plan for its employees. The plan permits participants to defer a portion of their salary until future years using elective deferrals (employee contribution).

The District complies with IRS regulations that require school districts to have a written plan to include participating investment companies, types of investments, loans, transfers and various requirements. The plan is administered by The OMNI Group. The plan assets are assets of the District employees, not the school district, and are therefore not reflected on these financial statements. For the year ended August 31, 2014, the District made no matching employer contributions to the plan.

NOTE 16: TERMINATION BENEFITS

Compensated Absences

Employees earn sick leave at the rate of 12 days per year up to a maximum of one contract year.

Under the provisions of RCW 28A.400.210, sick leave accumulated by district employees is reimbursed at death or retirement at the rate of one day for each four days of accrued leave; limited to 180 accrued days. This chapter also provides for an annual buy-back of an amount up to the maximum annual accumulation of 12 days. For buy-back purposes employees may accumulate such leave to a maximum of 192 days, including the annual accumulation, as of December 31 of each year.

These expenditures are recorded when paid, except termination sick leave that is accrued upon death, retirement, or upon termination provided that the employee is at least 55 years of age and has sufficient years of service. Vested sick leave was computed using the vesting method.

Battle Ground School District No. 119

Schedule of Long-Term Liabilities: GENERAL FUND

For the Year Ended August 31, 2014

Description	Beginning Outstanding Debt September 1, 2013	Amount Issued / Increased	Amount Redeemed / Decreased	Ending Outstanding Debt August 31, 2014	Amount Due Within One Year
Non-Voted Debt and Liabilities					
Capital Leases	501,819.85	674,358.15	279,594.00	896,584.00	394,614.00
Contracts Payable	0.00	0.00	0.00	0.00	0.00
Non-Cancellable Operating Leases	0.00	0.00	0.00	0.00	0.00
Claims & Judgements	0.00	0.00	0.00	0.00	0.00
Compensated Absences	2,726,502.50	267,250.97	0.00	2,993,753.47	190,079.59
Long-Term Notes	0.00	0.00	0.00	0.00	0.00
Anticipation Notes Payable	0.00	0.00	0.00	0.00	0.00
Lines of Credit	0.00	0.00	0.00	0.00	0.00
Other Non-Voted Debt	0.00	0.00	0.00	0.00	0.00
Other Liabilities					
Non-Voted Notes Not Recorded as Debt	0.00	0.00	0.00	0.00	0.00
Total Long-Term Liabilities	3,228,322.35	941,609.07	279,594.00	3,890,337.42	584,693.59

Battle Ground School District No. 119

Schedule of Long-Term Liabilities: DEBT SERVICE FUND

For the Year Ended August 31, 2014

Description	Beginning Outstanding Debt September 1, 2013	Amount Issued / Increased	Amount Redeemed / Decreased	Ending Outstanding Debt August 31, 2014	Amount Due Within One Year
Voted Debt					
Voted Bonds	54,545,000.00	0.00	3,060,000.00	51,485,000.00	3,375,000.00
LOCAL Program Proceeds Issued in Lieu of Bonds	0.00	0.00	0.00	0.00	0.00
Non-Voted Debt					
Non-Voted Bonds	4,614,174.02	0.00	468,541.47	4,145,632.55	476,533.96
LOCAL Program Proceeds	308,346.50	0.00	72,128.59	236,217.91	75,337.71
Total Long-Term Liabilities	59,467,520.52	0.00	3,600,670.06	55,866,850.46	3,926,871.67

Battle Ground School District #119
Schedule of Expenditures for Federal Awards
For the Year Ending August 31, 2014

Federal Agency Name	Pass Through Agency	Federal Program Title	Federal CFDA Number	Other ID Number	Expenditures From Direct Awards	Expenditures From Pass Through Awards	Total Expenditures	Footnote Ref
U.S. Department of Agriculture	WA OSPI	National School Lunch Program - Non-cash assistance (commodities)	10.555	None		$226,290.00	$226,290.00	3
	WA OSPI	National School Lunch Program - Cash Assistance	10.555	06-119		1,804,348.28	$1,804,348.28	2
	WA OSPI	Summer Food Service Program for Children	10.559	06-119		26,106.57	$26,106.57	
	WA OSPI	Child and Adult Care Food Program	10.558	06010376		2,210.41	$2,210.41	2
	WA OSPI	Schools and Roads - Grants to States	10.665	None		383.46	$383.46	2
		Dept of AG Total				$2,059,338.72	$2,059,338.72	
U.S. Department of Defense	NA	JROTC	12.357	None	143,610.52		$143,610.52	2
		Dept of Defense Total			143,610.52		$143,610.52	
U.S. Department of Education	WA OSPI	Title I Grants to Local Educational Agencies	84.010	0201420, 0224480		1,485,983.64	$1,485,983.64	4,5
	WA OSPI	Special Education Grants to States	84.027	0304858, 0337605		2,481,095.34	$2,481,095.34	5
	WA OSPI	Career and Technical Education -- Basic Grants to States	84.048	173017		61,156.23	$61,156.23	5
	WA OSPI	Special Education Preschool Grants	84.173	0364846		105,645.44	$105,645.44	5
	WA OSPI	English Language Acquisition State Grants	84.365	401823		116,843.39	$116,843.39	5
	WA OSPI	Title X Grant Education for Homeless Children and Youth	84.196	456156		25,500.00	$25,500.00	
	WA OSPI	Improving Teacher Quality State Grants	84.367	523367		229,667.04	$229,667.04	5
		Dept of ED Total				4,505,891.08	4,505,891.08	
U.S. Department of Health & Human Services	HCA	Medical Assistance Program	93.778	0765-24962		587,112.99	$587,112.99	5
		Dept of HHS Total				587,112.99	$587,112.99	
				Total Federal Awards Expended	*$ 143,610.52*	*$7,152,342.79*	*$7,295,953.31*	

Notes to the Schedule of Expenditures of Federal Awards:

Note 1-- ***BASIS OF ACCOUNTING***

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as the district's financial statements. The district uses the modified accrual basis of accounting. Expenditures represent only the federally funded portions of the program. District records should be consulted to determine amounts expended or matched from non-federal sources.

Note **2**-- ***PROGRAM COSTS/MATCHING CONTRIBUTIONS***

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the district's local matching share, is more than shown.

Note 3-- ***NONCASH AWARDS***

The amount of commodities reported on the schedule is the value of commodities distributed by the district during the current prescribed by year and priced by the USDA.

Note 4-- ***SCHOOLWIDE PROGRAMS***

The district operate a "school wide program" in four elementary buildings. Using federal funding, school wide programs are designed to upgrade an entire educational program within a school for all students, rather than limit services to certain targeted students. The following federal program amounts were expended by the district in its school wide programs: Title I (84.010) $230,746.93.

Note 5-- ***FEDERAL INDIRECT RATE***

The district claimed indirect costs under this grant using its federal restricted rate of 3.29% and unrestricted rate of 15.98% .

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as fraud, state whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our website and through our free, electronic subscription service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Deputy Director for Communications	Thomas Shapley Thomas.Shapley@sao.wa.gov (360) 902-0367
Public Records requests	(360) 725-5617
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov