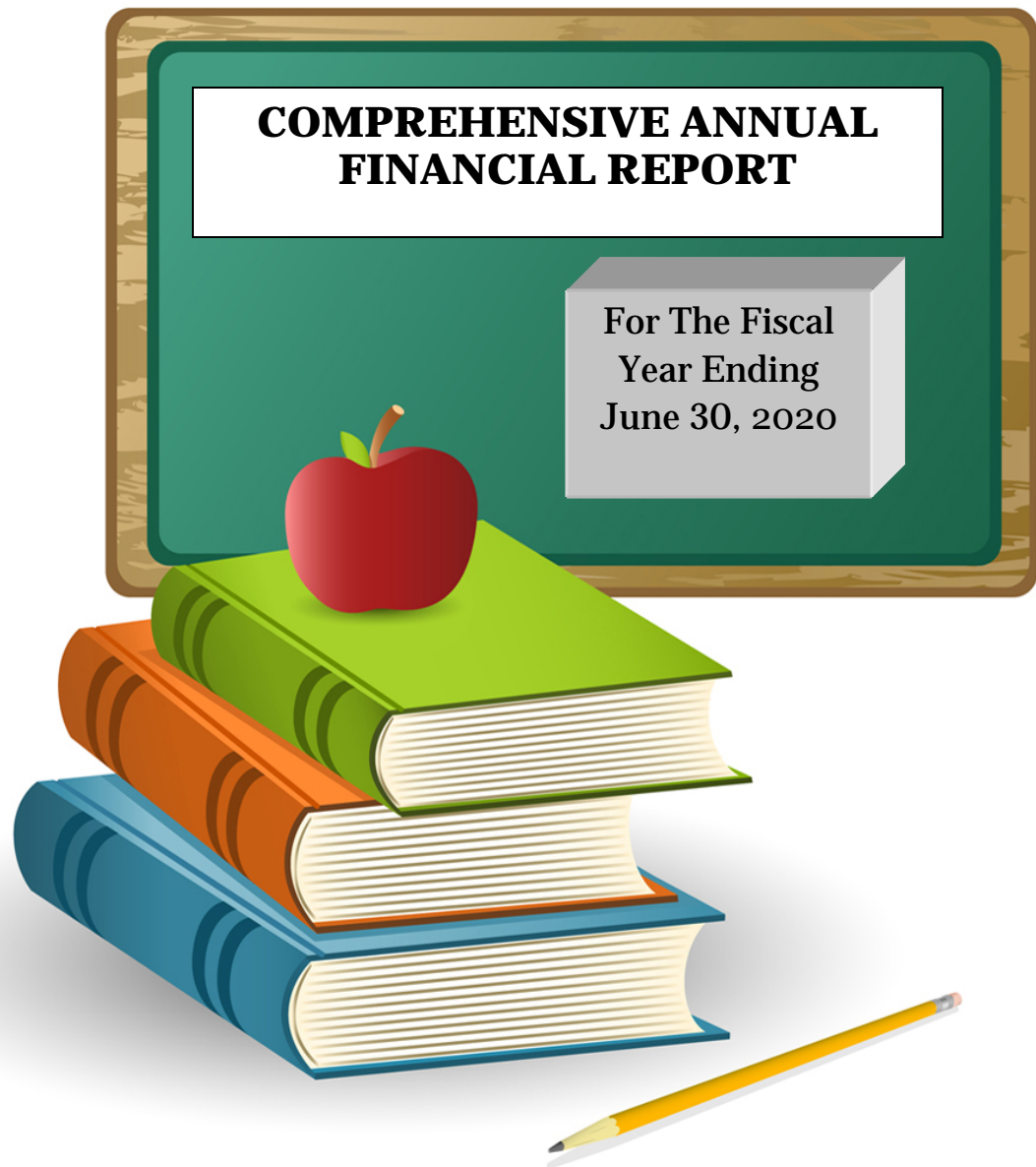


# **Tigard-Tualatin School District 23J**



**Washington County ~ Tigard ~ Oregon**

Tigard-Tualatin School District 23J  
Washington County, Tigard, Oregon

Comprehensive Annual Financial Report

For the fiscal year ended  
June 30, 2020

Prepared by:  
Office of Budget and Finance

Tigard-Tualatin School District 23J  
Washington County, Tigard, Oregon  
Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2020

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# INTRODUCTORY SECTION



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[www.ttsdschools.org](http://www.ttsdschools.org)

December 23, 2020

To the Board of Directors and Residents of  
Tigard-Tualatin School District 23J  
Tigard, 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 Tigard-Tualatin School District 23J, Washington County, Oregon (the District), for the fiscal year ended June 30, 2020, is hereby submitted.

The District's Office of Budget and Finance prepared this Comprehensive Annual Financial Report. Management assumes full responsibility for the completeness and reliability of all the information presented in this report based on a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Tigard-Tualatin School District 23J financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatements. 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 District's financial statements have been audited by the firm of Pauly, Rogers and Co., P.C., of Tigard, Oregon, a firm of licensed certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Tigard-Tualatin School District 23J's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Tigard-Tualatin School District 23J was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. The results of the District's single audit for the fiscal year ended June 30, 2020, provide no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

#### THE DISTRICT

Tigard-Tualatin School District 23J is the 9th largest school district based on enrollment in Oregon and the 5th largest in the Portland metropolitan area. The District includes 2 high schools, 3 middle schools, 10 elementary schools, an alternative education program, and a charter school. The District serves the communities of Durham, Metzger, King City, and Bull Mountain, as well as Tigard and Tualatin.

The District includes approximately 34 square miles in Washington and Clackamas counties, comprising the southwestern portions of the Portland Metropolitan Area, and has an estimated population of 90,383. The District has grown from 5 schools serving 4,654 students in 1969, to 15 schools, an alternative educational program, and a charter school, serving approximately 12,000 students. State law requires the District distribute 80% of State School Fund Grant money paid for the charter school students to the charter school. The charter school also raises funds from families and other fundraising activities. The charter school is not considered a component unit of the District under GASB 61.

A five-member Board of Directors, elected to four-year overlapping terms by the voters residing within district boundaries, governs the Tigard-Tualatin School District 23J. The duties of the Board include setting policy, reviewing expenditures, appointing the Superintendent, and hiring, terminating, and approving resignations of all certified and administrative staff members. The Board also constitutes one-half of and appoints the five citizen members of the Budget Committee.

The Board of Directors appointed the Financial Oversight Committee conducts an annual review of the District's system of internal controls and any recommendations or findings that result from the District's annual financial audit. The committee is advisory to the Board of Directors. The committee is comprised of five members; two from the Board and three from the community-at-large.

Beginning in 2016-17, the District implemented a five-year Strategic Plan. The plan focuses on immediate outcomes that will improve learning and the educational experience for all district students and their families.

The Strategic Plan is built upon the four Cornerstones of:

- Student Achievement – We prepare students for success in a rapidly changing world.
- Equity – We believe that success is a reflection of high expectations and belief in all students.
- Talent – We hire, support, and retain catalysts for learning.
- Climate & Culture – We create and nurture a school community where everyone feels safe, valued, and connected.

Strategies for achieving the plan include identifying and implementing teaching practices that are most effective for improving student learning.

Beginning in 2019-20, the District also identified the following strategic priorities to support and operationalize the four Cornerstones of the Strategic Plan:

- Culturally/Community Responsive Teaching & Leadership – We work in collective community with high expectations and belief in all students using culturally responsive instruction.
- Social Emotional Learning – We create a nurturing school community where every individual student feels safe, valued, and responsibly prepared for a rapidly changing world.
- Human Capital – We will hire, support, and retain talented staff as catalysts for learning.

In 2019-20, approximately 2,619 community members volunteered an estimated 44,793 hours in district classrooms. These volunteers include parents who serve on school site councils and PSO boards; retirees who volunteer to listen to students read; business people who share their knowledge and provide job sites for high school students; and community members who serve on district committees.

In mid-March of 2020, the District temporarily shut down schools due to the COVID-19 pandemic and Oregon's Governor soon followed with a more permanent shutdown directive through the end of the school year. The District quickly pivoted and implemented online learning through the end of the school year. Going into the 2020-21, the District planned for hybrid learning under the Ready Schools, Safe Learners guidance from the Oregon Department of Education. However, as the start of the school year



neared, public health metrics had not improved enough for safe in-person instruction so the District began the year in Comprehensive Distance Learning (CDL) and students and teachers will continue in CDL at least through the first semester in early 2021 if not longer. Approximately 750 students expected this school year have exited Tigard-Tualatin schools and are attending school elsewhere or have delayed enrollment. This includes attending other school districts in or out of state, attending online charter schools, attending home school or delaying the enrollment of kindergarteners by parents.

## LOCAL ECONOMY

The Tigard-Tualatin School District 23J is located in northwestern Oregon in Washington and Clackamas counties. Washington and Clackamas counties are part of the Portland-Vancouver-Hillsboro Primary Metropolitan Statistical Area (PMSA). The metropolitan Portland-Vancouver area includes five of Oregon's thirty-six counties: Clackamas, Columbia, Multnomah, Washington, Yamhill, and Clark and Skamania Counties in the state of Washington. According to the US Census Bureau, Multnomah and Washington counties together have over a third of the State of Oregon's population. Economic and demographic data is not available specifically for the District; however, the data is generally available for Washington County and the PMSA.

Washington County's economic base has traditionally been centered in agriculture, lumber, manufacturing, food processing, and electronics. The early economy of the Washington County area grew as a result of fertile agricultural and timberlands and its access to the Willamette and Columbia rivers. The County's developed regions are home to traditional suburban and new mixed-use neighborhoods, electronic leaders such as Intel, IBM, and Tektronix, and world headquarters for both Nike and Columbia Sportswear. Despite its rapid development, the county still contains prime agricultural land and a strong agricultural economy with nurseries, wineries, and other farm and forest enterprises. More than 75 percent of the County's agricultural and forestlands have been preserved through careful land-use management of residential and industrial growth. Washington County covers 727 square miles, includes a population of 601,592 in unincorporated areas and 16 incorporated cities, such as Beaverton, Hillsboro, Tigard, and Tualatin, as well as a portion of the City of Portland, as reported by the U.S. Census Bureau as of July 1, 2019.

Tigard-Tualatin School District is the second largest employer within the school district's boundaries. The non-seasonally adjusted unemployment rate for Washington County on June 30, 2020 was 10.4 percent compared to 3.4 percent on June 30, 2019 and the Oregon rate was 11.7 percent on June 30, 2020 compared to 4.0 percent on June 30, 2019. These significant year-to-year increases in unemployment rates are the result of the shutdown of the economy due to the COVID-19 pandemic.

## LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The Tigard-Tualatin School District 23J has a long history of strong voter and community support. During the last 26 years, district voters have approved all but three school tax measures. In November 2008, voters approved a renewal of the Local Option Tax of \$1.00 per \$1,000 of assessed valuation for another 5 years beginning with the 2010-11 fiscal year. In November of 2014, the levy was renewed for another five years beginning with the 2015-16 fiscal year. At the time the levy was passed it was expected to raise \$24 million over five years or approximately \$5 million per year to continue funding for approximately 55 classrooms teachers and classroom programs funded by the expiring levy, protect class sizes supported by the expiring levy, and assist local schools by supplementing insufficient state funding.

Since the levy was approved, annual local option levy collections have exceeded estimates with the District on pace to meet the five-year estimate of \$24 million early in the fourth year. The 2015-16 collections of \$6.8 million exceeded budgetary expectation by \$500,000 million, the 2016-17 collections of \$7.8 million exceeded the budget by \$1.1 million, the 2017-18 collections of \$8.6 million exceeded the budget by \$200,000, the 2018-19 collections of \$9.2 million exceeded the budget by \$380,000 and the 2019-20 collections of \$9.44 million exceeded the budget by \$173,000. The 2020-21 levy has been made available and the District estimates collections will approximate the initial estimate for 2020-21 of \$9.4 million. In November 2018, District voters renewed the Local Option Tax for another five years beginning in 2020-21 and the District estimated the five-year levy would raise \$50 million to continue paying approximately 100 teachers each year and maintaining classroom programs under the expiring levy. Due to the uncertainty of the housing market and property values, the level of this revenue in future years will remain difficult to predict.

For the 2019-21 biennium, the legislature allocated a State School Fund amount of \$9 billion. At the time of legislative approval this amount was not sufficient to cover the District's current service level needs in the current biennium, but the District finished 2018-19 and 2019-20 with higher ending fund balances than expected that allowed the District to close the operating gap in the current biennium with reserves while still meeting the targeted contingency and reserves per Board policy (12% of operating revenues).

In addition to the \$9 billion for the State School Fund in 2019-21, the legislature allocated half of the \$2 billion from the Student Success Act to the Student Investment Account. Beginning in 2019-20, the District was to receive up to \$10 million annually for targeted investments specified in the District's application submitted in March 2020. The application was submitted following the outcome of a community engagement process required under the Student Success Act. Due to the pandemic's impact on the state economy, receipt of the Student Investment Account funds has been delayed until 2020-21 and the dollar amount will be much less, approximately \$3 million.

In addition to the implementation of the new Strategic Plan in 2016-17, the District's Board adopted the first version of the District's Strategic Financial Plan in 2017 and adopted the second, third and fourth versions in 2018, 2019 and 2020. The Strategic Financial Plan describes investments that support the work of the Strategic Plan while linking the development of the annual budget with the Strategic Plan.

In November 2016, district voters approved a bond issue in the amount of \$291.3 million to build, renovate and improve school facilities and provide technology and curriculum. The District issued the first set of authorized bonds in April 2017 in the amount of \$200,955,000. Premium of \$31 million was also realized on the bond sale and total proceeds net of bond issuance costs were \$231.6 million. The next series of authorized bonds were issued in June 2019 in the amount of \$90.36 million. Additional premium of \$21.9 million was realized on the second issue. Construction began on bond projects in the spring of 2017 and will continue through 2023.

## RELEVANT FISCAL POLICIES

### Budgetary Controls

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 Funds, Capital Projects Fund, and Early Retirement 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 program category 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.

### Financial Reporting

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP) of the United States of America. In addition to presenting the financial position, results of operations and changes in financial position of the District's funds, the financial statement reconciles differences in reporting activities between the budgetary basis as presented in the annual approved budget and the basis according to GAAP.

### Accounting System

The financial transactions for governmental and fiduciary fund types are recorded on the modified accrual

basis of accounting. Under the modified accrual basis of accounting, revenues are recorded in the accounting period in which they become measurable and available, and expenditures are recorded when liabilities are incurred. Exceptions are made for principal and interest on general obligation bonds, full faith, and credit obligations and lease purchase agreements which are recorded on the due date, vested compensated absences, and early retirement obligations, which are recorded as expenditures for the current amount normally expected to be liquidated with available expendable financial resources and which are recorded as long-term debt.

The proprietary fund is an internal service fund for unemployment, copier replacement, replacement of student devices, and equipment loss under the District's insurance deductible.

The fiduciary funds consist of a fiduciary trust fund for an endowed scholarship and a pension trust fund to pay for post-retirement stipends and health benefits. Under the GASB 34 accrual basis of accounting, revenues are recorded at the time they are earned and expenses are recorded at the time liabilities are incurred.

The accrual and modified accrual basis of accounting as utilized by Tigard-Tualatin School District 23J are in accordance with generally accepted accounting principles of the United States of America.

## AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tigard-Tualatin School District 23J for its Comprehensive Annual Financial Report for the year ended June 30, 2019. This was the 32nd consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles of the United States of America and applicable legal requirements.

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

## ACKNOWLEDGMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Office of Budget and Finance. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Directors for their unfailing support for maintaining the highest standards of professionalism in the management of the Tigard-Tualatin School District 23J's finances.

Respectfully submitted,



Dr. Susan Rieke-Smith  
Superintendent



David Moore  
Chief Financial Officer



Sarah Mehrabzadeh  
Controller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Tigard-Tualatin School District 23J  
Oregon**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

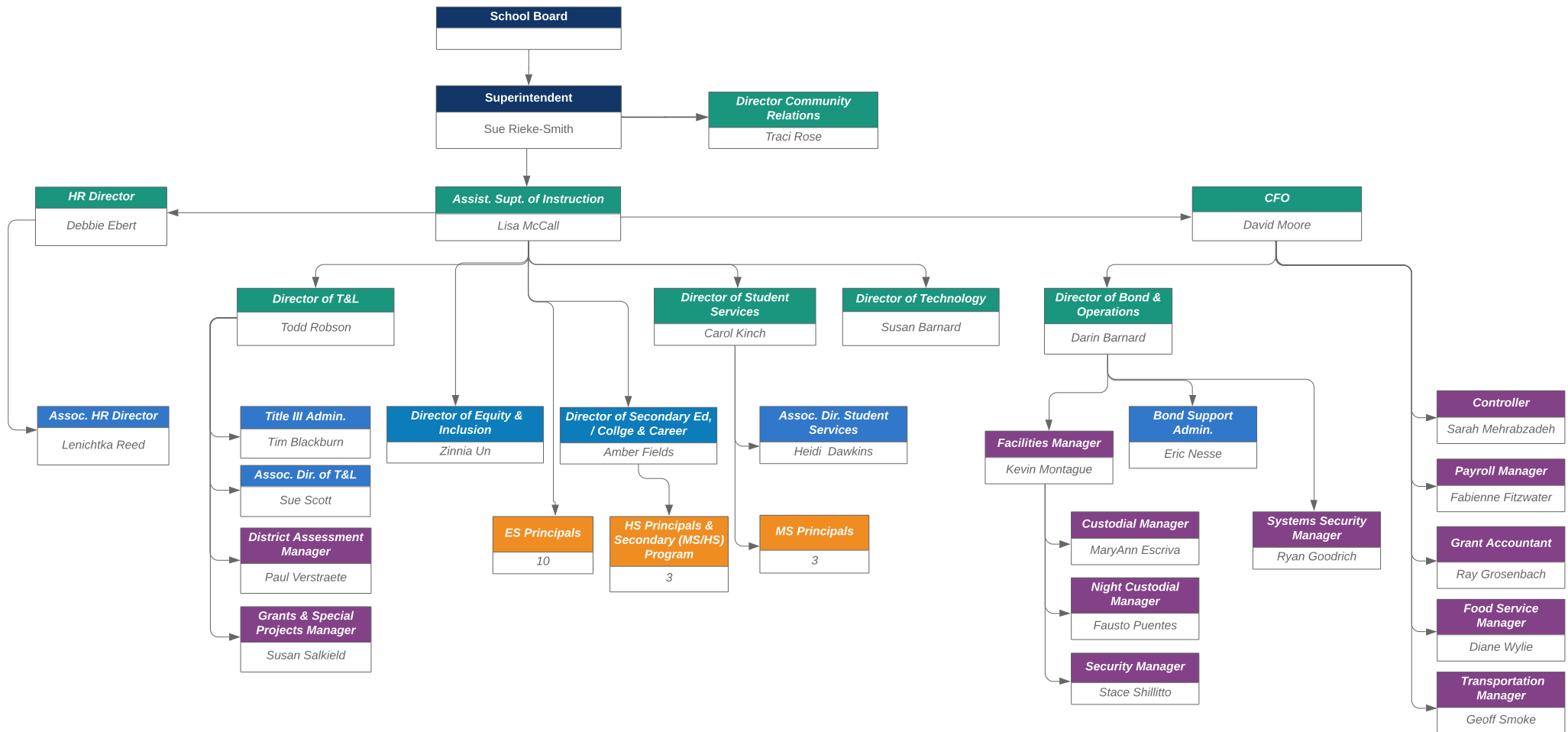
June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# TTSD Organization Chart 2020-21

Rev. December 11, 2020



Tigard-Tualatin School District 23J  
List of Elected and Appointed Officials

Elected Officials as of June 30, 2020

<u>Name</u>	<u>Term Expires</u>
Maureen Wolf, Board Chair	June 30, 2021
Sharon Fox, Vice Chair	June 30, 2021
Ben Bowman	June 30, 2023
Karen Emerson	June 30, 2021
Jill Zurschmeide	June 30, 2023

Appointed Officials

Susan R. Rieke-Smith, Ed.D., Superintendent/Clerk  
David C. Moore, Chief Financial Officer/Deputy Clerk  
Miller Nash, Legal Counsel  
Hawkins, Delafield & Wood, Bond Counsel

# FINANCIAL SECTION

# Independent Auditors' Report





**PAULY, ROGERS, AND CO., P.C.**  
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(503) 620-2632 (503) 684-7523 FAX  
[www.paulyrogersandcpcpas.com](http://www.paulyrogersandcpcpas.com)

December 23, 2020

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Tigard-Tualatin School District No. 23J  
Washington County, 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 Tigard-Tualatin School District No. 23J, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the 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.

### **Auditors' 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 auditors' 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 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 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 Tigard-Tualatin School District No. 23J, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. The 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 supplementary information, as listed in the table of contents and the schedule of federal awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical, and the compliance and other reports sections, as listed in the table of contents 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

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 23, 2020 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the reports are 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. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 23, 2020, on our consideration of 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.

A handwritten signature in black ink that reads "Tara M Kamp, CPA". The signature is written in a cursive, flowing style.

Tara M Kamp, CPA  
PAULY, ROGERS AND CO., P.C.

# Management's Discussion and Analysis

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## **Tigard-Tualatin School District 23J Management's Discussion and Analysis June 30, 2020**

As managers of the Tigard-Tualatin School District 23J ("District"), we offer readers of the District's financial statements this narrative discussion and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which can be found on pages 1-5 of this report.

### **Financial Highlights**

- Projects specified in the 2017 voter approved general obligation bonds are in progress and the remaining projects will be finished over the next three years. Buildings and improvements totaling \$46 million were completed during 2019-20, including the rebuild of an elementary school; an additional building at the alternative high school; and expansion and renovations at the two high schools. Construction in progress of \$83 million includes work on the replacement of a middle school; phase two expansion at one of the high schools; paving projects at a middle school and high school; secure vestibule projects at six locations and roofing projects.
- The assets and deferred outflows of resources of the Tigard-Tualatin School District 23J exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$47.9 million. This is a decrease of \$11.1 million, net of restatement, from the prior year.
- At the end of the fiscal year, the ending fund balance in the general fund was \$28.1 million or 19.4 percent of total general fund expenditures. The ending fund balance is consistent with the balance at the end of the prior year.
- The District's governmental funds report a combined ending fund balances of \$190.8 million, a decrease of \$79.5 million from the prior year. The primary reason for this decrease is the drawdown of bond funds for construction projects. Cash and investments available in governmental funds decreased by \$88 million during the year.
- The District's total long-term debt decreased by \$12.7 million due to the payment on debt and amortization of bond premiums and discounts.
- District enrollment declined by 42 students while average daily membership decreased by 83. In 2019-20, the District's kindergarten enrollment was 919, an increase of 57 students.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised 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.

The *statement of net position* presents financial information on all of the District's assets, liabilities, and deferred inflow/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's basic activities are combined. Those basic activities include regular and special education, child nutrition services, student transportation, administration, and facilities acquisition and construction. These activities are primarily financed through Oregon's state school fund, property taxes, and other intergovernmental revenues. Fiduciary funds are not included in the statements of net position or the statement of activities but are reported separately in the basic financial statements.

The government-wide financial statements can be found on pages [28 and 29](#) of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The Tigard-Tualatin School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds, with the exception of the fiduciary funds, (the early retirement fund and the scholarship fund), and the proprietary fund, (the self insurance fund), are governmental funds.

**Governmental Funds.** *Governmental funds* are used to account for the same functions (Instruction, Support Services, Enterprise and Community Services, Interest on Long-Term Liabilities) reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. The information provided by the fund financial statements might be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains 6 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the general obligation debt service fund, the full faith and credit debt service fund, the PERS UAL debt service fund, the capital projects fund, and the special revenue fund. All District funds are considered to be major funds.

The District adopts an annual appropriated budget for all the funds. The budgetary comparison statements demonstrate compliance with the appropriated budgets. The budgetary comparison statements for the general fund and special revenue fund are a part of the required supplemental information. The budgetary comparison statement for the general obligation debt service fund, the full faith and credit debt service fund, the PERS UAL debt service fund, and the capital projects fund can be found in the supplemental information budgetary comparisons section.

The basic governmental fund financial statements can be found on pages [30 through 33](#) of this report.

**Proprietary Fund.** The *self insurance reserve fund* is used to account for the District's unemployment costs and the replacement of equipment not covered by the District's insurance deductible. Because this fund provides services that benefit governmental rather than business type activities, it has been included within *governmental activities* in the government-wide financial statements. Proprietary fund statements provide the same type of information as the government-wide statements, only in more detail.

The basic proprietary fund financial statements can be found on pages [34 through 36](#) of this report.

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

The fiduciary fund accounts for scholarship resources held by the District for use by the students awarded scholarships for college and the District's early retirement health insurance and stipend plans.

The fiduciary fund financial statements can be found on page [37](#) of this report.

**Notes to Basic Financial Statements.** The notes provide additional information that is necessary for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages [41 through 81](#) of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the District's progress in funding its OPEB benefits to employees. Required supplementary information can be found on pages [84 through 88](#) of this report. Individual fund statements can be found on pages [90 through 97](#) of this report.

## Government-Wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of Tigard-Tualatin School District 23J, assets and deferred outflows exceeded liabilities and deferred inflows by \$47,922,056, at the close of the most recent fiscal year.

### Tigard-Tualatin School District 23J's Net Position

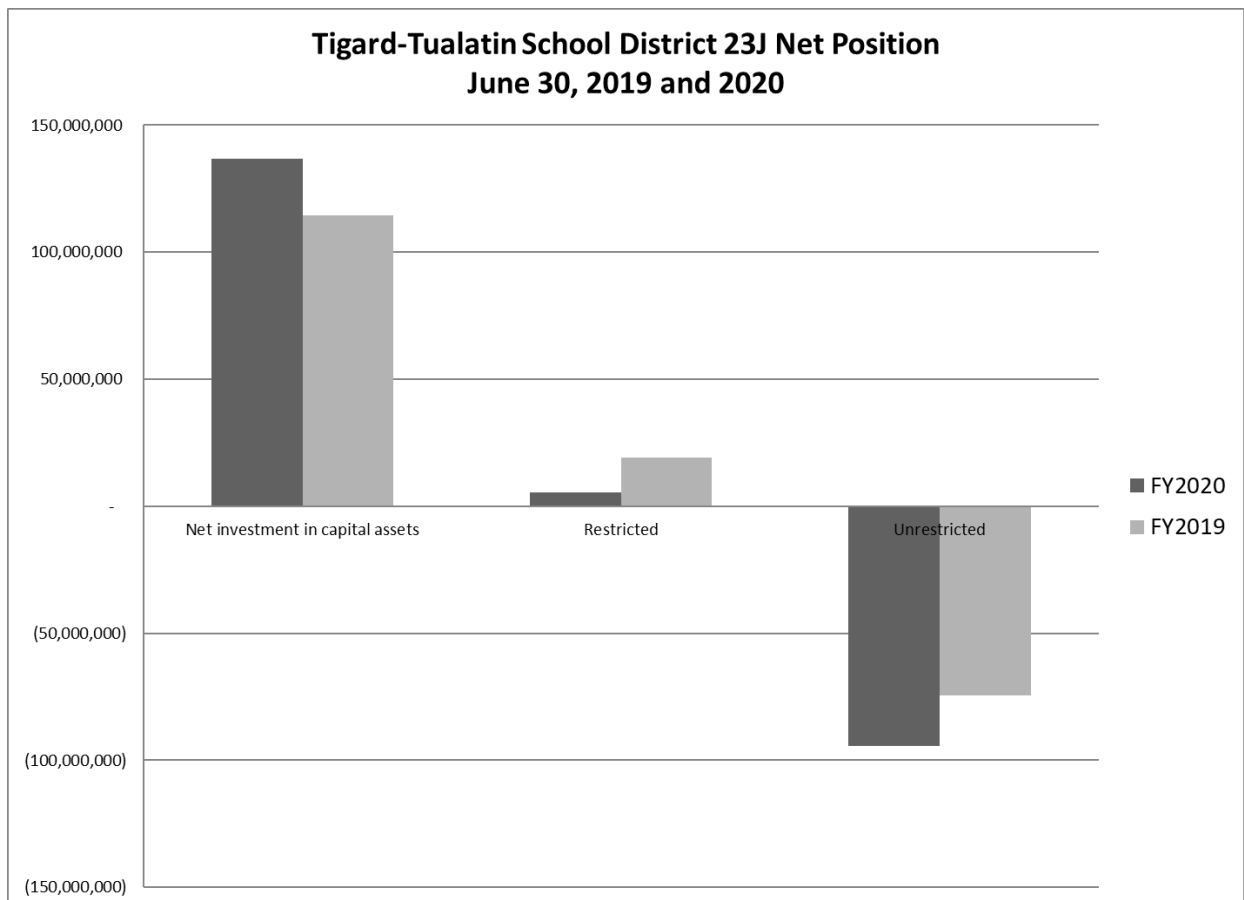
	Governmental Activities		
	FY2020	FY2019	Change
Current and other assets	\$ 221,050,934	\$ 308,932,061	\$ (87,881,127)
Capital assets, net of depreciation	333,245,705	261,288,363	71,957,342
Total assets	554,296,639	570,220,424	(15,923,785)
Deferred outflows of resources	52,036,290	54,291,966	(2,255,676)
Long term liabilities	375,752,807	388,449,495	(12,696,688)
Other liabilities	173,861,406	165,212,188	8,649,218
Total liabilities	549,614,213	553,661,683	(4,047,470)
Deferred inflows of resources	8,796,660	11,813,244	(3,016,584)
Net position			
Net investment in capital assets	136,894,568	114,439,030	22,455,538
Restricted	5,421,863	19,204,488	(13,782,625)
Unrestricted	(94,394,375)	(74,606,055)	(19,788,320)
			-
Total net position	\$ 47,922,056	\$ 59,037,463	\$ (11,115,407)

Net investment in capital assets, which consist of the District's land, buildings, building improvements, construction in progress, and vehicles and equipment less long-term debt attributed to investment in capital assets, exceeds the District's net position by 285.8 percent. The District uses these capital assets to provide education to students and services to the community. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



An additional portion of the District's net position, 11.3 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(94,394,375) is unrestricted and is a negative balance due to the District's implementation of Government Accounting Standards Board (GASB) Statement 68 - *Accounting and Financial Reporting for Pensions* and GASB Statement 75 - *Accounting for Financial Reporting for Postemployment Benefits other than Pensions*. The balance shown for the District's net position is required for quantifying the pension liability that has always existed but has not been reported until Statement 68 was implemented in 2014-15 and Statement 75 was implemented in the 2017-18 fiscal year.

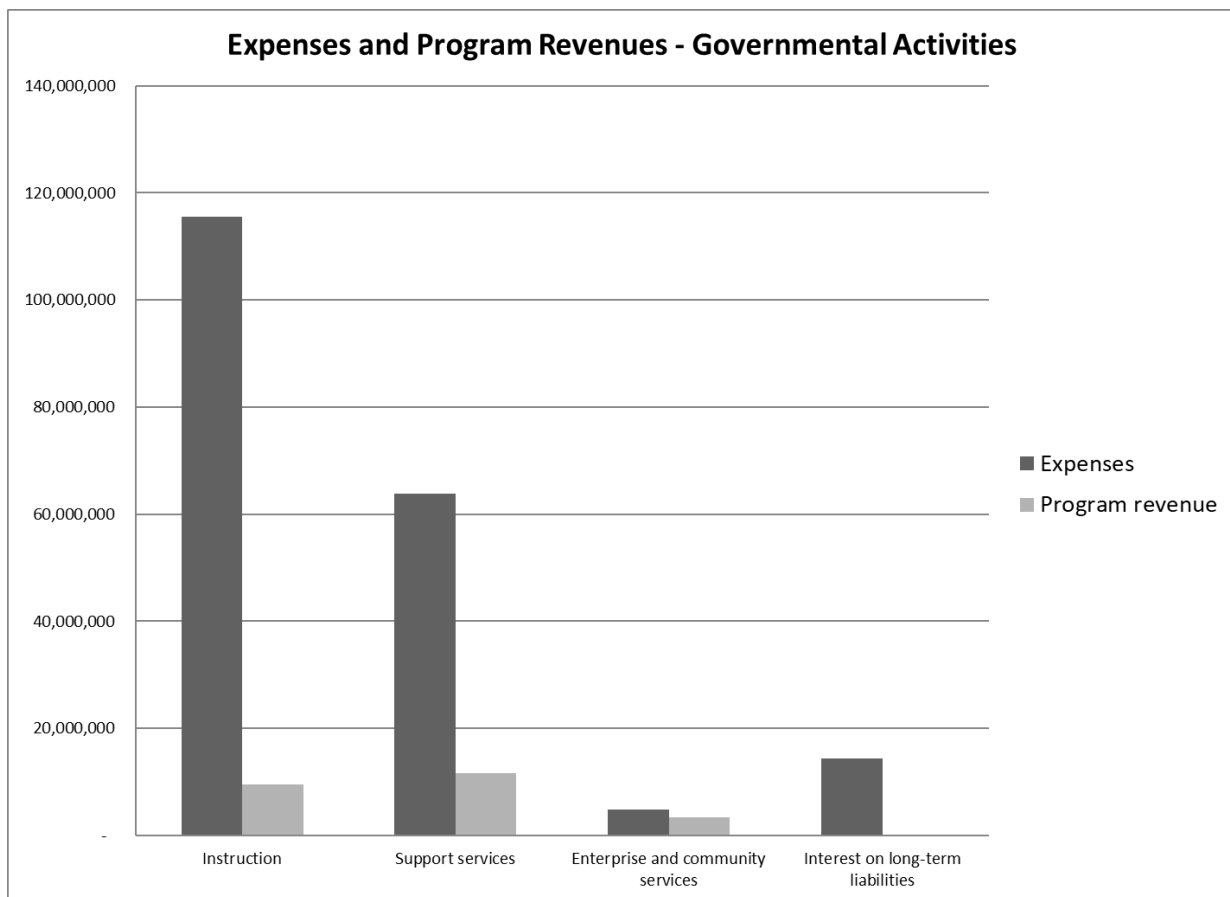
At the end of the current fiscal year, the District is unable to report positive balance in all reported categories of net position, both for the government as a whole, as well as for its separate governmental activities. The District was last able to report a positive balance for all reported categories of net position in the 2013-14 fiscal year.



**Governmental Activities.** During the current fiscal year, net position for governmental activities decreased by \$11,115,407 from the prior fiscal year balances for an ending balance of \$47,922,056. Total expenses increased by approximately \$15 million in instruction and support services.

## Tigard-Tualatin School District 23J's Changes in Net Position

	Governmental Activities		
	FY2020	FY2019	Change
Revenues:			
Program revenues:			
Charges for services	\$ 3,570,576	\$ 4,699,565	\$ (1,128,989)
Operating and grants contributions	20,789,959	21,503,738	(713,779)
Capital grants and contributions	146,390	120,530	25,860
General revenues:			
Property taxes	88,186,234	84,563,374	3,622,860
Federal aid not restricted to specific purpose	76,624	19,811	56,813
Intermediate aid not restricted to specific purpose	1,301,562	1,509,693	(208,131)
State aid not restricted to specific purpose	68,799,766	64,998,957	3,800,809
Earnings on investments	5,015,583	6,495,809	(1,480,226)
Recovery of prior year expenses	244,984	513,168	(268,184)
Construction excise tax	463,255	887,556	(424,301)
Other local revenue	1,629,951	1,213,632	416,319
Total revenues	<u>190,224,884</u>	<u>160,202,000</u>	<u>30,022,884</u>
Expenses:			
Instruction	115,462,612	107,550,544	7,912,068
Support services	63,797,944	56,598,097	7,199,847
Enterprise and community services	4,755,408	5,427,111	(671,703)
Interest on long-term liabilities	14,289,400	11,587,174	2,702,226
Total expenses	<u>198,305,364</u>	<u>181,162,926</u>	<u>17,142,438</u>
Change in net position	(8,080,480)	5,362,906	(13,443,386)
Net position - beginning	59,037,463	53,674,556	5,362,906
Restatement	<u>(3,034,927)</u>	<u>-</u>	<u>(3,034,927)</u>
Net position - ending	<u>\$ 47,922,056</u>	<u>\$ 59,037,463</u>	<u>\$ (11,115,407)</u>



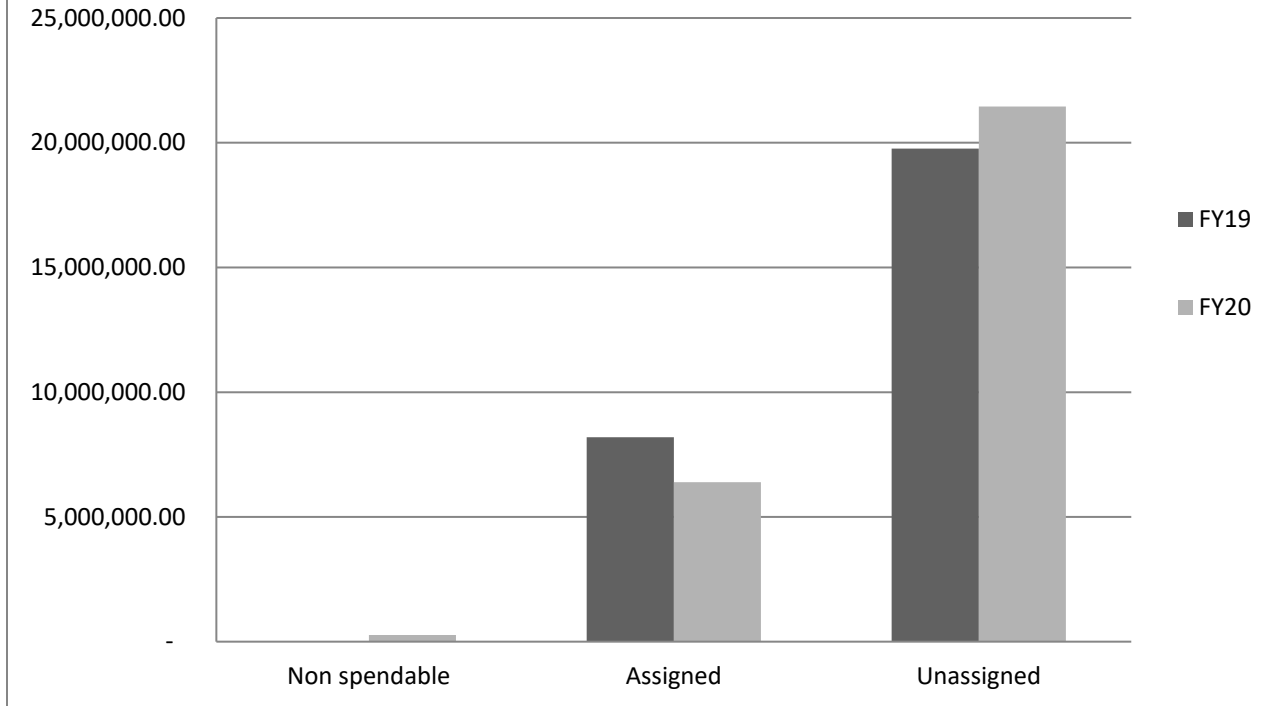
## Financial Analysis of the District's Funds

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 near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents a portion of the fund balance which has not been limited to use for a particular purpose by either external party, the District's School Board, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's School Board.

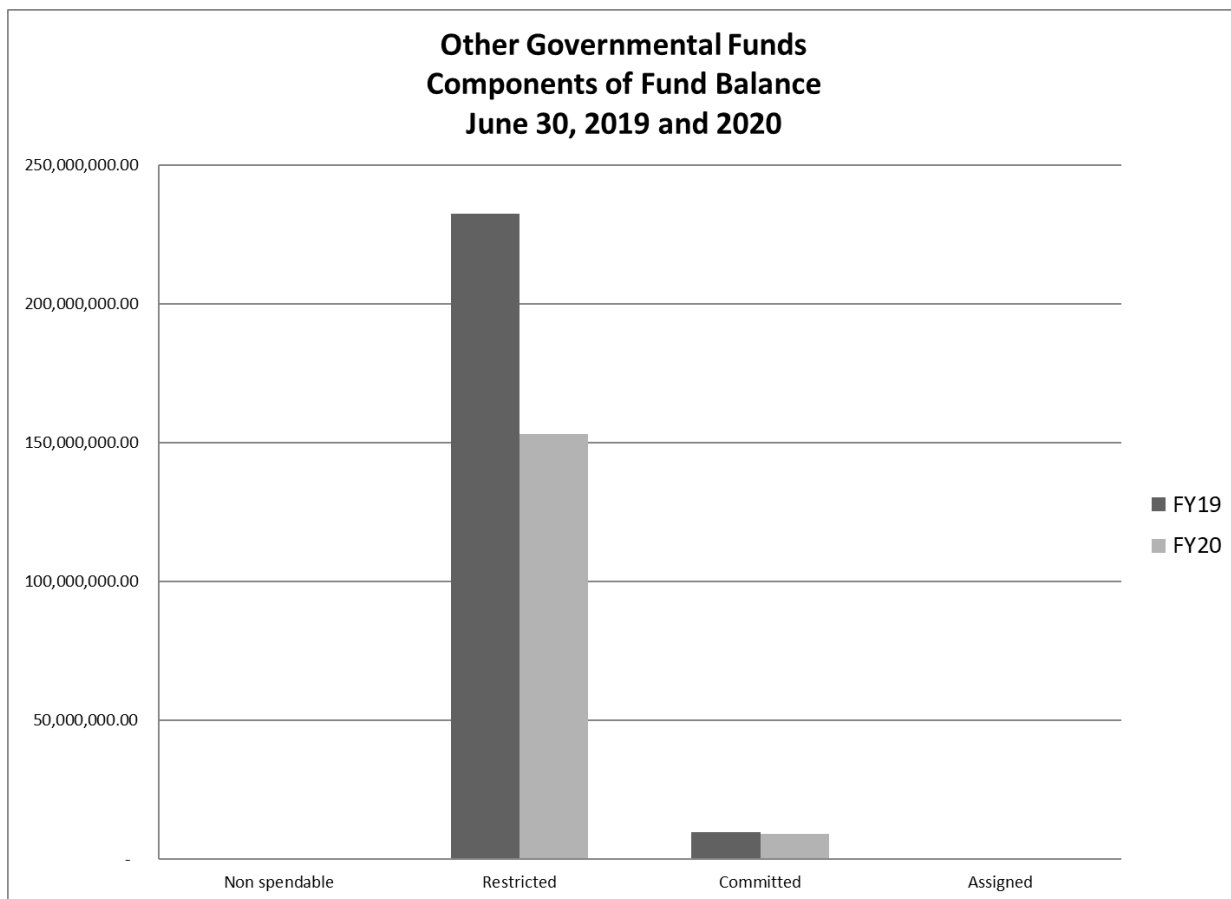
At June 30, 2020, the District's governmental funds reported combined ending fund balances of \$190,752,055, a decrease of \$79,550,383 from the prior year. Approximately 11.25 percent or \$21,450,327 is *unassigned fund balance*, which is available for spending at the district's discretion. The remainder of the fund balance is either, *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$503,990), 2) restricted for particular purposes (\$153,306,190), 3) committed for particular purposes, (\$9,097,040), or 4) assigned for particular purposes (\$6,394,508). Assigned fund balance represents the portion of the reserves budgeted in 2020-21.

## General Fund Components of Fund Balance June 30, 2019 and 2020



The general fund is the chief operating fund of the District. At the end of the current fiscal year, the general fund total fund balance was \$28,108,838 with \$6,394,508 assigned to limit future budget reductions, \$264,003 in deposits which is categorized as non-spendable and \$21,350,327 which is unassigned. As a measure of the fund's liquidity, it may be useful to compare both unassigned fund balance and the total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 14.8 percent of the total general fund expenditures, while total fund balance represents approximately 19.4 percent of that same amount.

The \$28 million fund balance of the District's general fund stayed flat compared to the prior fiscal year.



The *capital projects* fund had a \$79,816,117 decrease during the current fiscal year in addition to a restatement to adjust the fund balance by \$(402,426) for an overall fund balance of \$153,046,670. Funds used for capital projects were restricted to bond projects, committed land sales funds and assigned Construction Excise Tax revenue. Major projects were related to the 2017 general obligation bond projects. The District will continue to use Construction Excise Tax funds for major repairs that were not considered in the bond projects. The final approved general obligation bonded debt was issued in June 2019.

The District has three debt service funds as Oregon Local Budget Law requires separate appropriation for each fund. The *general obligation debt service fund* had a decrease in fund balance of \$220,834 for a total ending fund balance of \$506,616. The majority of taxes levied for this debt are received in November and the payments are structured so that funds are not required until tax levies are received by the district. In 2018-19, a statewide settlement of prior year's taxes increased tax collections. As this revenue was not anticipated the revenue is used to offset debt service taxes levied in the 2019-20 fiscal year. The *full faith and credit debt service fund* had a decrease in fund balance of \$141,178 for a total ending fund balance of \$164,047. Balances in this fund represent timing differences of the revenue resources and the related debt payments. The *PERS UAL debt service fund* had a decrease in fund balance of \$7,918 for a total ending fund balance of \$44,668. The activity in this account is controlled by the bond paying agent. The District's state school fund grant payment is reduced by the amount due on this bond. Any difference is due to the estimate of interest income that is earned on the investment account.

The *special revenue fund* balance had a \$207,533 decrease for an ending fund balance of \$8,881,216. This represents expenditure of one-time funds that were either restricted or committed to specific purposes. Within this fund are federal grant funds that are received on a reimbursement basis.

**Proprietary Funds.** The District's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. The unrestricted net position of the self-insurance reserve fund was \$2,627,613, which was an increase of \$309,016.

## General Fund Budgetary Highlights

There were no supplemental budgets necessary during the fiscal year. In January, the School Board approved appropriation transfers to adjust budgets between appropriation levels.

**Final budget compared to actual results.** The local option levy began declining in the 2010-2011 fiscal year. This was estimated at a low level of \$2.4 million in 2012-13 but began a slow rise to \$3,720,386 in that year. Future increases could not be estimated. Tax collections for the local option tax levy totaled \$9,517,782 for the year and exceeded budgetary expectations by \$176,382. The local option levy is dependent on property values and remains difficult to estimate. State aid is closed out one year following the fiscal year and the District received unanticipated state aid related to the 2018-19 fiscal year. Expenditures were under budget mainly due to savings on health insurance for all employee groups and positions that could not be filled.

## Capital Asset and Debt Administration

**Capital assets.** The District's investment in capital assets includes land, buildings and improvements, site improvements, vehicles and equipment, and construction in progress. As of June 30, 2020, the District's investment in capital assets totaled \$333,245,705, net of accumulated depreciation. The total increase in capital assets for the current fiscal year was approximately 27.5 percent. Alberta Rider was the last elementary school the District built and opened in 2005; the total cost was \$13.019 million. Templeton Elementary School opened in fall of 2019 and the total cost was \$34.68 million.

### Tigard-Tualatin School District 23J's Capital Assets (net of depreciation)

#### Capital Assets Net of Depreciation

	FY2020	FY2019	Change
Land	\$ 20,712,399	\$ 20,712,399	\$ -
Land improvements	6,424,533	7,139,975	(715,442)
Buildings and improvements	143,345,646	104,003,685	39,341,961
Vehicles and equipment	11,073,101	13,162,127	(2,089,026)
Construction in progress	151,690,026	116,270,177	35,419,849
	<u>\$ 333,245,705</u>	<u>\$ 261,288,363</u>	<u>\$ 71,957,342</u>

Major capital asset projects during the current fiscal year included the following completed projects:

- Templeton Elementary School
- Creekside Community High School Addition
- Tigard High School Modernization – Phase 1
- Tualatin High School Modification

Construction in progress relates to projects funded with the April, 2017 bond and include work to date for the substantial rebuild of Twality Middle School, Tigard High Modernization – Phase 2, paving projects at Hazelbrook Middle School and Tualatin High School and secure vestibule projects at six schools.

Additional information on the District's capital assets can be found in Note III. C on pages [52 to 53](#) in this report.

## Tigard-Tualatin School District 23J's Outstanding Debt

	FY2020	FY2019	Change
Bonds	\$ 330,681,939	\$ 339,823,414	\$ (9,141,475)
Notes from direct borrowings and direct payments	44,000	88,000	(44,000)
Issuance premiums and discounts	45,026,868	48,538,080	(3,511,212)
	<u>\$ 375,752,807</u>	<u>\$ 388,449,495</u>	<u>\$ (12,696,688)</u>

The District's total debt decreased by \$12,696,688 (3.3 percent) during the current fiscal year. The reason for this decrease is the payment of principal due and amortization of bond premiums and discounts.

Moody's Investors Service has assigned an underlying rating of Aa2 for the District's general obligation bonds issued in April, 2017 and June 2019. Moody's also assigned the 2017 and 2019 bonds an enhancement rating of Aa1 under the Oregon School Bond Guaranty Program. S&P Global Ratings has assigned an underlying rating of AA for the general obligation bonds issued in April, 2017 and June 2019 and a long-term rating of AA+ for the bonds due to the District's participation in the Oregon School Bond Guaranty Program. The current debt limitation for the District is \$1.5 billion, which is significantly in excess of the District's outstanding general obligation debt. Detailed information on long-term debt activity may be found in Note III. N on pages [71 through 76](#) in the notes to basic financial statements.

## Economic Factors and Next Year's Budget

- 2021 is a legislative year in Oregon and the State's 2021-2023 budget will be developed and approved in the 2021 legislative session. The Governor has proposed a two-year budget of \$9.1 billion for the State School Fund, up slightly from the current 2019-2021 allocation of \$9 billion. The Governor's proposed \$9.1 billion allocation will be the starting point for school funding deliberations in the 2021 legislative session, which will convene in February of 2021. In addition, during the 2021-2023 biennium the Governor has proposed \$778 million for the Student Investment Account (SIA), funded by a State Corporate Activity Tax (CAT), and \$314 million the High School Success Act, funded under Measure 98. During the current biennium, the legislature had allocated \$2 billion for Student Success Act funding with \$1 billion allocated to SIA. The District was to realize approximately \$10 million from SIA funding beginning in 2020-21, but with the downturn in the economy during the COVID-19 pandemic and lower than estimated CAT tax collections, the amount was reduced to approximately \$3 million 2020-21. If an SIA amount similar to \$778 million is approved by the legislature for 2021-2023, the District would receive approximately \$15.6 million over the biennium or \$7.8 million per year. The \$314 million for High School Success is considered full funding under Measure 98 and the District would receive approximately \$3 million per year at this budget level.
- With the impact of COVID-19 and implementation of comprehensive distance learning, 2020-21 enrollment is down approximately 750 students compared to 2019-20. Since State funding is dependent on number of students, this adds some uncertainty with future District revenue especially if a significant number of these students do not return to the District later this year or in 2021-22.
- The District continues to monitor quarterly Oregon economic forecasts since the State budget is largely dependent on State income taxes and other resources discussed above. The most recent forecast shows that State revenue projections are trending just above estimates made at the time the 2019-2021 budget was developed. This is following the June economic forecast when revenues were projected to be down about \$1.5 billion at the close of the first quarter in which the economy was shut down to the COVID-19 pandemic. State economists have shared that the higher than projected revenues are likely due to the favorable tax filing season for the 2019 year and getting federal CARES Act dollars in the hands of taxpayers in the form of stimulus and unemployment benefits. After a historic State non-seasonally adjusted unemployment rate of 3.8% prior to the pandemic, this rate reached 14.8% in April 2020 but dropped back down to 6.4% in October 2020. Economists have indicated it will be mid-2023 before jobs return to pre-pandemic levels.
- Voters have renewed the District's local option tax levy for another five years beginning in 2020-21. The District has estimated the levy will raise \$50 million over five years.

- The collective bargaining agreement for the licensed employee group is effective through June 30, 2021 and negotiations for a new agreement will begin in the spring of 2021. Agreements with administrators and managerial/confidential employees are effective through June 30, 2021. The current classified group collective bargaining agreement is effective through June 30, 2022.
- The current PERS employer contribution rates are in effect through 2020-21. The PERS Tier I and Tier II rate is 27.59 percent and the PERS OPSRP rates is 22.14 percent. Effective July 1, 2021, the Tier I and Tier II rate will decrease to 22.82 percent and the PERS OPSRP rate will decrease to 19.71 percent.

### **Requests for Information**

This financial report is designed to present the users, citizens, taxpayers, investors, and creditors, with a general overview of the Tigard-Tualatin School 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 Chief Financial Officer at 6960 SW Sandburg Street, Tigard, Oregon 97223.



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# Basic Financial Statements

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON***Statement of Net Position**June 30, 2020*

	Governmental Activities
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 212,690,302
Cash and investments	1,643,270
Receivables:	
Property taxes	1,530,632
Accounts and other receivables	3,359,017
Prepaid items	264,003
Inventory	239,987
Proportionate share of net OPEB asset (RHIA)	1,323,723
Capital assets, net of depreciation	
Land and construction in progress	172,402,426
Land improvements	6,424,533
Buildings and improvements	143,345,646
Vehicles and equipment	11,073,100
<b>Total Assets</b>	<b>554,296,639</b>
<b>Deferred Outflows of Resources:</b>	
Deferred outflows related to PERS pension liability	49,633,861
Deferred outflows related to RHIA OPEB asset	91,096
Deferred outflows related to District stipend pension liability	189,165
Deferred outflows related to OPEB health insurance liability	1,761,247
Gain on bond reissue	360,921
<b>Total Deferred Outflows of Resources</b>	<b>52,036,290</b>
<b>Liabilities:</b>	
Accounts payable	13,103,500
Accrued payroll and related charges	10,810,161
Accrued interest	605,342
Unearned revenue	303,810
Accrued compensated absences	628,277
Non current liabilities:	
Long-term obligations	
Due within 1 year	7,842,397
Due in more than 1 year	341,555,410
Limited tax pension obligation bond	
Due within 1 year	2,455,000
Due in more than 1 year	23,900,000
Other non current liabilities due in more than one year	
Total District stipend pension liability	639,312
Total OPEB liability	8,131,056
Proportionate share of net PERS pension liability	139,639,948
<b>Total Liabilities</b>	<b>549,614,213</b>
<b>Deferred Inflow of Resources:</b>	
Deferred inflows related to PERS pension liability	8,224,443
Deferred inflows related to RHIA OPEB asset	264,874
Deferred inflows related to OPEB health insurance liability	307,343
<b>Total Deferred Inflows of Resources</b>	<b>8,796,660</b>
<b>Net Position</b>	
Net investment in capital assets	136,894,568
Restricted for:	
Debt service	715,331
Other purposes:	
State, county, private grants	1,268,019
Transportation equipment	470,452
Student body activities	1,643,270
Other	1,324,791
Unrestricted	(94,394,375)
<b>Total Net Position</b>	<b>\$ 47,922,056</b>

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

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON**
**Statement of Activities**
**Year Ended June 30, 2020**

					Net (Expense) Revenue and Changes in Net Position
Functions	Expenses	Program Revenues			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction					
Regular instruction	\$ 86,456,601	\$ 2,364,402	\$ 2,153,679	\$ -	\$ (81,938,520)
Special programs	29,006,011	-	5,033,925	-	(23,972,086)
Total direct classroom services	115,462,612	2,364,402	7,187,604	-	(105,910,606)
Support Services					
Students	13,203,326	-	2,984,070	-	(10,219,256)
Instructional staff	7,982,952	-	2,466,580	-	(5,516,372)
General administration	1,374,552	-	118,418	-	(1,256,134)
School administration	11,194,634	-	125,226	-	(11,069,408)
Business	3,182,484	-	4,668	-	(3,177,816)
Operation and maintenance of buildings	10,693,476	-	3,118	-	(10,690,358)
Student transportation	7,121,760	18,000	5,166,635	146,390	(1,790,735)
Central activities	9,044,760	-	604,333	-	(8,440,426.68)
Total classroom support services	63,797,944	18,000	11,473,049	146,390	(52,160,505)
Enterprise and Community Services					
Food services	3,947,752	883,762	2,084,906	-	(979,084)
Other enterprise and community services	807,656	304,412	44,400	-	(458,844)
Total enterprise and community services	4,755,408	1,188,174	2,129,306	-	(1,437,928)
Interest on long-term liabilities	14,289,400	-	-	-	(14,289,400)
Total school district	\$ 198,305,364	\$ 3,570,576	\$ 20,789,959	\$ 146,390	\$ (173,798,439)

**General revenues:**

Property taxes levied for:	
General purposes	67,167,660
Debt service	21,018,574
Federal aid not restricted to specific purposes	76,624
Intermediate aid not restricted to specific purposes	1,301,562
State aid not restricted to specific purposes	68,799,766
Earnings on investments	5,015,583
Recovery of prior year expenses	244,984
Construction excise tax	463,255
Other local revenue	1,629,951
Total general revenues	165,717,959
Change in net position	(8,080,480)
Net position - beginning, restated	56,002,536
Net position - ending	\$ 47,922,056

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

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON**
*Balance Sheet*
*Governmental Funds*
*June 30, 2020*

	General Fund	Debt Service Funds			Capital Projects Fund	Special Revenue Fund	Total
		General Obligation Debt Service Fund	Full Faith and Credit Debt Service	PERS UAL Debt Service Fund			
<b>Assets</b>							
Equity in pooled cash and investments	\$ 38,584,928	\$ 382,791	\$ 164,047	\$ 44,668	\$ 163,380,313	\$ 7,169,845	\$ 209,726,592
Cash and investments	-	-	-	-	-	1,643,270	1,643,270
Receivables							
Property taxes	1,171,733	358,899	-	-	-	-	1,530,632
Accounts and other receivables	1,501,011	55,615	-	-	59,620	1,190,322	2,806,568
Due from other funds	493,178	-	-	-	-	-	493,178
Prepaid items	264,003	-	-	-	-	-	264,003
Inventories	-	-	-	-	-	239,987	239,987
<b>Total Assets</b>	<b>\$ 42,014,853</b>	<b>\$ 797,305</b>	<b>\$ 164,047</b>	<b>\$ 44,668</b>	<b>\$ 163,439,933</b>	<b>\$ 10,243,424</b>	<b>\$ 216,704,230</b>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 2,141,922	\$ -	\$ -	\$ -	\$ 10,393,263	\$ 568,315	\$ 13,103,500
Accrued payroll and related charges	10,810,161	-	-	-	-	-	10,810,161
Unearned revenue	3,095	-	-	-	-	300,715	303,810
Due to other funds	-	-	-	-	-	493,178	493,178
<b>Total Liabilities</b>	<b>12,955,178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,393,263</b>	<b>1,362,208</b>	<b>24,710,649</b>
<b>Deferred Inflows</b>							
Deferred revenue - unavailable property taxes	950,837	290,689	-	-	-	-	1,241,526
<b>Fund Balances:</b>							
Nonspendable	264,003	-	-	-	-	239,987	503,990
Restricted	-	506,616	164,047	44,668	147,884,327	4,706,532	153,306,190
Committed	-	-	-	-	5,162,343	3,934,697	9,097,040
Assigned	6,394,508	-	-	-	-	-	6,394,508
Unassigned	21,450,327	-	-	-	-	-	21,450,327
<b>Total Fund Balances</b>	<b>28,108,838</b>	<b>506,616</b>	<b>164,047</b>	<b>44,668</b>	<b>153,046,670</b>	<b>8,881,216</b>	<b>190,752,055</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 42,014,853</b>	<b>\$ 797,305</b>	<b>\$ 164,047</b>	<b>\$ 44,668</b>	<b>\$ 163,439,933</b>	<b>\$ 10,243,424</b>	<b>\$ 216,704,230</b>

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

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON***Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**June 30, 2020*

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*Amounts reported for governmental activities in the statement of net position are different because:*

Total fund balances - governmental funds	\$ 190,752,055
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	333,245,705
Other long-term assets are not available to pay for current period expenditures, and, therefore, are reported as unavailable revenue in the funds.	
Property taxes collected after year end but not soon enough to pay for current expenditures	1,241,526
Difference between market and carrying value of investments	336,097
Interest on investments earned but not received	552,449
Proportionate share of OPEB RHIA asset	1,323,723
The internal service fund is used by management for risk management services. The asset and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	2,627,613
The net pension liability and net OPEB for the early retirement stipend plan is not due and payable in the current period, and therefore, is not reported in the funds	(8,770,368)
Long-term liabilities, including bonds payable, accrued interest, and compensated absences are not due and payable in the current period, and therefore, are not reported in the funds.	
Bonds payable including issue premiums and discounts	(375,752,807)
Accrued interest on bonds payable	(605,342)
Deferred charge on refunding	360,921
Compensated absences	(628,277)
The net pension liability is not an available resource and, therefore, is not reported in the funds.	(139,639,948)
Deferred inflows and outflows due to differences between projected and actual earnings and the contributions after the measurement date for the pension and stipend plans are not reflected in the budgetary basis balance sheet.	
Deferred outflow - PERS pension	49,633,861
Deferred outflow - stipend pension plan	189,165
Deferred outflow - OPEB RHIA	91,096
Deferred outflow - OPEB health insurance subsidy	1,761,247
Deferred inflow - PERS pension	(8,224,443)
Deferred inflow - OPEB RHIA	(264,874)
Deferred inflow - OPEB health insurance subsidy	<u>(307,343)</u>
Total Net Position	<u>\$ 47,922,056</u>

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

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**Year Ended June 30, 2020**

	Debt Service Funds						Special Revenue	
	General Fund	General Obligation Debt Service Fund	Full Faith and Credit Debt Service Fund	PERS UAL Debt Service Fund	Capital Projects Fund	Fund	Total	
Revenues								
Local sources	\$ 69,731,898	\$ 21,163,711	\$ 803,169	\$ 3,780,174	\$ 4,192,065	\$ 5,061,838	\$ 104,732,855	
Intermediate sources	1,301,562	-	-	-	-	3,496,887	4,798,449	
State sources	73,918,999	-	-	-	-	3,194,632	77,113,631	
Federal sources	49,665	-	-	-	-	6,997,715	7,047,380	
Total revenues	145,002,124	21,163,711	803,169	3,780,174	4,192,065	18,751,072	193,692,315	
Expenditures								
Current								
Instruction	93,485,545	-	-	-	-	8,174,553	101,660,098	
Support services	50,217,545	-	-	-	-	6,687,854	56,905,399	
Community services	294,374	-	-	-	-	4,036,609	4,330,983	
Facilities acquisition and construction	-	-	-	-	39,273,180	-	39,273,180	
Transit payments to other school districts	-	-	-	-	-	329,656	329,656	
Debt service								
Principal	-	6,260,000	740,476	2,185,000	-	-	9,185,476	
Interest	-	15,124,545	762,046	1,603,092	-	-	17,489,683	
Capital Outlay	670,581	-	-	-	43,337,195	61,795	44,069,571	
Total expenditures	144,668,045	21,384,545	1,502,522	3,788,092	82,610,375	19,290,467	273,244,046	
Excess (deficiency) of revenues over (under) expenditures	334,079	(220,834)	(699,353)	(7,918)	(78,418,310)	(539,395)	(79,551,731)	
Other financing sources (uses)								
Transfers in	-	-	698,507	-	-	991,732	1,690,239	
Transfers out	(191,530)	-	(140,332)	-	(698,507)	(659,870)	(1,690,239)	
Sale of capital asset	1,348	-	-	-	-	-	1,348	
Total other financing sources (uses)	(190,182)	-	558,175	-	(698,507)	331,862	1,348	
Net change in fund balances	143,897	(220,834)	(141,178)	(7,918)	(79,116,817)	(207,533)	(79,550,383)	
Fund balances, beginning of year, restated	27,964,941	727,450	305,225	52,586	232,163,487	9,088,749	270,302,438	
Fund balances, end of year	\$ 28,108,838	\$ 506,616	\$ 164,047	\$ 44,668	\$ 153,046,670	\$ 8,881,216	\$ 190,752,055	

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

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON*****Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2020***

Amounts reported for governmental activities in the statement of activities (page 27) are different because:

Net change in fund balances - total governmental funds (page 30)	\$	(79,550,383)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense in the current period.

Capital outlay	83,342,726
Disposals	(2,650,297)
Depreciation expense	(8,735,087)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to the governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt principal payments	9,185,476
-------------------------	-----------

Some expenses and revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Changes in compensated absences	(62,023)
Changes in accrued interest on debt	(37,505)
Amortization of bond discount/premium	3,511,212
Amortization of deferred charge on refunding	(273,424)
Adjustments to investments at market value	918,872
Adjustments to interest receivable	203,536

Adjustments for the beginning net pension asset, allocations to expenses for net changes in deferred inflows due to the District's share in the PERS system's differences between projected and actual earnings, and contributions subsequent to the measurement date are not in the budgetary basis financial statements.

(15,410,102)
--------------

Adjustments for the net OPEB early retirement stipend liability and the net changes in deferred inflows due changes in assumptions, experience loss, and earnings are not in the budgetary basis financial statements.

20,959
--------

Adjustments for the proportionate share of the OPEB RHIA asset and the net changes in deferred inflows and outflows due to changes in experience loss, and earnings are not in the budgetary basis financial statements.

245,388
---------

Adjustments for net OPEB health insurance subsidy liability and the net changes in deferred inflows and outflows due to changes in assumptions, experience loss, and earnings are not in budgetary basis financial statements.

850,701
---------

Adjustments in the statement of activities for accrued property taxes that do not provide current financial resources are not reported as revenues in the funds

40,455
--------

Internal service funds are used by management to charge the cost of risk management to other funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.

319,016
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Change in Net Position	\$	(8,080,480)
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The notes to the basic financial statements are an integral part of this statement.



**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON**  
*Proprietary Funds*

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***Statement of Proprietary Net Position***  
*June 30, 2020*

	<u>Self Insurance Reserve Fund</u>
Assets	
Cash and cash equivalents	\$ 2,627,613
Assets	<u>2,627,613</u>
Liabilities	
Payroll liabilities	<u>-</u>
Liabilities	<u>-</u>
Net Position	
Unrestricted	<u>\$ 2,627,613</u>

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

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON**  
*Proprietary Funds*

---

***Statement of Changes in Proprietary Net Position***

*For the year ending June 30, 2020*

	Self Insurance Reserve Fund
Revenue	\$ 341,776
Operating expenses	
Support services	<u>22,760</u>
Change in net position	319,016
Net position, beginning of year	<u>2,308,597</u>
Net position, end of year	<u>\$ 2,627,613</u>

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

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON**  
*Proprietary Funds*

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**Statement of Cash Flows**

*For the year ending June 30, 2020*

	Self Insurance Reserve Fund
	<hr/>
Cash flows from operating activities	
Receipts from customers	\$ 342,776
Payments to employees	(17,338)
Payments to suppliers	<hr/> (22,910)
Net cash provided (used) by operating activities	302,528
Cash and investments at beginning of year	<hr/> 2,325,085
Cash and investments at end of year	<hr/> <u>\$ 2,627,613</u>
Reconciliation of change in net position to net cash provided (used) by operating activities	
Change in net position	\$ 319,016
Adjustments	
Change in accounts receivable	1,000
Change in accounts payable	(150)
Change in payroll liabilities	<hr/> (17,338)
Net cash (used) by operating activities	<hr/> <u>\$ 302,528</u>

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

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON**  
**Fiduciary Funds**

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**Statement of Fiduciary Net Position**  
**June 30, 2020**

	<u>Early Retirement Fund</u>	<u>Scholarship Fund</u>
Assets		
Invested in State Treasurer's Investment Pool	\$ -	\$ 213,397
Invested in securities	<u>2,897,022</u>	<u>-</u>
	<u>\$ 2,897,022</u>	<u>\$ 213,397</u>
Net Position		
Assets held in trust for:		
Scholarships	-	213,397
Net position restricted for pension/other post employment benefits	<u>2,897,022</u>	<u>-</u>
Total Net Position	<u>\$ 2,897,022</u>	<u>\$ 213,397</u>

**Statement of Changes in Fiduciary Net Position**  
**For the year ending June 30, 2020**

	<u>Early Retirement Fund</u>	<u>Scholarship Fund</u>
Additions		
Contributions from employer	\$ 1,193,148	\$ -
Investment earnings	<u>57,315</u>	<u>4,592</u>
Total additions	<u>1,250,463</u>	<u>4,592</u>
Deductions		
Early retirement stipends	145,526	-
Health benefits	<u>840,419</u>	<u>-</u>
Total deductions	<u>985,945</u>	<u>-</u>
Change in net position	264,518	4,592
Net position, beginning of year	<u>2,632,504</u>	<u>208,805</u>
Net position, end of year	<u>\$ 2,897,022</u>	<u>\$ 213,397</u>

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

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# Notes to the Basic Financial Statements

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# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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#### **I. Summary of Significant Accounting Policies**

##### **A. DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

##### **B. REPORTING ENTITY**

The District was organized under provisions of Oregon Statutes, Chapter 332, for the purpose of operating a school district.

The District is a municipal corporation governed by a five-member board, which is elected by citizens residing within the District's boundaries. The daily operations of the District are under the supervision of the Superintendent-Clerk. Administrators are approved by the Board.

Generally accepted accounting principles of the United States of America require that these financial statements present the primary government and all component units, if any. Component units are separate organizations that may be included in the District's reporting entity because of the significance of their operational or financial relationships with the District.

In 1991, private citizens residing in the District area formed the Tigard-Tualatin Schools Foundation as a separate, independent, non-profit corporation. The Foundation is not a component unit of the District and is not included in this report, but it does raise money and perform services for the benefit of the District and its students. The District's Charter School does not qualify as a component unit under the provisions of GASB Statement 61.

##### **C. BASIS OF PRESENTATION - GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements excepting services provide and used are not eliminated in the process of consolidation.

##### **D. BASIS OF PRESENTATION - FUND FINANCIAL STATEMENTS**

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District except for those required to be accounted for in another fund.

The *general obligation bond debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.



# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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The *full faith and credit debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term full faith and credit debt of governmental funds.

The *PERS UAL debt service fund* accounts for the resources accumulated and payments made for principal and interest on the pension obligation debt of governmental funds.

The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction, and remodel of facilities.

The *special revenue fund* accounts for grants and other resources required to be accounted for separately from the other funds listed above.

The District reports the following proprietary fund types:

The *internal service fund* accounts for the District's unemployment costs and replacement of equipment not covered by the District's insurance deductible. The fund was renamed from the self-insurance fund to the internal service fund in the 2018-19 budget when copier replacement and replacement of student devices under the district's 1:1 technology initiative were included as internal services to schools.

Additionally, the District reports the following fiduciary fund types:

The *early retirement and scholarship fund* accounts for the activities of the early retirement program and for scholarship resources held by the District in a fiduciary capacity for use by students. The district is a trustee for the early retirement stipend and health insurance plan, OPEB, that is available to employees that qualify. This single employer plan is in addition to Oregon Public Employees Retirement System.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

#### **E. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

#### **F. BUDGETARY INFORMATION**

##### **1. Budgetary basis of accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds consistent with Oregon Local Budget Law.

The appropriated budget is prepared and appropriated by fund and major function as required by Oregon Local Budget Law. The district's administrators may make transfers of appropriations within appropriation levels. Transfers between appropriation levels require the approval of the School Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the major appropriation level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

##### **2. Excess of expenditures over appropriations.**

No expenditures exceeded appropriation at June 30, 2020.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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#### **G. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, NET POSITION/FUND BALANCE**

##### **1. Cash and Investments**

The District's cash management policies are governed by state statutes, School Board policy DFA Investment of Funds, and the related School Board Administrative rule. School Board policy authorizes the District to invest in bankers' acceptances, time certificates of deposit, commercial paper, repurchase agreements, obligations of the United States and its agencies and instrumentalities and the Local Government Investment Pool (LGIP).

During the year the District's investments have included obligations of the U.S. Treasury, its agencies and instrumentalities, deposits in financial institutions, and the LGIP. It is the District's policy to value investments at amortized cost, which approximates fair value. The LGIP is stated at cost which approximates fair value. Changes in the fair value of investments are recorded as investment earnings.

The State Treasurer's LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The state's investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establishes diversification percentages and specifies the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. At June 30, 2020, the fair value of the position in the LGIP is approximately 100.88 percent of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements.

Amounts in the State Treasurer's LGIP are not required by law to be collateralized. Cash and cash equivalents

The 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. Fair Value Inputs and

##### **Methodologies and Hierarchy**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market– corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

#### **2. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out method (FIFO) and consist of commodities, food, and supplies used in the District's food service program and Scrip gift cards held by the Scrip program, a regional school fundraising program that resells gift cards.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The costs of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

#### **3. Capital Assets**

Capital assets are recorded at original cost or estimated original cost. Donated assets are recorded at their acquisition value at the time of donation. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated useful life of more than one year. In accordance with the definition of capital costs under Oregon law, capital assets also include equipment with an estimated useful life of more than one year purchased with 2011 General Obligation Bond proceeds regardless of individual cost. Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of an asset or materially extend an asset's useful life are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset Type</u>	<u>Estimated Lives</u>
Land Improvements	20 Years
Buildings and Improvements	30-80 Years
Equipment	4-30 Years

#### **4. Deferred outflows/inflows of resources**

In addition to assets, the statement of net position reports 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) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. There is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Another item in this category is related to the pension plan due to differences in expected and actual experiences, differences in expected and actual earnings, and contributions made after the actuary's measurement date. In addition the statement of net position reports deferred outflows related to the OPEB stipend plan and the OPEB health insurance subsidy include differences between expected and actual experiences, changes of assumptions and differences between projected and actual earnings.

In addition to liabilities, the statement of financial position 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 so it will not be recognized as an inflow of resources (revenue) until that time. One item under the modified accrual basis of accounting that are reported on the governmental funds balance sheet, property taxes levied but not collected within 60 days of year end. Another item is the District's pension related deferral. In addition the statement of net position reports deferred inflows from Pension plan related deferral, RHIA Related deferrals, OPEB stipend plan related deferrals and OPEB health insurance related deferrals resulting from actuarial valuation differences and will be recognized in future periods.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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#### **5. Net Position Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### **6. Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### **7. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The district itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the district's highest level of decision-making authority. The School Board is the highest level of decision-making authority for the district that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The School Board has by resolution authorized the Superintendent to assign fund balance. The School Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

To preserve a sound financial system and to provide a stable financial base, the governing body has adopted a minimum fund balance policy. The policy directs that the proposed budget will create fund balances in an amount sufficient to:

- Allow the district to deliver a sustainable level of program through anticipated recessionary periods; and
- Protect the district from unnecessary borrowing in order to meet cash-flow needs; and
- Provide prudent reserves to meet unexpected emergencies and protect against catastrophic events; and
- Help ensure a district credit rating that would qualify the district for lower interest costs and greater marketability of bonds that may be necessary in the construction and renovation of school facilities.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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To this end the District Board directed the Superintendent to include in the budget designations to ensure an ending fund balance of a Rainy Day Reserve of five (5%) percent of total resources net of beginning fund balance, Unappropriated Ending Fund balance of five (5%) percent of total resources net of beginning fund balance, and Contingency of two (2%) percent of total resources net of beginning fund balance.

Committed revenue in the State, County and Private Grants fund includes:

Service credits and cash payments in lieu of service are committed to educational services provided by the Northwest Regional ESD and other related educational programs.

Strategic Investment Funds are committed to consumables required for prior textbook adoptions and the related educational programs.

Any portion of the ending fund balance this fund collected prior to the implementation of GASB 54 is committed to programs related to the initial receipt of the funds. Specific purposes of these funding sources include maintenance of facilities, technology equipment, and educational programs.

#### **H. REVENUES AND EXPENDITURES/EXPENSES**

##### **1. Program revenues**

Amounts included in program revenues include: 1) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function of the district, this includes state school fund grant money for bus replacement, federal reimbursement for bond interest payments, all reimbursable grants, money for from the National School Lunch Program, and the portion of the state school fund for transportation representing 70% of allowable transportation expenditures. All taxes or other internally dedicated resources are reported as general revenues rather than as program revenues.

##### **2. Property Taxes**

Property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

##### **3. Compensated Absences**

Accumulated accrued compensated absences for vacation pay are recorded as current liabilities in the government-wide financial statements as the entire amounts are expected to be liquidated within one year. Accumulated sick leave does not vest and is recorded as it is used.

##### **4. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are to assessments for unemployment cost, assessments for lost or damaged 1:1 technology devices, assessments to schools for copier use and insurance claims. Operating expenses for internal service funds include the cost of unemployment claims and property loss that is not covered by the District's insurance deductible. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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#### **5. Retirement Plans**

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

The District's early retirement stipend plan for licensed employees and administrators was valued by the actuary under GASB 68 requirements.

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. VIOLATIONS OF LEGAL OR CONTRACTUAL PROVISIONS**

For the year ended June 30, 2020, no expenditures exceeded appropriations. There were no violations of legal or contractual provisions.

### **B. DEFICIT FUND EQUITY**

The district did not have any funds with a negative fund balance.

## **III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

### **A. CASH AND INVESTMENTS**

#### **1. Custodial credit risk – deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the district's deposits may not be returned to it. As of June 30, 2020, the district's bank balances were \$63,396,468 and \$62,240,970 of that amount was exposed to custodial credit risk because it was uninsured and collateralized by securities held by the pledging or financial institutions trust department or agent, but not in the government's name. All deposits were in bank depositories qualified by the Oregon State Treasury which maintains the collateral program for local governments.

#### **2. Deposits**

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. Of these balances all were deposited in banking institutions covered by Federal depositor insurance. However, a portion of these deposits exceed the federal deposit insurance corporation limit and are not federally insured. Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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Cash and investments are comprised of the following as of June 30, 2020:

Petty cash	\$ 12,335
Demand deposits	5,514,013
Public funds money market account	51,763,221
Investments	<u>159,818,325</u>
Total cash and investments	<u>\$ 217,107,894</u>
Cash and investments were held in the following fund types:	
Governmental funds:	
Equity in pooled cash and investments	\$ 209,726,592
Cash and investments	<u>1,643,270</u>
Total governmental funds balance sheet	<u>211,369,862</u>
Proprietary funds	
Equity in pooled cash and investments	<u>2,627,613</u>
Fiduciary funds:	
US Treasury and State Treasurer's investment pool	
Early retirement and OPEB fund	2,897,022
Scholarship fund	<u>213,397</u>
Total fiduciary funds	<u>3,110,419</u>
Total cash and investments	<u>\$ 217,107,894</u>
Total governmental funds equity in pooled cash and investments	\$ 211,369,862
Total proprietary funds equity in pooled cash and investments	2,627,613
Adjust investments to market value	<u>336,097</u>
Total equity in pooled cash and investments per statement of net position	<u>\$ 214,333,572</u>

### **3. Investments**

The Tigard-Tualatin School District School Board authorizes the District to invest in obligations of U.S. government agencies, U.S. Government Sponsored Enterprises (USGSE), the U.S. Treasury, time certificates of deposit, repurchase agreements, money market investments, bankers' acceptances, commercial paper, State of Oregon and local government securities, and the State Treasurer's Investment Pool as per the State Treasurer's investment policies which are governed by Oregon Revised Statutes and the Oregon Short-Term Fund Board (OSTFB).

There were no known violations of legal or contractual provisions for deposits.



# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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As of June 30, 2020 the District had 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>
US Agency	\$ 44,792,240	0.730	28.0%
US Treasury	58,139,550	0.435	36.3%
State Treasurer's investment pool	57,222,632	0.560	35.7%
Total	<u>\$ 160,154,422</u>	<u>0.562</u>	<u>100%</u>

Interest Rate Risk - Oregon Revised Statutes and school board policy guide District investments. The District's investment policy was approved by the Oregon Municipal Debt Advisory Commission and allows certain investments to exceed 18 months. The policy provides for the maximum single maturity restriction of an investment in the portfolio to 5 years and the overall weighted average maturity of the portfolio is restricted to 24 months.

Credit Risk - For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by law. The District School Board annually approves a list of financial institutions with which the District will do business. All of the investments, except for the investment in the Local Government Investment Pool which is not evidenced by securities, are held in safekeeping by the financial institutions counterparty in the financial institution's general customer account. The Local Government Investment Pool's policies provide for a composite minimum weighted average credit quality rating for the Fund's holdings to be the equivalent of a AA Standard and Poor's (S&P) rating. This composite is calculated based on the median rating if three agencies rate the security, the lower rating if two ratings are available, or the single rating if only one rating is available. On June 30, 2020, the fund's composite weighted average rating was equivalent to S&P's AA based on the method described above. U.S. Treasuries and all unrated federal agency securities were also assumed to be rated AAA for the composite rating, as these securities are backed by the U.S. government.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held.

Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2020. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2020, the fair value of the position in the LGIP is 100.88% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

Investments in US Treasury are fair value level 1 measurement and Agency Securities and Commercial Paper are fair value level 2 measurement.

Concentration of Credit Risk - Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U.S. Government Agencies. More than 5% of the School District's total investments are in securities by the following issuers:

Issuer	Percentage of Total Investments (Total Equity Concentration)
Federal Home Loan Banks	10.26%
Federal Farm Cr Bks	13.06%
Federal Home Ln Mtg Corp	13.80%
Federal Natl Mtg Assn	6.40%
United States Treas Nts	56.48%

#### **B. ACCOUNTS AND OTHER RECEIVABLES**

Accounts and other receivables consist primarily of claims for reimbursement of costs under various federal and state grant programs and also include building use payments, other payments for services, and construction excise taxes collected by local governments. Receivables are comprised of the following at June 30, 2020:

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Funds	Total
Property taxes receivable	\$ 1,171,733	\$ 358,899	\$ -	\$ -	\$ 1,530,632
Accounts and other receivables:					
Grants receivable	-	-	-	911,896	911,896
Interest and Other	<u>1,501,011</u>	<u>55,615</u>	<u>59,620</u>	<u>278,426</u>	<u>1,894,672</u>
Total accounts and other receivables	<u>1,501,011</u>	<u>55,615</u>	<u>59,620</u>	<u>1,190,322</u>	<u>2,806,568</u>
Net receivables	<u>\$ 2,672,744</u>	<u>\$ 414,514</u>	<u>\$ 59,620</u>	<u>\$ 1,190,322</u>	<u>\$ 4,337,200</u>

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also delay revenue recognition in connection with resources that have been received, but not yet earned. At the end of the 2019-20 fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

**Tigard-Tualatin School District 23J, Tigard, Oregon**  
**Notes to Basic Financial Statements**  
**June 30, 2020**

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<u>Description</u>	<u>Unearned Amount</u>
Grant and contract payments received prior to meeting all eligibility requirements	\$ 300,715
Tigard-Tualatin Online Academy Summer School tuition paid in advance of courses held in July	<u>3,095</u>
Total unearned revenue	<u>\$ 303,810</u>

**C. CAPITAL ASSETS**

Capital asset activity for the year ending June 30, 2020, was as follows:

	<u>Balance June 30, 2019</u>	<u>Current year additions</u>	<u>Current year dispositions</u>	<u>Balance June 30, 2020</u>
Capital assets, not being depreciated				
Land	\$ 20,712,399	\$ -	\$ -	\$ 20,712,399
Construction in progress	<u>116,270,177</u>	<u>83,342,726</u>	<u>47,922,877</u>	<u>151,690,026</u>
Total capital assets not being depreciated	<u>136,982,576</u>	<u>83,342,726</u>	<u>47,922,877</u>	<u>172,402,425</u>
Capital assets, being depreciated				
Land improvements	14,224,903	-	440,493	13,784,410
Less accumulated depreciation	<u>(7,084,928)</u>	<u>(581,993)</u>	<u>(307,044)</u>	<u>(7,359,877)</u>
Land improvements, net of depreciation	<u>7,139,975</u>	<u>(581,993)</u>	<u>133,449</u>	<u>6,424,533</u>
Building and improvements	193,330,324	46,026,782	5,319,138	234,037,968
Less accumulated depreciation	<u>(89,326,639)</u>	<u>(4,284,118)</u>	<u>(2,918,435)</u>	<u>(90,692,322)</u>
Building and improvements, net of depreciation	<u>104,003,685</u>	<u>41,742,664</u>	<u>2,400,703</u>	<u>143,345,646</u>
Vehicles and equipment	26,845,162	1,896,095	376,688	28,364,569
Less accumulated depreciation	<u>(13,683,035)</u>	<u>(3,868,976)</u>	<u>(260,543)</u>	<u>(17,291,468)</u>
Vehicles and equipment, net of depreciation	<u>13,162,127</u>	<u>(1,972,881)</u>	<u>116,145</u>	<u>11,073,101</u>
Total capital assets being depreciated, net	<u>124,305,787</u>	<u>39,187,790</u>	<u>2,650,297</u>	<u>160,843,280</u>
Total all capital assets, net	<u>\$ 261,288,363</u>	<u>\$ 122,530,516</u>	<u>\$ 50,573,174</u>	<u>\$ 333,245,705</u>

Depreciation expense was charged to the following governmental functions:

Instruction	\$ 7,602,929
Support services	957,813
Enterprise and community services	<u>174,345</u>
Total depreciation expense	<u>\$ 8,735,087</u>

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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#### **1. Construction In Progress**

In fulfilling the bond objectives, Tigard Tualatin School District completed the following projects during the 2019-20:

- Creekside Community High School (Durham Center) Addition
- Templeton Elementary (New School with enclosed classrooms & Improved traffic flow)
- Phase I Tigard High Expansion and Renovation (New classroom wing, and bus Loop)
- Tualatin High Expansion and Renovation (New classroom wing, Career & Technical wing, Expanded Commons, PE & Athletics Renovations & Main Office relocation with a new secure entry vestibule
- Woodward, Byrom and Durham office relocations and safety improvements

#### **Projects under construction include:**

- Twality Middle School replacement
- Phase II Tigard High Expansion and Renovation (auxiliary gym, and athletic areas and final phase of commons area)
- Phase III Tigard High Parking Lot
- Tualatin High and Hazelbrook Middle School Paving Projects
- Templeton Core Early Learning and Training Facility
- 6 Vestibule projects (Alberta Rider, CF Tigard, Deer Creek, Metzger and Tualatin Elementary Schools; and Hazelbrook Middle School)
- Byrom & Hibbard Roof Renovations Projects
- New cameras district-wide to improve school safety
- Interior Door Lock Replacement district-wide to improve Classroom Safety
- Tualatin High Track Shed
- Soccer Covered Bleacher Project
- Alberta Rider Track

#### **Summer 2021 Start Date**

- Art Rutkin Elementary School
- Mechanical Upgrades Byrom, Mary Woodward, Bridgeport and Durham Elementary Schools

#### **D. DEFERRED INFLOWS**

Governmental funds report deferred inflows or items not available to meet current requirements. This consists of property taxes not received within 60 days of year end. Deferred inflows and outflows related to pension plans can be found in Note F – Pension Plan.

Description	Deferred inflow amounts
Delinquent property taxes, general fund	\$ 950,837
Delinquent property taxes, debt service fund	290,689
Total	<u>\$ 1,241,526</u>

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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#### **E. ACCRUED LIABILITIES**

Accrued liabilities reported by governmental funds at June 30, 2020, were as follows:

	General Fund	Capital Fund	Special Revenue Fund	Total Governmental Funds	Total
Accounts payable	\$ 2,141,922	\$ 10,393,263	\$ 568,315	\$ 13,103,500	\$ 13,103,500
Accrued payroll and related charges	10,810,161	-	-	10,810,161	10,810,161
Net liabilities	<u>\$ 12,952,083</u>	<u>\$ 10,393,263</u>	<u>\$ 568,315</u>	<u>\$ 23,913,661</u>	<u>\$ 23,913,661</u>

#### **F. PENSION PLAN**

##### **Oregon Public Employees Retirement System (PERS)**

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:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
  - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

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 1 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 2 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.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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ii. **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 contributions 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.

iii. **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.

iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

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

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

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

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

ii. **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. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

iii. **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.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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**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, 2017 actuarial valuation, which became effective July 1, 2019. 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, 2020 were \$19,093,671, excluding amounts to fund employer specific liabilities. In addition approximately \$3,684,118 in employee contributions were paid or picked up by the District in fiscal 2020. At June 30, 2020, the District reported a net pension liability of \$139,639,948 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2017. 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. As of the measurement date of June 30, 2019 and 2018, the District's proportion was .81 percent and .82 percent, respectively. Pension expense for the year ended June 30, 2020 was \$15,410,102.

The rates in effect for the year ended June 30, 2020 were:

- (1) Tier 1/Tier 2 – 27.59%
- (2) OPSRP general services – 22.14%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 7,700,731	\$ -
Changes in assumptions	18,943,752	-
Net difference between projected and actual earnings on pension plan investments	-	3,958,651
Net changes in proportionate share	1,421,282	4,234,814
Differences between District contributions and proportionate share of contributions	2,474,425	30,978
Subtotal - Amortized Deferrals (below)	30,540,190	8,224,443
District contributions subsequent to measuring date	19,093,671	-
Deferred outflow (inflow) of resources	<u>\$ 49,633,861</u>	<u>\$ 8,224,443</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2021.

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

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 12,681,039
2022	1,372,164
2023	4,642,539
2024	3,394,981
2025	225,025
Thereafter	-
Total	<u>\$ 22,315,747</u>

# Tigard-Tualatin School District 23J, Tigard, Oregon

## Notes to Basic Financial Statements

### June 30, 2020

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All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2020. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

**Actuarial Valuations** – The employer contribution rates effective July 1, 2019 through June 30, 2021, 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), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

#### Actuarial Methods and Assumptions:

Valuation date	December 31, 2017
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2014 Health annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.



# Tigard-Tualatin School District 23J, Tigard, Oregon

## Notes to Basic Financial Statements

### June 30, 2020

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#### Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
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	14.0%	21.0%	17.5%
Alternative Investments	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

(Source: June 30, 2019 PERS CAFR; p. 100)

#### 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 2017 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	Compound Annual (Geometric) Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Assumed Inflation - Mean		2.50%

(Source: June 30, 2019 PERS CAFR; p. 74)

# Tigard-Tualatin School District 23J, Tigard, Oregon

## Notes to Basic Financial Statements

### June 30, 2020

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**Discount Rate** – The discount rate used to measure the total pension liability as of the measurement date of June 30, 2019 and 2018 was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from 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.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 223,620,986	\$ 139,639,948	\$ 69,359,388

#### Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

#### Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

#### OPSRP Individual Account Program (OPSRP IAP)

##### *Plan Description:*

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. 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

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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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 OPERS, and is administered by the OPERS Board.

#### *Pension Benefits:*

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

#### *Death Benefits:*

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

#### *Contributions:*

Employees of the District pay six (6) percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2020.

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

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

#### **G. SINGLE EMPLOYER PENSION PLAN (GASB#73)**

Plan Description: The District has established early retirement programs for licensed employees and administrators under a single-employer defined benefit pension plan resulting from collective bargaining agreements. The programs provide post-employment stipends for licensed employees and administrators who are at least 55 years of age. Administrators must have worked for the District at least 12 years and licensed employees must have worked for the District at least 15 years. The early retirement plans were discontinued as of July 1, 1993, for licensed employees and July 1, 1995, for administrators. Any new employees hired after these dates are not eligible to participate in the plans. Stipends will be paid to early retirees under the following schedule until the earlier of death, reemployment or age 62 when the early retiree qualifies for social security benefits:

	Licensed Employees		Administrators	
	Maximum Monthly Payments	Maximum Number of Payments	Maximum Monthly Payments	Maximum Number of Payments
Retired During Periods				
July 1, 1991 to June 30, 2016	\$ 525	60	\$ 450	48

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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During the period the administrator receives these payments, he or she will perform up to 15 days of service per year for the District. If the administrator refuses or declines to perform such service, the amount of compensation shall be reduced by an amount equal to the daily compensation rate at the time of retirement, multiplied by the number of requested days of service that the administrator refuses or declines to perform. Licensed employees do not have a service obligation. As of the valuation date of June 30, 2019, there are no active administrators eligible to receive a stipend upon retirement.

Plan membership consisted of the following as of the most recent actuarial valuation at June 30, 2020:

Retirees and beneficiaries currently receiving benefits	13
Active employees	<u>25</u>
Total	<u>38</u>

Funding Policy: The benefits from this program are fully paid and, consequently, no contributions by employees are required. There is no obligation to fund these benefits in advance. The only obligation is to make current benefit payments due each fiscal year. Payments are made on a pay-as-you-go basis each year out of the General Fund.

Actuarial Methods and Assumptions: The District engaged an actuary to perform an evaluation as of June 30, 2020 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan and the Other Post Employment Health Insurance Subsidy, (Note I), liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

Discount Rate per year	2.21%
General Inflation Rate per year	2.50%
Salary Scale per year	3.50%

Mortality rates were based are the same rates that were used for school district employees in the December 31, 2018 actuarial valuation of the Oregon Public Employees Retirement System.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability rates were based on the percentages developed for the valuation benefits under Oregon PERS and vary by employee age.

Retirement rates were calculated based on age and years of service with the assumption that 100% of employees eligible for the District's Post-Employment Health Care Benefit Plan (direct employer subsidy) will elect coverage at retirement, 60% of these retirees elect to cover a spouse, and 30% elect to cover a child.

The projection of benefits for financial reporting purpose does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**Tigard-Tualatin School District 23J, Tigard, Oregon**  
**Notes to Basic Financial Statements**  
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Total Stipend Pension Liability - Beginning	2020 \$ 528,826	2019 \$ 672,305	2018 \$ 704,102
Changes for the Year:			
Service Cost	10,699	15,128	11,684
Interest	10,082	15,557	18,523
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	226,941	-	21,142
Changes of Assumptions or Other Input	8,040	-	89,174
Benefit Payments	(145,276)	(174,164)	(172,320)
Net Changes for the Year	110,486	(143,479)	(31,797)
Total Stipend Pension Liability - Ending	\$ 639,312	\$ 528,826	\$ 672,305

Sensitivity of the Single Employer Pension Plan Benefit Liability to Changes in Discount Rates: The following presents the Single Employer Pension Plan Benefit Liability, calculated using the discount rate of 2.21 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease 1.21% Discount Rate	Current Rate 2.21% Discount Rate	1% Increase 3.21% Discount Rate
Total Pension Liability	\$ 652,177	\$ 639,312	\$ 625,867

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 159,480	\$ -
Changes in assumptions	29,685	-
Deferred outflow (inflow) of resources	\$ 189,165	\$ -

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

Year ending June 30,	Amount
2021	\$ 102,578
2022	79,009
2023	7,578
2024	-
2025	-
Thereafter	-
Total	\$ 189,165

Aggregate amounts for all pension plans:

	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Oregon Public Employees Retirement System (PERS)	\$ 139,639,948	\$ 49,633,861	\$ 8,224,443	\$ 34,556,015
District Stipend Pension Plan	639,312	189,165	-	122,598
Total	\$ 140,279,260	\$ 49,823,026	\$ 8,224,443	\$ 34,678,613

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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#### **H. OTHER POSTEMPLOYMENT BENEFITS (GASB #75)**

##### **Postemployment Health Benefit Plan – (RHIA)**

##### **Plan Description:**

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

##### **Funding Policy:**

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

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the districts currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2020. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2018, 2019 and 2020 were \$324,424, \$362,092, and \$91,096, respectively, which equaled the required contributions each year.

At June 30, 2020, the District reported a net OPEB liability/(asset) of \$(1,323,723) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2019, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2017. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2019 and 2018, the District's proportion was .69 percent and .68 percent, respectively. OPEB expense (income) for the year ended June 30, 2020 was (\$176,503).

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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#### **Components of OPEB Expense/(Income):**

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (172,154)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(4,349)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ (176,503)</u>

#### **Components of Deferred Outflows/Inflows of Resources:**

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 174,559
Changes in assumptions	-	1,371
Net difference between projected and actual earnings on pension plan investments	-	81,706
Net changes in proportionate share	-	7,238
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	-	264,874
District contributions subsequent to measurement date	91,096	-
Deferred outflow (inflow) of resources	<u>\$ 91,096</u>	<u>\$ 264,874</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2021.

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

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ (136,621)
2022	(121,314)
2023	(15,356)
2024	8,416
2025	-
Thereafter	-
Total	<u>\$ (264,875)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2019. That independently audited report was dated February 24, 2020 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2019/PERS%20GASB%2075%20RHIA%20Report%20FY%206.30.19.pdf>

**Tigard-Tualatin School District 23J, Tigard, Oregon**  
**Notes to Basic Financial Statements**  
**June 30, 2020**

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**Actuarial Methods and Assumptions:**

Valuation Date	December 31, 2017
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Retiree healthcare participation	Healthy retirees: 35%; Disabled retirees: 20%
Mortality	<p>Healthy retirees and beneficiaries:  RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

**Discount Rate:**

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2019 and 2018 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Long-Term Expected Rate of Return:**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 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.



**Tigard-Tualatin School District 23J, Tigard, Oregon**  
**Notes to Basic Financial Statements**  
**June 30, 2020**

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<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

(Source: June 30, 2019 PERS CAFR; p. 74)

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net OPEB liability (asset)	\$ (1,026,227)	\$ (1,323,723)	\$ (1,577,211)

**Changes Subsequent to the Measurement Date**

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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#### **I. OTHER POSTEMPLOYMENT BENEFITS (GASB #75)**

##### **Postemployment Health Insurance Subsidy**

##### **Plan Description**

The District participates in the Oregon Educators Benefit Board, a statewide agent multiple-employer health benefit plan that provides health, dental, and vision insurance benefits to eligible employees, retirees, and their beneficiaries. For those retirees that qualify for District paid insurance benefits post retirements (explicit benefits) under various collective bargaining agreements, the District acts as a trustee in capacity for those resources. As of June 30, 2020, there are 1,290 active and 90 retired members in the District's implicit subsidy plan and 32 active and 36 retired members in the explicit subsidy plan. Benefits and eligibility for members covered by the District-paid defined benefit OPEB plan are established through the collective bargaining agreements.

The District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS 243.303. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employee 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.

##### **Funding Policy**

The benefits from this program are paid either by the District or by the retired employees on a self-pay basis. The annual 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.

##### **Components of OPEB Expense/(Income)**

Service cost	\$ 221,242
Interest cost	166,286
Expected earnings	-
Change in benefits	-
Recognition of deferred outflows	234,404
Recognition of deferred inflows	(47,212)
Total OPEB Expense	<u>\$ 574,720</u>

##### **Components of Deferred Outflows/Inflows of Resources:**

	<u>Deferred Outflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Difference between expected and actual experience	\$ 1,263,737	\$ -
Changes in assumptions	<u>497,510</u>	<u>307,343</u>
Deferred outflow/inflow of resources	<u>\$ 1,761,247</u>	<u>\$ 307,343</u>

The amount of contribution subsequent to measurement date is not included as a reduction of the net OPEB liability (asset) in the fiscal year June 30, 2020.

**Tigard-Tualatin School District 23J, Tigard, Oregon**  
**Notes to Basic Financial Statements**  
**June 30, 2020**

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	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability, Beginning of year	\$ 8,249,919	\$ 9,311,641	\$ 9,489,757
Difference between actual and expected income	-	-	-
Benefit payments - Explicit Medical	(840,668)	(905,990)	(929,643)
Benefit payments - Implicit Medical	(610,673)	(659,825)	(631,129)
Service cost	221,242	248,231	239,837
Interest on total OPEB liability	166,286	255,862	261,281
Changes in benefit terms	-	-	-
Changes in assumptions	552,789	-	(448,979)
Experience (gain) loss	392,161	-	1,330,517
Total OPEB Liability, End of year	<u>\$ 8,131,056</u>	<u>\$ 8,249,919</u>	<u>\$ 9,311,641</u>

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

Year ending June 30,	Amount
2021	\$ 187,192
2022	187,192
2023	187,192
2024	187,192
2025	187,192
2026	187,192
Subsequent years	330,752
Total	<u>\$ 1,453,904</u>

**Actuarial Methods and Assumptions**

The Oregon Legislative Assembly passed a law (Senate Bill 1067) that limits the annual increase in premiums paid by PEBB to 3.4%. The Legislature controls the budget for OEBB. The annual OPEB cost for the plan was determined as part of the June 30, 2018 actuarial evaluation using the following methods and assumptions:

Actuarial cost method	Entry Age Normal Level Percent of Pay
Amortization method	Level dollar
Remaining amortization period	30-year open amortization period
Inflation rate	2.50%
Healthcare cost trend	
Medical	3.40%
Dental	3.4% initially downgrading to 3% in subsequent years
Vision	3%

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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#### **Discount Rate**

A 2.21 percent discount rate is used. The discount rate represents the estimated long-term investment yield on the plan assets expected to be used to finance the payment of the OPEB plan.

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 2.21 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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate.

	<u>(1.21%)</u>	<u>(2.21%)</u>	<u>(3.21%)</u>
Total OPEB liability	\$ 8,492,511	\$ 8,131,056	\$ 7,782,160

The following presents the District's proportionate share of the net health care trends calculated using the discount rate of 3.00 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 (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate.

	<u>1% Decrease</u>	<u>Current Health Care Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 7,664,018	\$ 8,131,056	\$ 8,659,889

Aggregate amount for all OPEB plans

	<u>Total OPEB Liability/(Asset)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense</u>
Postemployment health benefit plan - RHIA	\$ (1,323,723)	\$ 91,096	\$ 264,874	\$ 176,503
Postemployment Health Insurance Subsidy	<u>8,131,056</u>	<u>1,761,247</u>	<u>307,343</u>	<u>574,720</u>
Total	<u>\$ 6,807,333</u>	<u>\$ 1,852,343</u>	<u>\$ 572,217</u>	<u>\$ 751,223</u>

#### **J. DEFERRED COMPENSATION**

The District has a deferred compensation plan available for its employees. The deferred compensation plan is one that is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the plan administrator for the sole benefit of the plan participants and are not considered assets and liabilities of the District. As of June 30, 2020, 26 employees were participating in the plan.

#### **K. TAX SHELTERED ANNUITY**

The District offers its employees a tax deferred annuity program established pursuant to Section 403(b) of the Internal Revenue Code (the Code). Contributions are made through salary reductions from participating employees up to the amounts specified in the Code. No contributions are required by law from the District. As of June 30, 2020, 506 employees were participating in the plan.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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#### **L. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

In December 1998 the District entered into an agreement with Lowe's Hardware Corporation to lease the Phil Lewis elementary school site for a period of 30 years. The District accounts for this transaction as a direct sales financing lease. During the fiscal year ending June 30, 2020, the District received proceeds of \$950,061 that were recorded as revenue in the debt service fund. The District committed to reduce its debt service by the first \$5.5 million dollars of lease proceeds. The final debt reduction at \$33,301 was made in 2007-08. The leased property consists of two separate parcels. The lessee has a separate option to purchase each piece of property at the end of the lease. The option on the 1.52 acre parcel is no less than \$1.0 million and no greater than \$1.6 million. The option on the 10.5 acre parcel is no less than \$5.5 million and no greater than \$8.95 million.

Future payments from the Lowes lease are committed to the Full Faith and Credit debt on the New Hibbard Center through June 30, 2024.

In December 2006 the District entered into a long term commercial lease agreement with Broadway Rose Theater Company (BRTC) for the 20 year lease of the Charles F. Tigard Multipurpose Building to BRTC. Lease payments are \$1 per year and all capital improvements to the premises. The lease may be renewed in 10 year increments. In August 2019, the District entered into a re-negotiated lease with BRTC. Lease payments remain \$1 per year and all District-approved capital improvements to the premises. The new lease term is five years with the option for five five-year renewals.

The encumbrances for the capital projects fund total \$42,264,822 and are in the following categories:

<b>Category</b>	<b>Encumbrance</b>
ARCHITECT/ENGINEER SERVICES	\$3,830,373
COMPUTER HARDWARE	\$1,138,110
EQUIPMENT	\$2,180,997
MAJOR IMPROVEMENT	\$33,081,065
MANAGEMENT SERVICES	\$1,186,650
OTHER PROFESSIONAL CONTRACTED SERVICES	\$679,053
ONSITE IMPROVEMENTS	\$168,574
<b>Encumbrance Total as of 6.30.20</b>	<b>\$42,264,822</b>

#### **M. RISK MANAGEMENT**

The district is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The district uses the Insurance Internal Service Fund to account for and finance risks for worker's compensation, unemployment, general liability and property damage. For workers' compensation the district does not retain risk for the coverage but may pay certain medical costs to reduce the premium. The district is self-insured for unemployment cost. Comprehensive General and Automotive Liability insurance provides \$10 million basic coverage. Errors and Omissions coverage (sometimes called Difference in Conditions coverage) is in force for \$10 million. Excess coverage over the Basic and Errors and Omissions coverage is in force at \$20 million. The District does not engage in risk financing activities where the risk is retained (self-insurance) except for the deductible of \$25,000 on property insurance. The District purchases insurance for workers' compensation, employee medical benefits, liability claims and all property losses in excess of deductible limits. There were no settlements in excess of the insurance coverage in any of the prior three fiscal years.

The risk management internal service fund is funded by charges to the district's other funds and is based on payroll assessments for worker's compensation and unemployment insurance. It is a based on refunds of certain prior year expenditures for the contributing funds for the property loss exposure. Rates are evaluated periodically due to economic conditions and the worker's compensation plan is audited annually by the carrier.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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#### **N. DEBT**

The District has outstanding general obligation bonds and notes from direct borrowings and direct placements totaling \$330,725,939. No district assets are pledged as collateral. None of the District's debt has an acceleration clause. The debt terms are as follows.

##### **1. Bonds**

###### *March, 2000 Issue - New Hibbard Center*

Whenever any Event of Default exists, the Escrow Agent shall have the right to take one or any combination of the following remedial actions:

- Declare all Lease Payments and other amounts immediately due and payable; and
- Take any other action at law or in equity necessary or desirable to enforce the Lessor's rights under the Agreements.

The Bonds are not subject to optional redemption prior to maturity.

###### *August, 2005 Refunding Issue*

Insured by MBIA Insurance Corporation Policy language lists:

The MBIA Policy unconditionally and irrevocably guarantees the full and complete payment required to be made by or on behalf of the District to the Paying Agent or its successor of an amount equal to (i) the principal of (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Bonds as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by the MBIA Policy shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration, unless MBIA elects in its sole discretion, to pay in whole or in part any principal due by reason of such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any Owner of the Bonds pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Owner within the meaning of any applicable bankruptcy law (a "Preference").

The Bonds are not subject to optional redemption prior to maturity.

###### *July, 2009 Issue - Thorpe Property*

Remedies on Financing Default:

(A) Whenever a Financing Default shall have happened and be continuing, the Escrow Agent shall have the right, at its sole option without any further demand or notice, to exercise any remedy available at law or in equity; however, the Financing Amount and the Financing Payments shall not be subject to acceleration.

(B) The Escrow Agent shall exercise its rights hereunder only in accordance with the Escrow Agreement. No remedy referred to in this Section 5.3 is exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to the Escrow Agent at law or in equity. In the event that the Escrow Agent exercises or begins to exercise any one or more of such remedies, such action shall not preclude the simultaneous or later exercise by the Escrow Agent of any other remedies. No express or implied waiver by the Escrow Agent of a Financing Default shall constitute a waiver of any other or subsequent Financing Default.

The Obligations coming due on and after June 1, 2020 are subject to prepayment prior to their respective payment dates in whole or in part in authorized denominations on any date on or after June 1, 2019.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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#### *April, 2017 Issue*

Upon the occurrence and continuance of any Event of Default, the Owners of fifty-one percent (51%) or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Bond Resolution or the Bonds or in aid of the exercise of any power granted in the Bond Resolution or in the Bonds or for the enforcement of any other legal or equitable right vested in the Owners of the Bonds by the Bond Resolution or the Bonds or by law. However, the Bonds shall not be subject to acceleration.

Bonds are insured by the Oregon School Bond Guaranty Act.

The District may redeem all or a portion of the Bonds maturing after June 15, 2028 on June 15, 2027 or any date thereafter.

#### *June, 2019 Issues*

Upon the occurrence and continuance of any Event of Default, the Owners of fifty-one percent (51%) or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Bond Resolution or the Bonds or in aid of the exercise of any power granted in the Bond Resolution or in the Bonds or for the enforcement of any other legal or equitable right vested in the Owners of the Bonds by the Bond Resolution or the Bonds or by law. However, the Bonds shall not be subject to acceleration.

Bonds are insured by the Oregon School Bond Guaranty Act.

The District may redeem all or a portion of the 2019A bonds maturing after June 15, 2030 on June 15, 2029 or any date thereafter.

The Series 2019B Bonds are not subject to optional redemption.

#### *PERS Unfunded Actuarial Liability Bonds*

Upon the occurrence and continuance of any Event of Default under the Trust Agreement, the Series 2007 Trustee may, and if the Owners of not less than 51 percent in aggregate principal amount of Series 2007 Obligations then Outstanding so request, is required to take whatever action at law or in equity may appear necessary or desirable to enforce or to protect any of the rights vested in the Series 2007 Trustee or the Owners of Series 2007 Obligations by the Trust Agreement, the Intercept Agreement or the Series 2007 Pension Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Trust Agreement or the Intercept Agreement or in aid of the exercise of any power granted in the Trust Agreement or the Intercept Agreement or for the enforcement of any other legal or equitable right vested in the Series 2007 Trustee by the Trust Agreement or by law; provided that in no event will the Series 2007 Trustee have the right to accelerate the Pension Bond Payments or the Series 2007 Obligations. The Series 2007 Trustee is not permitted to exercise remedies against a Series 2007 Issuer that has not caused a Pension Bond Default.

The Trust Agreement provides that if at any time after a Pension Bond Default has occurred, any moneys available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for under the Trust Agreement or otherwise, are required to be applied by the Series 2007 Trustee as follows:

- (1) To the payment of the interest on such Series 2007 Issuer's Pension Bonds when due.
- (2) To the payment of the principal on such Series 2007 Issuer's Pension Bonds when due.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

State Intercept Agreement: Payment of the Series 2007 Pension Bonds is also secured by an intercept agreement, pursuant to which an amount of State Education Revenues equal to each Series 2007 Issuer's Pension Bond Payments, which would otherwise be paid by the Oregon Department of Education (the "Agency") to the Series 2007 Issuer, is diverted to the Series 2007 Trustee for the purpose of paying the Pension Bond Payments.

The Obligations coming due on and after June 1, 2020 are subject to prepayment prior to their respective payment dates in whole or in part in authorized denominations on any date on or after June 1, 2019.

#### **2. Notes from direct borrowings and direct placements.**

##### *August 2010 Issue - Tigard High School Soccer Field*

If an Event of Default occurs, the Bank may exercise any remedy available at law or in equity. However, this Financing Agreement and the Financing Payments shall not be subject to acceleration. No remedy shall be exclusive.

No prepayment.

The following is a summary of long-term debt transactions of governmental activities during the year ended June 30, 2020.

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
<b>Bonds</b>					
March, 2000 Issue - New Hibbard Center	\$ 1,133,414	\$ -	\$ 281,476	\$ 851,939	263,397
August, 2005 Refunding Issue	19,740,000	-	6,260,000	13,480,000	6,575,000
July, 2009 Issue - Thorpe Property	2,245,000	-	415,000	1,830,000	430,000
April, 2017 Issue	194,070,000	-	-	194,070,000	220,000
June, 2019 Taxable Issue	3,735,000	-	-	3,735,000	310,000
June, 2019 Issue	90,360,000	-	-	90,360,000	-
PERS Unfunded Actuarial Liability Bonds	<u>28,540,000</u>	<u>-</u>	<u>2,185,000</u>	<u>26,355,000</u>	<u>2,455,000</u>
<b>Total Bonds</b>	<u>339,823,414</u>	<u>-</u>	<u>9,141,476</u>	<u>330,681,939</u>	<u>10,253,397</u>
<b>Notes from Direct Borrowings and Direct Placements</b>					
August 2010 Issue - Tigard High School Soccer Field	<u>88,000</u>	<u>-</u>	<u>44,000</u>	<u>44,000</u>	<u>44,000</u>
<b>Total Notes from Direct Borrowings and Direct Placements</b>	<u>88,000</u>	<u>-</u>	<u>44,000</u>	<u>44,000</u>	<u>44,000</u>
<b>Subtotal Debt</b>	339,911,414	-	9,185,476	330,725,939	
<b>Issuance Premiums and Discounts</b>	<u>48,538,080</u>	<u>-</u>	<u>3,511,212</u>	<u>45,026,868</u>	
<b>Total Debt</b>	<u>\$ 388,449,495</u>	<u>\$ -</u>	<u>\$ 12,696,688</u>	<u>\$ 375,752,807</u>	<u>\$ 10,297,397</u>



# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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The following is a list of each outstanding long-term obligation of the District with related information on the terms of the instrument:

General Obligation Bonds, 2005 Refunding Series, future payments due in annual installments with interest paid semi-annually at 4.125% to 5.375% through June, 2022	\$ 13,480,000
General Obligation Bonds, 2017 Series, future payments due in annual installments with interest paid semi-annually at 2% to 5% through June, 2037	194,070,000
General Obligation Bonds, 2019 Series, Taxable, future payments due in annual installments with interest paid semi-annually at 2.05% to 2.17% through June, 2023	3,735,000
General Obligation Bonds, 2019 Series, future payments due in annual installments with interest paid semi-annually at 4% to 5% through June, 2040	90,360,000
Full faith and credit obligation - New Hibbard Center March, 2000 Issue, first payment due in 2008, then annual installments begin in 2013 with interest paid semi-annually at 5.5% to 6.19% through June, 2024	851,939
Full faith and credit obligation - Thorpe Property July, 2009 Issue, future payments due annually beginning June 2012 with interest paid semi-annually at 3.0% to 4.125% through June, 2024.	1,830,000
Full faith and credit obligation - Tigard High Soccer Field August, 2010, future payments due annual installments with interest paid semi-annually at 3.25% through August, 2020	44,000
PERS Unfunded Actuarial Liability Bonds October 2007, future payments due in annual installments with interest paid semi-annually at 4.9% to 5.6% through June 2028	<u>26,355,000</u>
Total	<u>\$ 330,725,939</u>

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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Total debt service expenditures, excluding retirement benefits, for the year ended June 30, 2020, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Bonds series 2005 Refunding	\$ 6,260,000	\$ 987,000	\$ 7,286,930
April 2017 Issue	-	9,597,800	12,672,546
Bond 2019 Series	-	4,460,878	12,672,546
Bond 2019 Series, Taxable	-	78,867	12,672,546
Full Faith and Credit Obligation - Thorpe Property	415,000	90,406	505,382
Full Faith and Credit Obligation - Soccer Field	44,000	2,145	47,563
Full Faith and Credit Obligation - Hibbard Building	281,476	668,525	865,000
PERS Unfunded Actuarial Liability Bonds	<u>2,185,000</u>	<u>1,603,092</u>	<u>3,652,062</u>
Total payments	<u>\$ 9,185,476</u>	<u>\$ 17,488,713</u>	<u>\$ 50,374,575</u>

No interest costs were capitalized during the year.

For the 2000 Series for the purchase of the Hibbard administration building, a payment was due in 2008 of \$429,128, future payments were deferred until 2013 and payable from 2013 through 2024 with interest rates from 5.5 to 6.19 percent. The Thorpe Property bonds for the Art Rutkin School site were issued for the payment of the promissory note due in August, 2009, future principal payments were deferred until June, 2012 and are payable until June, 2024 with interest rates from 3.0 to 4.125 percent payable from December, 2009 to June 2024. The Tigard High Soccer Field debt was issued in August, 2010 with principal payments of \$44,000 due annually with an interest rate of 3.25 percent.

On October 31, 2007, the District participated with six other school districts in a pooled issuance of taxable pension obligation bonds to finance the District's estimated PERS unfunded actuarial liability. The District issued \$41,385,000 in debt as part of a pooled issuance of \$110,160,000. Except for the payment of its pension bond payment and additional charges when due, each school district has no obligation or liability to any other participating school district's pension bonds or liabilities to PERS.

PERS bond proceeds were paid to the Oregon Public Employees Retirement System. An intercept agreement with the State of Oregon was required as a condition of issuance; therefore a portion of State School Fund support is withheld on a monthly basis to repay debt. Funds are accumulated and invested by a trust officer and annual principal and interest payments are made each June 30, and December 30, beginning June 30, 2008 and ending June, 2028. The bond interest rates range from 4.9 percent to 5.6 percent. The District records the amounts deposited with PERS as a prepayment of its actuarial obligation and accounts for the payment of principal and interest as a pension expense annually. The prepayment is being amortized over the life of the bonds based on the straight-line method, as a percentage of pension bond debt service costs, over the life of the bonds. This method most closely recognized the remaining prepaid asset.

Below is a summary of the District's debt obligation debt to the year 2040.

# Tigard-Tualatin School District 23J, Tigard, Oregon

## Notes to Basic Financial Statements

### June 30, 2020

Year Ending June 30	2021	2022	2023	2024	2025	2026-2030	2031-2035	2036-2040	Total
FF&C 2000 series									
Principal	\$ 263,397	\$ 244,559	\$ 229,703	\$ 114,280	\$ -	\$ -	\$ -	\$ -	\$ 851,939
Interest	686,603	702,616	715,851	385,720	-	-	-	-	2,490,790
FF&C Thorpe Property									
Principal	430,000	450,000	465,000	485,000	-	-	-	-	1,830,000
Interest	73,806	56,606	38,606	20,006	-	-	-	-	189,025
FF&C Tigard High Soccer Field									
Principal	44,000	-	-	-	-	-	-	-	44,000
Interest	715	-	-	-	-	-	-	-	715
Bonds 2005 Refunding series									
Principal	6,575,000	6,905,000	-	-	-	-	-	-	13,480,000
Interest	674,000	345,250	-	-	-	-	-	-	1,019,250
Bonds 2007 Pension Obligation									
Principal	2,455,000	2,740,000	3,045,000	3,375,000	3,730,000	11,010,000	-	-	26,355,000
Interest	1,480,360	1,342,463	1,188,557	1,017,520	-	1,967,916	-	-	6,996,816
Bonds 2017 Series									
Principal	220,000	455,000	5,845,000	6,535,000	7,330,000	50,640,000	80,310,000	42,735,000	194,070,000
Interest	9,597,800	9,591,200	9,577,550	9,352,350	-	41,113,400	27,101,000	6,330,000	112,663,300
Bonds 2019 Series									
Principal	-	-	700,000	3,720,000	620,000	6,050,000	12,475,000	66,795,000	90,360,000
Interest	4,511,000	4,511,000	4,511,000	4,483,000	-	21,085,000	19,271,000	15,037,000	73,409,000
Bonds 2019 Series, Taxable									
Principal	310,000	770,000	2,655,000	-	-	-	-	-	3,735,000
Interest	79,754	73,399	57,614	-	-	-	-	-	210,766
Total Principal	10,297,397.00	11,564,559.20	12,939,702.80	14,229,280.00	11,680,000.00	67,700,000.00	92,785,000.00	109,530,000.00	330,725,939
Total Interest	17,104,038	16,622,533	16,089,178	15,258,596	-	64,166,316	46,372,000	21,367,000	196,979,662
Total Requirements	<u>\$ 27,401,435</u>	<u>\$ 28,187,092</u>	<u>\$ 29,028,881</u>	<u>\$ 29,487,876</u>	<u>\$ 11,680,000</u>	<u>\$ 131,866,316</u>	<u>\$ 139,157,000</u>	<u>\$ 130,897,000</u>	<u>\$ 527,705,600</u>

#### Advance Refunding of Debt

The District has defeased certain general obligation bonds by placing the proceeds of refunding issues in an irrevocable trust to provide for all future debt service payments on the retired bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. On June 30, 2020, \$13,905,000 of bonds outstanding is considered defeased.

# Tigard-Tualatin School District 23J, Tigard, Oregon

## Notes to Basic Financial Statements

### June 30, 2020

#### O. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2020 are as follows:

Fund Balances:	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue	Total
<b><u>Nonspendable</u></b>					
Prepaid & Inventory	\$ 264,003	\$ -	\$ -	\$ 239,987	\$ 503,990
<b><u>Restricted:</u></b>					
Long Term Debt					
General obligation debt	-	506,616	-	-	506,616
Full faith and credit debt	-	164,047	-	-	164,047
Pension bond debt	-	44,668	-	-	44,668
Construction excise tax agreements	-	-	7,741,449	-	7,741,449
Construction projects per ballot title	-	-	140,142,878	-	140,142,878
School donation accounts	-	-	-	621,489	621,489
Transportation equipment	-	-	-	470,452	470,452
Food service programs	-	-	-	(85,979)	(85,979)
Scrip purchases	-	-	-	789,281	789,281
Grants	-	-	-	1,268,019	1,268,019
Student body funds	-	-	-	1,643,270	1,643,270
	-	715,331	147,884,327	4,706,532	153,306,190
<b><u>Committed:</u></b>					
Facility acquisition, land purchases and leases	-	-	5,162,343	-	5,162,343
Consumables related to prior textbook adoptions	-	-	-	670,999	670,999
ESD programs and related services	-	-	-	909,609	909,609
School savings accounts	-	-	-	536,685	536,685
Facility use and parking lots	-	-	-	1,150,212	1,150,212
Educational programs	-	-	-	667,192	667,192
	-	-	5,162,343	3,934,697	9,097,040
<b><u>Assigned:</u></b>					
Appropriation of fund balance	6,394,508	-	-	-	6,394,508
<b><u>Unassigned:</u></b>	21,450,327	-	-	-	21,450,327
<b><u>Total Fund Balances</u></b>	<b>\$ 28,108,838</b>	<b>\$ 715,331</b>	<b>\$ 153,046,670</b>	<b>\$ 8,881,216</b>	<b>\$ 190,752,055</b>

**Tigard-Tualatin School District 23J, Tigard, Oregon**  
**Notes to Basic Financial Statements**  
**June 30, 2020**

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**P. INTERFUND TRANSFERS AND DUE TO DUE FROM**

	Transfer In	Transfer Out
General Fund	\$ -	\$ 191,530
Full Faith and Credit Debt Service Fund	698,507	140,332
Capital Projects Fund	-	698,507
Special Revenue Fund	991,732	659,870
	<u>          </u>	<u>          </u>
Total	<u>\$ 1,690,239</u>	<u>\$ 1,690,239</u>

General fund transfers of \$54,000 was transferred from the General Fund to the State County Private Grants Fund for obligations to schools. \$137,530 was transferred to the Food Service Fund for as federal law does not allow the Food Service Fund to absorb the loss from the state Meal Provision Program that required the district to provide meals to students regardless of their ability to pay. Following the retirement of transportation debt, \$140,332 was transferred from the Full Faith and Credit Debt Service Fund to the Transportation Equipment Fund, a Special Revenue Fund reserved for transportation purchases. \$698,507 was transferred from the Capital Projects Fund for payment of full faith and credit debt. School Associated Student Body (ASB) funds are required to transfer all funds for purchases of goods or services or payment of club funded activities and sports over \$50 to the District general fund. \$659,871 was transferred in the fiscal year for various purchases made by the general fund for the ASB fund.

The composition of due to/due from balances as of June 30, 2020 is as follows:

	Due to	Due from
General Fund	\$ 493,178	\$ -
Special Revenue Fund	<u>-</u>	<u>493,178</u>
	<u>          </u>	<u>          </u>
Total	<u>\$ 493,178</u>	<u>\$ 493,178</u>

Balances due to or due from funds occur between funds with separate checking or state investment pool accounts. All invoices are paid through the District's general checking account and funds are then transferred to/from the fund's pool account. Receipts are deposited into the District's general checking account and transfers are made to the various separate pool accounts. The due to/due from accounts exist because of timing delays in the transfers and grant expenditures claimed in the following year.

**Q. SUPPLY INVENTORIES**

The supply inventory balances at June 30, 2020, are as follows:

Food Service Fund	
Food and supply items	\$ 49,024
Values of commodities on hand	190,963
Total Inventory Food Service Fund	<u>\$ 239,987</u>

**R. COMPENSATED ABSENCES**

The District does not liquidate liability for compensated absences until leave is actually taken by the employee in the governmental funds. Accrued vacation leave is considered compensated absence. The fund used to liquidate the liability is the fund where the employee's salary was charged as it is used at termination. Of the balance, 93.8 percent reflects vacation salary charged to the General Fund. The liability is considered a current liability as vacation is given at the beginning of the fiscal year and must either be taken within the fiscal year or certain qualifying employees must request a payoff of the balance within one year following the fiscal year in which it was earned. Changes in compensated absences in the basic financial statement are as follows:

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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Balance at June 30, 2019	\$ 566,254
Increase in accumulated accrued compensated absences	146,692
Decrease in accumulated accrued compensated absences	(84,669)
Balance at June 30, 2020	<u>\$ 628,277</u>

#### **S. TAX ABATEMENTS**

As of June 30, 2020, Tigard-Tualatin School District provides tax abatements through three programs:

##### **Vertical Housing (ORS 307.864):**

1. The partial property tax exemption for vertical housing development projects exempts the property from a portion of ad valorem property taxes imposed by local districts, other than districts electing not to participate in the vertical housing development zone.

The exemption percentage is equal to 20% of the taxes for one equalized floor allocated to residential housing, 40% for two equalized floors, 60% for three equalized floors, and 80% for four or more equalized floors. The exemption begins in the first tax year the project is occupied or ready for occupancy following certification under the program and for the next nine consecutive tax years.

##### **Enterprise Zone (ORS 285C.175):**

2. The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction

##### **Not-for-Profit Low Income Rental Housing (ORS 307.540 to 307.548):**

3. In 1985, Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating property tax burden on those agencies that provide this housing opportunity. The qualifying property must be located within the District.

Charitable, nonprofit organizations that provide housing to low-income persons are eligible. Organizations must be certified by the Internal Revenue Service as 501(c)(3) or (4). Organizations must own or have a leasehold interest in the property or participate in a partnership as long as the non-profit organization is responsible for the day-to-day management of the property. Applicants who are leaseholders must have a signed leasehold agreement by the application deadline.

# **Tigard-Tualatin School District 23J, Tigard, Oregon**

## **Notes to Basic Financial Statements**

### **June 30, 2020**

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Vacant land intended to be developed as low-income housing is also eligible for the exemption.

The property tax exemption applies only to the tax levy of a governing body that adopts the provisions of ORS 307.540 to 307.548.

For the fiscal year ended June 30, 2020, the District abated property taxes as follows under these programs:

Enterprise Zone	\$ 61,000
Nonprofit Corporation Low Income Housing	375,000
Vertical Housing	73,000
Total	<u>\$ 509,000</u>

#### **PROPERTY TAX LIMITATIONS**

The State of Oregon imposes a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts and education service districts. The limitation provides that property taxes for school operations are limited to \$5 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The District also may levy a local option tax within the constitutional limits of the state. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The state further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10 percent and limiting future tax value growth of each property to no more than 3 percent per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The state constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the state to minimize the impact to school districts from the impact of the tax cuts.

#### **T. CONTINGENCIES**

Federal and State grants are subject to audit by the grantor agencies and any adjustments may become a liability of the appropriate fund. Management believes that adjustments, if any, will not materially affect the District's results of operations or financial position.

The District receives a substantial portion of its operating funds from the State of Oregon. State funding is determined by state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate, they can cause the District to have either increases or decreases in revenue. Due to these future economic uncertainties at the state level, the effect on the District's operations cannot be determined.

#### **U. SUBSEQUENT EVENTS**

On October 21, 2020, the District acquired real property adjacent to the planned Art Rutkin Elementary school for \$222,769 in order to complete street improvements required by the jurisdiction.

In September 2020, the District and the licensed bargaining unit ratified compensation and benefit terms for one year in an agreement effective July 1, 2020. In October 2020, the District and administrators' association agreed to compensation and benefit terms for one year effective July 1, 2020. In November 2020, the District agreed to compensation and benefit terms with Cabinet and managerial/confidential employee groups for one year effective July 1, 2020. All agreements include a retirement incentive for those retiring between December 31, 2020 and June 30, 2021 with full benefits under the PERS system. The incentive is \$600 monthly paid as a cash stipend or toward health insurance with Oregon Educators Benefit Board coverage for 36 months beginning in July 2021.

In December 2020, the District amended the agreement with the general contractor for the Twality Middle School project to complete construction of the adjacent early learning and training center for \$6.16 million.

**Tigard-Tualatin School District 23J, Tigard, Oregon**  
**Notes to Basic Financial Statements**  
**June 30, 2020**

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V. COVID-19

The COVID-19 outbreak in the United States has caused disruption through mandated and voluntary closure of government and business activities. These developments are expected to impact District revenues. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the District expects this matter to negatively affect its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

W. RESTATEMENT OF NET POSITION AND FUND BALANCE

The beginning net position was restated at July 1, 2019 in the amount of \$2,632,501 due to a change in the actuarial valuation relating to GASB Statement 73. Pension Stipend and GASB Statement 75 Health Insurance Subsidy. In the most recent actuarial valuation, the trust account was removed from the calculation of pension and OPEB liability because it did not meet the definition of a qualified trust under GASB definitions. In addition the beginning net position and beginning fund balance was restated by (\$402,426) due to a change in estimate for investments in the Capital Projects Fund for fair market value adjustments.



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# Required Supplementary Information

## Notes to Required Supplementary Information

1. No budgetary expenditures were in excess of appropriations during the year.
2. The budgetary basis of accounting for all funds is modified accrual, which is the same as that required by generally accepted accounting principles. Accordingly, no reconciliation of budgetary to generally accepted accounting principles activity is required.

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON***Required Supplementary Information***Oregon Public Employees Retirement System (PERS)****For the fiscal year ended June 30, 2020**

## Schedule of the proportionate share of the net pension liability

	(a)	(b)	(c)	(b/c)	
Year Ended June 30,	Employer's proportion of the net pension liability (NPL)	Employer's proportion share of the net pension liability (NPL)	District's covered payroll	NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.81 %	\$ 139,639,948	\$ 77,817,833	179.4 %	80.2 %
2019	0.82	123,734,963	74,681,204	165.7	82.1
2018	0.79	107,062,705	68,066,024	157.3	83.1
2017	0.84	126,576,120	63,017,760	200.9	80.5
2016	0.93	53,557,423	58,462,876	91.6	91.9
2015	0.99	(22,549,161)	55,583,469	(40.6)	103.6
2014	0.99	50,765,839	56,236,916	90.3	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31 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.

## Schedule of contributions

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2020	\$ 19,093,671	\$ 19,093,671	\$ -	\$ 81,930,319	23.3 %
2019	14,315,591	14,315,591	-	77,817,833	18.4
2018	14,077,225	14,077,225	-	74,681,204	18.8
2017	9,730,018	9,730,018	-	68,066,024	14.3
2016	9,879,137	9,879,137	-	63,017,760	15.7
2015	10,481,174	10,481,174	-	58,462,876	17.9
2014	9,995,572	9,995,572	-	55,583,469	18.0

The amounts presented for each fiscal year were actuarial determined at 12/31 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.

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON**  
*Required Supplementary Information*

**SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY - RHIA**

**For the Year Ended June 30**

Schedule of changes in the total OPEB liability

Year ended June 30	Service Cost	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Employer Actual Contributions	Change in Employer Proportion	Employer Total Expense
2020	\$ -	\$ (174,559)	\$ (1,371)	\$ (81,706)	\$ (91,096)	\$ (7,238)	\$ 176,503
2019	-	(42,760)	(2,394)	(162,669)	(342,018)	(4,213)	72,786
2018	-	-	-	(126,546)	(325,946)	(1,431)	937

Schedule of total OPEB liability and related ratios

Year ended June 30	Total OPEB liability beginning (asset)	Net change in total OPEB liability (asset)	Total OPEB liability (asset) ending	Covered payroll	Total OPEB liability as a percentage of covered payroll	Discount Rate
2020	\$ (754,501)	\$ (569,222)	\$ (1,323,723)	\$ 77,817,833	-1.70%	7.20%
2019	\$ (273,233)	\$ (481,268)	\$ (754,501)	\$ 74,681,204	-1.01%	7.20%
2018	\$ 179,753	\$ (452,986)	\$ (273,233)	\$ 68,066,024	-0.40%	7.50%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 73 and GASB 75 in the fiscal year ending June 30, 2018.

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON***Required Supplementary Information*

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY**  
**HEALTH INSURANCE SUBSIDY**  
**For the Year Ended June 30**

	2018	2019	2020
Total OPEB Liability at June 30	\$ 9,489,757	\$ 9,311,641	\$ 8,249,919
Changes for the year:			
Service Cost	239,837	248,231	221,242
Change in Assumptions	-	-	-
Interest	261,281	255,862	166,286
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions or Other Input	(448,979)	-	552,789
Experience Gain or Loss	1,330,517	-	392,161
Benefit Payments	<u>(1,560,772)</u>	<u>(1,565,815)</u>	<u>(1,451,341)</u>
Net Changes for the Year	(178,116)	(1,061,722)	(118,863)
Total OPEB Liability at June 30	<u>\$ 9,311,641</u>	<u>\$ 8,249,919</u>	<u>\$ 8,131,056</u>
Covered Payroll	\$ 69,640,084	\$ 74,591,374	\$ 74,591,374
Total OPEB Plan as a Percentage of Covered Payroll	13.37%	11.06%	10.90%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 73 and GASB 75 in the fiscal year ending June 30, 2018.

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 73/75 in the fiscal year ending June 30, 2018.

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON***Required Supplementary Information**General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2020*

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes - regular	\$ 57,000,000	\$ 57,000,000	\$ 57,626,281	\$ 626,281
Taxes - local option	9,341,400	9,341,400	9,517,782	176,382
Local sources	1,370,465	1,370,465	1,514,404	143,939
Intermediate sources	2,270,000	2,270,000	1,301,562	(968,438)
State sources	73,096,749	73,096,749	73,918,999	822,250
Federal sources	-	-	49,665	49,665
Investment earnings	1,000,000	1,000,000	1,073,431	73,431
<b>Total revenues</b>	<b>144,078,614</b>	<b>144,078,614</b>	<b>145,002,124</b>	<b>923,510</b>
<b>Expenditures</b>				
Current				
Instruction	96,495,075	96,402,446	93,489,683	2,912,763
Support services	55,020,020	55,112,649	50,883,988	4,228,661
Community services	304,386	304,386	294,374	10,012
Operating contingency	4,326,033	4,326,033	-	4,326,033
<b>Total expenditures</b>	<b>156,145,514</b>	<b>156,145,513</b>	<b>144,668,045</b>	<b>11,477,468</b>
Excess (deficiency) of revenues over (under) expenditures	(12,066,900)	(12,066,899)	334,079	12,400,978
<b>Other financing sources (uses)</b>				
Sale of capital asset	-	-	1,348	1,348
Transfers out	(455,000)	(455,000)	(191,530)	263,470
<b>Total other financing sources (uses)</b>	<b>(455,000)</b>	<b>(455,000)</b>	<b>(190,182)</b>	<b>263,470</b>
<b>Net change in fund balances</b>	<b>(12,521,900)</b>	<b>(12,521,899)</b>	<b>143,897</b>	<b>12,665,796</b>
<b>Fund balance, beginning of year</b>	<b>27,000,000</b>	<b>27,000,000</b>	<b>27,964,941</b>	<b>964,941</b>
<b>Fund balance, end of year</b>	<b>\$ 14,478,100</b>	<b>\$ 14,478,100</b>	<b>\$ 28,108,838</b>	<b>\$ 13,630,738</b>

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON***Required Supplementary Information**Special Revenue Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**Year Ended June 30, 2020*

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Local sources	\$ 8,524,598	\$ 8,524,598	\$ 5,049,999	\$ (3,474,599)
Intermediate sources	3,511,880	3,511,880	3,496,887	(14,993)
State sources	8,016,009	8,016,009	3,194,632	(4,821,377)
Federal sources	9,044,702	9,044,702	6,997,715	(2,046,987)
Investment earnings	8,000	8,000	11,839	3,839
Total revenues	<u>29,105,189</u>	<u>29,105,189</u>	<u>18,751,072</u>	<u>(10,354,117)</u>
<b>Expenditures</b>				
Current				
Instruction	14,679,900	14,679,900	8,206,412	6,473,488
Support services	13,778,575	13,707,575	6,687,854	7,019,721
Community services	6,766,804	6,766,804	4,066,545	2,700,259
Transits to other School Districts	<u>300,000</u>	<u>371,000</u>	<u>329,656</u>	<u>41,344</u>
Total expenditures	<u>35,525,279</u>	<u>35,525,279</u>	<u>19,290,467</u>	<u>16,234,812</u>
Excess (deficiency) of revenues over (under) expenditures	(6,420,090)	(6,420,090)	(539,395)	5,880,695
<b>Other financing sources (uses)</b>				
Transfers in	2,220,332	2,220,332	991,732	(1,228,600)
Transfers out	<u>(1,600,000)</u>	<u>(1,600,000)</u>	<u>(659,870)</u>	<u>940,130</u>
Total other financing sources (uses)	<u>620,332</u>	<u>620,332</u>	<u>331,862</u>	<u>(288,470)</u>
Net change in fund balance	(5,799,758)	(5,799,758)	(207,533)	5,592,225
Fund balance, beginning of year	<u>7,354,758</u>	<u>7,354,758</u>	<u>9,088,749</u>	<u>1,733,991</u>
Fund balance, end of year	<u>\$ 1,555,000</u>	<u>\$ 1,555,000</u>	<u>\$ 8,881,216</u>	<u>\$ 7,326,216</u>

# Supplementary Information



**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON***General Obligation Bond Debt Service Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**Year Ended June 30, 2020*

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	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Taxes - regular	\$ 24,509,300	\$ 24,509,300	\$ 21,001,716	\$ (3,507,584)
Investment earnings	<u>150,000</u>	<u>150,000</u>	<u>161,995</u>	<u>11,995</u>
Total revenues	<u>24,659,300</u>	<u>24,659,300</u>	<u>21,163,711</u>	<u>(3,495,589)</u>
Expenditures				
Current				
Debt service	<u>25,159,300</u>	<u>25,159,300</u>	<u>21,384,545</u>	<u>3,774,755</u>
Net change in fund balance	(500,000)	(500,000)	(220,834)	279,166
Fund balance, beginning of year	<u>500,000</u>	<u>500,000</u>	<u>727,450</u>	<u>227,450</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506,616</u>	<u>\$ 506,616</u>

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON***Full Faith and Credit and Lease Obligation Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**Year Ended June 30, 2020*

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Local sources	<u>\$ 950,061</u>	<u>\$ 950,061</u>	<u>\$ 803,169</u>	<u>\$ (146,892)</u>
Total revenues	<u>950,061</u>	<u>950,061</u>	<u>803,169</u>	<u>(146,892)</u>
Expenditures				
Current				
Debt service	<u>1,507,315</u>	<u>1,507,315</u>	<u>1,502,522</u>	<u>4,793</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(557,254)</u>	<u>(557,254)</u>	<u>(699,353)</u>	<u>(142,099)</u>
Other financing sources (uses)				
Transfers in	<u>699,965</u>	<u>699,965</u>	<u>698,507</u>	<u>(1,458)</u>
Transfers out	<u>(140,332)</u>	<u>(140,332)</u>	<u>(140,332)</u>	<u>-</u>
Total other financing sources (uses)	<u>559,633</u>	<u>559,633</u>	<u>558,175</u>	<u>(1,458)</u>
Net change in fund balance	<u>2,379</u>	<u>2,379</u>	<u>(141,178)</u>	<u>(142,099)</u>
Fund balance, beginning of year	<u>109,172</u>	<u>109,172</u>	<u>305,225</u>	<u>196,053</u>
Fund balance, end of year	<u>\$ 111,551</u>	<u>\$ 111,551</u>	<u>\$ 164,047</u>	<u>\$ 52,496</u>

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON***Pension Bond Series 2007 Debt Service Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**Year Ended June 30, 2020*

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	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local sources	\$ 3,788,092	\$ 3,788,092	\$ 3,740,666	\$ (47,426)
Investment earnings	<u>-</u>	<u>-</u>	<u>39,508</u>	<u>39,508</u>
Total revenues	<u>3,788,092</u>	<u>3,788,092</u>	<u>3,780,174</u>	<u>(7,918)</u>
Expenditures				
Current				
Debt service	<u>3,788,092</u>	<u>3,788,092</u>	<u>3,788,092</u>	<u>-</u>
Total expenditures	<u>3,788,092</u>	<u>3,788,092</u>	<u>3,788,092</u>	<u>-</u>
Net change in fund balance	-	-	(7,918)	(7,918)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>52,586</u>	<u>52,586</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 44,668</u></u>	<u><u>\$ 44,668</u></u>

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON***Capital Projects Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**Year Ended June 30, 2020*

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Construction Excise Tax	\$ 1,150,000	\$ 1,150,000	\$ 463,255	\$ (686,745)
Investment earnings	<u>3,765,000</u>	<u>3,765,000</u>	<u>3,728,810</u>	<u>(36,190)</u>
Total revenues	<u>4,915,000</u>	<u>4,915,000</u>	<u>4,192,065</u>	<u>(722,935)</u>
Expenditures				
Current				
Facilities acquisition and construction	<u>242,842,061</u>	<u>242,842,061</u>	<u>82,610,375</u>	<u>160,231,686</u>
Excess (deficiency) of revenues over (under) expenditures	(237,927,061)	(237,927,061)	(78,418,310)	159,508,751
Other financing sources (uses)				
Transfers out	<u>(699,965)</u>	<u>(699,965)</u>	<u>(698,507)</u>	<u>1,458</u>
Total other financing sources (uses)	<u>(699,965)</u>	<u>(699,965)</u>	<u>(698,507)</u>	<u>1,458</u>
Net change in fund balance	(238,627,026)	(238,627,026)	(79,116,817)	159,510,209
Fund balance, beginning of year, restated	<u>248,301,982</u>	<u>248,301,982</u>	<u>232,163,487</u>	<u>(16,138,495)</u>
Fund balance, end of year	<u>\$ 9,674,956</u>	<u>\$ 9,674,956</u>	<u>\$ 153,046,670</u>	<u>\$ 143,371,714</u>

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON***Internal Service Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**Year Ended June 30, 2020*

---

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Local sources	<u>\$ 199,030</u>	<u>\$ 199,030</u>	<u>\$ 341,776</u>	<u>\$ 142,746</u>
Expenditures				
Current				
Instruction	745,000	745,000	-	745,000
Support services	1,350,170	1,350,170	22,760	1,327,410
Community services	<u>218,000</u>	<u>218,000</u>	<u>-</u>	<u>218,000</u>
Total expenditures	<u>2,313,170</u>	<u>2,313,170</u>	<u>22,760</u>	<u>2,290,410</u>
Net change in fund balance	(2,114,140)	(2,114,140)	319,016	2,433,156
Fund balance, beginning of year	<u>2,114,140</u>	<u>2,114,140</u>	<u>2,308,597</u>	<u>194,457</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,627,613</u>	<u>\$ 2,627,613</u>

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON***Early Retirement and Scholarship Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**Year Ended June 30, 2020*

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local sources	\$ 1,137,000	\$ 1,137,000	\$ 1,193,148	\$ 56,148
Investment Earnings	<u>50,000</u>	<u>50,000</u>	<u>61,907</u>	<u>11,907</u>
Total revenues	<u>1,187,000</u>	<u>1,187,000</u>	<u>1,255,055</u>	<u>68,055</u>
Expenditures				
Current				
Support services	<u>2,036,016</u>	<u>2,036,016</u>	<u>985,945</u>	<u>1,050,071</u>
Excess (deficiency) of revenues over (under) expenditures	(849,016)	(849,016)	269,110	1,118,126
Other financing sources (uses)				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
Net change in fund balance	(874,016)	(874,016)	269,110	1,143,126
Fund balance, beginning of year	<u>2,477,000</u>	<u>2,477,000</u>	<u>2,841,309</u>	<u>364,309</u>
Fund balance, end of year	<u>\$ 1,602,984</u>	<u>\$ 1,602,984</u>	<u>\$ 3,110,419</u>	<u>\$ 1,507,435</u>

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON**
*Supplementary Information - Other Financial Schedules*
**Schedule of Property Tax Transactions**
**Year Ended June 30, 2020**

	<u>Tax Year</u>	<u>Current Levy and Uncollected July 1, 2019</u>	<u>Discounts Allowed</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Uncollected June 30, 2020</u>
<u>General Fund:</u>							
Current	2019-2020	\$ 69,157,199	\$ 1,819,802	\$ 15,743	\$ (280,808)	\$ 66,340,851	\$ 731,481
Prior	2018-2019	684,235	(340)	26,021	(8,177)	446,429	255,990
	2017-2018	194,977	(85)	14,770	(15,488)	88,489	105,855
	2016-2017	108,495	62	18,623	(14,327)	77,229	35,500
	2015-2016	49,135	98	10,093	(9,699)	39,136	10,295
	2014-2015	17,545	102	1,694	(4,961)	7,324	6,852
	2014 and Prior	57,166	541	4,012	(8,419)	26,458	25,760
Total Prior		1,111,553	378	75,213	(61,071)	685,065	440,252
		<u>\$ 70,268,752</u>	<u>\$ 1,820,180</u>	<u>\$ 90,956</u>	<u>\$ (341,879)</u>	<u>\$ 67,025,916</u>	<u>\$ 1,171,733</u>

## Reconciliation to revenue:

Cash collections by county treasurers above

\$ 67,025,916

Payments in lieu of taxes

119,391

Accrual of current receivables:

6/30/19

(184,313)

6/30/20

183,069

Total Revenues

\$ 67,144,063

	<u>Tax Year</u>	<u>Current Levy and Uncollected July 1, 2019</u>	<u>Discounts Allowed</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Uncollected June 30, 2020</u>
<u>Debt Service Fund:</u>							
Current	2019-2020	\$ 21,643,756	\$ 569,236	\$ 4,643	\$ (88,158)	\$ 20,762,298	\$ 228,707
Prior	2018-2019	209,254	(104)	7,458	(2,247)	136,703	77,866
	2017-2018	(58,715)	(26)	4,172	114,286	27,387	32,382
	2016-2017	146,280	16	4,391	(122,025)	19,862	8,768
	2015-2016	12,562	26	2,425	(2,204)	10,271	2,486
	2014-2015	4,473	27	429	(1,124)	1,945	1,806
	2014 and Prior	15,242	145	992	(2,081)	7,126	6,882
Total Prior		329,098	84	19,867	(15,395)	203,294	130,192
		<u>\$ 21,972,854</u>	<u>\$ 569,320</u>	<u>\$ 24,510</u>	<u>\$ (103,553)</u>	<u>\$ 20,965,592</u>	<u>\$ 358,899</u>

## Reconciliation to revenue:

Cash collections by county treasurers above

\$ 20,965,592

Payments in lieu of taxes

35,776

Accrual of current receivables:

6/30/19

(55,267)

6/30/20

55,615

Total Revenues

\$ 21,001,716

**TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2020**

Federal Grantor/Pass Through Grantor	Grant		Pass Through Entity Number	Grant Period	Expenditures	Pass Through to Sub-Recipients
Program Title	Fund	Federal CFDA Number				
U.S. DEPARTMENT OF EDUCATION						
Federal Direct						
TRIO - Upward Bound	224	84.047A	N/A	9/01/19-8/31/20	\$ 138,949	\$ 222
TRIO - Upward Bound	224	84.047A	N/A	9/01/18-8/31/19	132,692	36,463
					271,641	36,685
Passed through State Department of Education						
Title I Grants to Local Education Agencies ESSA D&SI	240	84.010A	52084	9/30/18-9/30/20	35,121	
Title I Grants to Local Education Agencies	241	84.010A	53386	7/01/19-9/30/20	1,460,392	16,964
Title I Grants to Local Education Agencies	241	84.010A	50500	7/01/18-9/30/19	346,152	12,674
Title I Program for Neglected and Delinquent	286	84.013A	50500	7/01/19-6/30/20	13,800	-
					1,855,465	29,638
Special Education Grants to States (IDEA, Part B)	226	84.027A	53820	7/01/19-9/30/21	1,949,075	66,364
Special Education Grants to States (IDEA, Part B)	226	84.027A	49970	7/14/18-9/30/20	144,744	14,423
Special Education Preschool Grants (IDEA Preschool)	245	84.173	54098	7/01/19-9/30/21	10,859	10,859
Special Education Grants to States (IDEA, Part B)	246	84.027A	51388	10/1/18-9/30/19	4,453	-
Special Education Grants to States (IDEA, Part B)	248	84.027A	54718	7/01/19-9/30/20	1,822	1,822
Special Education Preschool Grants (IDEA Preschool)	286	84.027A	54098	7/01/19-6/30/20	7,700	-
					2,118,653	93,468
English Language Acquisition State Grants	229	84.365A	53462	7/01/19- 9/30/20	143,351	-
English Language Acquisition State Grants	229	84.365A	50289	7/01/18- 9/30/19	17,852	-
					161,203	-
Foster Care Title IV-E	100	93.658	57274	7/01/17- 6/30/19	12,748	-
Supporting Effective Instruction State Grants	225	84.367A	45927	7/01/19- 9/30/20	246,321	11,524
Supporting Effective Instruction State Grants	225	84.367A	49425	7/01/18- 9/30/19	69,812	53,075
					316,133	64,599
Student Support and Academic Enrichment Grants	225	84.424	50841	7/01/18- 9/30/20	113,028	11,747
Passed through Oregon Department of Human Services						
Child Care and Development Block Grant	220	93.575	156244	1/01/18-6/30/19	45,425	-
Vocational Rehabilitational State Grants	235	84.126A	154944	7/01/19-6/30/21	103,269	-
					148,694	
Total U.S. Department of Education					4,997,565	236,137
Passed through County of Washington Human Services						
Prevention and Treatment of Substance Abuse	277	93.959	19-0865	7/1/19-6/30/21	5,459	-
Total Washington County Federal HHS					5,459	
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES						
Substance Abuse and Mental Health Services_Projects o	242	93.243	N/A	09/30/19-9/29/20	10,796	
Substance Abuse and Mental Health Services_Projects o	242	93.243	N/A	09/30/18-9/29/19	20,098	475
Total U.S. Department of Health & Human Services					30,894	475
U.S. DEPARTMENT OF AGRICULTURE						
Passed through State Department of Education						
National School Lunch Breakfast	205	10.553	N/A	(1)	371,775	-
COVID-19 National School Lunch Breakfast	205	10.553	N/A	(1)	23,091	
National School Lunch	205	10.555	N/A	(1)	1,458,466	-
COVID-19 National School Lunch	205	10.555	N/A	(1)	77,343	
COVID-19 Summer Food	205	10.559	N/A	(1)	44,380	-
SAE-National School Lunch Admin	205	10.560	N/A		1,490	-
Total Child Nutrition					1,976,545	-
Total U.S. Department of Agriculture					1,976,545	-
Passed through Oregon Military Department						
COVID-19 - FEMA - Office of Emergency Management	97.036	DR-4499-OR	3/28/20-6/30/20		36,917	
Total Oregon Military Department					36,917	
Total Expenditure of Federal Awards					\$ 7,047,380	\$ 236,612

**(1) Major Programs**

The accompanying schedule of expenditures of federal awards includes the federal grant activity and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Federal Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



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# 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.

## **Contents**

## **Page**

### ***Financial Trends***

***100-103***

These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.

### ***Revenue Capacity***

***104-107***

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

### ***Debt Capacity***

***108-111***

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.

### ***Demographic and Economic Information***

***112-113***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

### ***Operating Information***

***114-119***

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.

**Schedule 1**  
**Tigard-Tualatin School District No. 23J**  
**Condensed Statement of Net Position**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	Fiscal Year									
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Governmental activities</b>										
Net Position										
Net investment in capital assets	\$ 57,204,175	\$ 50,751,857	\$ 70,455,492	\$ 78,293,177	\$ 85,813,660	\$ 91,663,673	\$ 106,426,011	\$ 109,142,927	\$ 114,439,030	\$ 136,894,568
Restricted	6,259,546	19,524,760	7,760,005	7,133,936	7,998,990	11,453,706	10,547,188	15,036,209	19,204,488	5,421,863
Unrestricted	<u>27,227,464</u>	<u>25,893,237</u>	<u>16,938,388</u>	<u>(51,760,448)</u>	<u>(14,268,560)</u>	<u>(49,027,810)</u>	<u>(62,040,983)</u>	<u>(70,504,580)</u>	<u>(74,606,055)</u>	<u>(94,394,375)</u>
Total Net Position	<u>\$ 90,691,186</u>	<u>\$ 96,169,855</u>	<u>\$ 95,153,885</u>	<u>\$ 33,666,665</u>	<u>\$ 79,544,090</u>	<u>\$ 54,089,570</u>	<u>\$ 54,932,216</u>	<u>\$ 53,674,556</u>	<u>\$ 59,037,463</u>	<u>\$ 47,922,056</u>

Note: The District began to report accrual information when it implemented GASB Statement 34 in 2003.  
In FY12-13 GASB 63 created category of Net Position. All years prior to that were reported as Net Assets.  
In FY14-15 the District implemented GASB 68 resulting in a restatement of the net position at June 30, 2014.

**Schedule 2**  
**Tigard-Tualatin School District No. 23J**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	Fiscal Year									
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction	\$ 76,562,686	\$ 78,589,575	\$ 78,124,127	\$ 78,159,522	\$ 62,345,966	\$ 118,757,908	\$ 101,212,195	\$ 103,409,091	\$ 107,550,544	\$ 115,462,612
Support Services	39,418,986	37,832,977	38,343,055	38,434,091	32,974,800	53,188,022	48,384,764	53,306,939	56,598,097	63,797,944
Enterprise and Community Services	4,414,330	4,819,796	4,765,111	4,550,104	4,085,471	5,646,959	5,240,949	5,024,696	5,427,111	4,755,408
Interest on long-term liabilities	6,648,362	6,710,338	6,295,299	5,991,255	5,599,435	5,118,801	6,527,310	11,791,388	11,587,174	14,289,400
Total expenditures	<u>127,044,364</u>	<u>127,952,686</u>	<u>127,527,591</u>	<u>127,134,971</u>	<u>105,005,671</u>	<u>182,711,691</u>	<u>161,365,219</u>	<u>173,532,113</u>	<u>181,162,926</u>	<u>198,305,364</u>
<b>Program Revenues</b>										
<b>Governmental activities</b>										
Charges for services										
Instruction	4,081,117	4,594,110	3,641,032	3,516,294	4,539,162	2,897,610	2,813,482	2,901,154	2,982,358	2,364,402
Support Services	54	35	54	-	-	-	-	-	-	18,000
Enterprise and Community Services	2,096,852	2,007,583	1,878,182	1,802,215	1,757,178	1,767,776	1,762,535	1,793,636	1,717,207	1,188,174
Operating grants and contributions	16,874,605	16,398,446	15,893,694	15,222,886	17,138,272	16,113,049	17,611,086	20,875,604	21,503,738	20,789,959
Capital grants and contributions	111,952	361,011	375,317	470,260	385,838	387,233	385,760	120,530	120,530	146,390
Total program revenues	<u>23,164,580</u>	<u>23,361,185</u>	<u>21,788,279</u>	<u>21,011,655</u>	<u>23,820,450</u>	<u>21,165,668</u>	<u>22,572,863</u>	<u>25,690,924</u>	<u>26,323,833</u>	<u>24,506,925</u>
<b>Net (Expenditures)/Revenue</b>	(103,879,784)	(104,591,501)	(105,739,312)	(106,123,316)	(81,185,221)	(161,546,023)	(138,792,356)	(147,841,189)	(154,839,093)	(173,798,439)
<b>General Revenues</b>										
<b>Governmental activities</b>										
Property taxes, levied for general purposes	48,059,574	47,258,052	46,410,671	48,573,446	53,023,648	55,671,956	58,504,873	61,684,267	66,401,829	67,167,660
Property taxes, levied for debt service	11,604,661	12,528,378	12,231,708	13,025,060	13,969,228	14,949,875	15,298,201	19,090,424	18,161,545	21,018,574
Federal aid not restricted to specific purposes	3,797,150	37,517	1,369	1,377	1,304	1,514	506	3,030	19,811	76,624
State aid not restricted to specific purposes	39,695,115	45,290,466	43,171,729	50,105,499	54,640,982	59,503,437	59,842,026	69,842,432	64,998,957	68,799,766
Intermediate aid not restricted to specific purposes	264,690	2,697,273	195,450	1,057,282	3,298,968	1,957,778	1,875,770	1,142,292	1,509,693	1,301,562
Earnings on investments	240,409	304,017	304,919	240,215	272,842	307,852	1,019,619	2,436,908	6,495,809	5,015,583
Recovery of prior year expenditures	285,314	151,501	189,487	219,514	286,180	706,103	777,271	396,340	513,168	244,984
Construction excise tax	394,274	742,975	1,261,618	613,791	545,339	1,823,933	1,125,335	1,254,662	887,556	463,255
Gain on sale of capital assets	8,239,782	-	-	1,853,804	-	145,200	156,531	1,146,702	-	-
Other local revenue	1,177,105	1,059,990	956,390	1,096,235	1,024,154	1,023,857	1,034,869	1,003,670	1,213,632	1,629,951
Loss on disposition capital assets	-	-	-	-	-	-	-	-	-	-
Total general revenues	<u>113,758,075</u>	<u>110,070,170</u>	<u>104,723,342</u>	<u>116,786,222</u>	<u>127,062,645</u>	<u>136,091,505</u>	<u>139,635,001</u>	<u>158,000,727</u>	<u>160,201,999</u>	<u>165,717,959</u>
Restatement of net position				(72,150,126)						
<b>Change in Net Position-Governmental activities</b>	<u>\$ 9,878,291</u>	<u>\$ 5,478,669</u>	<u>\$ (1,015,970)</u>	<u>\$ (61,487,220)</u>	<u>\$ 45,877,423</u>	<u>\$ (25,454,519)</u>	<u>\$ 842,646</u>	<u>\$ 10,159,537</u>	<u>\$ 5,362,906</u>	<u>\$ (8,080,480)</u>

Note: The District began to report accrual information when it implemented GASB Statement 34 in 2003.  
In FY12-13 GASB 63 created category of Net Position. All years prior to that were reported as Net Assets.  
In FY14-15 the District implemented GASB 68 resulting in a restatement of the net position at June 30, 2014.

**Schedule 3**  
**Tigard-Tualatin School District No. 23J**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	Fiscal Year									
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
General fund										
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable					3,456	3,725	3,000	40,594	1,889	264,003
Assigned		6,760,000	668,115	-	1,080,117	2,403,855	4,318,535	6,518,040	8,195,866	6,394,508
Unassigned	<u>10,718,297</u>	<u>3,434,457</u>	<u>3,777,726</u>	<u>6,815,886</u>	<u>14,058,759</u>	<u>18,333,897</u>	<u>20,193,027</u>	<u>18,705,372</u>	<u>19,767,187</u>	<u>21,450,327</u>
Total general fund	<u>\$ 10,718,297</u>	<u>\$ 10,194,457</u>	<u>\$ 4,445,841</u>	<u>\$ 6,815,886</u>	<u>\$ 15,142,332</u>	<u>\$ 20,741,477</u>	<u>\$ 24,514,562</u>	<u>\$ 25,264,006</u>	<u>\$ 27,964,941</u>	<u>\$ 28,108,838</u>
All other governmental funds										
Reserved, reported in:										
Special Revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects funds	-	-	-	-	-	-	-	-	-	-
Restricted, reported in:										
Debt Service funds (1)	-	-	-	-	-	-	-	-	-	-
Nonspendable	299,158	301,414	254,468	335,094	319,960	347,763	358,287	470,557	176,474	239,987
Restricted	5,825,299	19,139,501	13,626,923	8,758,904	8,758,053	11,173,838	238,358,048	216,806,345	232,656,012	153,306,190
Committed	14,075,776	13,576,514	10,409,607	11,145,748	10,432,420	10,157,119	9,608,234	10,390,409	9,907,436	9,097,040
Assigned	<u>1,942,956</u>	<u>1,172,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 22,143,189</u>	<u>\$ 34,189,498</u>	<u>\$ 24,290,998</u>	<u>\$ 20,239,746</u>	<u>\$ 19,510,433</u>	<u>\$ 21,678,720</u>	<u>\$ 248,324,569</u>	<u>\$ 227,667,311</u>	<u>\$ 242,739,923</u>	<u>\$ 162,643,217</u>

(1) Starting in 2009-10-comprised of General Obligation Debt Service Funds and Other Debt Service Funds

(2) In 2010-11 the District implemented GASB 54 and fund balances were then reported in various categories based on the nature of the limitations requiring use of resources for specific purposes.

**Schedule 4**  
**Tigard-Tualatin School District No. 23J**  
**Change in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	Fiscal Year									
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Revenues</b>										
Property and other taxes (1)	\$ 59,664,235	\$ 59,786,430	\$ 58,642,379	\$ 61,598,506	\$ 66,992,876	\$ 70,621,831	\$ 73,803,074	\$ 80,774,691	\$ 84,563,374	\$ 88,186,234
Local sources	13,076,347	13,298,682	13,857,708	14,554,703	15,131,020	14,086,791	13,572,826	16,229,620	14,156,961	11,531,038
Intermediate sources	2,457,514	5,009,835	2,289,347	3,400,832	5,508,732	4,364,029	4,629,286	3,971,511	4,743,005	4,798,449
State sources	43,579,834	49,128,595	47,666,900	54,248,446	59,259,105	63,833,598	65,485,824	77,935,591	73,660,080	77,113,631
Federal sources	13,094,060	8,780,889	7,628,627	7,111,120	7,561,425	7,560,443	7,696,999	7,891,972	7,397,900	7,047,380
Investment earnings	240,409	327,493	304,919	240,215	272,842	307,852	1,019,619	2,436,908	6,495,809	5,015,583
Total revenues	132,112,399	136,331,923	130,389,880	141,153,822	154,726,000	160,774,544	166,207,628	189,240,292	191,017,129	193,692,315
<b>Expenditures</b>										
Current										
Instruction	72,980,847	75,792,356	74,287,500	74,987,422	80,241,837	85,620,825	89,549,729	96,497,270	98,051,004	101,660,098
Support services	39,350,822	38,252,302	38,482,850	39,253,892	41,172,985	42,497,523	45,528,683	54,346,195	54,492,794	56,905,399
Community services	4,332,516	4,769,802	4,667,781	4,525,733	4,581,977	4,811,424	4,953,297	4,897,353	4,931,869	4,330,983
Facilities acquisition and construction									76,586,658	39,273,180
Transit payments to other school districts	244,600	271,245	262,237	340,208	517,468	353,567	435,091	249,454	444,820	329,656
Debt service										
Principal	9,398,359	10,206,975	11,337,662	11,886,827	13,502,290	12,212,209	17,694,834	13,096,692	11,636,712	9,185,476
Interest	6,640,948	7,540,003	6,802,764	6,337,224	5,874,903	5,285,364	4,750,282	11,267,891	13,496,801	17,489,683
Fees	-	-	-	1,450	-	-	-	-	-	-
Capital Outlay	399,589	8,633,768	10,196,204	5,502,272	1,237,407	2,226,201	4,874,144	28,793,252	25,921,554	44,069,571
Total expenditures	133,347,681	145,466,451	146,036,997	142,835,028	147,128,866	153,007,113	167,786,059	209,148,106	285,562,211	273,244,046
Excess (deficiency) of revenues over (under) expenditures	(1,235,282)	(9,134,528)	(15,647,117)	(1,681,206)	7,597,133	7,767,431	(1,578,431)	(19,907,814)	(94,545,082)	(79,551,731)
<b>Other financing sources (uses)</b>										
Payment to escrow agent - refunding	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Premium on refunded bonds	-	-	-	-	-	-	-	-	-	-
PERS UAL lump sum payment	-	-	-	-	-	-	-	-	-	-
Debt issuance	431,200	20,656,997	-	-	-	-	231,997,365	-	112,314,949	-
Proceeds from sale of capital assets	8,418,724	-	-	-	-	-	-	-	3,679	1,348
Transfers	4,000	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	8,853,924	20,656,997	-	-	-	-	231,997,365	-	112,318,628	1,348
Net change in fund balances	\$ 7,618,642	\$ 11,522,469	\$ (15,647,117)	\$ (1,681,206)	\$ 7,597,133	\$ 7,767,431	\$ 230,418,934	\$ (19,907,814)	\$ 17,773,546	\$ (79,550,383)
Debt service as a percentage of noncapital expenditures	12.1%	13.0%	13.5%	13.4%	13.4%	11.6%	13.8%	13.7%	13.7%	14.0%
Debt service as a percentage of										
(1) All tax revenue based on property taxes only										

**Schedule 5**  
**Tigard-Tualatin School District No. 23J**  
**Assessed Values of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30	Assessed Value					Total Direct Rate*	Real Market Value (3)	Percentage Assessed Value to RMV
	Real Property	Personal Property	Manufactured Homes	Public Utility	Total Assessed Value (2)			
2010-11	\$ 7,998,204,627	\$ 346,461,144	\$ 10,772,240	\$ 262,597,900	\$ 8,618,035,911	7.372	\$ 12,003,059,695	71.80%
2011-12	7,973,684,470	330,698,285	8,449,180	259,196,860	8,572,028,795	7.440	11,125,702,072	77.05%
2012-13	8,430,145,355	337,916,591	7,292,790	250,744,886	9,026,099,622	7.409	11,084,320,310	81.43%
2013-14	8,751,907,112	344,717,809	7,692,290	250,131,520	9,354,448,731	7.406	11,626,065,057	80.46%
2014-15	9,106,549,619	371,515,944	8,764,280	292,212,000	9,779,041,843	7.464	12,856,078,221	76.07%
2015-16	9,525,208,748	394,480,147	11,560,020	284,585,900	10,215,834,815	7.463	13,656,863,025	74.80%
2016-17	9,900,650,943	406,718,744	17,184,150	279,106,388	10,603,660,225	7.451	15,107,588,519	70.19%
2017-18	10,383,525,489	422,249,122	12,905,580	297,012,964	11,115,693,155	7.765	16,724,672,328	66.46%
2018-19	10,897,583,960	446,712,747	15,055,960	268,651,400	11,628,004,067	7.754	18,226,550,313	63.80%
2019-20	11,345,345,896	432,347,729	16,629,600	270,414,100	12,064,737,325	7.782	18,972,503,779	63.59%

(1) In May of 1997, Oregon voters approved Measure 50 which reduced property tax levies by local government for operations by about 17% statewide.

It also reduced assessed value on individual properties to 1995-96 levels less 10%. Measure 50 also restricts future growth of assessed value of individual properties to 3% per year plus the value of any improvements. Bonded debt is exempt from Measure 50.

(2) Assessed Valuation is the total dollar value placed on real and personal property as a basis for imposing taxes.

(3) Real Market Value represents the amount of cash that could reasonably be expected by an informed seller from an informed buyer.

\* Per \$1,000 of assessed value

Sources: Municipal Debt Advisory Commission, State of Oregon, Clackamas and Washington County Departments of Assessment and Taxation.



**Schedule 6**  
**Tigard-Tualatin School District No. 23J**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
(rate per \$1,000 of assessed value)

District Direct Rates				
Fiscal Year	General Tax		General Obligation Debt	Total Direct Tax Rate
	Permanent	Local Option	Service Bonds (2)	
	Rate	(1)		
2011	\$ 4.989	\$ 1.000	\$ 1.383	\$ 7.372
2012	4.989	1.000	1.451	7.440
2013	4.989	1.000	1.420	7.409
2014	4.989	1.000	1.417	7.406
2015	4.989	1.000	1.475	7.464
2016	4.989	1.000	1.473	7.463
2017	4.989	1.000	1.462	7.451
2018	4.989	1.000	1.776	7.765
2019	4.989	1.000	1.765	7.754
2020	4.989	1.000	1.792	7.782

Overlapping Total Property Tax Rates															
Fiscal Year	Tigard	Tualatin	Tualatin	Tigard	Tualatin	Washington	Sherwood	Portland	Tri-Met	Metropolitan	Lake Oswego	Clackamas	Clackamas	City of Lake	City of
	City of Durham	School District	City of Tualatin	City of Tigard	Valley RFPD	County	School District	Community College	Service District	Service District	School District	Community College	County	Oswego	Portland
2011	\$ 1.807	\$ 7.372	\$ 2.532	\$ 2.722	\$ 1.883	\$ 2.980	\$ 8.883	\$ 0.636	\$ 0.088	\$ 0.409	\$ 6.900	\$ 0.718	\$ 2.404	\$ 5.580	\$ 7.808
2012	1.817	7.440	2.564	2.966	1.930	2.974	8.892	0.598	0.058	0.315	6.854	0.673	2.404	5.583	7.688
2013	1.845	7.409	2.559	2.954	1.915	2.970	8.819	0.665	-	0.404	6.847	0.717	2.404	5.571	7.812
2014	1.845	7.406	2.548	2.945	1.906	2.968	8.821	0.734	-	0.467	6.841	0.708	2.404	5.538	7.980
2015	1.831	7.464	2.535	2.931	1.891	2.838	8.819	0.722	-	0.459	6.813	0.708	2.404	5.394	7.892
2016	1.689	7.463	2.516	2.932	2.108	2.838	8.529	0.586	-	0.388	6.787	0.708	2.404	5.348	7.763
2017	1.639	7.451	2.506	2.898	2.098	2.959	8.678	0.679	-	0.397	6.810	0.706	2.404	5.306	7.730
2018	1.662	7.765	2.496	2.871	2.078	2.958	9.143	0.605	-	0.409	7.950	0.700	2.404	5.247	7.884
2019	1.118	7.754	2.886	2.863	2.084	2.958	8.952	0.687	-	0.473	7.925	0.699	2.404	5.238	7.980
2020	0.493	7.782	2.874	2.852	2.073	2.958	8.794	0.685	-	0.663	8.144	0.690	2.404	5.213	7.883

(1) Local option levy was renewed by the voters in November 2014 for the 2015-16 fiscal year through the 2019-20 fiscal year.

(2) General Obligation Debt Services Bonds have prior voter approval. All current General Obligation Debt has voter approval. Any new General Obligation Debt requires new voter approval.

Overlapping Debt is calculated by the State Treasurer by shared market value.

Source: Washington & Clackamas County Department of Assessment and Taxation.

**Schedule 7**  
**Tigard-Tualatin School District No. 23J**  
**Principal Property Taxpayers Current Year**  
**and Nine Years Ago**

Taxpayers	2019-20			2010-11		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Intel	\$ 1,970,829,308	1	16.34%	-		0.00%
Nike, Inc	1,011,210,140	2	8.38%	-		0.00%
Portland General Electric Co	616,308,814	3	5.11%	59,466,118	6	0.69%
Pacific Realty Associates	405,106,164	4	3.36%	211,626,153	1	2.45%
Northwest Natural Gas Co	368,707,300	5	3.06%	44,881,600	7	0.52%
Genentech Inc	274,026,540	6	2.27%	-		0.00%
Comcast Corporation	254,049,000	7	2.11%	40,425,800	10	0.47%
Verizon Communications	241,357,000	8	2.00%	67,612,000	5	0.78%
Nike IHM	216,673,430	9	1.80%	-		0.00%
LAM Research Corporation	190,462,687	10	1.58%	-		0.00%
BV Centercal LLC	-		-	116,042,234	2	1.35%
Lincoln Center LLC	-		-	81,818,120	3	0.95%
Novellus Systems, Inc.	-		-	86,924,360	4	1.01%
Walton Cwor Pakr BC 8 LLC	-		-	38,203,140	8	0.44%
Tuala Northeast LLC	-		-	38,481,817	9	0.45%
Subtotal of ten largest Taxpayers	5,548,730,383		45.99%	785,481,342		9.11%
All Other Taxpayers	6,516,006,942		54.01%	7,836,423,381		90.89%
Total	\$ 12,064,737,325		100.00%	\$ 8,621,904,723		100.00%

Source: Washington & Clackamas County Department of Assessment and Taxation.

**Schedule 8**  
**Tigard-Tualatin School District No. 23J**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Net Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010-11	\$ 60,787,318	\$ 57,529,464	94.6%	\$ 1,119,571	\$ 58,649,035	96.5%
2011-12	61,102,542	58,111,872	95.1%	957,724	59,069,596	96.7%
2012-13	60,602,464	57,845,437	95.5%	1,859,462	59,704,899	98.5%
2013-14	63,263,087	60,179,613	95.1%	1,324,374	61,503,987	97.2%
2014-15	68,880,155	65,834,718	95.6%	1,152,060	66,986,778	97.3%
2015-16	72,490,241	69,268,420	95.6%	965,494	70,233,914	96.9%
2016-17	75,985,691	72,535,193	95.5%	895,601	73,430,794	96.6%
2017-18	83,575,152	79,792,154	95.5%	936,180	80,728,334	96.6%
2018-19	87,521,671	84,005,223	96.0%	583,132	84,588,355	96.6%
2019-20	90,800,955	87,103,149	95.9%	-	87,103,149	95.9%

Source: Washington and Clackamas County Departments of Assessment and Taxation and Tigard-Tualatin School District financial records.

**Schedule 9**  
**Tigard-Tualatin School District No. 23J**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds (3) (thousands of dollars)	Less Amount Available in Debt Service Fund (thousands of dollars)	Net Bonded Debt (thousands of dollars)	Percentage of Personal Income (2)	Percentage of Actual Value of Taxable Property (1)	Per Capita (2)
2010-11	\$ 75,300	\$ 776	\$ 74,524	2.41%	0.09%	\$ 995
2011-12	86,895	729	86,166	2.53%	0.10%	1,091
2012-13	77,855	428	77,427	2.23%	0.09%	974
2013-14	70,059	149	69,910	1.89%	0.07%	865
2014-15	58,270	97	58,173	1.48%	0.06%	715
2015-16	47,910	2,454	45,456	1.11%	0.04%	560
2016-17	263,713	328	263,385	5.98%	0.25%	3,212
2017-18	255,333	188	255,145	5.79%	0.23%	3,057
2018-19	307,905	727	307,178	6.97%	0.26%	3,596
2019-20	301,645	507	301,138	6.83%	0.25%	3,427

Notes: 2016-17 and 2017-18 percentages calculated using 2016 personal income data, which is the most recent available

(1) See Schedule 5 for property value data

(2) Population and personal income data can be found in Schedule 13

(3) General Obligation Bonds net of original issuance discounts and premiums

**Schedule 10**  
**Tigard-Tualatin School District No. 23J**  
**Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
(dollars in thousands, except per capita and per student)

Fiscal Year	General Obligation Bonds	PERS UAL Bonds	Full Faith & Credit Obligations	Capital Lease Agreements	Issuance Premiums and Discounts	Total Primary Government	Percentage of Personal Income	Per Capita	Per Student
2010-11	\$ 75,300	\$ 38,590	\$ 10,732	\$ 1,327	\$ 503	\$ 126,452	0.14%	\$ 1,688	\$ 10,507
2011-12	86,895	37,915	9,547	976	730	136,063	0.15%	1,723	11,270
2012-13	77,855	37,100	8,371	669	2,643	126,638	0.14%	1,594	10,792
2013-14	68,000	36,135	7,565	409	2,059	114,167	0.12%	1,412	9,646
2014-15	56,730	35,005	6,733	139	1,540	100,146	0.10%	1,232	8,458
2015-16	46,785	33,695	5,914	-	1,125	87,519	0.08%	1,078	7,056
2016-17	232,360	32,195	5,099	-	31,353	301,007	0.26%	3,671	23,784
2017-18	226,360	30,480	4,283	-	28,973	290,096	0.24%	3,476	23,189
2018-19	307,905	28,540	3,466	-	48,538	388,449	0.29%	4,548	31,484
2019-20	301,645	26,355	2,726	-	45,027	375,753	0.27%	4,276	30,709

Sources: Center of Population Research & Census-Portland State University; Washington County; and Oregon Department of Education

**Schedule 11**  
**Tigard-Tualatin School District No. 23J**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2020**

Governmental Unit	Outstanding Gross Property-tax Backed Debt Outstanding (1)	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
City Of Portland	\$ 838,525,454	0.01%	\$ 97,269
City of Tigard	21,425,637	82.05%	17,579,864
City Of Tualatin	23,872,389	83.93%	20,037,075
Clackamas Community College	110,258,913	1.31%	1,446,707
Clackamas County	121,210,000	0.97%	1,170,525
Clackamas Soil & Water Conservation	6,494,000	0.97%	62,713
Metropolitan Service District	979,745,000	5.72%	56,007,123
Northwest Regional ESD	2,643,426	14.56%	384,965
Port of Portland	56,255,000	5.29%	2,973,977
Portland Community College	644,797,061	6.93%	44,672,185
Tualatin Hills Park & Rec District	69,944,234	0.01%	9,582
Tualatin Valley Fire & Rescue District	34,195,000	19.02%	6,502,863
Washington County	213,232,118	17.25%	<u>36,786,805</u>
Subtotal, overlapping debt			187,731,652
District direct debt			<u>375,752,807</u>
Total direct and overlapping debt			<u>\$ 563,484,459</u>

(1) Gross property-tax backed debt is all debt backed by a general fund pledge of the issuer. This includes bonds that may be paid by a source of revenue other than general tax monies.

Overlapping debt percentage is calculated by determining the percentage of real market value that the issuer shares between itself and another issuer. This data is provided to the Oregon Treasury annually to the Oregon Department of Revenue. Not all taxpayers of the District will reside in every overlapping governmental unit.

Source: Municipal Debt Advisory Commission, State of Oregon.

**Schedule 12**  
**Tigard-Tualatin School District No. 23J**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2019-20**

Real Market value	\$ 18,972,503,779
Debt limit (7.95% of real market value)	1,508,314,050
Debt applicable to limit	301,645,000
Legal Debt Margin	<u><u>\$ 1,206,669,050</u></u>

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Debt Limit	\$ 954,243,246	\$ 884,493,315	\$ 881,203,465	\$ 924,272,172	\$ 1,022,058,219	\$ 1,085,720,610	\$ 1,201,053,287	\$ 1,329,611,450	\$ 1,449,010,750	\$ 1,508,314,050
Total net debt applicable to limit	<u>75,300,000</u>	<u>86,895,000</u>	<u>77,855,000</u>	<u>68,000,000</u>	<u>56,730,000</u>	<u>46,785,000</u>	<u>232,360,000</u>	<u>226,360,000</u>	<u>307,905,000</u>	<u>301,645,000</u>
Legal debt margin	<u>\$ 878,943,246</u>	<u>\$ 797,598,315</u>	<u>\$ 803,348,465</u>	<u>\$ 856,272,172</u>	<u>\$ 965,328,219</u>	<u>\$ 1,038,935,610</u>	<u>\$ 968,693,287</u>	<u>\$ 1,103,251,450</u>	<u>\$ 1,141,105,750</u>	<u>\$ 1,206,669,050</u>
Total net debt applicable to the limit as a percentage of debt limit	7.89%	9.82%	8.84%	7.36%	5.55%	4.31%	19.35%	17.02%	21.25%	20.00%

**Schedule 13**  
**Tigard-Tualatin School District No. 23J**  
**Demographics and Economic Statistics**  
**Last Ten Calendar Years**

Fiscal Year	Population (Estimated) (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (2)	Unemployment Rate (3)
2010-11	74,899	\$ 3,093,478	\$ 41,302	9.5%
2011-12	78,970	3,403,844	43,103	8.2%
2012-13	79,455	3,474,408	43,728	7.6%
2013-14	80,845	3,702,216	45,794	6.1%
2014-15	81,310	3,937,193	48,422	5.4%
2015-16	81,175	4,098,445	50,489	5.2%
2016-17	81,995	4,407,313	53,751	3.9%
2017-18	83,455	4,756,184	56,991	3.8%
2018-19	85,420	a	a	3.9%
2019-20	87,880	a	a	11.8%

(1) Estimated population includes population estimates for the cities of Tigard, Tualatin, King City and Durham

(2) U.S. Dept of Commerce, Bureau of Economic Analysis

(3) Employment rate is based on US Dept of Labor figures for the Portland Metropolitan area at June 30, 2020

(a) Data for 2018-19 and 2019-20 was not available at time of printing

Sources: U.S. Department of Labor; Oregon Department of Human Resources, Employment Division for Washington County; Center of Population Research & Census-Portland State University; Oregon Department of Education; and U.S. Department of Commerce, Bureau of Economic Analysis



**Schedule 14**  
**Tigard-Tualatin School District No. 23J**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2019-20			2010-11		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
LAM Research Corporation (Novellus)	2,111	1	26.55%	400	10	6.11%
Tigard-Tualatin School District	1,500	2	18.86%	1,226	1	18.73%
Legacy Meridian Park Hospital	990	3	12.45%	823	3	12.57%
Nortek Air Solutions (CES Group LLC)	689	4	8.66%	-		0.00%
Bay Club	580	5	7.29%	-		0.00%
Pacific Foods of Oregon	510	6	6.41%	-		0.00%
Portland General Electric	478	7	6.01%	-		0.00%
Pacific Furniture Industries	375	8	4.72%	-		0.00%
Creganna Medical	370	9	4.65%	-		0.00%
UPS Inc	349	10	4.39%	512	6	7.82%
HSBC Card Svc	-		0.00%	948	2	14.48%
Mattei Insurance Services	-		0.00%	715	4	10.92%
Lumber Products	-		0.00%	540	5	8.25%
GE Securities	-		0.00%	500	7	7.64%
Sentrol	-		0.00%	481	8	7.35%
Nordstrom	-		0.00%	400	9	6.11%
Total	7,952		100.00%	6,545		100.00%

Source: City of Tigard Adopted Budget, City of Tualatin Business Office and nonfinancial information from district records.

**Schedule 15**  
**Tigard-Tualatin School District No. 23J**  
**Full-Time Equivalent District Employees by Type**  
**Last Ten Fiscal Years**

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Instruction</b>										
Regular instruction	555	551	553	546	529	495	476	478	485	504
Special programs	222	245	250	253	239	229	222	235	229	225
Early childhood	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total direct classroom services	<u>779</u>	<u>796</u>	<u>805</u>	<u>799</u>	<u>768</u>	<u>724</u>	<u>698</u>	<u>713</u>	<u>714</u>	<u>729</u>
<b>Support Services</b>										
Students	91	90	87	75	75	78	74	74	72	72
Instructional staff	41	47	44	37	31	36	31	35	40	45
General administration	3	3	3	3	3	2	2	3	2	2
School administration	89	85	85	78	76	71	68	68	65	67
Business	15	2	17	16	16	16	16	16	15	16
Operations and maintenance of buildings	72	73	73	68	68	65	63	67	60	69
Student transportation	25	23	22	22	21	21	21	21	20	20
Central activities	<u>20</u>	<u>21</u>	<u>19</u>	<u>18</u>	<u>17</u>	<u>10</u>	<u>11</u>	<u>14</u>	<u>12</u>	<u>13</u>
Total classroom support services	<u>356</u>	<u>344</u>	<u>350</u>	<u>317</u>	<u>307</u>	<u>299</u>	<u>286</u>	<u>298</u>	<u>286</u>	<u>304</u>
<b>Enterprise and Community Services</b>										
Food services	34	33	32	30	29	29	30	28	33	30
Scrip services	-	-	2	2	2	2	2	2	2	2
Building use services	1	-	1	2	2	2	2	2	2	2
Other enterprise and community services	<u>2</u>	<u>1</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>1</u>	<u>3</u>
Total enterprise and community services	<u>37</u>	<u>34</u>	<u>39</u>	<u>38</u>	<u>37</u>	<u>36</u>	<u>37</u>	<u>35</u>	<u>38</u>	<u>36</u>
<b>Facilities Acquisition and Construction</b>	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Full-Time Equivalent District Employees</b>	<u>1,174</u>	<u>1,174</u>	<u>1,196</u>	<u>1,155</u>	<u>1,112</u>	<u>1,059</u>	<u>1,021</u>	<u>1,046</u>	<u>1,038</u>	<u>1,069</u>

Source: Nonfinancial information from district records

**Schedule 16**  
**Tigard-Tualatin School District No. 23J**  
**Operating Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Enrollment (1)	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2010-11	12,688	\$ 116,664,185	\$ 9,195	1%	\$ 127,044,364	\$ 10,013	2%	673	18.9:1	36.0%
2011-12	12,691	118,812,460	9,362	2%	127,952,686	10,082	1%	644	19.7:1	37.9%
2012-13	12,641	117,438,131	9,290	-1%	127,527,591	10,088	0%	633	20.0:1	38.7%
2013-14	12,718	118,767,047	9,339	1%	127,134,971	9,996	-1%	629	20.2:1	37.7%
2014-15	12,676	125,996,799	9,940	6%	105,005,671	8,284	-17%	649	19.5:1	34.8%
2015-16	12,799	132,929,772	10,386	4%	182,711,691	14,275	72%	686	18.7:1	33.4%
2016-17	12,808	140,031,709	10,933	5%	161,365,219	12,599	-12%	708	18.1:1	32.6%
2017-18	12,890	155,740,818	12,082	11%	173,532,113	13,463	7%	727	17.7:1	29.6%
2018-19	12,701	158,899,602	12,511	4%	181,162,926	14,264	6%	725	17.5:1	29.4%
2019-20	12,624	162,896,480	12,904	3%	198,305,364	15,709	10%	770	16.4:1	27.0%

(1) Enrollment as of October 1st of the fiscal year.

Operating expenditures are total expenditures less debt service and capital outlays.

In 14-15 the District implemented GASB 68.

Source: Nonfinancial information from district records

**Schedule 17**  
**Tigard-Tualatin School District No. 23J**  
**Teacher Base Salaries**  
**Last Ten Fiscal Years**

Fiscal Year	Minimum Salary	Maximum Salary	Statewide Average Salary
2010-11	\$ 35,227	\$ 70,953	\$ 56,503
2011-12	35,438	71,379	57,080
2012-13	35,438	71,379	57,590
2013-14	35,704	71,914	58,165
2014-15	36,061	72,633	59,477
2015-16	37,143	74,812	60,407
2016-17	38,164	76,870	61,860
2017-18	39,500	79,560	63,086
2018-19	40,685	81,947	64,583
2019-20	41,906	84,405	66,825

Note: 2010-11 Min/Max salary schedule is the same dollar amount as 2009-10 due to extended contract negotiations but includes two (2) fewer work days.  
Source: State Dept. of Education

**Schedule 18**  
**Tigard-Tualatin School District No. 23J**  
**School Building Information**  
**Last Ten Fiscal Years**

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>Building only</u> <u>Ins. Value</u> <u>2019-20</u>
<b>Elementary Schools</b>											
Alberta Rider (2006)							(1)	(1)			
Value	13,038,905	13,038,905	13,038,905	14,370,372	14,440,689	14,787,494	14,787,494	14,787,494	14,787,494	14,381,276	13,186,183
Square Feet	72,995	72,995	72,995	72,995	72,995	72,995	72,995	72,995	72,995	67,000	
Capacity	*624	*624	*624	*624	*624	*624	*624	*624	*624	*624	
Enrollment	579	579	601	624	591	587	595	559	558	536	
Bridgeport (1982)											
Value	4,445,741	4,445,741	4,542,707	4,542,707	4,542,707	4,542,707	4,549,322	4,549,322	4,549,322	9,834,477	9,092,396
Square Feet	66,193	66,193	66,193	66,193	66,193	66,193	66,193	66,193	66,193	67,985	
Capacity	*572	*572	*572	*572	*572	*598	*598	*598	*598	702	
Enrollment	549	549	508	486	498	491	505	521	549	569	
Edward Byrom (1979)											
Value	3,460,823	3,460,823	3,742,032	3,757,775	3,757,775	3,763,316	3,763,316	3,763,316	3,763,316	10,039,060	9,282,800
Square Feet	61,275	61,275	61,275	61,275	61,275	61,275	61,275	61,275	61,275	64,859	
Capacity	*650	*650	*650	*650	*650	*598	*598	*598	*598	702	
Enrollment	624	624	568	529	528	560	553	562	557	535	
Charles F. Tigard (2004)							(2)	(2)			
Value	10,662,995	10,662,995	10,662,995	10,668,932	10,668,932	10,668,932	10,668,932	10,668,932	10,668,932	13,576,081	13,047,600
Square Feet	76,444	76,444	76,444	76,444	76,444	76,444	76,444	76,444	76,444	67,000	
Capacity	*624	*624	*624	*624	*624	*624	*624	*624	*624	650	
Enrollment	547	547	583	553	531	527	508	485	478	482	
Deer Creek (1997)											
Value	7,274,140	7,274,140	7,274,140	7,297,102	7,297,102	7,302,644	7,313,194	7,313,194	7,313,194	11,601,546	11,073,089
Square Feet	61,387	61,387	61,387	61,387	61,387	61,387	61,387	61,387	61,387	61,380	
Capacity	*624	*624	*624	*624	*624	*598	*598	*598	*598	702	
Enrollment	556	556	516	559	580	600	621	611	605	569	
Durham (1989)											
Value	6,271,036	6,271,036	6,271,036	6,365,422	6,365,422	6,365,422	6,373,372	6,373,372	6,373,372	10,637,934	10,473,441
Square Feet	65,322	65,322	65,322	65,322	65,322	65,322	65,322	65,322	65,322	63,175	
Capacity	*598	*598	*598	*598	*598	*598	*598	*598	*598	598	
Enrollment	548	548	550	563	574	584	530	552	560	559	
Mary Woodward (1979)											
Value	4,022,170	4,022,170	4,309,940	4,327,667	4,327,667	4,327,667	4,377,558	4,377,558	4,377,558	8,414,962	8,088,450
Square Feet	68,330	68,330	68,330	68,330	68,330	68,330	68,330	68,330	68,330	72,694	
Capacity	*624	*624	*624	*624	*624	*598	*598	*598	*598	624	
Enrollment	467	467	424	476	469	505	515	534	569	583	

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>Building only</u> <u>Ins. Value</u> <u>2019-20</u>
<u>Elementary Schools</u>											
Metzger (2004)											
Value	11,005,106	11,005,106	11,005,106	11,024,992	11,024,992	11,024,992	11,024,992	11,024,992	11,024,992	12,453,449	11,212,459
Square Feet	69,981	69,981	69,981	69,981	69,981	69,981	69,981	69,981	69,981	70,584	
Capacity	*546	*546	*546	*546	*546	*546	*624	*624	*624	*624	728
Enrollment	574	574	570	620	648	645	652	665	618	613	
James Templeton (1965)											
Value	5,227,913	5,227,913	5,227,913	5,227,913	5,227,913	5,227,913	5,227,913	5,227,913	5,227,913	6,975,699	7,974,214
Square Feet	50,478	50,478	50,478	50,478	50,478	50,478	50,478	50,478	50,478	74,472	
Capacity	*598	*598	*598	*598	*598	*598	*598	*598	*598	598	
Enrollment	614	614	596	574	581	577	593	611	556	545	
New Tualatin (2004)											
Value	11,075,135	11,075,135	11,075,135	11,079,086	11,079,086	11,079,086	11,079,086	11,079,086	11,079,086	12,453,449	11,212,459
Square Feet	76,024	76,024	76,024	76,024	76,024	76,024	76,024	76,024	76,024	67,000	
Capacity	*598	*598	*598	*598	*598	*598	*624	*624	*624	*624	676
Enrollment	584	584	617	577	572	554	556	535	488	482	
Old Tualatin (1930)											
Value	Sold		-	-	-	-	-	-	-	-	-
Square Feet	67,000	-	-	-	-	-	-	-	-	-	-
Capacity	-	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-	-
<u>Middle Schools</u>											
Thomas Fowler (1971)											
Value	11,466,927	11,466,927	11,551,070	12,269,116	12,269,116	12,269,116	12,269,116	12,269,116	21,687,681	24,752,182	22,907,512
Square Feet	124,488	124,488	124,488	124,488	124,488	124,488	124,488	124,488	124,488	124,488	
Capacity	*983	*983	*983	*983	*983	*1000	*1000	*1000	*1000	1,000	
Enrollment	823	823	802	804	815	804	803	801	835	855	
Hazelbrook (1992)											
Value	7,934,067	7,934,067	8,012,431	8,157,260	8,157,260	8,157,260	8,157,260	8,157,260	8,157,260	23,984,627	21,476,056
Square Feet	135,523	135,523	135,523	135,523	135,523	135,523	135,523	135,523	135,523	125,498	
Capacity	*1040	*1040	*1040	*1040	*1040	*1000	*1000	*1000	*1000	1,000	
Enrollment	959	959	988	1,027	984	959	966	970	995	992	
Twality (1963)											
Value	8,449,705	8,449,705	9,503,204	10,023,813	10,060,096	10,060,096	10,124,239	10,124,239	10,124,239	20,248,346	17,764,421
Square Feet	123,314	123,314	123,314	123,314	123,314	123,314	123,314	123,314	123,314	145,000	
Capacity	*942	*942	*942	*942	*942	*942	*942	*942	*942	1,200	
Enrollment	1,012	1,012	1,049	1,051	1,024	1,062	1,026	1,066	1,034	1,083	
<u>High Schools</u>											
Tigard (1953)											
Value	27,001,397	27,001,397	27,109,997	27,239,959	27,371,134	27,371,134	27,371,134	27,371,134	27,371,134	24,818,651	21,409,293
Square Feet	269,639	269,639	269,639	269,639	269,639	269,639	269,639	269,639	269,639	296,449	
Capacity	*1776	*1776	*1776	*1776	*1776	*1776	*1776	*1776	*1776	2,000	
Enrollment	2,046	2,046	1,975	1,990	1,959	1,956	1,992	1,960	1,832	1,778	
Tualatin (1992)											
Value	19,836,558	19,836,558	19,843,020	23,061,107	23,061,989	23,061,989	23,077,489	23,077,489	23,077,489	46,395,847	40,960,567
Square Feet	321,064	321,064	321,064	321,064	321,064	321,064	321,064	321,064	321,064	294,218	
Capacity	*1888	*1888	*1888	*1888	*1888	*1888	*1888	*1888	*1888	2,000	
Enrollment	1,854	1,854	1,842	1,839	1,896	1,928	1,940	1,998	1,947	1,918	

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>Building only Ins. Value 2019-20</u>
Other											
New Administration (2000)											
Value	4,211,600	4,211,600	4,211,600	4,501,326	4,501,326	4,501,326	4,501,326	4,501,326	4,501,326	12,828,471	11,385,895
Square Feet	74,936	74,936	74,936	74,936	74,936	74,936	74,936	74,936	74,936	74,936	
Durham Center (1919) - Creekside HS											
Value	42,753	42,753	42,753	176,005	204,260	204,260	204,260	204,260	204,260	2,518,414	2,229,208
Square Feet	13,464	13,464	13,464	13,464	13,464	13,464	13,464	13,464	13,464	28,200	
Capacity	*105	*105	*105	*105	*105	*105	*105	*105	*105	300	
Enrollment			67	66	55	46	52	50	52	185	
Tigard Swim Center (1974)											
Value	1,621,889	1,621,889	1,621,889	1,621,889	1,621,889	1,621,889	1,621,889	1,621,889	1,621,889	3,000,714	3,000,714
Square Feet	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	
Tualatin Swim Center (1998)											
Value	2,635,231	2,635,231	2,635,231	2,635,231	2,635,231	2,635,231	2,635,231	2,635,231	2,635,231	4,170,337	4,170,337
Square Feet	17,338	17,338	17,338	17,338	17,338	17,338	17,338	17,338	17,338	17,338	
Bus Garage - Tigard (1967)							(3)	(3)			
Value	186,443	186,443	186,443	186,443	186,443	186,443	186,443	186,443	186,443	1,644,124	1,630,486
Square Feet	5,521	5,521	5,521	5,521	5,521	5,521	5,521	5,521	5,521	5,521	
Bus Garage - Tualatin (2013)											
Value				158,753	158,753	158,753	158,753	158,753	158,753	219,921	157,884
Square Feet				1,792	1,792	1,792	1,792	1,792	1,792	1,792	
School Based Health Center(2007)											
Value	296,853	296,853	296,853	296,853	296,853	296,853	296,853	296,853	296,853	278,556	106,254
Square Feet	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	
School Based Health Center(2014)											
Value	-	-	-	-	388,642	388,642	388,642	388,642	388,642	388,642	
Square Feet	-	-	-	-	-	-	-	-	-	-	
Tigard-Tualatin On Line Academy											
Value	-	208,583	209,724	209,724	209,724	209,724	209,724	209,724	209,724	22,973	
Square Feet	-	5,596	5,596	5,596	5,596	5,596	5,596	5,596	5,596	5,596	
Enrollment									93	93	

\*Starting 2008-09 capacity is without portable classrooms. Prior years' capacity may or may not include portable classrooms.

Capacity Source: Tigard-Tualatin School District Capacity Report/Dull Olson Weekes Architects, Inc. (December 2009)

Source: Trended Property Schedule based on Pace appraisals

(1)Not included is the Alberta Rider Cabin for 123,331

(2)Value for CFT includes 2,166,825 for the BRTC bldg

(3)Portable at temp bus lot on 99 - 24,067

Portables are included in total values

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**REQUIRED SCHEDULES, AUDIT COMMENTS & DISCLOSURES**

# Schedules Required by Oregon Department of Education

## SUPPLEMENTAL INFORMATION, 2019-2020

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.  
Part A is needed for computing Oregon's full allocation for ESSA, Title I & other Federal Funds for Education.

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

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

	Objects 325 & 326 & *327
Function 2540	\$1,729,621
Function 2550	\$4,168

**B. Replacement of Equipment – General Fund:**

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

Exclude these functions:

\$235,459

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

*\*Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.*

**2019-20 AUDIT REVENUE SUMMARY**  
**Tigard-Tualatin School District 23J**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
<b>Revenue from Local Sources</b>							
1110 Ad Valorem Taxes Levied by District	\$57,555,961		\$20,982,053				
1120 Local Option Ad Valorem Taxes Levied by District	\$9,517,783						
1130 Construction Excise Tax				\$463,255			
1190 Penalties and Interest on Taxes	\$70,320		\$19,663				
1200 Revenue from Local Governmental Units Other Than Districts							
1311 Regular Day School Tuition - From Individuals	\$17,320						
1312 Regular Day School Tuition - Other Dist Within State	\$215,000						
1313 Regular Day School Tuition - Other Districts Outside							
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition							
1411 Transportation Fees - From Individuals							
1412 Transportation Fees - Other Dist Within State							
1413 Transportation Fees - Other Districts Outside							
1420 Summer School Transportation Fees							
1500 Earnings on Investments	\$1,073,431	\$11,839	\$201,590	\$3,728,806			\$61,906
1600 Food Service		\$881,414					
1700 Extracurricular Activities	\$256,038	\$23,312					
1800 Community Services Activities	\$111,962	\$59,109					
1910 Rentals		\$321,336	-\$146,979				
1920 Contributions and Donations From Private Sources		\$1,960,509					
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies							
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure	\$136,652					\$44,758	
1970 Services Provided Other Funds			\$3,740,666			\$108,996	
1980 Fees Charged to Grants	\$211,611						
1990 Miscellaneous	\$565,820	\$1,804,318				\$188,023	\$1,193,147
<b>Total Revenue from Local Sources</b>	\$69,731,899	\$5,061,838	\$24,796,993	\$4,192,061	\$0	\$341,776	\$1,255,054
<b>Revenue from Intermediate Sources</b>							
2101 County School Funds	\$331,562						
2102 General ESD Revenue	\$970,000	\$3,234,927					
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources		\$9,108					
2200 Restricted Revenue		\$252,852					
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
<b>Total Revenue from Intermediate Sources</b>	\$1,301,562	\$3,496,887	\$0	\$0	\$0	\$0	\$0
<b>Revenue from State Sources</b>							
3101 State School Fund - General Support	\$69,207,359						
3102 State School Fund - School Lunch Match		\$36,467					
3103 Common School Fund	\$1,239,774						
3104 State Managed County Timber							
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid	\$3,440,568	-\$7,861					
3204 Driver Education	\$20,280						
3222 State School Fund (SSF) Transportation Equipment		\$146,390					
3299 Other Restricted Grants-in-Aid	\$11,018	\$3,019,636					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
<b>Total Revenue from State Sources</b>	\$73,918,999	\$3,194,633	\$0	\$0	\$0	\$0	\$0
<b>Revenue from Federal Sources</b>							
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4201 Transportation Fees for Foster Children							
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)							
4300 Restricted Revenue From the Federal Government	\$36,917	\$302,535					
4500 Restricted Revenue From the Federal Government Through the State	\$12,748	\$6,387,520					
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)							
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)							
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies		\$5,459					
4801 Federal Forest Fees							
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District		\$302,200					
<b>Total Revenue from Federal Sources</b>	\$49,666	\$6,997,714	\$0	\$0	\$0	\$0	\$0
<b>Revenue from Other Sources</b>							
5100 Long Term Debt Financing Sources			\$950,061				
5200 Interfund Transfers		\$991,733	\$698,507				
5300 Sale of or Compensation for Loss of Fixed Assets	\$1,348						
5400 Resources - Beginning Fund Balance							
<b>Total Revenue from Other Sources</b>	\$1,348	\$991,733	\$1,648,568	\$0	\$0	\$0	\$0
<b>Grand Total</b>	<b>\$145,003,473</b>	<b>\$19,742,805</b>	<b>\$26,445,561</b>	<b>\$4,192,061</b>	<b>\$0</b>	<b>\$341,776</b>	<b>\$1,255,054</b>

**DISTRICT AUDIT EXPENDITURE SUMMARY**  
**Tigard-Tualatin School District 23J**

**Fund: 100 General Fund**

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$31,432,950	\$17,826,826	\$12,783,529	\$405,205	\$416,122		\$1,268	
1113	Elementary Extracurricular	\$73,124	\$52,711	\$18,384	\$1,060	\$905		\$65	
1121	Middle/Junior High Programs	\$15,763,663	\$8,975,546	\$6,288,001	\$229,507	\$260,849		\$9,761	
1122	Middle/Junior High School Extracurricular	\$104,804	\$68,550	\$28,708	\$120	\$7,426			
1131	High School Programs	\$21,551,798	\$12,032,064	\$8,532,628	\$592,595	\$371,886		\$22,625	
1132	High School Extracurricular	\$2,022,258	\$1,285,453	\$563,048	\$25,534	\$57,378	\$4,138	\$86,707	
1140	Pre-Kindergarten Programs	\$702,299	\$246,030	\$185,742	\$262,688	\$7,839			
1210	Programs for the Talented and Gifted	\$383,154	\$226,009	\$155,535	\$1,419	\$130		\$60	
1220	Restrictive Programs for Students with Disabilities	\$2,143,182	\$1,144,427	\$868,024	\$112,774	\$17,957			
1250	Less Restrictive Programs for Students with Disabilities	\$10,454,083	\$5,508,124	\$4,613,519	\$313,139	\$19,300		\$1	
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$1,151,246	\$715,338	\$372,108	\$7,397	\$56,403			
1272	Title I	\$2,228	\$492	\$634	\$1,102				
1280	Alternative Education	\$3,955,783	\$1,191,776	\$924,819	\$1,804,879	\$32,159		\$2,150	
1291	English Second Language Programs	\$3,631,145	\$2,033,110	\$1,555,280	\$33,643	\$9,112			
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$116,161	\$37,097	\$21,703	\$9,805	\$99		\$47,456	
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$1,810	\$1,165	\$494		\$151			
<b>Total Instruction Expenditures</b>		<b>\$93,489,686</b>	<b>\$51,344,716</b>	<b>\$36,912,156</b>	<b>\$3,800,866</b>	<b>\$1,257,716</b>	<b>\$4,138</b>	<b>\$170,093</b>	<b>\$0</b>
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$1,512,941	\$899,139	\$595,695	\$16,362	\$1,745			
2120	Guidance Services	\$6,092,247	\$3,300,833	\$2,440,479	\$322,947	\$27,350		\$637	
2130	Health Services	\$406,098	\$139,959	\$106,035	\$155,254	\$4,814		\$36	
2140	Psychological Services	\$516,808	\$288,823	\$208,635	\$10,361	\$8,989			
2150	Speech Pathology and Audiology Services	\$253,315	\$144,447	\$105,008	\$3,302	\$306		\$253	
2160	Other Student Treatment Services	\$81,989			\$81,989				
2190	Service Direction, Student Support Services	\$509,341	\$294,682	\$199,178	\$9,601	\$4,690		\$1,190	
2210	Improvement of Instruction Services	\$2,156,784	\$1,230,054	\$866,879	\$46,858	\$11,343		\$1,650	
2220	Educational Media Services	\$1,356,106	\$683,684	\$585,312	\$5,683	\$81,213		\$214	
2230	Assessment & Testing	\$485,582	\$237,589	\$151,684	\$72,614	\$22,845		\$850	
2240	Instructional Staff Development	\$918,147	\$327,896	\$232,187	\$354,537	\$2,551		\$976	
2310	Board of Education Services	\$401,939			\$110,745	\$6,390		\$284,805	
2320	Executive Administration Services	\$773,587	\$452,705	\$275,497	\$36,194	\$5,420		\$3,770	
2410	Office of the Principal Services	\$10,200,863	\$5,838,237	\$4,163,380	\$93,853	\$101,775		\$3,618	
2490	Other Support Services - School Administration	\$107				\$107			
2510	Direction of Business Support Services	\$423,970	\$214,231	\$139,827	\$61,185			\$8,728	
2520	Fiscal Services	\$1,847,488	\$858,642	\$610,387	\$25,579	\$10,552		\$342,328	
2540	Operation and Maintenance of Plant Services	\$10,503,822	\$3,430,920	\$2,672,251	\$3,180,532	\$751,200	\$265,014	\$203,905	
2550	Student Transportation Services	\$6,916,102	\$942,756	\$890,267	\$4,604,546	\$90,904	\$386,710	\$920	
2570	Internal Services	\$698,413	\$220,324	\$169,315	\$164,282	\$124,161	\$14,720	\$5,612	
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$263				\$263			
2630	Information Services	\$678,374	\$332,786	\$214,404	\$18,500	\$109,819		\$2,865	
2640	Staff Services	\$1,308,889	\$539,669	\$588,536	\$78,884	\$19,188		\$82,613	
2660	Technology Services	\$2,806,221	\$1,023,587	\$673,801	\$639,050	\$468,905		\$878	
2670	Records Management Services	\$34,589	\$13,092	\$4,521	\$16,976				
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>		<b>\$50,883,987</b>	<b>\$21,414,056</b>	<b>\$15,893,276</b>	<b>\$10,109,835</b>	<b>\$1,854,530</b>	<b>\$666,444</b>	<b>\$945,847</b>	<b>\$0</b>
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$5,120	\$2,923	\$2,198					
3200	Other Enterprise Services	\$0							
3300	Community Services	\$211,220	\$109,753	\$101,467					
3500	Custody and Care of Children Services	\$78,032	\$43,199	\$34,364	\$468				
<b>Total Enterprise and Community Services Expenditures</b>		<b>\$294,372</b>	<b>\$155,875</b>	<b>\$138,029</b>	<b>\$468</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$191,530							\$191,530
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>		<b>\$191,530</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$191,530</b>
<b>Grand Total</b>		<b>\$144,859,575</b>	<b>\$72,914,647</b>	<b>\$52,943,461</b>	<b>\$13,911,169</b>	<b>\$3,112,246</b>	<b>\$670,582</b>	<b>\$1,115,940</b>	<b>\$191,530</b>

**DISTRICT AUDIT EXPENDITURE SUMMARY**  
**Tigard-Tualatin School District 23J**

**Fund: 200 Special Revenue Funds**

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$206,861	\$115,486	\$27,807	\$10,506	\$52,548		\$515	
1113	Elementary Extracurricular	\$59,979	\$33,573	\$14,003	\$4,934	\$6,981		\$488	
1121	Middle/Junior High Programs	\$399,726	\$77,713	\$59,684	\$135,738	\$116,066	\$9,009	\$1,516	
1122	Middle/Junior High School Extracurricular	\$123,856	\$9,457	\$4,068	\$1,250	\$108,068		\$1,012	
1131	High School Programs	\$994,857	\$359,033	\$219,023	\$97,368	\$187,077	\$7,152	\$125,205	
1132	High School Extracurricular	\$1,204,581	\$151,365	\$33,687	\$126,174	\$856,863	\$15,697	\$20,795	
1140	Pre-Kindergarten Programs	\$66,586			\$63,911			\$2,675	
1210	Programs for the Talented and Gifted	\$1,096			\$640	\$456			
1220	Restrictive Programs for Students with Disabilities	\$1,447,803	\$240,483	\$206,222	\$983,181	\$12,852		\$5,065	
1250	Less Restrictive Programs for Students with Disabilities	\$1,588,219	\$669,976	\$486,019	\$426,908	\$5,316			
1260	Treatment and Habilitation	\$212,411			\$212,411				
1271	Remediation	\$0							
1272	Title I	\$1,667,661	\$1,003,245	\$545,175	\$32,257	\$18,407		\$68,576	
1280	Alternative Education	\$19,173	\$1,666	\$708	\$414	\$16,386			
1291	English Second Language Programs	\$13,524				\$10,537		\$2,987	
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$200,078	\$104,213	\$82,553	\$1,302	\$3,004		\$9,005	
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>		<b>\$8,206,412</b>	<b>\$2,766,210</b>	<b>\$1,678,950</b>	<b>\$2,096,994</b>	<b>\$1,394,560</b>	<b>\$31,858</b>	<b>\$237,839</b>	<b>\$0</b>
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$6,344			\$6,344				
2120	Guidance Services	\$1,212,428	\$616,310	\$383,073	\$170,847	\$23,694		\$18,505	
2130	Health Services	\$353,467			\$353,467				
2140	Psychological Services	\$517,259	\$84,452	\$57,246	\$374,553	\$1,008			
2150	Speech Pathology and Audiology Services	\$778,066	\$111,159	\$63,349	\$602,548	\$643		\$368	
2160	Other Student Treatment Services	\$500			\$500				
2190	Service Direction, Student Support Services	\$184,809	\$103,045	\$70,905	\$10,859				
2210	Improvement of Instruction Services	\$1,112,334	\$643,961	\$402,420	\$53,296	\$12,656			
2220	Educational Media Services	\$5,040				\$5,040			
2230	Assessment & Testing	\$4,107	\$264	\$21	\$2,524	\$1,298			
2240	Instructional Staff Development	\$1,401,960	\$662,699	\$454,785	\$210,220	\$60,124		\$14,132	
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$121,148			\$91,971	\$29,177			
2410	Office of the Principal Services	\$128,115	\$61,758	\$37,912		\$28,445			
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$4,776			\$4,155	\$621			
2520	Fiscal Services	\$3,254				\$3,254			
2540	Operation and Maintenance of Plant Services	\$3,189				\$3,189			
2550	Student Transportation Services	\$199,507			\$199,507				
2570	Internal Services	\$33,296			\$33,296				
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$124,638	\$72,774	\$51,864					
2630	Information Services	\$41,696	\$360	\$98	\$30,776	\$10,462			
2640	Staff Services	\$48,795	\$7,940	\$3,440	\$30,572	\$6,602		\$241	
2660	Technology Services	\$397,635			\$124,337	\$273,298			
2670	Records Management Services	\$5,489	\$45	\$16	\$5,428				
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>		<b>\$6,687,854</b>	<b>\$2,364,768</b>	<b>\$1,525,130</b>	<b>\$2,305,200</b>	<b>\$459,511</b>	<b>\$0</b>	<b>\$33,246</b>	<b>\$0</b>
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$3,806,557	\$1,217,499	\$1,151,107	\$59,391	\$1,344,159	\$29,936	\$4,465	
3200	Other Enterprise Services	\$0							
3300	Community Services	\$214,564	\$96,018	\$72,174	\$19,799	\$21,490		\$5,084	
3500	Custody and Care of Children Services	\$45,425	\$20,893	\$12,620	\$5,095	\$3,853		\$2,964	
<b>Total Enterprise and Community Services Expenditures</b>		<b>\$4,066,546</b>	<b>\$1,334,410</b>	<b>\$1,235,901</b>	<b>\$84,285</b>	<b>\$1,369,501</b>	<b>\$29,936</b>	<b>\$12,512</b>	<b>\$0</b>
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$659,871							\$659,871
5300	Apportionment of Funds by ESD	\$329,656							\$329,656
5400	PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>		<b>\$989,527</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$989,527</b>
<b>Grand Total</b>		<b>\$19,950,338</b>	<b>\$6,465,388</b>	<b>\$4,439,981</b>	<b>\$4,486,479</b>	<b>\$3,223,572</b>	<b>\$61,794</b>	<b>\$283,597</b>	<b>\$989,527</b>

**DISTRICT AUDIT EXPENDITURE SUMMARY**  
**Tigard-Tualatin School District 23J**

**Fund: 300 Debt Service Funds**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$0							
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	\$26,675,158						\$26,675,158	
5200	Transfers of Funds	\$140,332							\$140,332
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>		\$26,815,490	\$0	\$0	\$0	\$0	\$0	\$26,675,158	\$140,332
<b>Grand Total</b>		\$26,815,490	\$0	\$0	\$0	\$0	\$0	\$26,675,158	\$140,332

**DISTRICT AUDIT EXPENDITURE SUMMARY**  
**Tigard-Tualatin School District 23J**

**Fund: 400 Capital Projects Funds**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$0							
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	\$2,871,754	\$511,825	\$322,866	\$1,614,891	\$54,236		\$367,937	
4120	Site Acquisition and Development Services	\$2,667,740			\$443,052		\$1,945,806	\$278,882	
4150	Building Acquisition, Construction, and Improvement Services	\$70,970,674			\$33,660,443	\$51,903	\$36,804,881	\$453,448	
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$6,100,207	\$116,353	\$68,846	\$3,692	\$1,324,807	\$4,586,508		
<b>Total Facilities Acquisition and Construction Expenditures</b>		\$82,610,375	\$628,178	\$391,712	\$35,722,078	\$1,430,946	\$43,337,195	\$1,100,266	\$0
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	\$0							
5200	Transfers of Funds	\$698,507							\$698,507
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>		\$698,507	\$0	\$0	\$0	\$0	\$0	\$0	\$698,507
<b>Grand Total</b>		<b>\$83,308,882</b>	<b>\$628,178</b>	<b>\$391,712</b>	<b>\$35,722,078</b>	<b>\$1,430,946</b>	<b>\$43,337,195</b>	<b>\$1,100,266</b>	<b>\$698,507</b>



**DISTRICT AUDIT EXPENDITURE SUMMARY**  
**Tigard-Tualatin School District 23J**

Fund: 600 Internal Service Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$0							
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Ser	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$22,760		\$22,760					
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$22,760	\$0	\$22,760	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$22,760	\$0	\$22,760	\$0	\$0	\$0	\$0	\$0

# DISTRICT AUDIT EXPENDITURE SUMMARY

## Tigard-Tualatin School District 23J

Fund: 700 Trust and Agency Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$0							
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Ser	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$985,944	\$134,925	\$851,019					
Total Support Services Expenditures		\$985,944	\$134,925	\$851,019	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$985,944	\$134,925	\$851,019	\$0	\$0	\$0	\$0	\$0

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## Audit Comments and Disclosures Required by State Regulations

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www.paulyrogersandcpcas.com

December 23, 2020

### **Independent Auditors' Report Required by Oregon State Regulations**

We have audited the basic financial statements of the Tigard-Tualatin School District No. 23J as of and for the year ended June 30, 2020, and have issued our report thereon dated December 23, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

### **Compliance**

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of 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 Tigard-Tualatin School District No. 23J 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.

### **OAR 162-10-0230 Internal Control**

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

This report is intended solely for the information and use of the Board of Directors and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink that reads "Tara M Kamp, CPA". The signature is written in a cursive, flowing style.

Tara M Kamp, CPA  
PAULY, ROGERS AND CO., P.C.

# GRANT COMPLIANCE





**PAULY, ROGERS, AND CO., P.C.**  
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December 23, 2020

To the Board of Directors  
Tigard-Tualatin School District No. 23J  
Washington County, Oregon

**INDEPENDENT AUDITORS' 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***

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 Tigard-Tualatin School District No. 23J as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 23, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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 financial statements are free from material misstatement, we performed tests of 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 internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tara M Kamp, CPA  
PAULY, ROGERS AND CO., P.C.



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December 23, 2020

To the Board of Directors  
Tigard-Tualatin School District No. 23J  
Washington County, Oregon

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

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

We have audited Tigard-Tualatin School District No. 23J'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 major federal programs for the year ended June 30, 2020. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the 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 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 compliance.

**Opinion on Each Major Federal Program**

In our opinion, Tigard-Tualatin School District No. 23J 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, 2020.

## Report on Internal Control Over Compliance

Management 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 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 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.

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.



Tara M Kamp, CPA  
PAULY, ROGERS AND CO., P.C.

TIGARD-TUALATIN SCHOOL DISTRICT NO. 23J  
WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020

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**SECTION I – SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiency(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Any GAGAS audit findings disclosed that are required to be reported in accordance with section 515(d)(2) of the Uniform Guidance? ☐ yes ☒ no

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiency(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance? ☐ yes ☒ no

**IDENTIFICATION OF MAJOR PROGRAMS**

**CFDA NUMBER**

**NAME OF FEDERAL PROGRAM CLUSTER**

10.553,10.555,10.559 Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

TIGARD-TUALATIN SCHOOL DISTRICT NO. 23J  
WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES**

1. **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with 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). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has not elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.

*The End*