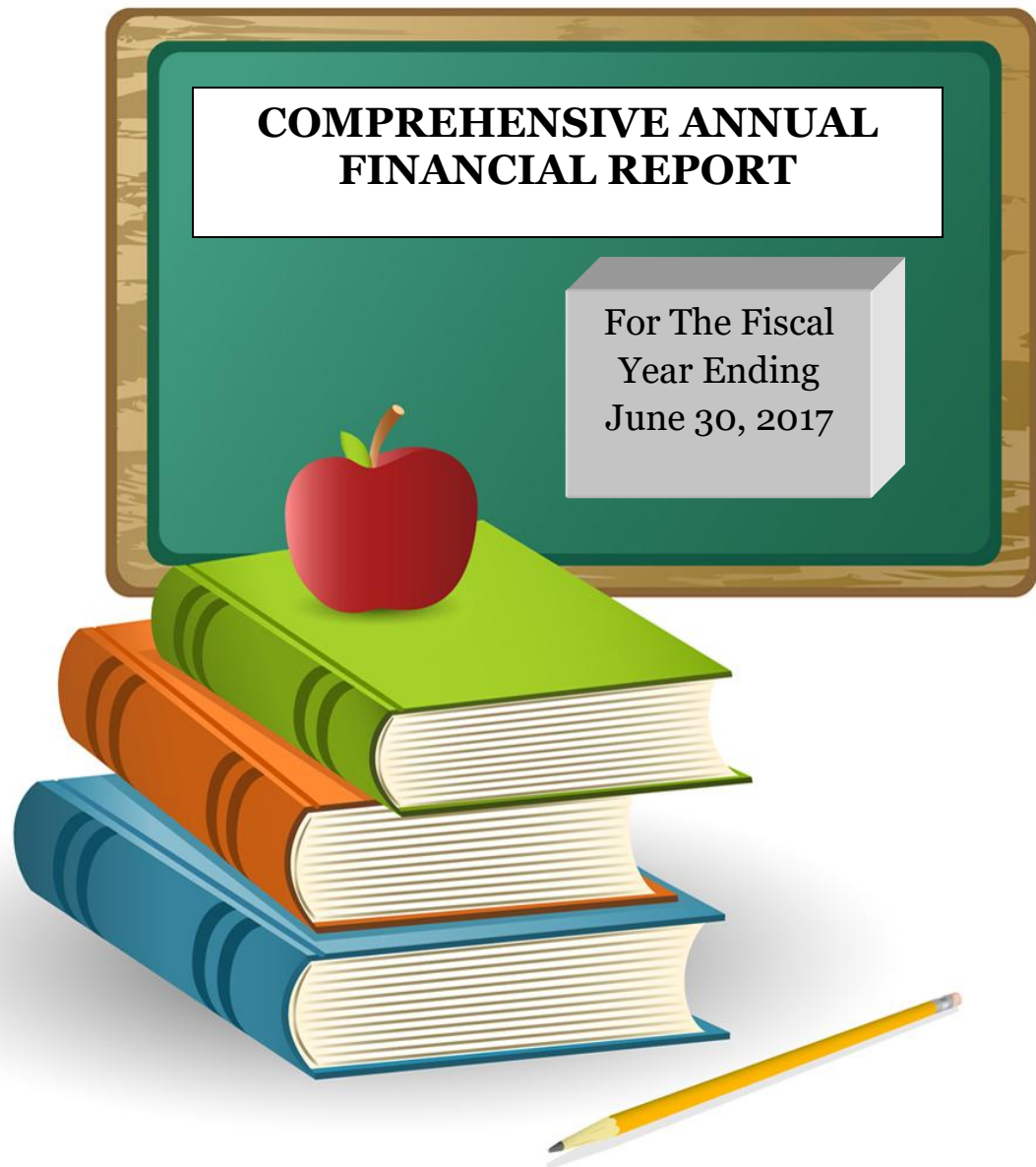


Tigard-Tualatin School District 23J



Washington County ~ Tigard ~ Oregon

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

Comprehensive Annual Financial Report

For the fiscal year ended
June 30, 2017

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, 2017

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INTRODUCTORY SECTION

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Tigard - Tualatin School District 23J
Larry Hibbard Administration Center
6960 SW Sandburg Street
Tigard, Oregon 97223
503-431-4000; FAX: 503-431-4047
www.ttsdschools.org

December 12, 2017

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, 2017, 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, 2017, 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, 2017, 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 compliments 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 81,995. 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 12,636 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, 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 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 new Strategic Plan. The plan focuses on immediate outcomes that will improve learning and the education 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.

In 2016-17, 3,524 community members volunteered an estimated 97,558 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.

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 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 County in the state of Washington. According to the Oregon State Employment Department, Multnomah and Washington counties together have almost 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 for 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 approximately 583,000 in unincorporated areas and 16 incorporated cities, such as Beaverton, Hillsboro, Tigard, and Tualatin, as well as a portion of the City of Portland.

Tigard-Tualatin School District is the largest employer within the school district's boundaries. The non-seasonally adjusted unemployment rate for Washington County on June 30, 2017 was 3.5 percent compared to 4.7 percent on June 30, 2016 and 4.0 percent for the state of Oregon compared to 5.3 percent in June 2016.

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 is on pace to exceed the total estimate at the time the levy was passed. The 2015-16 collections of \$6.8 million exceeded budgetary expectation by \$500,000 and the 2016-17 collections of \$7.8 million exceeded the budget by \$1.1 million. The 2017-18 levy was recently made available and the District estimates collections will approximate the \$8.4 million budgeted. This upward trend compares favorably to 2010-11 and 2011-12 levies when property values decreased in a manner that caused the amounts to be collected to decline below expectations. However, due to the uncertainty of the housing market and property values, the level of this revenue in future years will be difficult to predict.

For the 2015-17 biennium, the legislature allocated a State School Fund amount of \$7.38 billion. This was an increase of \$630 million from 2013-15 which effectively supported 2014-15 staffing levels plus the implementation of full-day kindergarten in 2015-16. The District strategically applied \$4 million in surplus resources and cost savings realized in 2014-15 to the 2015-16 budget to supplement the State School Fund allocation. Total reinvestments in 2015-16 of approximately \$6.8 million were implemented consisting of nearly 70 additional FTE, including 47 licensed staff for free full-day kindergarten, class size reduction at all levels, and student interventions.

The District added additional budget investments of \$2.9 million in 2016-17 due to additional resources and cost savings realized in 2015-16. These investments totaled approximately 29 FTE and included classroom and special education teachers and support in the areas of new teachers, technology, family engagement, and testing. The 2016-17 budget also reserved \$2.4 million of additional resources and cost savings realized in 2015-16 for future sustainability of current programs.

The legislature has allocated a State School Fund amount of \$8.2 billion for the 2017-19 biennium which will basically cover the increase in cost of current operating expenditures. However, the District again ended 2016-17 in a surplus position with an ending fund balance in the General Fund of \$24.5 million. The \$3.8 million growth in the ending fund balance from the prior year is attributed to surpluses in 2016-17 operating revenue and savings in 2016-17 operating expenditures. The ending fund balance of \$24.5 million also exceeds the targeted contingency and reserves per Board policy (12% of operating revenues) by \$9 million. The District views this as a one-time resource but in 2017-18 has strategically applied \$6.1 million to implement new investments including 43 FTE and program expenditures that support the new Strategic Plan. The remainder is targeted to save for future sustainability of current programs and reserved to offset the operating costs of a new elementary school scheduled to open in 2021-22.

In addition to the implementation of the new Strategic Plan in 2016-17, the District adopted the first

version of the District's Strategic Financial Plan which 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. Construction began on bond projects in the spring of 2017.

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 Fund, 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 a self insurance fund for unemployment 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, 2016. This was the 29th 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.

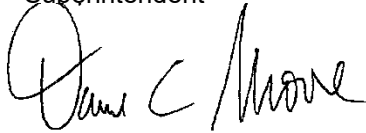
ACKNOWLEDGMENTS

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.

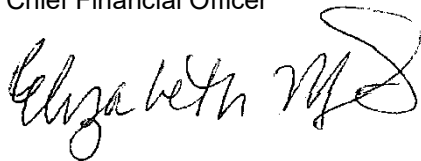
Respectfully submitted,



Ernest L. Brown
Superintendent



David Moore
Chief Financial Officer



Elizabeth Michels
Controller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

Tigard-Tualatin School District 23J

Oregon

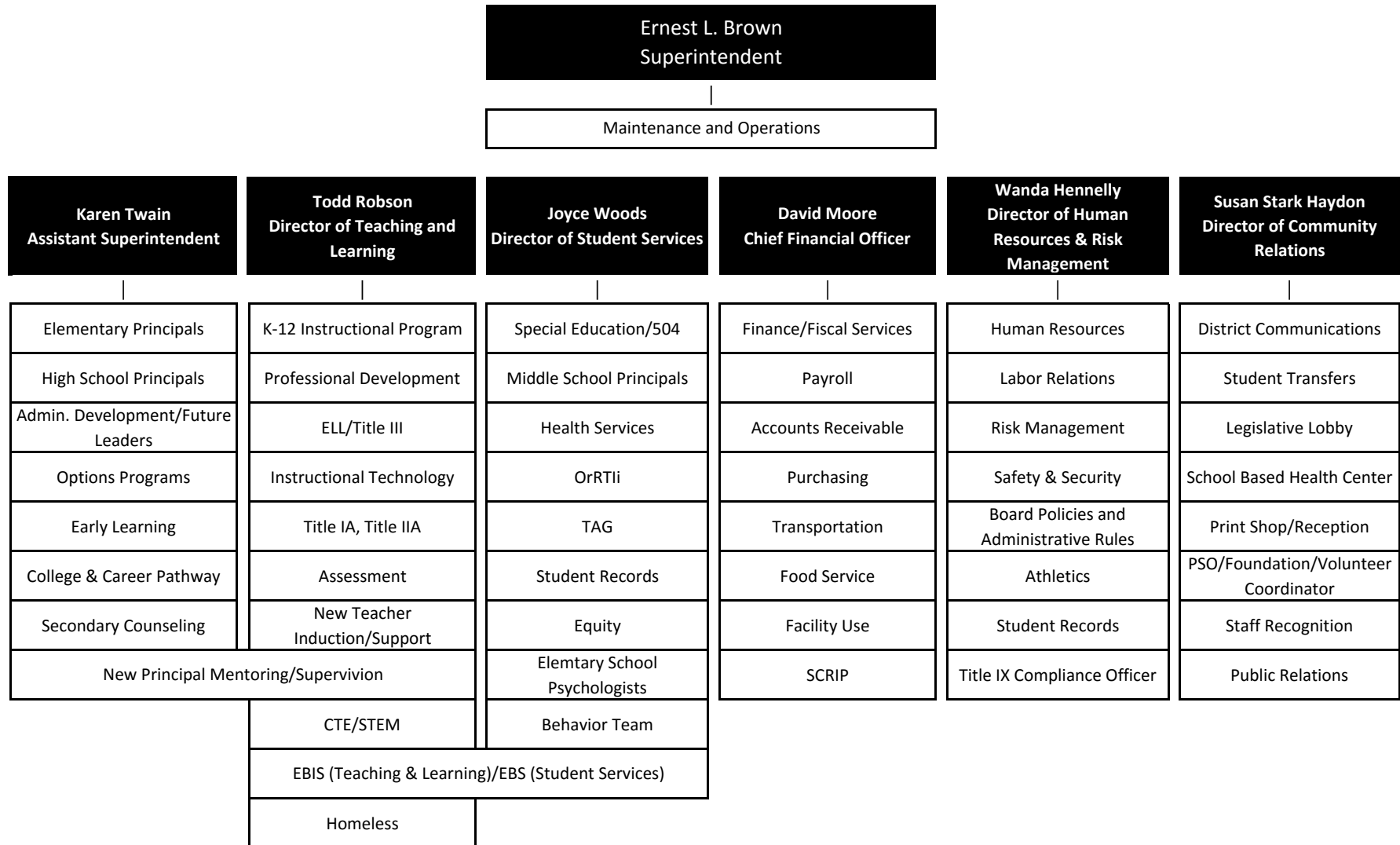
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016



Executive Director/CEO

Tigard-Tualatin School District 2017-18 Organizational Chart



TTSD Organizational Chart

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

Elected Officials as of July 1, 2017

<u>Name</u>	<u>Term Expires</u>
Jill Zurschmeide Board Chair	June 30, 2019
Terri Burnette, Vice Chair	June 30, 2019
Karen Emerson	June 30, 2021
Maureen Wolf	June 30, 2021
Sharon Fox	June 30, 2021

Appointed Officials

Ernest L. Brown, Superintendent/Clerk
David C. Moore, Chief Financial Officer/Deputy Clerk
Miller Nash, Legal Counsel
Hawkins, Delafield & Wood, Bond Counsel

FINANCIAL SECTION

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Independent Auditors' Report



PAULY, ROGERS, AND CO., P.C.
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www.paulyrogersandcocpas.com

December 12, 2017

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, 2017, 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, 2017, 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.

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 77, *Tax Abatements*, for the year ended June 30, 2017. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 12, 2017 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 12, 2017, 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, appearing to read "Matthew Graves".

Matthew Graves, 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, 2017**

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, 2017. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which can be found on pages 3-7 of this report.

Financial Highlights

- Voter approval of the largest general obligation bonds in the District's history will bring improvements to all district buildings including one replacement elementary school, a substantially replaced middle school, a new elementary school and significant improvements to the District's two high schools and both high school athletic facilities. Projects will extend over 5 or more years. \$200 million of the \$291 million approve general obligation bonds were issued in April, 2017 with the District receiving \$31 million in premium on the sale of the bonds.
- 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 \$55 million. This was an increase of \$800,000. GASB 68 requires the District to report the District's share of the State of Oregon's Pension Program. The District's proportion as actuarially determined is 0.84 percent and decreased the District's net position by \$8.7 million.
- At the end of the fiscal year, the ending fund balance in the general fund was \$24.5 million or 20 percent of total general fund expenditures. The \$3.7 million increase was mainly due to cost savings realized on health insurance benefits, revenue from the local option tax exceeding expectations, and unanticipated state aid.
- The District's governmental funds report a combined ending fund balances of \$272.8 million, an increase of \$230.4 million from the prior year. Major components of this increase are: unspent proceeds from the April, 2017 bond and the increase in the general fund balance as noted above.
- The District's total long-term debt increased by \$213.5 million due issuance of the April, 2017 general obligation bonds of \$201 million and payments made on principal of \$17.7 million, \$31 million in premium on April, 2017 bond and amortization of discounts and premiums of \$800,000.
- District enrollment did not change significantly from the prior year, an increase of 9 students. Average daily membership increased slightly for the 2016-17 school year with an increase of 42.95. In 2016-17 the district kindergarten enrollment was 893, an increase of 31 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 32 and 33 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 34 through 37 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 38 through 40 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 41 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 45 through 79 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 82 through 88 of this report. Individual fund statements can be found on pages 90 through 95 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 \$54,932,216, at the close of the most recent fiscal year.

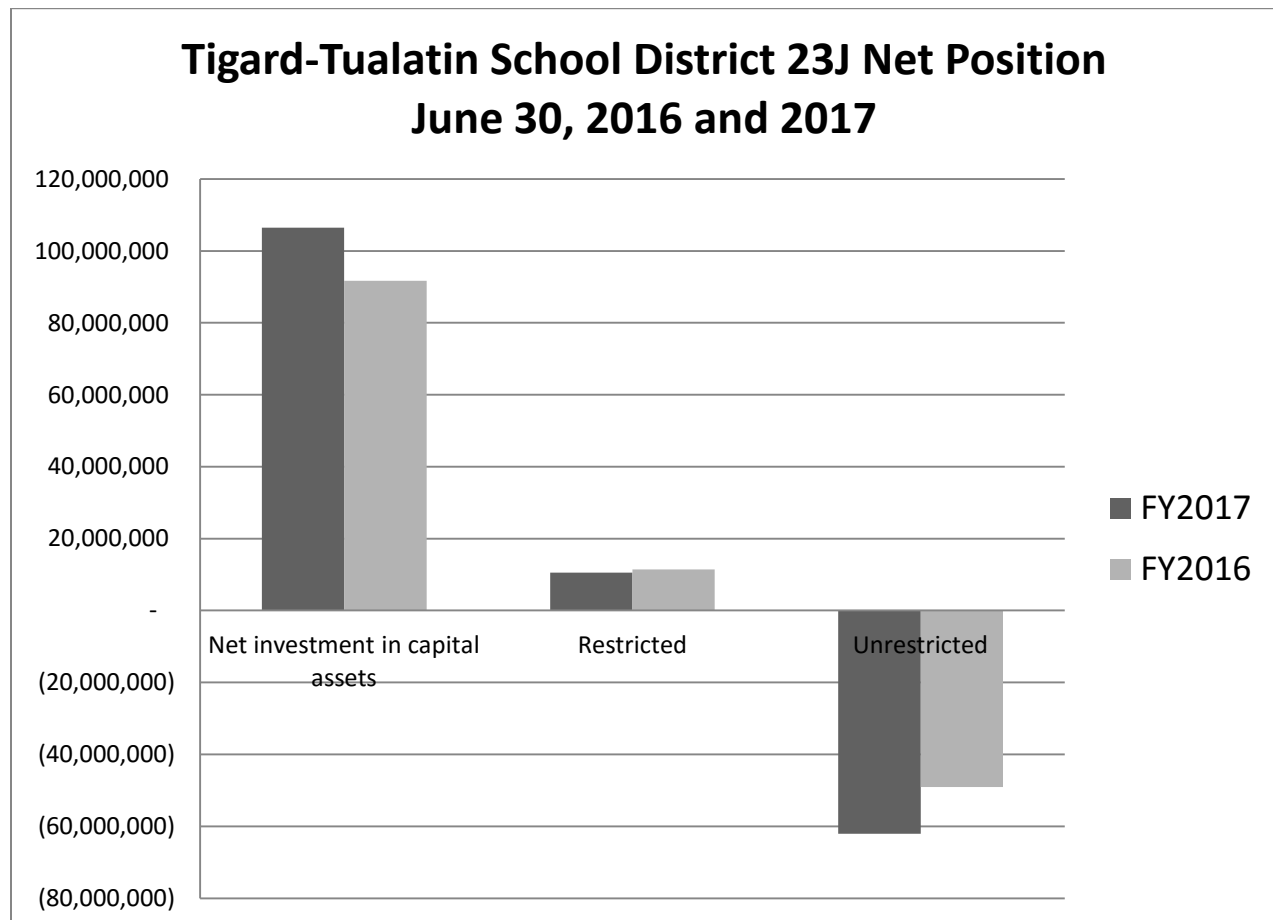
Tigard-Tualatin School District 23J's Net Position

	Governmental Activities		
	FY2017	FY2016	Change
Current and other assets	\$ 293,730,993	\$ 61,636,504	\$ 232,094,489
Capital assets, net of depreciation	143,345,558	145,487,557	(2,141,999)
Total assets	437,076,551	207,124,061	229,952,490
Deferred outflows of resources	68,291,530	14,231,549	54,059,981
Long term liabilities	292,476,095	69,829,050	222,647,045
Other liabilities	151,258,516	83,712,997	67,545,519
Total liabilities	443,734,611	153,542,047	290,192,564
Deferred inflows of resources	6,701,254	13,723,993	(7,022,739)
Net position			
Net investment in capital assets	106,426,011	91,663,673	14,762,338
Restricted	10,547,188	11,453,706	(906,518)
Unrestricted	(62,040,983)	(49,027,810)	(13,013,173)
			-
Total net position	\$ 54,932,216	\$ 54,089,569	\$ 842,647

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 193.74 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. The exception is one piece of property is held for sale at this time. Land sale proceeds are committed to facility acquisition, land purchases, and leases. Land purchases are defined to include the retirement of full faith and credit debt for prior land purchases.

An additional portion of the District's net position, 19.2 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(62,040,983) is unrestricted and is a negative balance due to the District's implementation Government Accounting Standards Board Statement 68 - *Accounting and Financial Reporting for 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.

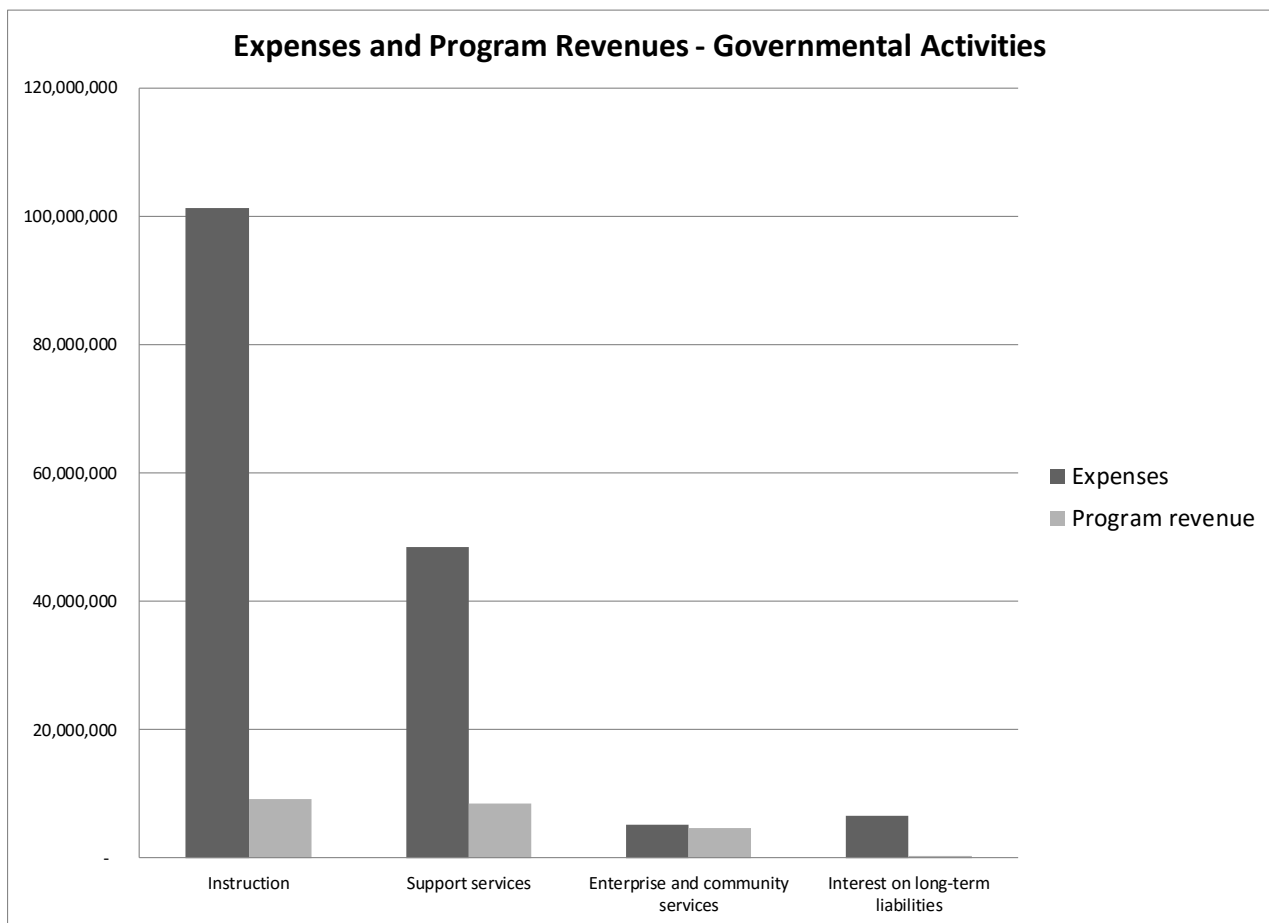
At the end of the current fiscal year, the District is unable to report positive balance in all reported categories of net position, both for the government as a whole, as well as for its separate governmental activities. The District was last able to report a positive balance for all reported categories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



Governmental Activities. During the current fiscal year, net position for governmental activities increased \$842,647 from the prior fiscal year balances for an ending balance of \$54,932,216. The net increase was a combination of a decrease of capital assets due to depreciation, payment on long-term debt, and the recording the District's share of the state pension fund liability. It should be noted that total expenses decreased, \$21,346,473 million due to the large increase in the prior year due to the implementation of GASB 68.

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

	Governmental Activities		
	FY2017	FY2016	Change
Revenues:			
Program revenues:			
Charges for services	\$ 4,576,017	\$ 4,665,387	\$ (89,370)
Operating and grants contributions	17,611,086	16,113,049	1,498,037
Capital grants and contributions	385,760	387,233	(1,473)
General revenues:			
Property taxes	73,803,074	70,621,831	3,181,243
Federal aid not restricted to specific purpose	506	1,514	(1,008)
Intermediate aid not restricted to specific purpose	1,875,770	1,957,778	(82,008)
State aid not restricted to specific purpose	59,842,026	59,503,437	338,589
Earnings on investments	1,019,619	307,852	711,767
Recovery of prior year expenses	777,271	706,103	71,168
Construction excise tax	1,125,335	1,823,933	(698,598)
Gain on sale of assets	156,531	145,200	11,331
Other local revenue	1,034,869	1,023,857	11,012
Total revenues	<u>162,207,864</u>	<u>157,257,172</u>	<u>4,950,692</u>
Expenses:			
Instruction	101,212,195	118,757,908	(17,545,713)
Support services	48,384,764	53,188,022	(4,803,258)
Enterprise and community services	5,240,949	5,646,959	(406,010)
Interest on long-term liabilities	<u>6,527,310</u>	<u>5,118,801</u>	<u>1,408,509</u>
Total expenses	<u>161,365,218</u>	<u>182,711,691</u>	<u>(21,346,473)</u>
Change in net position	842,646	(25,454,519)	26,297,165
Net position - beginning	<u>54,089,570</u>	<u>79,544,089</u>	<u>(25,454,519)</u>
Net position - ending	<u>\$ 54,932,216</u>	<u>\$ 54,089,570</u>	<u>\$ 842,646</u>

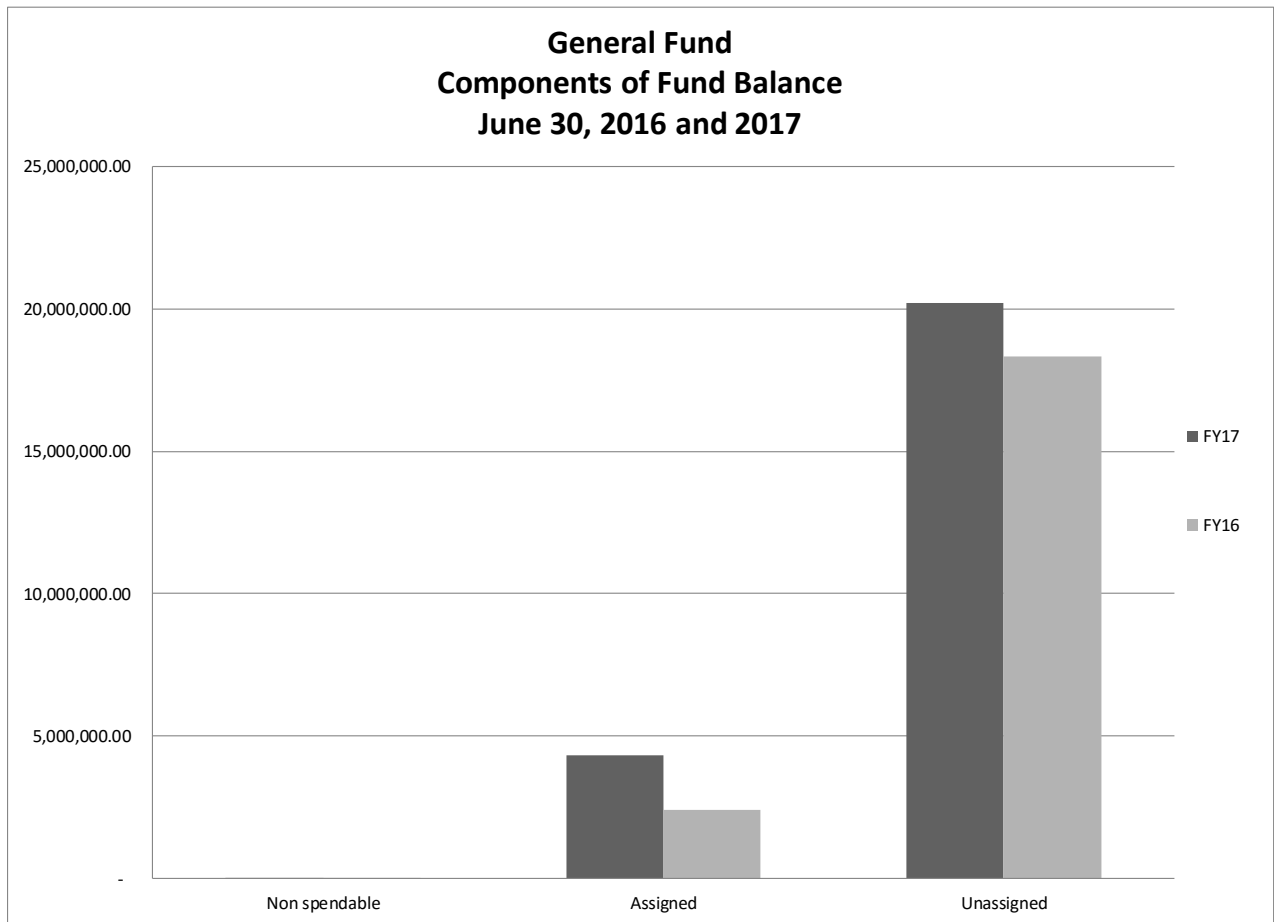


Financial Analysis of the District's Funds

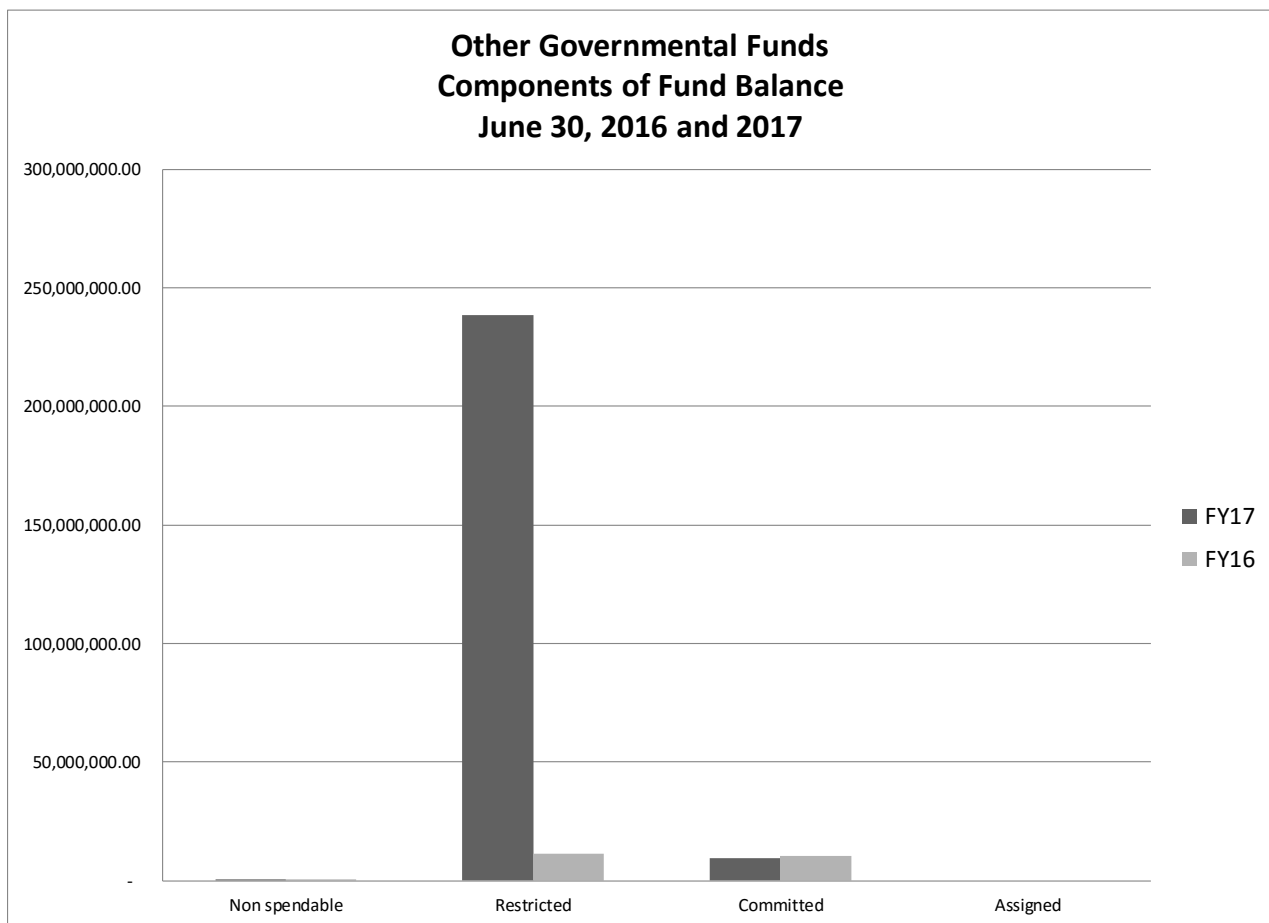
As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, 2017, the District's governmental funds reported combined ending fund balances of \$272,839,131, an increase of \$230,418,934 from the prior year. Approximately 7.4 percent or \$20,193,027 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 (\$361,286), 2) restricted for particular purposes (\$238,358,048), 3) committed for particular purposes, (\$9,608,234), or 4) assigned for particular purposes (\$4,318,535). Assigned fund balance represents the portion of the reserves budgeted in 2017-18 for a potential increase in the District's retirement contribution to the state retirement system in the general fund.



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 \$24,514,562 with \$4,318,535 assigned to limit future budget reductions due to retirement contribution increases, \$3,000 in deposits which is categorized as non spendable, and \$20,193,027 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 16.47 percent of the total general fund expenditures, while total fund balance represents approximately 20 percent of that same amount.



The fund balance of the District's general fund increased by \$3,773,085 during the current fiscal year. As was discussed earlier this was due savings in health insurance costs, unanticipated state aid paid too late in the year to be applied to program, and unanticipated revenue from the District's local option tax.

The *capital projects fund* had a \$229,089,315 increase during the current fiscal year for an overall fund balance of \$238,782,016. Funds used for capital projects were restricted to bond projects, committed land sales funds and assigned Construction Excise Tax revenue. Major projects included replacing the Tualatin High School turf football field and projects in the voter approved general obligation bond projects. Work began on Fowler Middle School in the summer of 2017, architects were hired to design projects and a project management firm was hired to assist district staff with the many and varied projects in the bond. The District will continue to use Construction Excise Tax funds for major repairs that were not considered in the bond projects.

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 an decrease in fund balance of \$2,125,158 for a total ending fund balance of \$328,473. 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. The decrease is due to the use of a required sinking fund levy in the prior year. The *full faith and credit debt service fund* had an increase in fund balance of \$2,006 for a total ending fund balance of \$252,469. Balances in this fund represent timing differences of the revenue resources and the related debt payments. The *PERS UAL debt service fund* had an increase in fund balance of \$7,573 for a total ending fund balance of \$18,464. 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 \$327,887 decrease for an ending fund balance of \$8,943,147. 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 strictly 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 \$1,707,938 which was an increase of \$174,310.

General Fund Budgetary Highlights

There were no supplemental budgets necessary during the fiscal year. No legal appropriation transfers were required.

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 were \$7,864,739 for the year and exceeded budgetary expectations by \$1,064,739. 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 2015-16 fiscal year. Expenditures were under budget mainly due to savings on health insurance for all employee groups. The District was not required to use any of the operating contingency.

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, 2017, the District's investment in capital assets totaled \$143,345,557, net of accumulated depreciation. The total decrease in capital assets for the current fiscal year was approximately 1.5 percent.

Tigard-Tualatin School District 23J's Capital Assets

(net of depreciation)

	FY2017	FY2016	Change
Land	\$ 20,712,399	\$ 20,712,399	\$ -
Land improvements	8,032,664	7,910,480	122,184
Buildings and improvements	101,289,516	105,609,580	(4,320,064)
Vehicles and equipment	8,408,252	10,280,072	(1,871,820)
Construction in progress	4,902,727	975,026	3,927,701
	<u>\$ 143,345,557</u>	<u>\$ 145,487,556</u>	<u>\$ (2,141,999)</u>

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

- Tualatin High School Track (\$803,910)
- Replacement school bus for special needs students (\$114,930)
- Equipment including mowers and a soft serve machine (\$42,720)
- Fire alarm system replacement (\$73,033)
- Improvements to athletic facilities (\$18,075)
- Various school improvements including ramps and HVAC (\$207,709)
- Technology for classrooms, access points and connectivity (\$226,134)

Construction in progress relates to projects funded with the April, 2017 bond and include preliminary work substantial rebuild of a Twality Middle School, a full rebuild of Templeton Elementary School and substantial work on Tigard High School. Classrooms additions at several schools and a new elementary school are all in the preliminary stages of the projects.

Additional information on the District's capital assets can be found in Note IV. C on pages 58 to 59 in this report.

Tigard-Tualatin School District 23J's Outstanding Debt

	FY2017	FY2016	Change
General obligation bonds	\$ 232,360,000	\$ 46,785,000	\$ 185,575,000
Full faith and credit obligations	37,294,318	39,609,152	(2,314,834)
Issuance premiums and discounts	31,352,967	1,124,730	30,228,237
	<u>\$ 301,007,285</u>	<u>\$ 87,518,882</u>	<u>\$ 213,488,403</u>

The District's total debt increased by \$213,448,403 (213.5 percent) during the current fiscal year. The reason for this increase was the sale of general obligation bonds in April, 2017 net of 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. Moody's also assigned the 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 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 \$969 million, 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 IV. N on pages 72 through 75 in the notes to basic financial statements.

Economic Factors and Next Year's Budget

- Growth in the State School Fund from the 2015-2017 biennium amount of \$7.376 billion to the 2017-2019 biennium amount of \$8.2 billion increases the District's estimated grant amount per student from \$7,177 in 2016-17 to \$7,715 in 2017-18. However, since the State legislature has allocated the 2017-2019 State School Fund on a 50%/50% basis instead of a 49%/51% basis, the District has reserved a portion of the 2017-18 allocation for 2018-19 to assure cost increases between the two years are covered.
- The District continues to monitor quarterly Oregon economic forecasts since the State budget is largely dependent on State income taxes. The most recent forecast shows that State revenue projections are trending slightly above estimates made at the time the 2017-2019 budget was developed.
- The District's local option tax levy has been renewed by the voters for another five years beginning in November 2016. The revenue from the levy was budgeted as \$8.4 million and the District expects to receive that amount in 2017-18 based on this year's levy.
- Collective bargaining agreements are in effect for the licensed employee group through June 30, 2020 and for the classified group through June 30, 2019.
- The current PERS employer contribution rates are in effect through 2018-19. There is expectation that the system's unfunded actuarial liability, which was \$20 billion as of the end of 2016, will continue to grow which will likely increase employer contribution rates as of July 1, 2019. It is uncertain what impact a prospective increase will have on the District's budget beginning in 2019-20. PERS recently issued 2019-2021 advisory rates based on a 2016 calendar year actuarial valuation which would result in a significant increase in the District's PERS payroll rates. The actual rates will be based on an actuarial valuation completed for the 2017 calendar year.
- U.S Congress is considering changes to the Internal Revenue Code that could have an impact on future District resources. Changes being considered include the repeal of the deductibility of state and local taxes, a limitation on the deductibility of property taxes and the repeal of advance refunding of municipal bonds. The outcome of the legislation nor the impact on District resources are known at this time.
- Oregon voters will consider Ballot Measure 101 in January, 2018. Ballot Measure 101 is a referendum on House Bill 2391 passed by the 2017 Legislature which places a temporary

assessment on health insurance premiums and hospital profits. A yes vote retains the law which would raise an estimated \$673 million in the 2017-2019 biennium. A no vote repeals portions of the law that would create a loss in the State budget of up to \$320 million. Additionally, the law helps generate \$1.87 billion in federal matching funds during the 2017-2019 biennium. The District is uncertain what impact a no vote would have on future resources.

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, 2017

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 280,852,006
Cash and investments	1,743,614
Receivables:	
Property taxes	3,542,442
Accounts and other receivables	3,496,397
Prepaid items	9,455
Inventory	351,832
Net OPEB asset	3,735,247
Capital assets, net of depreciation	
Land and construction in progress	25,615,127
Land improvements	8,032,663
Buildings and improvements	101,289,516
Vehicles and equipment	8,408,252
Total Assets	437,076,551
Deferred Outflows of Resources:	
Pension plan prior to post measurement date differences and changes in assumptions	57,378,795
Pension plan contributions subsequent to measurement date	9,730,018
Stipend plan differences between projected and actual	1,523
Gain on bond reissue	1,181,194
Total Deferred Outflows of Resources	68,291,530
Liabilities:	
Accounts payable	4,122,100
Accrued payroll and related charges	8,121,707
Accrued interest	2,389,351
Unearned revenue	273,053
Accrued compensated absences	590,756
Net pension liability	654,237
Proportionate share of net PERS pension asset	126,576,120
Long-term debt	
Due within 1 year	6,816,192
Due in more than 1 year	257,676,096
Limited tax pension obligation bond	
Due within 1 year	1,715,000
Due in more than 1 year	34,800,000
Total Liabilities	443,734,611
Deferred Inflow of Resources:	
Pension plan changes in proportionate share	6,691,497
Stipend plan difference between pension plan expected and actual earnings and changes in assumptions	9,757
Total Deferred Inflows of Resources	6,701,254
Net Position	
Net investment in capital assets	106,426,011
Restricted for:	
Food service	1,072,283
Capital projects	5,530,927
State, county, private grants	1,256,189
Transportation equipment	255,371
Student body activities	1,743,614
Other	688,804
Unrestricted	(62,040,983)
Total Net Position	\$ 54,932,216

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, 2017

					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	\$ 74,121,293	\$ 2,813,482	\$ 1,441,841	\$ -	\$ (69,865,970)
Special programs	<u>27,090,902</u>	<u>-</u>	<u>4,847,841</u>	<u>-</u>	<u>(22,243,061)</u>
Total direct classroom services	101,212,195	2,813,482	6,289,682	-	(92,109,031)
Support Services					
Students	9,375,492	-	1,507,360	-	(7,868,131)
Instructional staff	5,142,288	-	1,366,022	-	(3,776,266)
General administration	1,177,345	-	42,188	-	(1,135,158)
School administration	8,692,904	-	71,554	-	(8,621,351)
Business	2,642,861	-	11,339	-	(2,631,522)
Operation and maintenance of buildings	9,854,955	-	95,445	-	(9,759,510)
Student transportation	7,034,027	-	4,612,626	123,404	(2,297,996)
Central activities	<u>4,464,892</u>	<u>-</u>	<u>717,511</u>	<u>-</u>	<u>(3,747,381)</u>
Total classroom support services	48,384,764	-	8,424,045	123,404	(39,837,315)
Enterprise and Community Services					
Food services	4,008,652	1,106,113	2,679,085	-	(223,454)
Scrip services	179,915	236,525	-	-	56,611
Building use services	455,395	419,896	-	-	(35,499)
Other enterprise and community services	<u>596,987</u>	<u>-</u>	<u>218,274</u>	<u>-</u>	<u>(378,713)</u>
Total enterprise and community services	5,240,949	1,762,535	2,897,359	-	(581,055)
Interest on long-term liabilities	<u>6,527,310</u>	<u>-</u>	<u>-</u>	<u>262,356</u>	<u>(6,264,955)</u>
Total school district	\$ 161,365,219	\$ 4,576,017	\$ 17,611,086	\$ 385,760	\$ (138,792,356)

General revenues:

Property taxes levied for:	
General purposes	58,504,873
Debt service	15,298,201
Federal aid not restricted to specific purposes	506
Intermediate aid not restricted to specific purposes	1,875,770
State aid not restricted to specific purposes	59,842,026
Earnings on investments	1,019,619
Recovery of prior year expenses	777,271
Construction excise tax	1,125,335
Gain on sale of capital assets	156,531
Other local revenue	1,034,869
Total general revenues	139,635,001
Change in net position	842,646
Net position - beginning	54,089,570
Net position - ending	\$ 54,932,216

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, 2017

	General Fund	Debt Service Funds			Capital Projects Fund	Special Revenue Fund	Total
		General Obligation Debt Service Fund	Full Faith and Credit Debt Service Fund	PERS UAL Debt Service Fund			
Assets							
Equity in pooled cash and investments	\$ 30,768,416	\$ 218,679	\$ 202,062	\$ 18,464	\$ 240,433,666	\$ 8,381,218	\$ 280,022,504
Cash and investments	1,743,614	-	-	-	-	-	1,743,614
Receivables							
Property taxes	2,813,386	729,057	-	-	-	-	3,542,442
Accounts and other receivables	1,028,612	54,704	50,407	-	200,397	1,523,007	2,857,127
Due from other funds	472,996	-	-	-	-	-	472,996
Prepaid items	3,000	-	-	-	6,455	-	9,455
Inventories	-	-	-	-	-	351,832	351,832
Total Assets	\$ 36,830,023	\$ 1,002,440	\$ 252,469	\$ 18,464	\$ 240,640,518	\$ 10,256,058	\$ 288,999,971
Liabilities, Deferred Inflows, and Fund Balances							
Liabilities							
Accounts payable	\$ 1,672,960	\$ -	\$ -	\$ -	\$ 1,858,502	\$ 569,842	\$ 4,101,304
Accrued payroll and related charges	8,039,079	-	-	-	-	-	8,039,079
Unearned revenue	2,980	-	-	-	-	270,073	273,053
Due to other funds	-	-	-	-	-	472,996	472,996
Total Liabilities	9,715,019	-	-	-	1,858,502	1,312,911	12,886,431
Deferred Inflows							
Deferred revenue - unavailable property taxes	2,600,442	673,967	-	-	-	-	3,274,409
Fund Balances:							
Nonspendable	3,000	-	-	-	6,455	351,831	361,287
Restricted	-	328,473	252,469	18,464	233,103,668	4,654,974	238,358,048
Committed	-	-	-	-	5,671,893	3,936,341	9,608,234
Assigned	4,318,535	-	-	-	-	-	4,318,535
Unassigned	20,193,027	-	-	-	-	-	20,193,027
Total Fund Balances	24,514,562	328,473	252,469	18,464	238,782,016	8,943,147	272,839,131
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 36,830,023	\$ 1,002,440	\$ 252,469	\$ 18,464	\$ 240,640,518	\$ 10,256,058	\$ 288,999,971

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, 2017*

Amounts reported for governmental activities in the statement of net position (page 32) are different because:

Total fund balances - governmental funds (page 34)	\$ 272,839,131
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	143,345,558
Other long-term assets are not available to pay for current period expenditures, and, therefore, are reported as unavailable revenue in the funds.	6,667,062
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.	1,707,938
The net pension liability for the early retirement stipend plan is not due and payable in the current period, and therefore, is not reported in the funds	(654,237)
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.	(302,806,199)
The net pension liability is not an available resource and, therefore, is not reported in the funds.	(126,576,120)
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.	<u>60,409,082</u>
Total Net Position	<u>\$ 54,932,216</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, 2017

	General Fund	Debt Service Funds			Capital Projects Fund	Special Revenue Fund	Total
		General Obligation Debt Service Fund	Full Faith and Credit Debt Service Fund	PERS UAL Debt Service Fund			
Revenues							
Local sources	\$ 60,225,959	\$ 15,141,149	\$ 1,023,018	\$ 3,400,221	\$ 2,468,887	\$ 6,136,285	\$ 88,395,519
Intermediate sources	1,875,770	-	-	-	-	2,753,516	4,629,286
State sources	64,355,171	-	-	-	-	1,130,653	65,485,824
Federal sources	506	262,356	-	-	-	7,434,138	7,696,999
Total revenues	126,457,407	15,403,504	1,023,018	3,400,221	2,468,887	17,454,591	166,207,628
Expenditures							
Current							
Instruction	81,451,723	-	-	-	-	8,098,006	89,549,729
Support services	40,914,456	-	-	-	-	4,614,227	45,528,683
Community services	205,174	-	-	-	-	4,748,123	4,953,297
Transit payments to other school districts	-	-	-	-	-	435,091	435,091
Debt service							
Principal	-	15,380,000	814,834	1,500,000	-	-	17,694,834
Interest	-	2,148,663	708,972	1,892,648	-	-	4,750,282
Capital outlay	-	-	-	-	4,874,144	-	4,874,144
Total expenditures	122,571,353	17,528,663	1,523,806	3,392,648	4,874,144	17,895,447	167,786,059
Excess (deficiency) of revenues over (under) expenditures	3,886,054	(2,125,158)	(500,788)	7,573	(2,405,256)	(440,856)	(1,578,431)
Other financing sources (uses)							
Transfers in	-	-	502,794	-	-	780,457	1,283,250
Transfers out	(112,969)	-	-	-	(502,794)	(667,488)	(1,283,250)
Bond proceeds	-	-	-	-	231,997,365	-	231,997,365
Total other financing sources (uses)	(112,969)	-	502,794	-	231,494,571	112,969	231,997,365
Net change in fund balances	3,773,085	(2,125,158)	2,006	7,573	229,089,315	(327,887)	230,418,934
Fund balances, beginning of year	20,741,477	2,453,631	250,463	10,892	9,692,701	9,271,034	42,420,197
Fund balances, end of year	\$ 24,514,562	\$ 328,473	\$ 252,469	\$ 18,464	\$ 238,782,016	\$ 8,943,147	\$ 272,839,131

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, 2017*

Amounts reported for governmental activities in the statement of activities (page 33) are different because:

Net change in fund balances - total governmental funds (page 36)	\$ 230,418,934
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. This is the amount by which depreciation expense exceeded capital outlays in the current period.	(2,142,000)
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. This amount is the net effect of these difference in the treatment of long-term debt and related items.	(214,302,531)
Some expenses 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.	(2,057,543)
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.	(11,658,867)
Adjustments for the beginning net early retirement stipend asset, and the net changes in deferred inflows due changes in assumptions, experience loss, and earnings are not in the budgetary basis financial statements	137,417
Revenues in the statement of activities for accrued property taxes that do not provide current financial resources are not reported as revenues in the funds	272,925
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.	<u>174,310</u>
Change in Net Position	<u>\$ 842,646</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 Proprietary Net Position

June 30, 2017

	Self Insurance
	<u>Reserve Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 1,811,362</u>
Liabilities	
Payroll liabilities	82,628
Accounts payable	<u>20,796</u>
Liabilities	<u>103,424</u>
Net Position	
Unrestricted	<u>\$ 1,707,938</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, 2017

	<u>Self Insurance Reserve Fund</u>
Revenue	\$ 208,105
Operating expenses	
Support services	<u>33,795</u>
Change in net position	174,310
Net position, beginning of year	<u>1,533,628</u>
Net position, end of year	<u>\$ 1,707,938</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 Cash Flows

For the year ending June 30, 2017

	<u>Self Insurance Reserve Fund</u>
Cash flows from operating activities	
Receipts from customers	\$ 208,105
Payments to employees	(96,450)
Payments to suppliers	<u>13,713</u>
Net cash provided (used) by operating activities	125,367
Cash and investments at beginning of year	<u>1,685,995</u>
Cash and investments at end of year	<u>\$ 1,811,362</u>
Reconciliation of change in net position to net cash provided (used) by operating activities	
Change in net position	\$ 174,310
Adjustments	
Change in accounts receivable	-
Change in accounts payable	13,713
Change in payroll liabilities	<u>(62,656)</u>
Net cash (used) by operating activities	<u>\$ 125,367</u>

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

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

Statement of Fiduciary Net Position
June 30, 2017

	Early Retirement Stipends	Other Post Employment Benefits (OPEB)	Scholarship Fund
Assets			
Invested in State Treasurer's Investment Pool	\$ -	\$ -	\$ 211,250
Invested in securities	<u>49,845</u>	<u>1,987,583</u>	<u>-</u>
	<u>\$ 49,845</u>	<u>\$ 1,987,583</u>	<u>\$ 211,250</u>
Net Position			
Assets held in trust for:			
Scholarships	-	-	211,250
Net position restricted for pension	49,845	-	-
Pension/ other postemployment benefits	<u>-</u>	<u>1,987,583</u>	<u>-</u>
Total Net Position	<u>\$ 49,845</u>	<u>\$ 1,987,583</u>	<u>\$ 211,250</u>

Statement of Changes in Fiduciary Net Position
For the year ending June 30, 2017

	Early Retirement Fund	Other Post Employment Benefits (OPEB)	Scholarship Fund
Additions			
Contributions from employer	\$ 138,645	\$ 855,064	\$ -
Investment earnings	<u>2,438</u>	<u>15,039</u>	<u>2,323</u>
Total additions	<u>141,083</u>	<u>870,103</u>	<u>2,323</u>
Deductions			
Scholarship payments	-	-	-
Early retirement stipends	166,588	-	2,500
Health benefits	<u>-</u>	<u>1,042,898</u>	<u>-</u>
Total deductions	<u>166,588</u>	<u>1,042,898</u>	<u>2,500</u>
Change in net position	(25,505)	(172,795)	(177)
Net position, beginning of year		<u>2,160,378</u>	<u>211,427</u>
Net position, end of year		<u>\$ 1,987,583</u>	<u>\$ 211,250</u>
Net position restricted for pension, beginning of year	<u>75,350</u>		
Net position restricted for pension, end of year	<u>\$ 49,845</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, 2017

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 nonfiduciary 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.

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, 2017

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 *self insurance fund* accounts for the District's unemployment costs and replacement of equipment not covered by the District's insurance deductible.

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.

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 expended are recourses 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.

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

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, 2017.

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

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

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, 2017, the fair value of the position in the LGIP is approximately 100.57 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)

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

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

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 only has two items that qualifies for reporting in this category. It is the 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 expect and actual earnings, and contributions made after the actuary's measurement date.

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 is 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.

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

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

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.

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.

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

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 self insurance internal service fund are to assessments for unemployment cost 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.

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 67 requirements.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this \$143,345,558 are as follows:

Land	\$ 20,712,399
Construction in progress	4,902,727
Land improvements	13,970,205
Less: Accumulated depreciation land improvements	(5,937,542)
Buildings and improvements	181,432,880
Less: Accumulated depreciation buildings and improvements	(80,143,365)
Vehicles and equipment	21,040,958
Less: Accumulated depreciation vehicles and equipment	<u>(12,632,706)</u>
 Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	 <u>\$ 143,345,558</u>

Another element of the reconciliation is that “other long term assets are not available to pay for current period expenditures, and therefore, are reported as unavailable revenue in funds.” The details of the \$6,667,062 are as follows:

Property taxes collected after year-end but not soon enough to pay for current year operations	\$ 3,274,409
Less:	
Difference between market value and carrying amount of investments investments recorded as expense in the governmental fund statements.	(981,861)
Interest on investments earned but not yet received governmental fund receivables, but is recognized when received.	639,269
Net OPEB and pension stipend assets	<u>3,735,247</u>
 Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	 <u>\$ 6,667,062</u>

Another element of that reconciliation explains that “long term liabilities, including bonds payable are not due and payable in the current period, and, therefore, are not reported in the funds.” The details of that \$302,806,199 difference are as follows:

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

Bonds payable	269,654,318
Issue premiums and discounts (to be amortized as interest expense)	31,352,967
Accrued interest on bonds payable	2,389,351
Less:	
Deferred charge on refunding (to be amortized as interest expense)	(1,181,194)
Compensated absences	<u>590,756</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 302,806,199</u>

The final element of that reconciliation explains that “deferred inflows due to differences between projected and actual earnings and the contributions after the measurement date are not reflected in the budgetary basis balance sheet.” The details of that \$60,409,082 difference are as follows:

Deferred Outflow	\$ 67,110,336
Deferred Inflows	<u>(6,701,254)</u>
Net deferred outflow/(inflows) related to pension plan	<u>\$ 60,409,082</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balance – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “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. This is the amount by which capital outlays exceeded depreciation expense in the current period.” The details of this \$2,142,000 difference are as follows:

Capital Outlay	\$ 4,905,031
Depreciation Expense	<u>(7,047,031)</u>
Net Adjustment to decreases in net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (2,142,000)</u>

Another element of that reconciliation states “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. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The detail of this \$214,302,531 difference is as follows:

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

2017 General Obligation Bond proceeds	(231,997,365)
Debt principal repayments	<u>\$ 17,694,834</u>

Net adjustment for issuance and payment of long-term debt	<u>\$ (214,302,531)</u>
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Another element of that reconciliation states “some expenses 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.” The details of this \$2,057,543 difference are as follows:

Compensated absences	\$ (120,887)
Accrued interest on debt	(2,305,990)
Interest due from IRS on QSCB obligation	(11,742)
Amortization of net pension obligation	160,594
Amortization of bond discounts	(3,114)
Amortization of bond premiums	817,242
Amortization of deferred charge on refunding	(273,424)
Adjustments to investments at market value	<u>(320,222)</u>

Net Adjustment to decreases in net changes in fund balances	
- total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (2,057,543)</u>

The final element of the reconciliation is related to adjustments for the net pension asset and liability, 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 recorded in the budgetary basis financial statements. The details of the \$11,658,867 are as follows:

Components of pension liability at measurement date	
Reversal of prior year components	<u>\$ 54,499,937</u>
Differences between expected and actual experience	4,187,691
Changes of assumptions	26,995,645
Differences between projected and actual earnings	25,006,131
Changes in proportionate share	(5,649,594)
Differences between employer contributions and employer's proportionate share of systems contributions	147,425
Contributions subsequent to the measurement date	<u>9,730,018</u>
	<u>60,417,316</u>
Employer's proportionate share of net pension liability	<u>(126,576,120)</u>
Total components of pension liability adjustments at measurement date	<u>\$ (11,658,867)</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Violations of legal or contractual provisions

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

For the year ended June 30, 2017, 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.

IV. 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, 2017, the district's bank balances were \$16,553,525 and \$15,737,322 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, 2017

Cash and investments are comprised of the following as of June 30, 2017:

Petty cash	\$ 16,080
Demand deposits	11,914,694
Public funds money market account	2,297,255
Investments	<u>271,598,130</u>

Total cash and investments	<u><u>\$ 285,826,159</u></u>
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Cash and investments were held in the following fund types:

Governmental funds:

Equity in pooled cash and investments	\$ 280,022,504
Cash and investments	<u>1,743,614</u>
Total governmental funds	<u>281,766,118</u>

Proprietary funds

Equity in pooled cash and investments	<u>1,811,362</u>
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Fiduciary funds:

US Treasury and State Treasurer's investment pool

Early retirement and OPEB fund	2,037,428
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Scholarship fund	<u>211,250</u>
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Total fiduciary funds	<u>2,248,678</u>
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Total cash and investments per balance sheet	<u><u>\$ 285,826,159</u></u>
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Total governmental funds equity in pooled cash and investments	\$ 280,022,504
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Total proprietary funds equity in pooled cash and investments	1,811,362
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Adjust investments to market value	<u>(981,861)</u>
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Total equity in pooled cash and investments per statement of net position	<u><u>\$ 280,852,006</u></u>
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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.

As of June 30, 2017 the District had the following investments and maturities:

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

Investment Type	Fair Value	Weighted	% of Investment Portfolio
		Average Maturity in Years	
US Agency	\$ 129,813,190	2.030	48.0%
US Treasury	\$ 94,544,104	1.470	34.9%
Commercial Paper	\$ 7,936,484	0.270	2.9%
State Treasurer's investment pool	38,323,933	0.800	14.2%
	<u>\$ 270,617,711</u>	<u>1.600</u>	<u>100.0%</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.

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, 2017. 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. 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, 2017, the fair value of the position in the LGIP is 100.57% 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:

Tigard-Tualatin School District 23J, Tigard, Oregon
Notes to Basic Financial Statements
June 30, 2017

Issuer	Percentage of Total Investments
	(Total Equity Concentration)
Federal Home Loan Banks	19.90%
Federal Farm Cr Bks	5.93%
Federal Home Ln Mtg Corp	14.82%
United States Treas Nts	40.70%
Federal Natl Mtg Assn	15.23%

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, 2017:

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Funds	Total
Property taxes receivable	\$ 2,813,386	\$ 729,057	\$ -	\$ -	\$ 3,542,442
Accounts and other receivables:					
Grants receivable	-	-	-	824,030	824,030
Interest and Other	<u>1,028,612</u>	<u>105,111</u>	<u>200,397</u>	<u>698,977</u>	<u>2,033,098</u>
Total accounts and other receivables	<u>1,028,612</u>	<u>105,111</u>	<u>200,397</u>	<u>1,523,007</u>	<u>2,857,127</u>
Net receivables	<u>\$ 3,841,998</u>	<u>\$ 834,168</u>	<u>\$ 200,397</u>	<u>\$ 1,523,007</u>	<u>\$ 6,399,570</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 2016-17 fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

<u>Description</u>	<u>Unearned Amount</u>
Grant and contract payments received prior to meeting all eligibility requirements	\$ 270,073
Tigard-Tualatin Online Academy Summer School tuition paid in advance of courses held in July	<u>2,980</u>
Total unearned revenue	<u>\$ 273,053</u>

C. CAPITAL ASSETS

Capital asset activity for the year ending June 30, 2017, was as follows:

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

	Balance June 30, 2016	Current year additions	Current year dispositions	Balance June 30, 2017
Capital assets, not being depreciated				
Land	\$ 20,712,399	\$ -	\$ -	\$ 20,712,399
Construction in progress	975,026	4,715,006	(787,305)	4,902,727
Total capital assets not being depreciated	21,687,425	4,715,006	(787,305)	25,615,127
Capital assets, being depreciated				
Land improvements	13,154,214	815,992		13,970,205
Less accumulated depreciation	(5,243,733)	(693,808)	-	(5,937,542)
Land improvements, net of depreciation	7,910,480	122,183	-	8,032,664
Buildings and improvements	181,278,231	154,649	-	181,432,880
Less accumulated depreciation	(75,668,652)	(4,474,713)	-	(80,143,365)
Buildings and improvements, net of depreciation	105,609,580	(4,320,064)	-	101,289,516
Vehicles and equipment	21,034,270	442,838	(436,149)	21,040,958
Less accumulated depreciation	(10,754,197)	(2,300,978)	422,469	(12,632,706)
Vehicles and equipment, net of depreciation	10,280,072	(1,858,140)	(13,681)	8,408,252
Total capital assets being depreciated, net	123,800,132	(6,056,021)	(13,681)	117,730,430
Total all capital assets, net	<u>\$ 145,487,557</u>	<u>\$ (1,341,015)</u>	<u>\$ (800,985)</u>	<u>\$ 143,345,557</u>

Depreciation expense was charged to functions of the governmental activities of the District as follows:

	Current Depreciation
Instruction	\$6,302,064
Support Services	\$984,412
Enterprise and Community Services	<u>\$183,023</u>
Total depreciation current year	<u>\$7,469,499</u>

1. Construction In Progress

In the November 2016 General Election, Tigard-Tualatin School District voters passed the district's \$291,315,000 bond measure by a 60% margin.

Funding is slated for the following projects, which were recommended by a committee of parents and staff and adopted by the School Board.

- Rebuild or substantially rebuild 3 of the District's oldest schools--Templeton ES, Twality Middle School, and oldest portions of Tigard High School
- Add classrooms to Tigard High School, Tualatin High School, Durham Education Center including areas for STEM (Science, Technology, Engineering and Math)
- Build a new elementary school--Art Rutkin Elementary School
- Make safety and security improvements district-wide
- Complete scheduled facility repairs such as roof replacements and HVAC upgrades
- Purchase new and replacement technology, textbooks and digital curriculum.

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

Projects will be staggered over the next 5 years. The majority of the construction in progress is related to work at Fowler Middle School but major construction project has some construction in progress as architects have been hired to work on each major project.

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.

<u>Description</u>	<u>Deferred Inflow Amount</u>
Delinquent property taxes receivable, general fund	\$ 2,600,442
Delinquent property taxes receivable, debt service fund	673,967
	<u> </u>
Total deferred inflows	<u>\$ 3,274,409</u>

E. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at June 30, 2017, were as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Funds</u>	<u>Total Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
Accounts payable	\$ 1,672,960	\$1,858,502	\$ 569,842	\$ 4,101,304	\$ 20,796	\$ 4,122,100
Accrued payroll and related charges	<u>8,039,079</u>	<u>-</u>	<u>-</u>	<u>8,039,079</u>	<u>82,628</u>	<u>8,121,707</u>
Net liabilities	<u>\$ 9,712,039</u>	<u>\$1,858,502</u>	<u>\$ 569,842</u>	<u>\$ 12,140,382</u>	<u>\$ 103,424</u>	<u>\$ 12,243,807</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: <http://www.oregon.gov/PERS/Pages/Financials/CAFR-Previous-Years.aspx>

- 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 either by a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
 - ii) **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

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 on 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 disable 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 a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- 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.
- 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.
- iv) **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

period were based on the December 31, 2014 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2017 were approximately \$9,730,018, excluding amounts to fund employer specific liabilities. Approximately \$4,063,000 was charged for the year ended June 30, 2017 as PERS benefits expenditures to be used for bond payments as they become due. In addition, approximately \$3,116,000 in employee contributions were paid or picked up by the District in fiscal 2017.

At June 30, 2017, the District reported a liability of \$126,576,120 for its proportionate share of the net pension liability. The pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At December 31, 2014, the District's proportion was .84 percent.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 4,187,691	\$ -
Changes of assumptions	26,995,645	
Net difference between projected and actual earnings on investments	25,006,131	
Changes in proportionate share		5,649,594
Differences between employer contribution and employer's proportionate share of system contributions	<u>1,189,328</u>	<u>1,041,903</u>
Total prior to post-MD contributions	<u>57,378,795</u>	<u>6,691,497</u>
Subtotal - Amortized Derferrals (below)		<u>50,687,298</u>
District contributions subsequent to measurement date	<u>9,730,018</u>	<u>-</u>
Net deferred outflow (inflow) of resources		<u>\$ 60,417,316</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
2018	\$ 8,647,539
2019	\$ 8,647,539
2020	\$ 17,986,816
2021	\$ 13,624,372
2022	\$ 1,781,032
Thereafter	-
Total	<u>\$ 50,687,298</u>

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated December 1, 2016. Oregon PERS produces an Independently audited CAFR which can be found at:

<http://www.oregon.gov/pers/Documents/Financials/CAFR/2016-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2015 through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (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, 2014 rolled forward to June 30, 2016 measurement date
Experience Study Report	2014, Published September 2015
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	2.5 percent (reduced from 2.75 percent)
Investment rate of return	7.5 percent (reduced from 7.75 percent)
Projected salary increase	3.5 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service (reduced from 3.5 percent)
Cost of Living Adjustment	Blend of 2.0 percent COLA and graded COLA (1.25/0.15 percent) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per Scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2014.

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Discount Rate – The discount rate used to measure the total pension liability was 7.5 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.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

Source: June 30, 2014 PERS CAFR; p. 54 – 55)

Long-Term Expected Rate of Return:

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

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Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equity	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	7.71%	6.07%
<i>Assumed Inflation</i>		2.75%

Source: June 30, 2014 PERS CAFR; p. 54 – 55)

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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	Decrease ✓ (6.50%)	Rate ✓ (7.50%)	Increase ✓ (8.50%)
District's proportionate share of the net pension liability	\$ 204,378,230	\$ 126,576,120	\$ 61,547,169

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.

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016.

A deferred agreement with the District for amounts earned by them to not be paid until a future date

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when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. 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.

Individual Account Program - In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS' members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan that is invested in the IAP. The District makes this contribution on behalf of its employees.

G. EARLY RETIREMENT STIPENDS

1. Summary of Significant Accounting Policies

Method used to value investments. Investments are valued at market value and are pooled with other District investments.

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

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, 2016, 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, 2016:

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Retirees and beneficiaries currently receiving benefits		<u>17</u>
Active employees		
Vested	28	
Nonvested	<u>32</u>	
		<u>60</u>

Funding Policy

Stipends are funded solely by the District. There is no obligation on the part of the District to fund these benefits in advance. The District's only obligation is to make current benefit payments due each year. Consequently, the District has established a pension trust fund, and makes benefit payments based on assessing salaries at 0.23 percent. The District's last actuarial valuation was completed as of June 30, 2016.

2. Actuarial Methods and Assumptions

Investments

Investment policy. The plan's investment policy as required by state statute is governed by the District's investment policy and related administrative rule. The District's Financial Oversight Committee reviews the policy, the administrative rule, and the portfolio annually in November. The District School Board re-adopts the investment policy and reviews and approves the administrative rule annually per Board policy.

Real Rate of Return on Assets by Asset Class

<u>Asset Class</u>	<u>Allocation</u>	<u>Assumed Real Rate of Return</u>
Government Agency Securities	100%	1.15%

Allocation of assets is based on June 30, 2016 account balance.

The expected real rate of return is presented as an arithmetic mean.

Net Pension Liability of the District

The components of the net pension liability of the District at June 30, 2016, the most recent actuarial valuation date, were as follows:

Total pension liability	\$ 704,102
Plan fiduciary net position	<u>(49,865)</u>
District's net pension liability	<u>\$ 654,237</u>

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	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$	\$ 7,612
Changes in assumptions	-	2,145
Net difference between projected and actual	1,523	-
	1,523	9,757
Net deferred outflow (inflow) of resources	\$	\$ (8,234)

The amounts reported as deferred outflows will be recognized as pension expense as follows:

Year ending June 30,	Amount
2017	\$ 3,686
2018	\$ (3,843)
2019	\$ (4,064)
2020	\$ (327)
2021	\$ (3,766)
Thereafter	80
Total	\$ (8,234)

The ARC for the plan was determined as part of the June 30, 2016 actuarial valuation using the following methods and assumptions:

Actuarial cost method	Entry Age Normal Level Percent of Pay
Amortization method	Level dollar
Remaining amortization period	15 year closed period beginning July 1, 2004
Inflation rate	2.50%
Asset valuation method	Market value
Investment return	3%
Projected salary increases	3.50%
Cost of living adjustments	0%

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net position liability of the District, calculated using a discount rate of 3%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2%) and 1-percentage point higher (4%) than the current rate:

	Decrease 2.00%	Rate 3.00%	Increase 4.00%
District's net pension liability	\$ 818,704	\$ 795,340	\$ 770,982

H. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

1. 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

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resources. There are 1,114 active and 137 retired members in the District's 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 employees and retirees. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution.

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. Consequently, the District has established a pension trust fund, and makes benefit payments based on assessing salaries at 1.3 percent. The District has established a fiduciary trust to accumulate assets for the District-paid benefits. As of June 30, 2017 this fiduciary trust held \$1,987,583 for the OPEB Plan.

2. Annual OPEB Cost and Net OPEB Obligation

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

	2016-2017	2015-2016	2014-2015
Annual Required Contribution (ARC)	\$ 619,334	\$ 669,236	\$ 843,795
Interest on Net OPEB Obligation	(107,240)	(82,582)	(84,228)
Adjustment to ARC	182,376	140,443	139,069
Annual OPEB Cost	694,470	727,097	898,636
Contributions	(855,064)	(1,549,007)	(843,795)
Increase (Decrease) in Net OPEB Obligation	(160,594)	(821,910)	54,841
Net OPEB Obligation (asset) - beginning of fiscal year	(3,574,653)	(2,752,743)	(2,807,584)
Net OPEB Obligation (asset) - ending of fiscal year	<u>\$ (3,735,247)</u>	<u>\$ (3,574,653)</u>	<u>\$ (2,752,743)</u>

The District's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for current fiscal year ended June 30, 2017 and each of the two preceding years were as follows:

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Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Asset
2017	\$ 694,470	123%	\$ 3,735,247
2016	\$ 727,097	213%	\$ 3,574,653
2015	\$ 898,636	94%	\$ 2,752,743

3. Funded Status and Funding Progress

As of June 30, 2016, the most recent actuarial valuation date, the District's funding status is as follows:

Actuarial value liability (AAL)	\$ 10,490,402
Actuarial value of plan assets	2,160,378
Unfunded actuarial accrued liability (UAAL)	<u>\$ 8,330,024</u>
Funded ratios (actuarial value of plan assets/AAL)	20.59%
Covered payroll (annual payroll of active employees covered by the plan)	\$ 60,217,023
UAAL as a percentage of covered payroll	13.83%

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

4. Actuarial Methods and Assumptions

The annual OPEB cost for the plan was determined as part of the June 30, 2016 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 armortization period
Inflation rate	2.50%
Asset valuation method	Market value
Investment return	3%
Increase in district cap	5%
Healthcare cost trend	
Medical	8% initially downgrading to 5 % over 6 years
Dental	2% initially remaining at 3 % in subsequent years
Vision	4% initially remaining at 3 % in subsequent years

I. 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, 2017, 21 employees were participating in the plan.

J. TAX SHELTERED ANNUITY

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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, 2017, 507 employees were participating in the plan.

K. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

In December 1988 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, 2016, the District received proceeds of \$868,806 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.

The encumbrances for the capital projects fund total \$15,653,190 and are in the flowing categories.

CATEGORY	ENCUMBRANCE
ARCHITECT/ENGINEER SERVICES	\$6,367,401
COMPUTER HARDWARE	\$6,291
MAJOR IMPROVEMENT	\$130,164
MANGEMENT SERVICES	\$3,417,027
OTHER PROFESSIONAL CONTRACTED SERVICES	\$5,732,308
ENCUMBRANCE TOTAL AS OF 6.30.17	\$15,653,191

L. 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 limit 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

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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.

M. CAPITAL LEASES

The District has entered into lease agreements as lessee for financing the acquisition of land improvements and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The leased land improvements and equipment total \$1,813,075, with accumulated depreciation of \$1,464,527 and a net book value of \$348,548 for the year ended June 30, 2017.

The District made the final payment on December 30, 2015.

N. LONG-TERM DEBT

The following is a summary of long-term debt transactions of governmental activities during the year ended June 30, 2017. In November 2016 voters approved general obligation debt of \$291,315,000. The District issued \$200,955,000 of the approved general obligation debt in April, 2017.

:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
General Obligation Bonds:					
August, 2005 Refunding Issue	36,785,000	-	5,380,000	31,405,000	5,665,000
August, 2011 Issue B	10,000,000	-	10,000,000	-	-
April, 2017 Issue	-	200,955,000	-	200,955,000	335,000
Total General Obligation Bonds	46,785,000	200,955,000	15,380,000	232,360,000	6,000,000
Full Faith and Credit Obligations:					
March, 2000 Issue - New Hibbard Center	2,012,152	-	311,834	1,700,318	293,192
PERS Unfunded Actuarial Liability Bonds	33,695,000	-	1,500,000	32,195,000	1,715,000
July, 2009 Issue - Thorpe Property	3,400,000	-	370,000	3,030,000	385,000
January 2010 Issue - Transportation Facility	282,000	-	89,000	193,000	94,000
August 2010 Issue - Tigard High School Soccer Field	220,000	-	44,000	176,000	44,000
Total Full Faith and Credit Obligations	39,609,152	-	2,314,834	37,294,318	2,531,192
Subtotal Long-Term Debt	86,394,152	200,955,000	17,694,834	269,654,318	
Issuance Premiums and Discounts	1,124,730	31,042,365	814,128	31,352,967	
Total Long-Term Debt	\$ 87,518,884	\$ 231,997,365	\$ 18,508,962	\$ 301,007,285	\$ 8,531,192

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The following is a list of each outstanding long-term liability 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	31,405,000
General Obligation Bonds, 2017 Series, future payments due in annual installments with interest paid semi-annually at 2% to 5% through June, 2037	200,955,000
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	1,700,318
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.	3,030,000
Full faith and credit obligation - Bus Garage Refunding January, 2010, future payments due annual installments with interest paid semi-annually at 3.0% through June, 2019	193,000
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	176,000
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>32,195,000</u>
Total	<u>\$ 269,654,318</u>

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Total debt service expenditures, excluding retirement benefits, for the year ended June 30, 2017, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Debt Service Fund:			
General Obligation Bonds series 2005 Refunding	\$ 5,380,000	\$ 1,866,863	\$ 7,246,863
August 2011 Issue B	10,000,000	281,800	10,281,800
Full Faith and Credit Obligation - Thorpe Property	370,000	132,794	502,794
Full Faith and Credit Obligation - Bus Garage	89,000	14,670	103,670
Full Faith and Credit Obligation - Soccer Field	44,000	6,407	50,407
Full Faith and Credit Obligation - Hibbard Building	311,834	555,100	866,934
PERS Unfunded Actuarial Liability Bonds	<u>1,500,000</u>	<u>1,892,648</u>	<u>3,392,648</u>
Total Debt Service Fund	<u>\$ 17,694,834</u>	<u>\$ 4,750,282</u>	<u>\$ 22,445,116</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 2037.

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BOND REPAYMENT SCHEDULE

Year Ending June 30	2018	2019	2020	2021	2022	2023-2027	2028-2032	2033-2037	Total
FF&C 2000 series									
Principal	\$ 293,192	\$ 273,712	\$ 281,476	\$ 263,397	\$ 244,559	\$ 343,983	\$ -	\$ -	\$ 1,700,318
Interest	571,808	591,288	668,525	686,603	702,616	1,101,571	-	-	4,322,411
FF&C Thorpe Property									
Principal	385,000	400,000	415,000	430,000	450,000	950,000	-	-	3,030,000
Interest	119,844	105,406	90,406	73,806	56,606	58,613	-	-	504,681
FF&C Bus Garage									
Principal	94,000	99,000				-	-	-	193,000
Interest	10,133	5,198				-	-	-	15,331
FF&C Tigard High Soccer Field									
Principal	44,000	44,000	44,000	44,000		-	-	-	176,000
Interest	5,005	3,575	2,145	715		-	-	-	11,440
Bonds 2005 Refunding series									
Principal	5,665,000	6,000,000	6,260,000	6,575,000	6,905,000		-	-	31,405,000
Interest	1,584,413	1,287,000	987,000	674,000	345,250		-	-	4,877,663
Bonds 2007 Pension Obligation									
Principal	1,715,000	1,940,000	2,185,000	2,455,000	2,740,000	18,775,000	2,385,000	-	32,195,000
Interest	1,808,393	1,712,062	1,603,092	1,480,360	1,342,463	4,040,027	133,965	-	12,120,363
Bonds 2017 Series									
Principal	335,000	2,880,000	3,670,000	220,000	455,000	36,985,000	61,390,000	95,020,000	200,955,000
Interest	11,733,975	9,794,300	9,707,900	9,597,800	9,591,200	44,905,300	33,535,750	15,033,250	143,899,475
Total Principal	8,531,193	11,636,713	12,855,477	9,987,398	10,794,560	57,053,984	63,775,001	95,020,000	269,654,318
Total Interest	15,833,569	13,498,828	13,059,067	12,513,284	12,038,134	50,105,510	33,669,714	15,033,250	165,751,362
Total Requirements	\$ 24,364,762	\$ 25,135,541	\$ 25,914,543	\$ 22,500,682	\$ 22,832,694	\$107,159,494	\$ 97,444,715	\$110,053,250	\$435,405,680

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, 2017, \$26,450,000 of bonds outstanding is considered defeased.

O. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2017 are as follows:

Tigard-Tualatin School District 23J, Tigard, Oregon
Notes to Basic Financial Statements
June 30, 2017

				Special Revenue Funds	Total
Fund Balances:	General Fund	Debt Service	Capital Projects		
<u>Nonspendable:</u>					
Prepaid & Inventory	\$ 3,000	\$ -	\$ 6,455	\$ 351,831	\$ 361,287
<u>Restricted:</u>					
Long Term Debt					
General obligation debt	-	328,473	-	-	328,473
Full faith and credit debt	-	252,469	-	-	252,469
Pension bond debt	-	18,464	-	-	18,464
Construction excise tax					
agreements	-	-	4,808,196	-	4,808,196
Construction projects per ballot title	-	-	228,295,471	-	228,295,471
School donation accounts	-	-	-	417,950	417,950
Transportation equipment	-	-	-	255,371	255,371
Food service programs	-	-	-	984,640	984,640
Scrip purchases	-	-	-	415,160	415,160
Grants	-	-	-	838,239	838,239
Student body funds	-	-	-	1,743,614	1,743,614
	-	599,406	233,103,668	4,654,974	238,358,048
<u>Committed to:</u>					
Facility acquisition, land purchases, and leases	-	-	5,671,893	-	5,671,893
Consumables related to prior textbook adoptions	-	-	-	670,109	670,109
ESD programs and related services	-	-	-	1,444,067	1,444,067
School savings accounts	-	-	-	432,269	432,269
Facility use and parking lots	-	-	-	722,704	722,704
Educational programs	-	-	-	667,192	667,192
	-	-	5,671,893	3,936,341	9,608,234
<u>Assigned to:</u>					
Appropriation of fund balance	4,318,535	-	-	-	4,318,535
<u>Unassigned:</u>	20,193,027	-	-	-	20,193,027
Total Fund Balances	\$ 24,514,562	\$ 599,406	\$ 238,782,016	\$ 8,943,147	\$ 272,839,131

P. INTERFUND RECEIVABLES AND PAYABLES

The composition of due to/due from balances as of June 30, 2017 is as follows:

	Interfund Payable	Interfund Receivable
	Due To	Due From
General Fund	\$ 472,996	\$ -
Special Revenue Funds	-	472,996
Total	\$ 472,996	\$ 472,996

Balances due to or due from funds occur between funds with separate checking or state investment pool

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

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. INTERFUND TRANSFERS

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds		
General Fund	\$ -	\$ 112,969
Full Faith and Credit Debt Service Fund	502,794	
Capital Projects Fund	-	502,794
Special Revenue Funds	<u>780,457</u>	<u>667,488</u>
Total Governmental Funds	<u>\$1,283,250</u>	<u>\$ 1,283,250</u>

General fund transfers of \$112,969 was transferred from the General Fund to the State County Private Grants Fund for obligations to schools. \$60,000 was transferred from the Scrip fund to a special revenue fund for the Superintendent's discretionary account. \$502,794 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. \$607,488 was transferred in the fiscal year for various purchases made by the general fund for the ASB fund.

R. SUPPLY INVENTORIES

The supply inventory balances at June 30, 2017, are as follows:

Food Service Fund	
Food and supply items	\$ 50,021
Value of commodities on hand	<u>37,622</u>
Total Food Service Fund	<u>87,642</u>
 Scrip Service Center Fund	
Scrip on hand	<u>264,189</u>
 Total inventory	<u>\$ 351,831</u>

S. 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, 95.5 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, 2017

Balance at June 30, 2016	\$ 469,869
Increase in accumulated accrued compensated absences	165,737
Decrease in accumulated accrued compensated absences	<u>(44,849)</u>
Balance at June 30, 2017	<u>\$ 590,756</u>

T. TAX ABATEMENTS

As of June 30, 2017, Tigard-Tualatin School District provides tax abatements through three programs:

Vertical Housing (ORS 307.864):

- 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):

- 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):

- 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.

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, 2017, the District abated property taxes as follows under these programs:

Enterprise Zones	\$ 2,000
Nonprofit Corporation Low Income Housing	99,000
Vertical Housing	<u>2,000</u>
Total	<u>\$103,000</u>

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2017

U. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool 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.

V. 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.

W. SUBSEQUENT EVENTS

On November 6, 2017, the District received proceeds from the sale of land held for sale. The land was the site of the old administration building. The land was cleared and has been for sale for several years. The land was purchased in the 1931-32 fiscal year for \$23,401 and sold for \$1.2M.

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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 23.
WASHINGTON AND CLACKMAS COUNTIES, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

For the fiscal year ended June 30, 2017

Oregon Public Employees Retirement System (PERS)

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) District's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
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
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 Required Contributions
Years Ended June 30,

Post Employment Health Care Benefits

Fiscal Year Ending	Annual Required Contribution	% of ARC Contributed
6/30/2009	\$1,682,929	108%
6/30/2010	\$1,612,953	123%
6/30/2011	\$1,612,953	128%
6/30/2012	\$1,571,369	128%
6/30/2013	\$1,571,369	98%
6/30/2014	\$2,275,953	270%
6/30/2015	\$843,795	100%
6/30/2016	\$669,236	231%
6/30/2017	\$619,334	138%

The schedule of funding progress will eventually present multiyear trend information.

TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON*Required Supplementary Information**Schedule of Funding Progress**Other Postemployment Benefits*

Post Employment Health Care Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Ratio Funded	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2009	\$ 2,327,810	\$ 19,830,404	\$ 17,502,594	11.74%	\$ 53,839,242	32.51%
6/30/2010	\$ 2,617,570	\$ 23,891,483	\$ 21,273,913	10.96%	\$ 52,449,496	40.56%
6/30/2012	\$ 2,889,847	\$ 20,859,458	\$ 17,969,611	13.85%	\$ 51,299,618	35.03%
6/30/2014	\$ 2,942,426	\$ 14,078,181	\$ 11,135,755	20.90%	\$ 51,433,503	21.65%
6/30/2016	\$ 2,160,378	\$ 10,490,402	\$ 8,330,024	20.59%	\$ 60,217,023	13.83%

The schedule of funding progress will eventually present multiyear trend information.
n/a not available

TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON

Required Supplementary Information

Schedule of Changes in Net Pension Liability

Early Retirement Stipends

Years Ended June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total pension liability				
Service cost	\$ 19,787	\$ 19,787	\$ 14,045	\$ -
Interest on total pension liability	40,109	35,183	28,775	-
Change in benefit terms	-	-	-	-
Change in assumptions	4,214	-	(4,123)	-
Experience (gain)/loss	26,142	-	(14,630)	-
Benefit payments	(291,325)	(264,836)	(225,061)	(166,588)
Net change in total pension liability	(201,073)	(209,866)	(200,994)	(166,588)
Total pension liability - beginning	1,482,623	1,281,550	1,071,684	870,690
Total pension liability - ending	<u>\$ 1,281,550</u>	<u>\$ 1,071,684</u>	<u>\$ 870,690</u>	<u>\$ 704,102</u>
Plan fiduciary net position				
Contributions employer	\$ 260,501	\$ 222,459	\$ 190,237	\$ 138,665
Contributions member	-	-	-	-
Net investment income	1,077	1,257	595	2,438
Difference between actual and expected incomes	(1,105)	-	-	-
Benefit payments	(291,325)	(264,836)	(225,061)	(166,588)
Net change in plan fiduciary net position	(30,852)	(41,120)	(34,229)	(25,485)
Plan fiduciary net position - beginning	181,551	150,699	109,579	75,350
Plan fiduciary net position - ending	<u>\$ 150,699</u>	<u>\$ 109,579</u>	<u>\$ 75,350</u>	<u>\$ 49,866</u>
District's net pension liability	<u>\$ 1,130,851</u>	<u>\$ 962,105</u>	<u>\$ 795,340</u>	<u>\$ 654,237</u>
Plan fiduciary net position as a percentage of the total pension liability	11.76%	10.22%	8.65%	7.08%
Covered employee payroll	\$ 4,480,675	\$ 4,730,664	\$ 4,287,714	\$ 4,437,784
District's net pension liability as a percentage of covered-employee payroll	25.24%	20.34%	18.55%	14.74%

Notes to Schedule:

Changes in assumptions. Changes were made to the assumed retirement, withdrawal, and mortality rates.

These changes were made due to using the more recently updated Oregon PERS assumptions.

Also minor changes were made to the assumed retirement rates based on District experience.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled information is only presented for those years which information is available.

TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON*Required Supplementary Information**Schedule of District Contributions**Early Retirement Stipends**Years Ended June 30,*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contribution	\$ 222,459	\$ 222,459	\$ 228,013	\$ 228,013
Contributions in relation to the actuarially determined contribution	<u>260,501</u>	<u>222,459</u>	<u>190,237</u>	<u>138,665</u>
Contribution deficiency (excess)	<u>\$ (38,042)</u>	<u>\$ -</u>	<u>\$ 37,776</u>	<u>\$ 89,348</u>
Covered employee payroll	\$ 4,480,675	\$ 4,730,664	\$ 4,287,714	\$ 4,437,784
Contributions as a percentage of covered-employee payroll	5.81%	4.70%	4.44%	3.12%

Notes to Schedule:

Actuarially determined contributions rates are calculated as of June 30, two years prior to the end of the fiscal year when contributions are reported.

Methods used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level Percent of Pay
Amortization method	Level dollar
Remaining amortization period	15 year closed period beginning July 1, 2004
Asset valuation method	Market value
Inflation	2.50%
Salary increases	4%
Investment rate of return	3.00%
Retirement age	Retirement age is generally the same used for school districts in the December 31, 2014 actuarial valuation of the Oregon Public Employees Retirement system. Rates were reviewed since the June 30, 2014 valuation and adjusted based on District experience over the past six years.
Mortality	Mortality rate is assumed to be 60% (for males) or 55% (for females) based on the RP-2000 Generational Combined Active/Healthy Annuitant, Sex Distinct mortality tables.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled information is only presented for those years which information is available.

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, 2017

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes - regular	\$ 49,962,000	\$ 49,962,000	\$ 50,640,134	\$ 678,134
Taxes - local option	6,800,000	6,800,000	7,864,739	1,064,739
Local sources	1,064,465	1,064,465	1,308,937	244,472
Intermediate sources	2,158,000	2,158,000	1,875,770	(282,230)
State sources	63,455,745	63,455,745	64,355,171	899,426
Federal sources	-	-	506	506
Investment earnings	180,000	180,000	412,150	232,150
Total revenues	123,620,210	123,620,210	126,457,407	2,837,197
Expenditures				
Current				
Instruction	82,830,546	82,883,643	81,451,723	1,431,920
Support services	42,813,304	42,760,207	40,914,456	1,845,751
Community services	211,215	211,215	205,174	6,041
Operating contingency	4,847,885	4,847,885	-	4,847,885
Total expenditures	130,702,950	130,702,950	122,571,353	8,131,597
Excess (deficiency) of revenues over (under) expenditures	(7,082,740)	(7,082,740)	3,886,054	10,968,794
Other financing sources (uses)				
Transfers out	(169,000)	(169,000)	(112,969)	56,031
Total other financing sources (uses)	(169,000)	(169,000)	(112,969)	56,031
Net change in fund balances	(7,251,740)	(7,251,740)	3,773,085	11,024,825
Fund balance, beginning of year	19,619,298	19,619,298	20,741,477	1,122,179
Fund balance, end of year	\$ 12,367,558	\$ 12,367,558	\$ 24,514,562	\$ 12,147,004

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, 2017*

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local sources	\$ 9,214,300	\$ 9,224,859	\$ 6,119,943	\$ (3,104,916)
Intermediate sources	2,752,340	2,752,340	2,753,516	1,176
State sources	1,192,900	1,192,900	1,130,653	(62,247)
Federal sources	9,277,857	9,250,562	7,434,138	(1,816,424)
Investment earnings	2,500	2,500	13,841	11,341
Total revenues	22,439,897	22,423,161	17,452,091	(4,971,071)
Expenditures				
Current				
Instruction	13,603,906	13,603,906	8,098,006	5,505,900
Support services	8,702,040	8,702,040	4,614,227	4,087,813
Community services	6,241,051	6,241,051	4,748,123	1,492,928
Transits to other School Districts	450,000	450,000	435,091	14,909
Total expenditures	28,996,997	28,996,997	17,895,447	11,101,551
Excess (deficiency) of revenues over (under) expenditures	(6,557,100)	(6,573,836)	(443,356)	6,130,480
Other financing sources (uses)				
Transfers in	1,344,000	1,360,736	782,957	(577,779)
Transfers out	(1,150,000)	(1,150,000)	(667,488)	482,512
Total other financing sources (uses)	194,000	210,736	115,469	(95,267)
Net change in fund balance	(6,363,100)	(6,363,100)	(327,887)	6,035,213
Fund balance, beginning of year	8,709,100	8,709,100	9,271,034	561,934
Fund balance, end of year	\$ 2,346,000	\$ 2,346,000	\$ 8,943,147	\$ 6,597,146

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, 2017*

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes - regular	\$ 14,885,900	\$ 14,885,900	\$ 15,025,276	\$ 139,376
Federal sources	258,000	258,000	262,356	4,356
Investment earnings	<u>35,000</u>	<u>35,000</u>	<u>115,873</u>	<u>80,873</u>
Total revenues	<u>15,178,900</u>	<u>15,178,900</u>	<u>15,403,504</u>	<u>224,604</u>
Expenditures				
Current				
Debt service	<u>17,533,900</u>	<u>17,533,900</u>	<u>17,528,663</u>	<u>5,238</u>
Net change in fund balance	(2,355,000)	(2,355,000)	(2,125,158)	229,842
Fund balance, beginning of year	<u>2,355,000</u>	<u>2,355,000</u>	<u>2,453,631</u>	<u>98,631</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,473</u>	<u>\$ 328,473</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, 2017*

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local sources	\$ 1,031,741	\$ 1,031,741	\$ 1,023,018	\$ (8,723)
Expenditures				
Current				
Debt service	<u>1,527,340</u>	<u>1,527,340</u>	<u>1,523,806</u>	<u>3,534</u>
Excess (deficiency) of revenues over (under) expenditures	(495,599)	(495,599)	(500,788)	(5,189)
Other financing sources (uses)				
Transfers in	<u>503,000</u>	<u>503,000</u>	<u>502,794</u>	<u>(206)</u>
Net change in fund balance	7,401	7,401	2,006	(5,395)
Fund balance, beginning of year	<u>258,591</u>	<u>258,591</u>	<u>250,463</u>	<u>(8,128)</u>
Fund balance, end of year	<u>\$ 265,992</u>	<u>\$ 265,992</u>	<u>\$ 252,469</u>	<u>\$ (13,523)</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, 2017*

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local sources	\$ 3,392,700	\$ 3,392,700	\$ 3,383,178	\$ (9,522)
Investment earnings	<u>-</u>	<u>-</u>	<u>17,043</u>	<u>17,043</u>
Total revenues	<u>3,392,700</u>	<u>3,392,700</u>	<u>3,400,221</u>	<u>7,521</u>
Expenditures				
Current				
Debt service	<u>3,392,700</u>	<u>3,392,700</u>	<u>3,392,648</u>	<u>52</u>
Total expenditures	<u>3,392,700</u>	<u>3,392,700</u>	<u>3,392,648</u>	<u>52</u>
Net change in fund balance	-	-	7,573	7,573
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>10,892</u>	<u>10,892</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,464</u>	<u>\$ 18,464</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, 2017*

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local	\$ 1,200,000	\$ 1,200,000	\$ 1,176,600	\$ (23,400)
Construction Excise Tax	1,380,000	1,380,000	1,125,335	(254,665)
Investment earnings	<u>50,000</u>	<u>50,000</u>	<u>166,953</u>	<u>116,953</u>
Total revenues	<u>2,630,000</u>	<u>2,630,000</u>	<u>2,468,887</u>	<u>(161,113)</u>
Expenditures				
Current				
Facilities acquisition and construction	<u>11,377,000</u>	<u>11,377,000</u>	<u>4,874,144</u>	<u>6,502,856</u>
Excess (deficiency) of revenues over (under) expenditures	(8,747,000)	(8,747,000)	(2,405,256)	6,341,744
Other financing sources (uses)				
Transfers out	(503,000)	(503,000)	(502,794)	206
Bond proceeds	<u>-</u>	<u>-</u>	<u>231,997,365</u>	<u>231,997,365</u>
Total other financing sources (uses)	<u>(503,000)</u>	<u>(503,000)</u>	<u>231,494,571</u>	<u>231,997,571</u>
Net change in fund balance	(9,250,000)	(9,250,000)	229,089,315	238,339,315
Fund balance, beginning of year	<u>9,250,000</u>	<u>9,250,000</u>	<u>9,692,701</u>	<u>442,701</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,782,016</u>	<u>\$ 238,782,016</u>

TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON*Insurance Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2017*

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local sources	\$ 1,128,000	\$ 1,128,000	\$ 208,105	\$ (919,895)
Expenditures				
Current				
Instruction	928,864	928,864	29,981	898,883
Support services	1,459,977	1,459,977	3,711	1,456,266
Community services	<u>259,759</u>	<u>259,759</u>	<u>102</u>	<u>259,657</u>
Total expenditures	<u>2,648,600</u>	<u>2,648,600</u>	<u>33,795</u>	<u>2,614,805</u>
Net change in fund balance	(1,520,600)	(1,520,600)	174,310	1,694,910
Fund balance, beginning of year	<u>1,520,600</u>	<u>1,520,600</u>	<u>1,533,628</u>	<u>13,028</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,707,938</u>	<u>\$ 1,707,938</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, 2017*

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local sources	\$ 945,000	\$ 945,000	\$ 993,709	\$ 48,709
Investment Earnings	<u>30,000</u>	<u>30,000</u>	<u>19,800</u>	<u>(10,200)</u>
Total revenues	<u>975,000</u>	<u>975,000</u>	<u>1,013,509</u>	<u>38,509</u>
Expenditures				
Current				
Support services	<u>1,605,000</u>	<u>1,605,000</u>	<u>1,209,487</u>	<u>395,513</u>
Excess (deficiency) of revenues over (under) expenditures	(630,000)	(630,000)	(195,977)	434,023
Other financing sources (uses)				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(2,500)</u>	<u>22,500</u>
Net change in fund balance	(655,000)	(655,000)	(198,477)	456,523
Fund balance, beginning of year	<u>1,855,000</u>	<u>1,855,000</u>	<u>2,447,155</u>	<u>592,155</u>
Fund balance, end of year	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 2,248,678</u>	<u>\$ 1,048,678</u>

TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON

Supplementary Information - Other Financial Schedules

Schedule of Property Tax Transactions

Year Ended June 30, 2017

	Tax Year	Current Levy and Uncollected July 1, 2016	Discounts Allowed	Interest	Adjustments	Collections	Uncollected June 30, 2017
General Fund:							
Current	2016-2017	\$ 60,460,435	\$ (1,623,509)	\$ 14,277	\$ (146,284)	\$ (57,714,981)	\$ 989,939
Prior	2015-2016	968,853	(1,229)	26,243	(71,036)	(456,371)	466,459
	2014-2015	495,067	16	19,401	(3,622)	(120,575)	390,288
	2013-2014	348,844	62	26,645	(3,426)	(110,486)	261,639
	2012-2013	228,614	(0)	11,494	(3,132)	(42,135)	194,840
	2011-2012	169,336	1	1,875	(2,114)	(5,276)	163,822
	2011 and prior	355,955	10	4,587	(3,829)	(10,324)	346,399
Total Prior		<u>2,566,670</u>	<u>(1,140)</u>	<u>90,244</u>	<u>(87,160)</u>	<u>(745,168)</u>	<u>1,823,447</u>
Total General Fund		<u>\$ 63,027,106</u>	<u>\$ (1,624,649)</u>	<u>\$ 104,522</u>	<u>\$ (233,444)</u>	<u>\$ (58,460,149)</u>	<u>\$ 2,813,386</u>

Reconciliation to revenue:

Cash collections by county treasurers above	\$ 58,460,149
Payments in lieu of taxes	3,528
Penalty and interest on property taxes	31,170
Accrual of current receivables:	
6/30/2016	(202,916)
6/30/2017	<u>212,943</u>
Total revenues	<u>\$ 58,504,873</u>

Debt Service Fund:

Current	2016-2017	\$ 15,525,256	\$ (416,856)	\$ 3,423	\$ (37,544)	\$ (14,820,212)	\$ 254,067
Prior	2015-2016	254,126	(322)	6,427	(18,605)	(119,698)	121,927
	2014-2015	131,470	4	4,749	(963)	(32,044)	103,216
	2013-2014	92,589	17	6,639	(912)	(29,319)	69,014
	2012-2013	61,431	-	2,886	(840)	(11,324)	52,153
	2011-2012	44,927	0	456	(560)	(1,401)	43,422
	2011 and prior	87,495	4	1,117	(761)	(2,597)	85,257
Total Prior		<u>672,038</u>	<u>(297)</u>	<u>22,272</u>	<u>(22,641)</u>	<u>(196,383)</u>	<u>474,990</u>
Total Debt Service Fund		<u>\$ 16,197,294</u>	<u>\$ (417,153)</u>	<u>\$ 25,696</u>	<u>\$ (60,185)</u>	<u>\$ (15,016,595)</u>	<u>\$ 729,057</u>

Reconciliation to revenue:

Cash collections by county treasurers above	\$ 15,016,595
Payments in lieu of taxes	923
Penalty and interest on property taxes	6,056
Accrual of current receivables:	
6/30/2016	(53,387)
6/30/2017	<u>55,090</u>
Total revenues	<u>\$ 15,025,276</u>

Tigard Tualatin School District 23J
Schedule of Expenditures of Federal Awards
Year ended June 30, 2017

Federal Grantor/Pass Through Grantor					
Program Title	CFDA	ODE Grant #	Grant Period	Revenues/ Expenditures	Pass Through to Sub-Recipients
US. DEPARTMENT OF EDUCATION					
Federal Direct					
TRIO - Upward Bound	84.047A	N/A	9/01/16-8/31/17	139,959.38	3,850.00
TRIO - Upward Bound	84.047A	N/A	9/01/15-8/31/16	101,553	-
				241,511.97	3,850.00
Passed through State Department of Education					
Title I Grants to Local Education Agencies	84.010A	41176	7/01/16-9/30/17	1,759,082	32,224
Title I Grants to Local Education Agencies	84.010A	36092	7/01/15-9/30/16	425,680	-
				2,184,761	32,224
Special Education Grants to States (IDEA, Part B)	84.027A	41637	7/14/16-9/30/18	1,451,069	23,667
Special Education Grants to States (IDEA, Part B)	84.027A	36983	7/14/15-9/30/17	271,701	-
Special Education Grants to States (IDEA, Part B)	84.027A	42774	10/1/16-9/30/17	12,731	-
Special Education Grants to States (IDEA, Part B)	84.027A	40969	8/01/16-6/30/17	5,797	-
Special Education Grants to States (IDEA, Part B)	84.027A	42020	9/01/16-6/30/17	2,700	-
Special Education Preschool Grants (IDEA Preschool)	84.173	40696	7/01/16-9/30/18	9,727	-
				1,753,725	23,667
English Language Acquisition State Grants	84.365A	41801	7/01/16- 9/30/17	166,027	2,225
English Language Acquisition State Grants	84.365A	36365	7/01/15- 9/30/16	8,591	-
				174,618	2,225
Title IIA Improving Teacher Quality State Grants	84.367A	41431	7/01/16- 9/30/17	220,789	5,725
Title IIA Improving Teacher Quality State Grants	84.367A	36289	7/01/15- 9/30/16	20,749	-
				241,538	5,725
Child Care and Development Block Grant	93.575	9791-A4	7/01/13-6/30/17	55,225	-
Passed through Oregon Department of Human Services					
Vocational Rehabilitational State Grants	84.126A	143324-1	7/01/15-6/30/17	103,327	-
Total U.S. Department of Education				4,754,707	

Tigard Tualatin School District 23J
Schedule of Expenditures of Federal Awards
Year ended June 30, 2017

Federal Grantor/Pass Through Grantor						
Program Title	CFDA	ODE Grant #	Grant Period	Revenues/ Expenditures	Pass Through to Sub-Recipients	
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES						
Drug-Free Communities Support Program Grants	93.276	N/A	10/1/16-9/29/17	69,493	-	
Drug-Free Communities Support Program Grants	93.276	N/A	10/1/15-9/29/16	35,794	-	
Substance Abuse and Mental Health Services_ Projects o	93.243	N/A	09/30/16-2/29/17	5,752	-	
				111,038	-	
Total U.S. Department of Health & Human Services				75,244		
U.S. DEPARTMENT OF AGRICULTURE						
Passed through State Department of Education						
National School Lunch Breakfast	10.553	N/A		509,052	(1)	
National School Lunch	10.555	N/A		1,992,105	(1)	
Summer Food	10.559	N/A		67,236	(1)	
Total Child Nutrition				2,568,393		
Schools and Roads - Grants to States	10.665	N/A		506		
Total U.S. Department of Agriculture				2,568,899		
Total Expenditure of Federal Awards				\$7,434,644		
Interest on Qualified School Construction Bonds				262,356		
Total Expenditure of Federal Funds				\$7,696,999		

(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.

STATISTICAL SECTION

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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

102-105

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

Revenue Capacity

106-109

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

Debt Capacity

110-113

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

114-115

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

116-122

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									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Governmental activities										
Net Position										
Invested in capital assets, net of related debt	41,952,130	49,133,178	54,284,256	57,204,175	50,751,857	70,455,492	78,293,177	85,813,660	91,663,673	106,426,011
Restricted	6,285,685	6,192,111	8,376,146	6,259,546	19,524,760	7,760,005	7,133,936	7,998,990	11,453,706	10,547,188
Unrestricted	<u>14,730,111</u>	<u>16,706,261</u>	<u>18,152,495</u>	<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>
Total Net Position	<u>\$ 62,967,926</u>	<u>\$ 72,031,550</u>	<u>\$ 80,812,895</u>	<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>

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									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Expenses										
Governmental activities										
Instruction	71,453,729	73,857,705	74,634,671	76,562,686	78,589,575	78,124,127	78,159,522	62,345,966	118,757,908	101,212,195
Support Services	38,569,975	39,556,936	38,782,513	39,418,986	37,832,977	38,343,055	38,434,091	32,974,800	53,188,022	48,384,764
Enterprise and Community Services	4,687,177	4,912,120	4,780,025	4,414,330	4,819,796	4,765,111	4,550,104	4,085,471	5,646,959	5,240,949
Interest on long-term liabilities	6,389,768	6,858,019	6,929,301	6,648,362	6,710,338	6,295,299	5,991,255	5,599,435	5,118,801	6,527,310
Total expenditures	121,100,649	125,184,780	125,126,510	127,044,364	127,952,686	127,527,591	127,134,971	105,005,671	182,711,691	161,365,219
Program Revenues										
Governmental activities										
Charges for services										
Instruction	3,886,610	4,175,145	4,580,171	4,081,117	4,594,110	3,641,032	3,516,294	4,539,162	2,897,610	2,813,482
Support Services	2,807	1,743	657	54	35	54	-	-	-	-
Enterprise and Community Services	2,673,617	2,652,006	2,336,098	2,096,852	2,007,583	1,878,182	1,802,215	1,757,178	1,767,776	1,762,535
Operating grants and contributions	14,017,227	15,259,335	16,995,093	16,874,605	16,398,446	15,893,694	15,222,886	17,138,272	16,113,049	17,611,086
Capital grants and contributions	301,147	101,070	103,814	111,952	361,011	375,317	470,260	385,838	387,233	385,760
Total program revenues	20,881,408	22,189,299	24,015,833	23,164,580	23,361,185	21,788,279	21,011,655	23,820,450	21,165,668	22,572,863
Net (Expenditures)/Revenue	(100,219,241)	(102,995,481)	(101,110,677)	(103,879,784)	(104,591,501)	(105,739,312)	(106,123,316)	(81,185,221)	(161,546,023)	(138,792,356)
General Revenues										
Governmental activities										
Property taxes, levied for general purposes	43,410,833	44,581,278	46,146,630	48,059,574	47,258,052	46,410,671	48,573,446	53,023,648	55,671,956	58,504,873
Property taxes, levied for debt service	11,888,420	14,004,924	13,718,566	11,604,661	12,528,378	12,231,708	13,025,060	13,969,228	14,949,875	15,298,201
Federal aid not restricted to specific purposes	7,823	2,433,605	3,327,216	3,797,150	37,517	1,369	1,377	1,304	1,514	506
State aid not restricted to specific purposes	48,545,807	45,763,925	44,394,638	39,695,115	45,290,466	43,171,729	50,105,499	54,640,982	59,503,437	59,842,026
Intermediate aid not restricted to specific purposes	3,416,920	3,038,375	224,894	264,690	2,697,273	195,450	1,057,282	3,298,968	1,957,778	1,875,770
Earnings on investments	1,806,302	753,786	260,262	240,409	304,017	304,919	240,215	272,842	307,852	1,019,619
Recovery of prior year expenditures	470,000	-	152,911	285,314	151,501	189,487	219,514	286,180	706,103	777,271
Construction excise tax	93,516	233,722	321,081	394,274	742,975	1,261,618	613,791	545,339	1,823,933	1,125,335
Gain on sale of capital assets	-	-	-	8,239,782	-	-	1,853,804	-	145,200	156,531
Other local revenue	1,588,690	1,249,489	1,345,823	1,177,105	1,059,990	956,390	1,096,235	1,024,154	1,023,857	1,034,869
Loss on disposition capital assets	-	-	-	-	-	-	-	-	-	-
Total general revenues	111,228,311	112,059,104	109,892,022	113,758,075	110,070,170	104,723,342	116,786,222	127,062,645	136,091,505	139,635,001
Restatement of net position							(72,150,126)			
Change in Net Position-Governmental activities	<u>\$ 11,009,070</u>	<u>\$ 9,063,624</u>	<u>\$ 8,781,345</u>	<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>

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									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
General fund										
Unreserved	10,782,108	12,010,628	13,091,027	-	-	-	-	-	-	-
Nonspendable								3,456	3,725	3,000
Assigned					6,760,000	668,115	-	1,080,117	2,403,855	4,318,535
Unassigned	-	-	-	10,718,297	3,434,457	3,777,726	6,815,886	14,058,759	18,333,897	20,193,027
Total general fund	<u>\$ 10,782,108</u>	<u>\$ 12,010,628</u>	<u>\$ 13,091,027</u>	<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>
All other governmental funds										
Reserved, reported in:										
Special Revenue funds	9,285,746	9,094,831	10,153,275	-	-	-	-	-	-	-
Capital Projects funds	3,157,752	1,746,976	2,480,968	-	-	-	-	-	-	-
Restricted, reported in:										
Debt Service funds (1)	<u>217,788</u>	<u>512,473</u>	<u>624,184</u>	-	-	-	-	-	-	-
Nonspendable				299,158	301,414	254,468	335,094	319,960	347,763	358,287
Restricted				5,825,299	19,139,501	13,626,923	8,758,904	8,758,053	11,173,838	238,358,048
Committed				14,075,776	13,576,514	10,409,607	11,145,748	10,432,420	10,157,119	9,608,234
Assigned				1,942,956	1,172,069	-	-	-	-	-
Total all other governmental funds	<u>\$ 12,661,286</u>	<u>\$ 11,354,280</u>	<u>\$ 13,258,427</u>	<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>

(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									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Revenues										
Property and other taxes (1)	55,299,253	58,586,202	59,865,196	59,664,235	59,786,430	58,642,379	61,598,506	66,992,876	70,621,831	73,803,074
Local sources	13,383,740	12,940,207	12,705,739	13,076,347	13,298,682	13,857,708	14,554,703	15,131,020	14,086,791	13,572,826
Intermediate sources	3,805,758	3,357,609	2,410,883	2,457,514	5,009,835	2,289,347	3,400,832	5,508,732	4,364,029	4,629,286
State sources	55,158,312	52,664,006	48,169,891	43,579,834	49,128,595	47,666,900	54,248,446	59,259,105	63,833,598	65,485,824
Federal sources	5,369,819	9,101,503	12,896,195	13,094,060	8,780,889	7,628,627	7,111,120	7,561,425	7,560,443	7,696,999
Investment earnings	1,806,302	753,786	260,262	240,409	327,493	304,919	240,215	272,842	307,852	1,019,619
Total revenues	134,823,184	137,403,313	136,308,166	132,112,399	136,331,923	130,389,880	141,153,822	154,726,000	160,774,544	166,207,628
Expenditures										
Current										
Instruction	69,486,406	71,637,866	71,941,653	72,980,847	75,792,356	74,287,500	74,987,422	80,241,837	85,620,825	89,549,729
Support services	39,156,616	40,776,696	39,006,664	39,350,822	38,252,302	38,482,850	39,253,892	41,172,985	42,497,523	45,528,683
Community services	4,646,996	4,841,932	4,770,862	4,332,516	4,769,802	4,667,781	4,525,733	4,581,977	4,811,424	4,953,297
Transit payments to other school districts	-	-	289,525	244,600	271,245	262,237	340,208	517,468	353,567	435,091
Debt service										
Principal	9,669,262	10,557,575	11,709,288	9,398,359	10,206,975	11,337,662	11,886,827	13,502,290	12,212,209	17,694,834
Interest	7,088,791	7,464,550	6,306,397	6,640,948	7,540,003	6,802,764	6,337,224	5,874,903	5,285,364	4,750,282
Fees	-	-	60,585	-	-	-	1,450	-	-	-
Capital outlay	2,688,739	1,978,630	95,132	399,589	8,633,768	10,196,204	5,502,272	1,237,407	2,226,201	4,874,144
Total expenditures	132,736,810	137,257,249	134,180,105	133,347,681	145,466,451	146,036,997	142,835,028	147,128,866	153,007,113	167,786,059
Excess (deficiency) of revenues over (under) expenditures	2,086,374	146,064	2,128,061	(1,235,282)	(9,134,528)	(15,647,117)	(1,681,206)	7,597,133	7,767,431	(1,578,431)
Other financing sources (uses)										
Payment to escrow agent - refunding	-	-	(7,727,665)	-	-	-	-	-	-	-
Refunding bonds issued	-	-	8,418,452	-	-	-	-	-	-	-
Premium on refunded bonds	-	-	160,699	-	-	-	-	-	-	-
Proceeds from capital lease/bonds	41,385,000	-	-	-	-	-	-	-	-	-
PERS UAL lump sum payment	(40,984,170)	-	-	-	-	-	-	-	-	-
Debt issuance	-	-	-	431,200	20,656,997	-	-	-	-	231,997,365
Proceeds from sale of capital assets	-	-	-	8,418,724	-	-	-	-	-	-
Lease purchase receipts	-	-	-	-	-	-	-	-	-	-
Transfers to other School Districts	(206,700)	(224,550)	-	-	-	-	-	-	-	-
Transfers	-	-	5,000	4,000	-	-	-	-	-	-
Total other financing sources (uses)	194,130	(224,550)	856,486	8,853,924	20,656,997	-	-	-	-	231,997,365
Net change in fund balances	\$ 2,280,504	\$ (78,486)	\$ 2,984,547	\$ 7,618,642	\$ 11,522,469	\$ (15,647,117)	\$ (1,681,206)	\$ 7,597,133	\$ 7,767,431	\$ 230,418,934
Debt service as a percentage of noncapital expenditures	12.9%	13.4%	13.5%	12.1%	13.0%	13.5%	13.4%	13.4%	11.6%	13.8%

(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 Assessed Value (2)	Total Direct Rate*	Real Market Value (3)	Percentage Assessed Value to RMV
	Real Property	Personal Property	Manufactured Homes	Public Utility				
2007-08	7,135,406,937	338,804,018	13,939,620	303,993,780	7,792,144,355	7.586	13,288,203,347	58.64%
2008-09	7,521,048,166	361,185,612	13,744,740	242,425,700	8,138,404,218	7.707	13,678,277,361	59.50%
2009-10	7,778,117,030	363,094,511	13,379,749	264,972,950	8,419,564,240	7.678	12,854,966,295	65.50%
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%

- (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	Total Direct
	Permanent	Local	Obligation Debt Service Bonds (2)	
	Rate	Option (1)		Tax Rate
2008	4.989	1.000	1.597	7.586
2009	4.989	1.000	1.718	7.707
2010	4.989	1.000	1.689	7.678
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

Overlapping Total Property Tax Rates															
Fiscal Year	Tigard		City of Tualatin	City of Tigard	Tualatin Valley RFPD	Washington County	Sherwood School District	Portland Community College	Tri-Met Service District	Metropolitan Service District	Lake				
	City of Durham	Tualatin School District									Oswego School District	Clackamas Community College	Clackamas County	City of Lake Oswego	City of Portland
2008	1.809	7.586	2.595	2.739	1.869	3.033	8.915	0.505	0.086	0.429	6.851	0.755	2.652	5.689	7.902
2009	1.820	7.707	2.458	2.688	1.843	2.984	8.798	0.503	0.080	0.398	7.152	0.758	2.652	5.683	7.392
2010	1.835	7.678	2.489	2.727	1.895	2.984	8.922	0.633	0.086	0.437	7.164	0.735	2.404	5.618	7.824
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

(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	2016-17			2007-08		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pacific Realty Associates	\$ 247,293,827	1	2.33%	\$ 179,481,854	1	2.30%
BV Centercal LLC	138,496,812	2	1.31%	104,551,470	3	1.34%
Lam Research Corporation (Novellus)	109,944,930	3	1.04%	102,459,440	4	1.31%
Lincoln Center LLC	92,098,279	4	0.87%	76,653,130	5	0.98%
Portland General Electric co	80,327,619	5	0.76%	48,246,000	7	0.62%
Tuala Northeast LLC	72,622,210	6	0.68%			-
Comcast Corporation	63,966,400	7	0.60%			-
Pacific Foods Properties LLC	48,490,720	8	0.46%			-
Northwest Natural Gas Co	43,505,000	9	0.41%	45,222,500	8	0.58%
Icon Owner Pool 1 West LLC	43,248,510	10	0.41%			-
Sprint Nextel Corporation	-		-	108,931,800	2	1.40%
Verizon Northwest Inc	-		-	63,672,251	6	0.82%
Walton Cwor Pakr BC 8 LLC	-		-	34,961,470	9	0.45%
PRA Koch X LLC	-		-	12,204,990	10	0.16%
	-		-			
	-		-			
Subtotal of ten largest Taxpayers	939,994,307		8.86%	776,384,905		9.96%
All Other Taxpayers	<u>9,663,665,918</u>		91.14%	<u>7,015,759,450</u>		90.04%
Total	<u>\$ 10,603,660,225</u>		100.00%	<u>\$ 7,792,144,355</u>		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
2007-08	56,644,115	53,767,573	94.9%	1,404,719	55,172,292	97.4%
2008-09	60,091,527	56,639,376	94.3%	1,951,358	58,590,734	97.5%
2009-10	61,467,672	58,118,360	94.6%	1,682,971	59,801,331	97.3%
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%	947,692	59,059,564	96.7%
2012-13	60,602,464	57,845,437	95.5%	1,075,847	58,921,284	97.2%
2013-14	63,263,087	60,179,613	95.1%	999,404	61,179,017	96.7%
2014-15	68,880,155	65,834,718	95.6%	713,194	66,547,912	96.6%
2015-16	72,490,241	69,268,420	95.6%	576,069	69,844,489	96.4%
2016-17	75,985,691	72,535,193	95.5%	-	72,535,193	95.5%

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)
2007-08	98,380	218	98,162	3.33%	0.13%	1,331
2008-09	89,935	512	89,423	3.07%	0.11%	1,204
2009-10	82,645	624	82,021	2.76%	0.10%	1,098
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	1.88%	0.07%	860
2014-15	58,270	97	58,173	1.48%	0.06%	715
2015-16	47,910	2,454	45,456	1.15%	0.04%	560
2016-17	263,713	328	263,385	6.69%	0.25%	3,212

Notes: 2014-15 and 2015-16 percentages calculated using 2014 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
2007-08	98,380	40,490	14,863	2,398	1,563	157,694	0.20%	2,138	13,204
2008-09	89,935	39,560	13,807	2,021	1,145	146,468	0.17%	1,971	12,051
2009-10	82,645	39,135	11,125	1,663	858	135,427	0.15%	1,813	11,255
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

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, 2017

Governmental Unit	Outstanding Gross Property-tax Backed Debt Outstanding (1)	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
City Of Durham	330,000	100.00%	330,000
City Of Portland	664,537,203	0.01%	82,403
City of Tigard	23,726,748	82.52%	19,579,953
City Of Tualatin	9,954,594	84.63%	8,424,842
Clackamas Community College	128,273,913	1.48%	1,897,043
Clackamas County	156,730,136	1.08%	1,697,858
Metropolitan Service District	202,735,000	5.79%	11,738,762
Northwest Regional ESD	4,465,137	14.73%	657,786
Port of Portland	62,108,214	5.38%	3,341,795
Portland Community College	389,260,000	6.98%	27,156,335
Tualatin Hills Park & Rec District	82,524,818	0.02%	13,534
Tualatin Valley Fire & Rescue District	48,820,000	20.83%	10,167,107
Washington County	258,870,277	17.44%	45,153,966
Washington Cty Enhanced Patrol Dist.	75,877	6.71%	5,093
Subtotal, overlapping debt			130,246,477
District direct debt			301,007,285
Total direct and overlapping debt			<u>\$ 431,253,762</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 2016-17

Real Market value	15,107,588,519
Debt limit (7.95% of real market value)	1,201,053,287
Debt applicable to limit	<u>232,360,000</u>
Legal Debt Margin	<u><u>968,693,287</u></u>

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Debt Limit	\$ 958,032,166	\$ 1,087,423,050	\$ 1,021,969,820	\$ 954,243,246	\$ 884,493,315	\$ 881,203,465	\$ 924,272,172	\$ 1,022,058,219	\$ 1,085,720,610	\$ 1,201,053,287
Total net debt applicable to limit	<u>98,380,000</u>	<u>89,935,000</u>	<u>82,645,000</u>	<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>
Legal debt margin	<u>\$ 859,652,166</u>	<u>\$ 997,488,050</u>	<u>\$ 939,324,820</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	10.27%	8.27%	8.09%	7.89%	9.82%	8.84%	7.36%	5.55%	4.31%	19.35%

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)
2007-08	73,770	2,946,521	39,942	5.3%
2008-09	74,295	2,912,810	39,206	11.5%
2009-10	74,710	2,976,671	39,843	10.2%
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	81,310	3,723,510	45,794	6.1%
2014-15	81,310	3,937,193	48,422	5.4%
2015-16	81,175	a	a	5.2%
2016-17	81,995	a	a	3.9%

(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, 2017

(a) Data for 2015-16 and 2016-17 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	2016-17			2007-08		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
LAM Research Corporation (Novellus)	1,258	1	17.55%	400	8	6.16%
Tigard-Tualatin School District	1,238	2	17.27%	1,200	1	18.49%
Legacy Meridian Park Hospital	953	3	13.30%	823	3	12.68%
Nortek Air Solutions (CES Group LLC)	750	4	10.46%	-		0.00%
Comcast of Oregon Inc	624	5	8.71%	-		0.00%
Pacific Foods of Oregon	603	6	8.41%	-		0.00%
Portland General Electric	478	7	6.67%	-		0.00%
United Parcel Services	444	8	6.19%	512	5	7.89%
Nordstrom	422	9	5.89%	461	7	7.10%
Costco Wholesale Corporation	398	10	5.55%	-		0.00%
Macy's Department Stores, Inc.	-		0.00%	704	4	10.85%
Oregon PERS	-		0.00%	396	9	6.10%
Renaissance Credit Services	-		0.00%	1,116	2	17.20%
GE Securities	-		0.00%	500	6	7.71%
Providence Health System	-		0.00%	377	10	5.81%
Total	<u>7,168</u>		<u>100.00%</u>	<u>6,489</u>		<u>100.00%</u>

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

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Instruction										
Regular instruction	546	529	495	476	478	485	504	502	550	543
Special programs	253	239	229	222	235	229	225	236	227	262
Total direct classroom services	799	768	724	698	713	714	729	738	777	805
Support Services										
Students	75	75	78	74	74	72	72	71	66	72
Instructional staff	37	31	36	31	35	40	45	50	59	58
General administration	3	3	2	2	3	2	2	2	2	2
School administration	78	76	71	68	68	65	67	70	73	71
Business	16	16	16	16	16	15	16	16	16	15
Operations and maintenance of buildings	68	68	65	63	67	60	69	69	70	73
Student transportation	22	21	21	21	21	20	20	20	20	19
Central activities	18	17	10	11	14	12	13	14	14	14
Total classroom support services	317	307	299	286	298	286	304	312	319	324
Enterprise and Community Services										
Food services	30	29	29	30	28	33	30	29	31	40
Scrip services	2	2	2	2	2	2	2	2	7	4
Building use services	2	2	2	2	2	2	2	2	3	2
Other enterprise and community services	4	4	3	3	3	1	3	8	1	8
Total enterprise and community services	38	37	36	37	35	38	36	40	42	54
Facilities Acquisition and Construction	1	-	-	-	-	-	-	-	-	-
Total Full-Time Equivalent District Employees	1,155	1,112	1,059	1,021	1,046	1,038	1,069	1,091	1,138	1,183

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
2007-08	12,740	113,290,018	8,892	8%	121,100,649	9,506	6%	690	18.5:1	25.5%
2008-09	12,805	117,256,494	9,157	3%	125,184,780	9,776	3%	706	18.1:1	32.3%
2009-10	12,686	115,719,179	9,122	0%	125,126,510	9,863	1%	672	18.9:1	34.0%
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%

(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
2007-08	32,569	65,600	52,656
2008-09	33,872	68,224	54,093
2009-10	35,227	70,953	55,343
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

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>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<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>Building only</u> <u>Ins. Value</u> <u>2016-17</u>
Elementary Schools											
Alberta Rider (2006)										(1)	
Value	13,038,905	13,038,905	13,038,905	13,038,905	13,038,905	13,038,905	14,370,372	14,440,689	14,787,494	14,787,494	12,425,634
Square Feet	72,995	72,995	72,995	72,995	72,995	72,995	72,995	72,995	72,995	72,995	
Capacity	600	*624	*624	*624	*624	*624	*624	*624	*624	*624	
Enrollment	540	571	582	579	579	601	624	591	587	595	
Bridgeport (1982)											
Value	4,445,741	4,445,741	4,445,741	4,445,741	4,445,741	4,542,707	4,542,707	4,542,707	4,542,707	4,549,322	8,567,968
Square Feet	60,866	66,193	66,193	66,193	66,193	66,193	66,193	66,193	66,193	66,193	
Capacity	575	*572	*572	*572	*572	*572	*572	*572	*598	*598	
Enrollment	534	550	529	549	549	508	486	498	491	505	
Edward Byrom (1979)											
Value	3,460,823	3,460,823	3,460,823	3,460,823	3,460,823	3,742,032	3,757,775	3,757,775	3,763,316	3,763,316	8,747,389
Square Feet	61,275	61,275	61,275	61,275	61,275	61,275	61,275	61,275	61,275	61,275	
Capacity	700	*650	*650	*650	*650	*650	*650	*650	*598	*598	
Enrollment	659	655	633	624	624	568	529	528	560	553	
Charles F. Tigard (2004)										(2)	
Value	10,652,995	10,662,995	10,662,995	10,662,995	10,662,995	10,662,995	10,668,932	10,668,932	10,668,932	10,668,932	14,594,497
Square Feet	76,444	76,444	76,444	76,444	76,444	76,444	76,444	76,444	76,444	76,444	
Capacity	600	*624	*624	*624	*624	*624	*624	*624	*624	*624	
Enrollment	598	587	577	547	547	583	553	531	527	508	
Deer Creek (1997)											
Value	7,274,140	7,274,140	7,274,140	7,274,140	7,274,140	7,274,140	7,297,102	7,297,102	7,302,644	7,313,194	10,434,420
Square Feet	61,387	61,387	61,387	61,387	61,387	61,387	61,387	61,387	61,387	61,387	
Capacity	600	*624	*624	*624	*624	*624	*624	*624	*598	*598	
Enrollment	609	581	574	556	556	516	559	580	600	621	
Durham (1989)											
Value	6,271,036	6,271,036	6,271,036	6,271,036	6,271,036	6,271,036	6,365,422	6,365,422	6,365,422	6,373,372	13,156,095
Square Feet	65,322	65,322	65,322	65,322	65,322	65,322	65,322	65,322	65,322	65,322	
Capacity	625	*598	*598	*598	*598	*598	*598	*598	*598	*598	
Enrollment	512	542	556	548	548	550	563	574	584	530	
Mary Woodward (1979)											
Value	4,022,170	4,022,170	4,022,170	4,022,170	4,022,170	4,309,940	4,327,667	4,327,667	4,327,667	4,377,558	7,621,927
Square Feet	68,330	68,330	68,330	68,330	68,330	68,330	68,330	68,330	68,330	68,330	
Capacity	700	*624	*624	*624	*624	*624	*624	*624	*598	*598	
Enrollment	520	528	500	467	467	424	476	469	505	515	

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Building only Ins. Value 2016-17
<u>Elementary Schools</u>											
Metzger (2004)											
Value	11,005,106	11,005,106	11,005,106	11,005,106	11,005,106	11,005,106	11,024,992	11,024,992	11,024,992	11,024,992	10,565,751
Square Feet	69,981	69,981	69,981	69,981	69,981	69,981	69,981	69,981	69,981	69,981	
Capacity	600	*546	*546	*546	*546	*546	*546	*546	*624	*624	
Enrollment	589	590	582	574	574	570	620	648	645	652	
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	5,227,913	6,694,358
Square Feet	50,478	50,478	50,478	50,478	50,478	50,478	50,478	50,478	50,478	50,478	
Capacity	600	*598	*598	*598	*598	*598	*598	*598	*598	*598	
Enrollment	551	588	588	614	614	596	574	581	577	593	
New Tualatin (2004)											
Value	11,075,135	11,075,135	11,075,135	11,075,135	11,075,135	11,075,135	11,079,086	11,079,086	11,079,086	11,079,086	10,565,751
Square Feet	76,024	76,024	76,024	76,024	76,024	76,024	76,024	76,024	76,024	76,024	
Capacity	600	*598	*598	*598	*598	*598	*598	*598	*624	*624	
Enrollment	560	580	562	584	584	617	577	572	554	556	
Old Tualatin (1930)											
Value	2,333,606	2,333,606	2,333,606	Sold		-	-	-	-	-	
Square Feet	61,600	67,000	67,000	67,000	-	-	-	-	-	-	
Capacity	-	-	-	-	-	-	-	-	-	-	
Enrollment	-	-	-	-	-	-	-	-	-	-	
<u>Middle Schools</u>											
Thomas Fowler (1971)											
Value	11,466,927	11,466,927	11,466,927	11,466,927	11,466,927	11,551,070	12,269,116	12,269,116	12,269,116	12,269,116	21,586,260
Square Feet	124,488	124,488	124,488	124,488	124,488	124,488	124,488	124,488	124,488	124,488	
Capacity	950	*983	*983	*983	*983	*983	*983	*983	*1000	*1000	
Enrollment	898	875	885	823	823	802	804	815	804	803	
Hazelbrook (1992)											
Value	7,934,067	7,934,067	7,934,067	7,934,067	7,934,067	8,012,431	8,157,260	8,157,260	8,157,260	8,157,260	20,237,368
Square Feet	135,523	135,523	135,523	135,523	135,523	135,523	135,523	135,523	135,523	135,523	
Capacity	1,000	*1040	*1040	*1040	*1040	*1040	*1040	*1040	*1000	*1000	
Enrollment	1,002	983	1,013	959	959	988	1,027	984	959	966	
Twality (1963)											
Value	8,449,705	8,449,705	8,449,705	8,449,705	8,449,705	9,503,204	10,023,813	10,060,096	10,060,096	10,124,239	16,739,811
Square Feet	116,540	123,314	123,314	123,314	123,314	123,314	123,314	123,314	123,314	123,314	
Capacity	1,050	*942	*942	*942	*942	*942	*942	*942	*942	*942	
Enrollment	951	1,028	1,020	1,012	1,012	1,049	1,051	1,024	1,062	1,026	
<u>High Schools</u>											
Tigard (1953)											
Value	26,983,611	27,001,397	27,001,397	27,001,397	27,001,397	27,109,997	27,239,959	27,371,134	27,371,134	27,371,134	48,850,613
Square Feet	269,639	269,639	269,639	269,639	269,639	269,639	269,639	269,639	269,639	269,639	
Capacity	1,850	*1776	*1776	*1776	*1776	*1776	*1776	*1776	*1776	*1776	
Enrollment	2,002	2,001	1,977	2,046	2,046	1,975	1,990	1,959	1,956	1,992	
Tualatin (1992)											
Value	19,836,558	19,836,558	19,836,558	19,836,558	19,836,558	19,843,020	23,061,107	23,061,989	23,061,989	23,077,489	43,718,565
Square Feet	321,064	321,064	321,064	321,064	321,064	321,064	321,064	321,064	321,064	321,064	
Capacity	1,900	*1888	*1888	*1888	*1888	*1888	*1888	*1888	*1888	*1888	
Enrollment	1,863	1,863	1,825	1,854	1,854	1,842	1,839	1,896	1,928	1,940	

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<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>Building only</u> <u>Ins. Value</u> <u>2016-17</u>
Other											
New Administration (2000)											
Value	4,211,600	4,211,600	4,211,600	4,211,600	4,211,600	4,211,600	4,501,326	4,501,326	4,501,326	4,501,326	10,729,183
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)											
Value	42,753	42,753	42,753	42,753	42,753	42,753	176,005	204,260	204,260	204,260	2,100,633
Square Feet	13,464	13,464	13,464	13,464	13,464	13,464	13,464	13,464	13,464	13,464	
Capacity		*105	*105	*105	*105	*105	*105	*105	*105	*105	
Enrollment						67	66	55	46	52	
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	1,621,889	2,827,639
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	2,635,231	3,929,802
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)	
Value	186,443	186,443	186,443	186,443	186,443	186,443	186,443	186,443	186,443	186,443	1,536,444
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	148,777
Square Feet							1,792	1,792	1,792	1,792	
School Based Health Center(2007)											
Value	304,535	296,853	296,853	296,853	296,853	296,853	296,853	296,853	296,853	296,853	100,125
Square Feet	2,520	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	
Square Feet	-	-	-	-	-	-	-	-	-	-	
Tigard-Tualatin On Line Academy											
Value	-	-	-	-	208,583	209,724	209,724	209,724	209,724	209,724	
Square Feet	-	-	-	-	5,596	5,596	5,596	5,596	5,596	5,596	

*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

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Schedules Required by Oregon Department of Education

SUPPLEMENTAL INFORMATION, 2016-2017

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 ESEA, Title I & other Federal Funds for Education.

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

Please enter your expenditures for electricity
& heating fuel for these Functions & Objects.

	Objects 325 & 326
Function 2540	\$ 1,467,844
Function 2550	\$ 5.396

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

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

Exclude these functions:

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

Exclude these functions:

4150 Construction
2550 Pupil Transportation
3100 Food Service
3300 Community Services

\$ 8,549

2016 - 17 DISTRICT AUDIT REVENUE SUMMARY
Tigard-Tualatin School District 23J

Revenue from Local Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	\$50,608,965	\$0	\$15,019,221	\$0	\$0	\$0
1120 Local Option Ad Valorem Taxes Levied by District	\$7,864,739	\$0	\$0	\$0	\$0	\$0
1130 Construction Excise Tax	\$0	\$0	\$0	\$1,125,335	\$0	\$0
1190 Penalties and Interest on Taxes	\$31,170	\$0	\$6,056	\$0	\$0	\$0
1200 Revenue from Local Governmental Units Other Than Districts		\$0	\$0	\$0	\$0	\$0
1311 Regular Day School Tuition - From Individuals	\$22,722	\$0	\$0	\$0	\$0	\$0
1312 Regular Day School Tuition - Other Dist Within State	\$182,500	\$0	\$0	\$0	\$0	\$0
1313 Regular Day School Tuition - Other Districts Outside		\$0	\$0	\$0	\$0	\$0
1320 Adult/Continuing Education Tuition		\$0	\$0	\$0	\$0	\$0
1330 Summer School Tuition		\$0	\$0	\$0	\$0	\$0
1411 Transportation Fees - From Individuals		\$0	\$0	\$0	\$0	\$0
1412 Transportation Fees - Other Dist Within State		\$0	\$0	\$0	\$0	\$0
1413 Transportation Fees - Other Districts Outside		\$0	\$0	\$0	\$0	\$0
1420 Summer School Transportation Fees		\$0	\$0	\$0	\$0	\$0
1500 Earnings on Investments	\$412,150	\$13,841	\$132,916	\$780,934	\$0	\$19,800
1600 Food Service	\$0	\$1,104,249	\$0	\$0	\$0	\$0
1700 Extracurricular Activities	\$364,982	\$70,854	\$0	\$0	\$0	\$0
1800 Community Services Activities	\$122,153	\$236,525	\$0	\$0	\$0	\$0
1910 Rentals	\$0	\$437,896	\$154,212	\$0	\$0	\$0
1920 Contributions and Donations From Private Sources	\$0	\$1,525,874	\$0	\$0	\$0	\$0
1930 Rental or Lease Payments From Private Contractors		\$0	\$0	\$0	\$0	\$0
1940 Services Provided Other Local Education Agencies		\$0	\$0	\$0	\$0	\$0
1950 Textbook Sales and Rentals		\$0	\$0	\$0	\$0	\$0
1960 Recovery of Prior Years' Expenditure	\$238,728	\$0	\$0	\$400,088	\$69,421	\$0
1970 Services Provided Other Funds	\$0	\$0	\$3,383,178	\$0	\$69,649	\$0
1980 Fees Charged to Grants	\$133,606	\$0	\$0	\$0	\$0	\$0
1990 Miscellaneous	\$242,745	\$2,744,545	\$0	\$7,500	\$69,035	\$993,709
Total Revenue from Local Sources	\$60,224,459	\$6,133,785	\$18,695,582	\$2,313,857	\$208,105	\$1,013,509

Revenue from Intermediate Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700
2101 County School Funds	\$175,770	\$0	\$0	\$0	\$0	\$0
2102 General ESD Revenue	\$1,700,000	\$2,414,071	\$0	\$0	\$0	\$0
2103 Excess ESD Local Revenue	\$0	\$0	\$0	\$0	\$0	\$0
2105 Natural Gas, Oil, and Mineral Receipts	\$0	\$0	\$0	\$0	\$0	\$0
2110 Intermediate "I" Tax	\$0	\$0	\$0	\$0	\$0	\$0
2199 Other Intermediate Sources	\$0	\$6,068	\$0	\$0	\$0	\$0
2200 Restricted Revenue	\$0	\$333,377	\$0	\$0	\$0	\$0
2800 Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0
2900 Revenue for/on Behalf of the District	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from Intermediate Sources	\$1,875,770	\$2,753,516	\$0	\$0	\$0	\$0

Revenue from State Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700
3101 State School Fund - General Support	\$59,620,710	\$0	\$0	\$0	\$0	\$0
3102 State School Fund - School Lunch Match	\$0	\$35,035	\$0	\$0	\$0	\$0
3103 Common School Fund	\$1,568,752	\$0	\$0	\$0	\$0	\$0
3104 State Managed County Timber	\$0	\$0	\$0	\$0	\$0	\$0
3106 State School Fund - Accrual	\$0	\$0	\$0	\$0	\$0	\$0
3199 Other Unrestricted Grants-in-Aid	\$3,131,164	\$0	\$0	\$0	\$0	\$0
3204 Driver Education	\$34,545	\$0	\$0	\$0	\$0	\$0
3222 State School Fund (SSF) Transportation Equipment	\$0	\$123,404	\$0	\$0	\$0	\$0
3299 Other Restricted Grants-in-Aid	\$0	\$972,213	\$0	\$0	\$0	\$0
3800 Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0
3900 Revenue for/on Behalf of the District	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from State Sources	\$64,355,171	\$1,130,653	\$0	\$0	\$0	\$0

Revenue from Federal Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government	\$0	\$0	\$0	\$0	\$0	\$0
4200 Unrestricted Revenue From the Federal Government Through the State	\$0	\$0	\$0	\$0	\$0	\$0
4300 Restricted Revenue From the Federal Government	\$0	\$352,550	\$262,356	\$0	\$0	\$0
4500 Restricted Revenue From the Federal Government Through the State	\$0	\$6,814,229	\$0	\$0	\$0	\$0
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	\$0	\$0	\$0	\$0	\$0	\$0
4801 Federal Forest Fees	\$506	\$0	\$0	\$0	\$0	\$0
4802 Impact Aid to School Districts for Operation (PL 874)	\$0	\$0	\$0	\$0	\$0	\$0
4803 Coos Bay Wagon Road Funds	\$0	\$0	\$0	\$0	\$0	\$0
4899 Other Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0
4900 Revenue for/on Behalf of the District	\$0	\$267,359	\$0	\$0	\$0	\$0
Total Revenue from Federal Sources	\$506	\$7,434,138	\$262,356	\$0	\$0	\$0

Revenue from Other Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	\$0	\$0	\$868,806	\$231,997,365	\$0	\$0
5200 Interfund Transfers	\$0	\$782,957	\$502,794	\$0	\$0	\$0
5300 Sale of or Compensation for Loss of Fixed Assets	\$1,500	\$0	\$0	\$155,031	\$0	\$0
5400 Resources - Beginning Fund Balance	\$20,741,477	\$9,271,034	\$2,714,985	\$9,692,701	\$1,533,628	\$2,447,155
Total Revenue from Other Sources	\$20,742,977	\$10,053,990	\$4,086,585	\$241,845,097	\$1,533,628	\$2,447,155

Grand Totals

\$147,198,884	\$27,506,081	\$23,044,522	\$244,158,954	\$1,741,733	\$3,460,664
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2016 - 17 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	\$27,953,065	\$16,872,397	\$10,521,926	\$24,203	\$533,750	\$0	\$789	\$0
1113 Elementary Extracurricular	\$61,230	\$41,185	\$13,485	\$1,315	\$5,246	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$13,039,575	\$8,000,162	\$4,806,605	\$39,362	\$182,884	\$8,549	\$2,014	\$0
1122 Middle/Junior High School Extracurricular	\$85,338	\$60,735	\$19,228	\$200	\$5,174	\$0	\$0	\$0
1131 High School Programs	\$18,208,869	\$11,073,581	\$6,582,918	\$182,372	\$345,618	\$0	\$24,380	\$0
1132 High School Extracurricular	\$1,732,387	\$1,093,761	\$436,119	\$23,443	\$84,392	\$0	\$94,673	\$0
1140 Pre-Kindergarten Programs	\$97	\$70	\$27	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$317,270	\$188,702	\$112,124	\$2,500	\$13,945	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$1,729,934	\$981,592	\$704,075	\$35,014	\$8,802	\$0	\$452	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$8,985,243	\$5,042,010	\$3,871,847	\$3,100	\$68,209	\$0	\$76	\$0
1260 Treatment and Habilitation	\$1,591	\$0	\$0	\$1,591	\$0	\$0	\$0	\$0
1271 Remediation	\$1,614,423	\$678,225	\$286,257	\$3,379	\$646,561	\$0	\$0	\$0
1272 Title I	\$1,633	\$0	\$0	\$0	\$1,633	\$0	\$0	\$0
1280 Alternative Education	\$3,762,519	\$1,162,034	\$790,842	\$1,785,817	\$22,182	\$0	\$1,645	\$0
1291 English Second Language Programs	\$3,860,319	\$2,167,878	\$1,517,215	\$4,323	\$170,902	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$98,230	\$32,181	\$7,998	\$9,644	\$6,773	\$0	\$41,636	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$81,451,723	\$47,394,512	\$29,670,666	\$2,116,263	\$2,096,069	\$8,549	\$165,664	\$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	\$1,195,828	\$713,085	\$480,808	\$338	\$1,598	\$0	\$0	\$0
2120 Guidance Services	\$4,266,566	\$2,544,289	\$1,540,304	\$169,158	\$12,311	\$0	\$503	\$0
2130 Health Services	\$634,320	\$234,763	\$160,818	\$231,535	\$7,059	\$0	\$145	\$0
2140 Psychological Services	\$459,366	\$278,621	\$172,264	\$100	\$8,382	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$207,477	\$125,766	\$81,274	\$135	\$302	\$0	\$0	\$0
2160 Other Student Treatment Services	\$72,461	\$0	\$0	\$72,461	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$376,914	\$228,011	\$131,815	\$10,975	\$5,459	\$0	\$655	\$0
2210 Improvement of Instruction Services	\$1,196,915	\$742,913	\$415,338	\$27,972	\$9,558	\$0	\$1,134	\$0
2220 Educational Media Services	\$1,080,238	\$554,984	\$432,597	\$13,188	\$79,369	\$0	\$100	\$0
2230 Assessment & Testing	\$438,102	\$238,612	\$117,873	\$68,427	\$12,162	\$0	\$1,028	\$0
2240 Instructional Staff Development	\$595,350	\$366,710	\$171,473	\$43,416	\$13,661	\$0	\$89	\$0
2310 Board of Education Services	\$393,365	\$0	\$0	\$170,788	\$3,953	\$0	\$218,624	\$0
2320 Executive Administration Services	\$671,711	\$404,416	\$222,247	\$39,776	\$3,062	\$0	\$2,210	\$0
2410 Office of the Principal Services	\$7,975,686	\$4,847,927	\$2,960,653	\$65,072	\$98,149	\$0	\$3,885	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$325,887	\$182,490	\$96,382	\$36,060	\$1,418	\$0	\$9,537	\$0
2520 Fiscal Services	\$1,437,287	\$629,790	\$437,968	\$14,828	\$7,028	\$0	\$347,673	\$0
2540 Operation and Maintenance of Plant Services	\$9,449,051	\$2,901,835	\$2,071,483	\$3,479,848	\$821,491	\$0	\$174,395	\$0
2550 Student Transportation Services	\$6,497,591	\$755,282	\$661,646	\$5,020,384	\$59,574	\$0	\$706	\$0
2570 Internal Services	\$686,264	\$176,706	\$107,873	\$266,218	\$134,938	\$0	\$530	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$271,580	\$148,553	\$68,858	\$34,199	\$18,982	\$0	\$988	\$0
2640 Staff Services	\$1,023,269	\$357,224	\$488,937	\$73,319	\$17,039	\$0	\$86,751	\$0
2660 Technology Services	\$1,626,294	\$732,995	\$420,563	\$275,208	\$196,161	\$0	\$1,366	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680 Interpretation and Translation Services	\$32,931	\$18,264	\$4,996	\$9,632	\$39	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$40,914,456	\$17,183,237	\$11,246,170	\$10,123,036	\$1,511,695	\$0	\$850,318	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$5,773	\$3,516	\$2,257	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$129,766	\$72,752	\$53,796	\$531	\$2,688	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$69,636	\$41,366	\$28,269	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$205,174	\$117,634	\$84,321	\$531	\$2,688	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$112,969	\$0	\$0	\$0	\$0	\$0	\$0	\$112,969
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$112,969	\$0	\$0	\$0	\$0	\$0	\$0	\$112,969
Grand Total	\$122,684,322	\$64,695,384	\$41,001,157	\$12,239,829	\$3,610,451	\$8,549	\$1,015,982	\$112,969

2016 - 17 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	\$282,919	\$111,080	\$21,177	\$23,702	\$126,900	\$0	\$60	\$0
1113 Elementary Extracurricular	\$82,088	\$35,720	\$10,896	\$14,386	\$19,886	\$0	\$1,200	\$0
1121 Middle/Junior High Programs	\$282,049	\$30,558	\$9,131	\$85,823	\$124,316	\$31,143	\$1,078	\$0
1122 Middle/Junior High School Extracurricular	\$112,354	\$526	\$76	\$0	\$111,753	\$0	\$0	\$0
1131 High School Programs	\$641,919	\$107,268	\$46,412	\$96,821	\$323,601	\$55,445	\$12,374	\$0
1132 High School Extracurricular	\$1,690,729	\$141,700	\$22,797	\$66,869	\$1,457,904	\$0	\$1,459	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$918	\$0	\$0	\$918	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$1,074,795	\$247,626	\$178,669	\$623,940	\$16,343	\$0	\$8,217	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$1,372,681	\$694,600	\$429,110	\$247,280	\$1,691	\$0	\$0	\$0
1260 Treatment and Habilitation	\$198,055	\$0	\$0	\$198,055	\$0	\$0	\$0	\$0
1271 Remediation	\$10,540	-\$592	-\$246	\$0	\$11,378	\$0	\$0	\$0
1272 Title I	\$2,025,142	\$1,194,535	\$585,414	\$442	\$178,983	\$0	\$65,767	\$0
1280 Alternative Education	\$5,390	\$2,659	\$827	\$1,901	\$3	\$0	\$0	\$0
1291 English Second Language Programs	\$40,892	\$11,110	\$7,942	\$5,250	\$13,107	\$0	\$3,483	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$277,536	\$152,372	\$96,352	\$1,323	\$15,440	\$0	\$12,049	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$8,098,006	\$2,729,162	\$1,408,556	\$1,366,709	\$2,401,305	\$86,588	\$105,687	\$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	\$26,404	\$0	\$0	\$26,404	\$0	\$0	\$0	\$0
2120 Guidance Services	\$725,187	\$272,638	\$142,513	\$245,210	\$39,119	\$0	\$25,708	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$163,300	\$30,748	\$20,205	\$112,347	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$691,574	\$94,314	\$31,713	\$565,187	\$75	\$0	\$285	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$85,341	\$48,044	\$27,186	\$10,112	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$63,679	\$37,952	\$12,178	\$9,837	\$3,713	\$0	\$0	\$0
2220 Educational Media Services	\$11,287	\$0	\$0	\$0	\$11,287	\$0	\$0	\$0
2230 Assessment & Testing	\$39,637	\$0	\$0	\$0	\$39,637	\$0	\$0	\$0
2240 Instructional Staff Development	\$1,423,892	\$682,279	\$335,505	\$274,009	\$113,438	\$0	\$18,661	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$47,350	\$8,514	\$694	\$3,344	\$34,798	\$0	\$0	\$0
2410 Office of the Principal Services	\$80,309	\$100	\$29	\$5,675	\$49,571	\$24,434	\$500	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$15,552	\$4,724	\$694	\$69	\$10,065	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services	\$157,323	\$0	\$0	\$98,192	\$11,802	\$47,329	\$0	\$0
2550 Student Transportation Services	\$265,356	\$0	\$0	\$150,426	\$0	\$114,930	\$0	\$0
2570 Internal Services	\$12,727	\$0	\$0	\$6,778	\$5,948	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$103,625	\$63,229	\$40,396	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$42,516	\$7,877	\$643	\$2,944	\$25,902	\$0	\$5,150	\$0
2640 Staff Services	\$2,766	\$0	\$0	\$2,766	\$0	\$0	\$0	\$0
2660 Technology Services	\$649,835	\$0	\$0	\$53,411	\$558,687	\$37,737	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680 Interpretation and Translation Services	\$6,567	\$0	\$0	\$6,567	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$4,614,227	\$1,250,419	\$611,755	\$1,573,276	\$904,042	\$224,431	\$50,304	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$3,843,229	\$1,062,682	\$894,135	\$45,071	\$1,825,265	\$0	\$16,077	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$854,063	\$412,182	\$179,981	\$141,316	\$67,488	\$49,075	\$4,020	\$0
3500 Custody and Care of Children Services	\$50,831	\$22,392	\$12,034	\$4,856	\$8,470	\$0	\$3,079	\$0
Total Enterprise and Community Services Expenditures	\$4,748,123	\$1,497,256	\$1,086,150	\$191,242	\$1,901,223	\$49,075	\$23,176	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$667,488	\$0	\$0	\$0	\$0	\$0	\$0	\$667,488
5300 Apportionment of Funds by ESD	\$435,091	\$0	\$0	\$0	\$0	\$0	\$0	\$435,091
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$1,102,578	\$0	\$0	\$0	\$0	\$0	\$0	\$1,102,578
Grand Total	\$18,562,934	\$5,476,837	\$3,106,461	\$3,131,228	\$5,206,571	\$360,093	\$179,167	\$1,102,578

2016 - 17 DISTRICT AUDIT EXPENDITURE SUMMARY
Tigard-Tualatin School District 23J

Fund: 300 Debt 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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132 High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550 Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$22,445,116	\$0	\$0	\$0	\$0	\$0	\$22,445,116	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$22,445,116	\$0	\$0	\$0	\$0	\$0	\$22,445,116	\$0
Grand Total	\$22,445,116	\$0	\$0	\$0	\$0	\$0	\$22,445,116	\$0

2016 - 17 DISTRICT AUDIT EXPENDITURE SUMMARY
Tigard-Tualatin School District 23J

Fund: 400 Capital Projects 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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132 High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550 Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$1,885,998	\$29,913	\$18,644	\$1,128,569	\$52,270	\$0	\$656,602	\$0
4120 Site Acquisition and Development Services	\$258,642	\$0	\$0	\$219,553	\$17	\$39,073	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$2,631,232	\$0	\$0	\$2,415,607	\$6,081	\$134,925	\$74,619	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$98,272	\$0	\$0	\$26,947	\$0	\$71,325	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$4,874,144	\$29,913	\$18,644	\$3,790,675	\$58,368	\$245,323	\$731,221	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$502,794	\$0	\$0	\$0	\$0	\$0	\$0	\$502,794
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$502,794	\$0	\$0	\$0	\$0	\$0	\$0	\$502,794
Grand Total	\$5,376,937	\$29,913	\$18,644	\$3,790,675	\$58,368	\$245,323	\$731,221	\$502,794

2016 - 17 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	\$27,372	\$0	\$27,372	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs	\$14	\$0	\$14	\$0	\$0	\$0	\$0	\$0
1132 High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$2,596	\$0	\$2,596	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$29,981	\$0	\$29,981	\$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	\$470	\$0	\$470	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$13	\$0	\$13	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services	\$2,163	\$0	\$2,163	\$0	\$0	\$0	\$0	\$0
2550 Student Transportation Services	\$1,065	\$0	\$1,065	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$3,711	\$0	\$3,711	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$102	\$0	\$102	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$102	\$0	\$102	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$33,795	\$0	\$33,795	\$0	\$0	\$0	\$0	\$0

2016 - 17 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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132 High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$15,500	\$0	\$0	\$15,500	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550 Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$1,193,987	\$154,401	\$1,039,586	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$1,209,487	\$154,401	\$1,039,586	\$15,500	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500
Grand Total	\$1,211,987	\$154,401	\$1,039,586	\$15,500	\$0	\$0	\$0	\$2,500

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Audit Comments and Disclosures Required by State Regulations

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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, 2017, and have issued our report thereon dated December 12, 2017. 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.



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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.

Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.

GRANT COMPLIANCE

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December 12, 2017

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, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 12, 2017.

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.

A handwritten signature in black ink, appearing to read "Matthew Graves".

Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.



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December 12, 2017

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, 2017. 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, 2017.

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.



Matthew Graves, 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, 2017

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, 2017

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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.