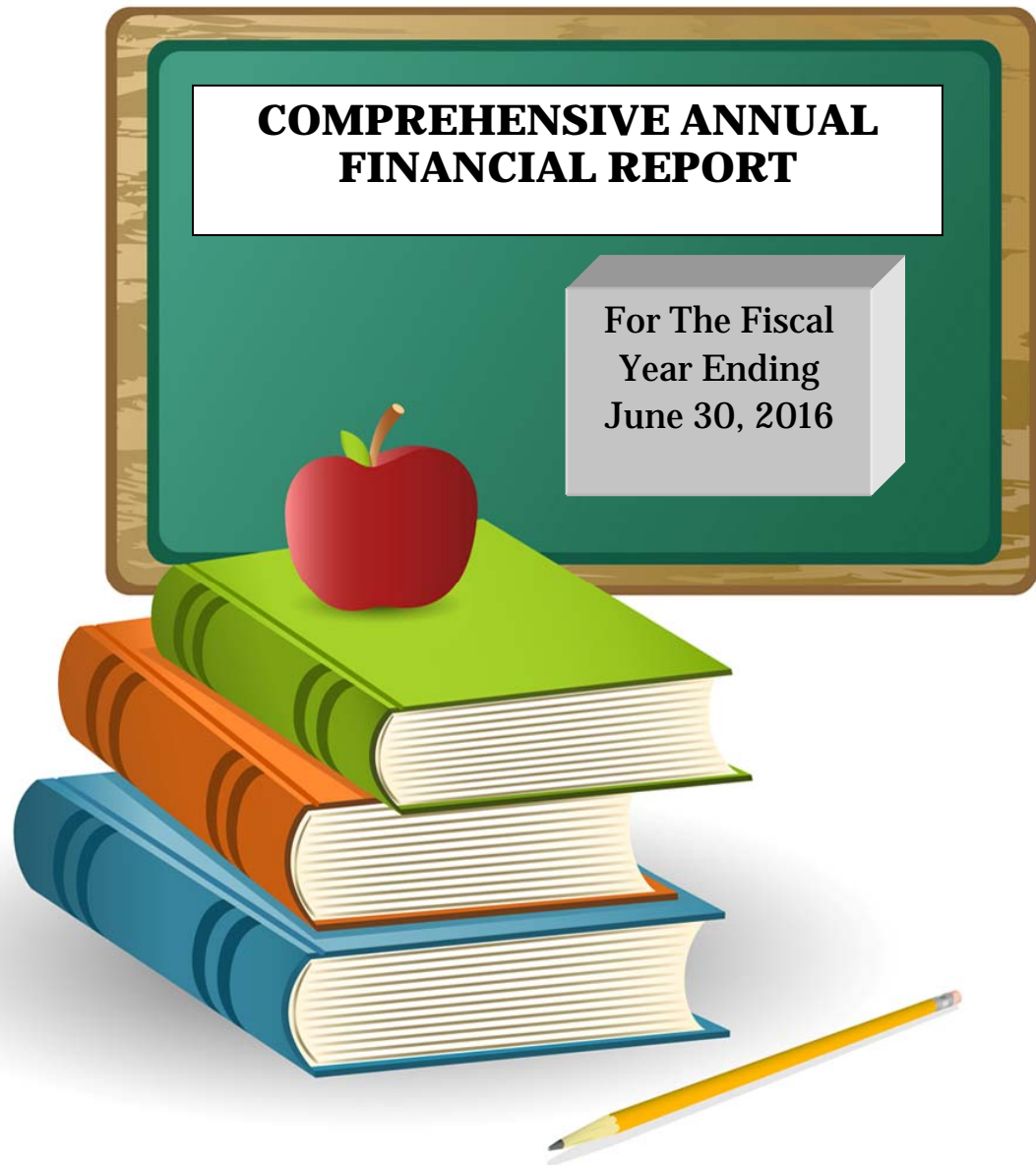


Tigard-Tualatin School District 23J



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, 2016

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, 2016

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

| | |
|--|----|
| Letter of Transmittal | 3 |
| Certificate of Achievement | 8 |
| Organizational Chart | 9 |
| List of Elected and Appointed Officials..... | 10 |

II. FINANCIAL SECTION

| | |
|---|----|
| Independent Auditors' Report | |
| Independent Auditors' Report | 14 |
| Management's Discussion and Analysis | |
| Management's Discussion and Analysis | 19 |
| Basic Financial Statements | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 30 |
| Statement of Activities..... | 31 |
| Fund Financial Statements: | |
| Balance Sheet - Governmental Funds..... | 32 |
| Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position | 33 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 34 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities | 35 |
| Statement of Proprietary Net Position..... | 36 |
| Statement of Changes in Proprietary Net Position | 37 |
| Proprietary Funds Statement of Cash Flows | 38 |
| Statement of Fiduciary Net Position..... | 39 |
| Statement of Changes in Fiduciary Net Position | 39 |
| Notes to the Basic Financial Statements | |
| Notes to the Basic Financial Statements | 43 |
| Required Supplementary Information | |
| PERS Schedule of the Proportionate Share of the Net Pension Liability & Contributions | 76 |
| Schedule of Required Contributions - Post Employment Healthcare Benefits | 77 |
| Schedule of Funding Progress - Other Postemployment Benefits | 78 |
| Schedule of Changes in Net Pension Liability | 79 |
| Schedule of District Contributions..... | 80 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual - General Fund | 81 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual - Special Revenue Fund | 82 |

Tigard-Tualatin School District 23J
Washington County, Tigard, Oregon
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2016

TABLE OF CONTENTS

Supplementary Information

| | |
|---|----|
| Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual - General Obligation Debt Service Fund | 84 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual - Capital Projects Fund | 85 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual - Full Faith and Credit and Lease Obligation Fund | 86 |
| Pension Bond Series 2007 Debt Service Fund | 87 |
| Insurance Fund | 88 |
| Early Retirement and Scholarship Fund | 89 |
| Schedule of Property Tax Transactions | 90 |
| Schedule of Expenditures of Federal Awards | 91 |

III. STATISTICAL SECTION

| | |
|---|-----|
| Statistical Section Table of Contents | 95 |
| Financial Trends: | |
| Condensed Statement of Net Position (Last Ten Years) | 96 |
| Changes in Net Position (Last Ten years) | 97 |
| Fund Balances - Governmental Funds (Last Ten Years) | 98 |
| Change in Fund Balances - Governmental Funds (Last Ten Years) | 99 |
| Revenue Capacity: | |
| Assessed Values of Taxable Property (Last Ten years) | 100 |
| Direct and Overlapping Property Tax Rates (Last Ten Years) | 101 |
| Principal Property Taxpayers (Current Year and Nine Years Ago) | 102 |
| Property Tax Levies and Collections (Last Ten Fiscal years) | 103 |
| Debt Capacity: | |
| Ratios of General Bonded Debt Outstanding (Last Ten Fiscal Years) | 104 |
| Outstanding Debt by Type (Last Ten Fiscal Years) | 105 |
| Direct and Overlapping Governmental Activities Debt (As of June 30, 2015) | 106 |
| Legal Debt Margin Information (Last Ten Fiscal Years) | 107 |
| Demographic and Economic Information: | |
| Demographic and Economic Statistics (Last Ten Calendar Years) | 108 |
| Principal Employers (current year plus last Nine Fiscal years) | 109 |
| Operating Information: | |
| Full-time-Equivalent District Employees by Type (Last Eight Fiscal Years) | 110 |
| Operating Statistics (Last Ten Fiscal Years) | 111 |
| Teacher Base Salaries (Last Ten Fiscal Years) | 112 |
| School Building Information (Last Ten Fiscal Years) | 113 |

Tigard-Tualatin School District 23J
Washington County, Tigard, Oregon
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2016

TABLE OF CONTENTS

IV. REQUIRED SCHEDULES, AUDIT COMMENTS AND DISCLOSURES

Schedules Required by Oregon Department of Education

| | |
|---|-----|
| Oregon Department of Education Supplemental Information | 120 |
| Audit Revenue Summary | 121 |
| Audit Expenditures Summaries: | |
| Fund 100 | 122 |
| Fund 200 | 123 |
| Fund 300 | 124 |
| Fund 400 | 125 |
| Fund 600 | 126 |
| Fund 700 | 127 |

Audit Comments and Disclosures Required by State Regulations

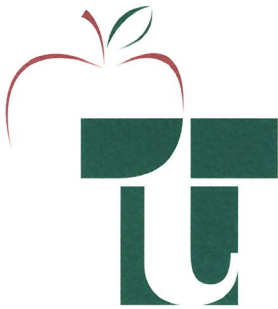
| | |
|--|-----|
| Auditors' Comments and Disclosures | 131 |
|--|-----|

V. GRANT COMPLIANCE

| | |
|---|-----|
| 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..... | 135 |
| Independent Auditors' Report on Compliance for Each Major Program and Internal Control Over Compliance Required by the Uniform Guidance | 137 |
| Schedule of Findings and Questioned Costs | 139 |

INTRODUCTORY SECTION

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Tigard - Tualatin School District 23J
Larry Hibbard Administration Center
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www.ttsdschools.org

December 7, 2016

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, 2016, 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, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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, 2016, 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 81,310. 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 12,676 students. State law requires the district distribute 80% of State School Fund Grant money paid for the charter school students to the charter school. The charter school also raises funds from families and other fundraising activities. The charter school is not considered a component unit of the District under GASB 61.

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

The Board of Directors appointed 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.

The mission statement of the District as stated in the Strategic Planning Document is to **“educate every child”**. The Strategic Planning Document articulated the District Vision Statement:

Every student thrives in school and graduates prepared to succeed.

In our schools, each student

- *Is challenged by a rigorous academic program*
- *Enjoys school and learning*
- *Feels a sense of belonging*
- *Is capable and confident*

In 2015-16, 4,063 community members volunteered an estimated 113,137 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 574,000 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 unemployment rate for Washington County on June 30, 2016 was 4.7 percent compared to 5.4 percent on June 30, 2015 and 5.2 percent for the state of Oregon compared to 5.5 percent in June 2014.

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 2014-15 collections of \$6.1 million exceeded budgetary expectation by \$1.9 million and the 2015-16 collections of \$6.8 million exceeded the budget by \$500,000. The 2016-17 levy was recently made available and the District estimates collections will approximate \$7.8 million which would exceed the budgeted amount by \$1 million. 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.

The District ended 2015-16 in a surplus position with an ending fund balance in the General Fund of \$20.7 million. The \$5.6 million growth in the ending fund balance from the prior year is attributed to surpluses in 2015-16 operating revenue and savings in 2015-16 operating expenditures. The District views these as one-time resources but has strategically applied nearly half for use on new investments during 2016-17 which will add to reinvestments prioritized at the start of the 2015-2017 biennium as discussed below. The remainder is targeted to save for future sustainability of current programs which will supplement reserves in the amount of 12% of operating revenues per Board policy.

For the 2015-17 biennium, the legislature allocated a State School Fund amount of \$7.38 billion. Although this is an increase of \$630 million from 2013-15, this amount only supports 2014-15 staffing levels and the implementation of full-day kindergarten in 2015-16. To add to the reinvestments of 2014-15, the District strategically applied \$4 million in surplus resources and cost savings realized in 2014-15 to the 2015-16 budget. Total reinvestments in 2015-16 of approximately \$6.8 million consist of close to an additional 70 FTE, including 47 licensed staff for free full-day kindergarten, class size reduction at all levels, and student interventions. The District again utilized contributions from the program work group and administration to prioritize these reinvestments.

The District began two initiatives involving the community in 2015-16. The Strategic Plan Committee met over several months to develop recommendations that led to a new version of the District's Strategic Plan. The process ended with Board adoption of a five-year Strategic Plan with an effective date of July 1, 2016. The new Strategic Plan is strategy and results based with a focus on success of students under the four cornerstones of Student Achievement, Equity, Talent, and Climate and Culture. In 2016-17, the District will complete a multi-year Strategic Financial Plan which will describe investments that support the work of the Strategic Plan while linking the development of the annual budget with the Strategic Plan.

A Long Range Facility Planning Committee also convened and met in 2015-16 to determine recommendations for a facility plan to be presented to the Board. The plan included details for a capital bond including dollar amounts and timelines and led to the Board approving a bond for the November 2016 ballot in the amount of \$291.3 million to build, renovate and improve school facilities and provide technology and curriculum.

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

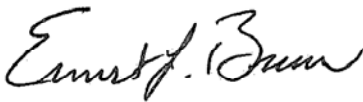
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tigard-Tualatin School District 23J for its Comprehensive Annual Financial Report for the year ended June 30, 2015. This was the 28th consecutive 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

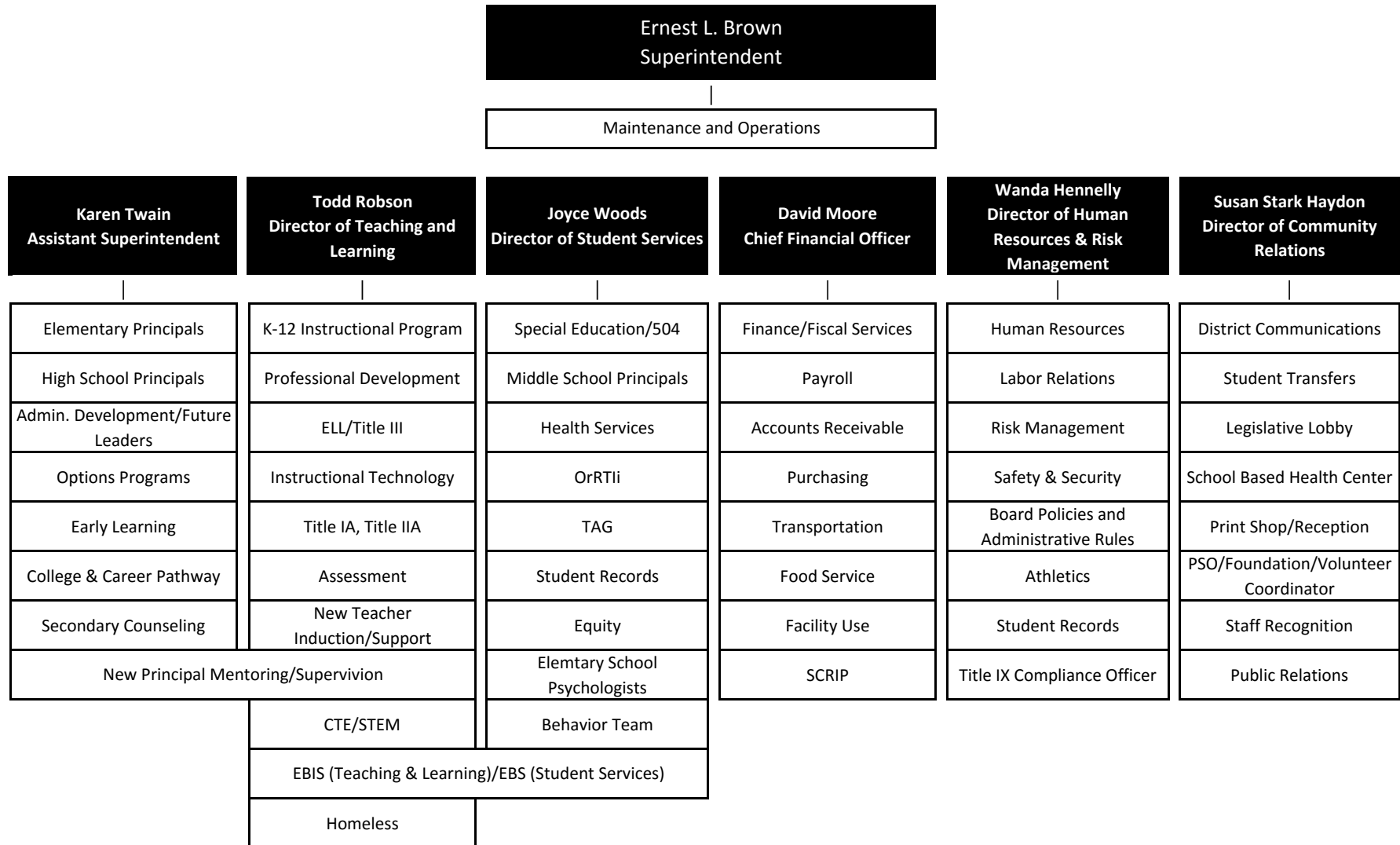
**Tiguard-Tualatin School District 23J
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Tigard-Tualatin School District 2016-17 Organizational Chart



TTSD Organizational Chart

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

Elected Officials as of July 1, 2016

| <u>Name</u> | <u>Term Expires</u> |
|------------------------------|---------------------|
| Maureen Wolf, Board Chair | June 30, 2017 |
| Jill Zurschmeide, Vice Chair | June 30, 2019 |
| Dr. Barry Albertson | June 30, 2017 |
| Terri Burnette | June 30, 2019 |
| Dana Terhune | June 30, 2017 |

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.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 7, 2016

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, 2016, 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, 2016, 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. 72, Fair Value Measurement and Application, for the year ended June 30, 2016. 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 7, 2016 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 7, 2016, 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, reading "Matthew Graves". The signature is fluid and cursive, with the first name "Matthew" being more prominent than the last name "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, 2016

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, 2016. 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

- 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 \$54 million. This was a decline of \$25.5 million due to the effects of Governmental Accounting Standards Board (GASB) Statement 68 and the requirement to report the District's share of the state pension fund unfunded liability.
- At the end of the fiscal year, the ending fund balance in the general fund was \$20.7 million or 17.8 percent of total general fund expenditures. The \$5.6 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 \$42.4 million, an increase of \$7.8 million from the prior year. Major components of this increase are: a requirement to levy taxes for debt that will not be paid to bond holders until the following fiscal year for \$2.35 million in the General Obligation Debt Service fund and the increase in the general fund balance as noted.
- The District's total long-term debt decreased by \$12.2 million due to payments made on principal and amortization of discounts and premiums.
- District enrollment did not change significantly from the prior year, an increase of 100 students, but average daily membership increased significantly for the 2015-16 school year due to a change in the statewide kindergarten program to offer free full day kindergarten. In 2015-16 the district kindergarten enrollment was 860. The district saw an overall increase of 588 in the average daily membership due to the change from a half weight to a full weight for kindergarten students; the weighted average is used for the state funding formula. State funding is largely based on enrollment.
- The change in the kindergarten program reduced charges for services for instruction as parents did not pay for the optional full day programs that were offered by the District. Also the cost of transportation decreased due to the elimination of the mid-day routes. The state school funding formula reimburses districts for 70% of the cost of home to school transportation so the revenue for transportation decreased.

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 30 and 31 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 32 through 35 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 36 through 38 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 39 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 43 through 73 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 76 through 82 of this report. Individual fund statements can be found on pages 84 through 89 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 \$54,089,570, at the close of the most recent fiscal year.

Tigard-Tualatin School District 23J's Net Position

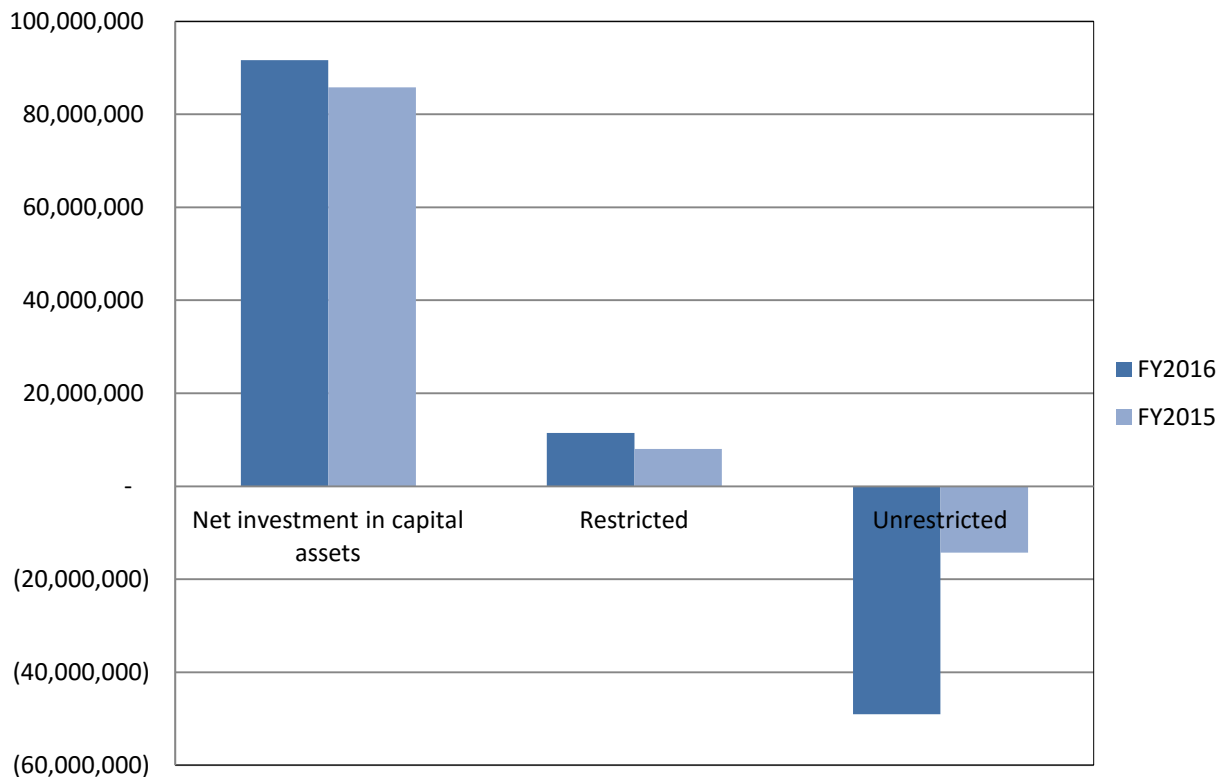
| | Governmental Activities | | |
|-------------------------------------|-------------------------|---------------|-----------------|
| | FY2016 | FY2015 | Change |
| Current and other assets | \$ 61,636,504 | \$ 75,071,305 | \$ (13,434,801) |
| Capital assets, net of depreciation | 145,487,557 | 149,972,335 | (4,484,778) |
| Total assets | 207,124,061 | 225,043,640 | (17,919,579) |
| Deferred outflows of resources | 14,231,549 | 12,232,848 | 1,998,701 |
| Long term liabilities | 69,829,049 | 87,934,105 | (18,105,056) |
| Other liabilities | 83,712,998 | 24,910,021 | 58,802,977 |
| Total liabilities | 153,542,047 | 112,844,126 | 40,697,921 |
| Deferred inflows of resources | 13,723,993 | 44,888,274 | (31,164,281) |
| Net position | | | |
| Net investment in capital assets | 91,663,673 | 85,813,660 | 5,850,013 |
| Restricted | 11,453,706 | 7,998,989 | 3,454,717 |
| Unrestricted | (49,027,810) | (14,268,560) | (34,759,250) |
| | | | - |
| Total net position | \$ 54,089,569 | \$ 79,544,089 | \$ (25,454,520) |

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 169.5 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, 21.2 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(49,027,810) 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 implementation of GASB statement 68 requiring the restatement of the prior year's net position and recording the District's unfunded pension liability creates a negative position in the unrestricted portion of the net position. The District was last able to report a positive balance for all reported categories of net position in the 2013-14 fiscal year.

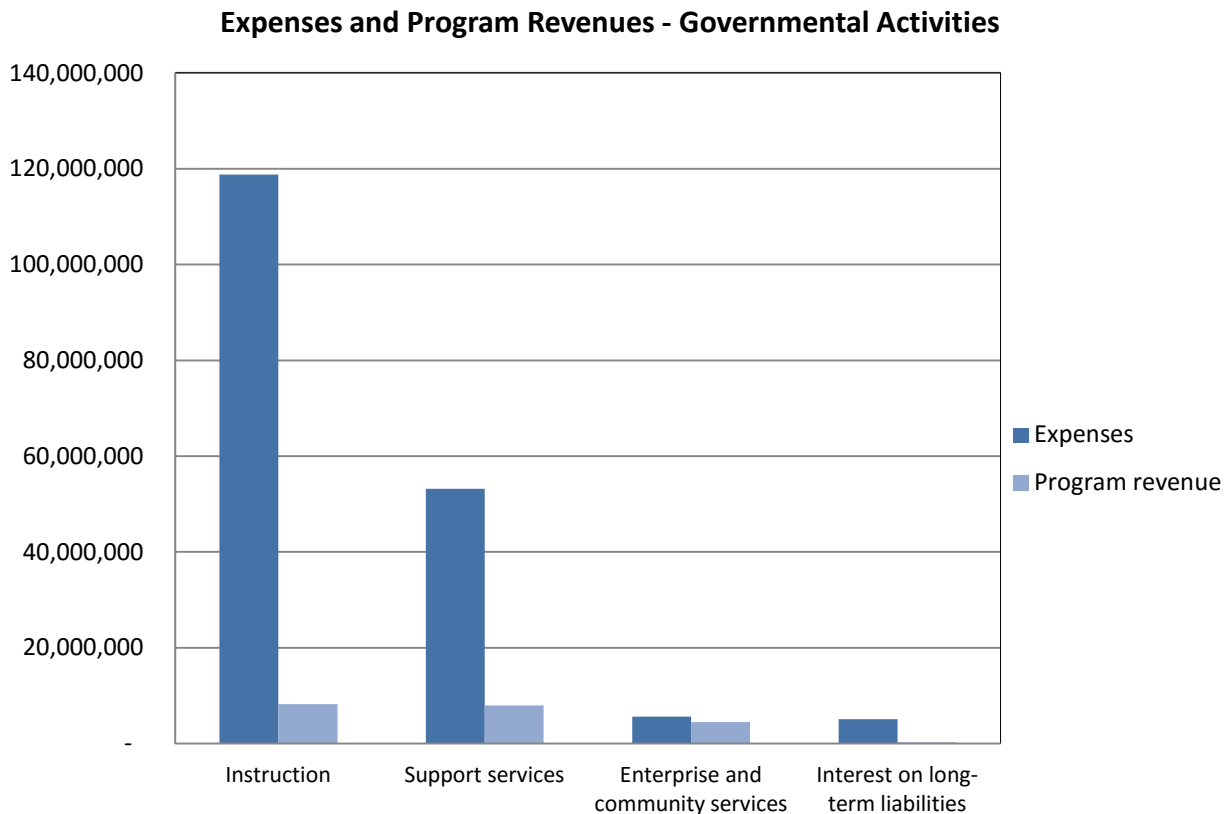
Tigard-Tualatin School District 23J Net Position
June 30, 2015 and 2016



Governmental Activities. During the current fiscal year, net position for governmental activities decreased \$25,454,519 from the prior fiscal year balances for an ending balance of \$54,089,570. The net decrease 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 increased significantly, \$77.7 million, and \$71.6 million of that increase is due to GASB 68 requirements to record the district's portion of the PERS liability.

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

| | Governmental Activities | | |
|---|-------------------------|----------------------|------------------------|
| | FY2016 | FY2015 | Change |
| Revenues: | | | |
| Program revenues: | | | |
| Charges for services | \$ 4,665,387 | \$ 6,296,339 | \$ (1,630,952) |
| Operating and grants contributions | 16,113,049 | 17,138,272 | (1,025,223) |
| Capital grants and contributions | 387,233 | 385,838 | 1,395 |
| General revenues: | | | |
| Property taxes | 70,621,831 | 66,992,876 | 3,628,955 |
| Federal aid not restricted to specific purpose | 1,514 | 1,304 | 210 |
| Intermediate aid not restricted to specific purpose | 1,957,778 | 3,298,968 | (1,341,190) |
| State aid not restricted to specific purpose | 59,503,437 | 54,640,982 | 4,862,455 |
| Earnings on investments | 307,852 | 272,842 | 35,010 |
| Recovery of prior year expenses | 706,103 | 286,180 | 419,923 |
| Construction excise tax | 1,823,933 | 545,339 | 1,278,594 |
| Gain on sale of assets | 145,200 | - | 145,200 |
| Other local revenue | 1,023,857 | 1,024,154 | (297) |
| Total revenues | <u>157,257,172</u> | <u>150,883,094</u> | <u>6,374,078</u> |
| Expenses: | | | |
| Instruction | 118,757,908 | 62,345,966 | 56,411,942 |
| Support services | 53,188,022 | 32,974,800 | 20,213,222 |
| Enterprise and community services | 5,646,959 | 4,085,471 | 1,561,488 |
| Interest on long-term liabilities | 5,118,801 | 5,599,435 | (480,634) |
| Total expenses | <u>182,711,691</u> | <u>105,005,672</u> | <u>77,706,019</u> |
| Change in net position | (25,454,519) | 45,877,421 | (71,331,940) |
| Net position - beginning | <u>79,544,089</u> | <u>33,666,665</u> | <u>45,877,424</u> |
| Net position - ending | <u>\$ 54,089,570</u> | <u>\$ 79,544,086</u> | <u>\$ (25,454,515)</u> |



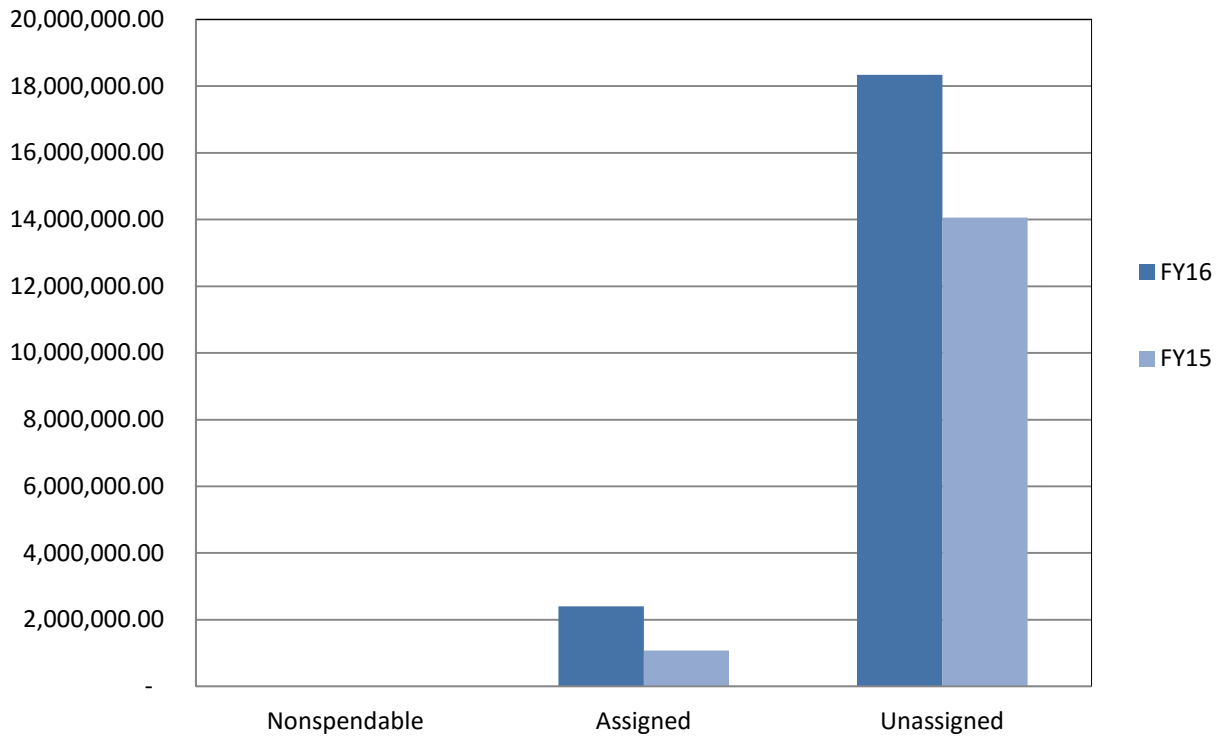
Financial Analysis of the District's Funds

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.

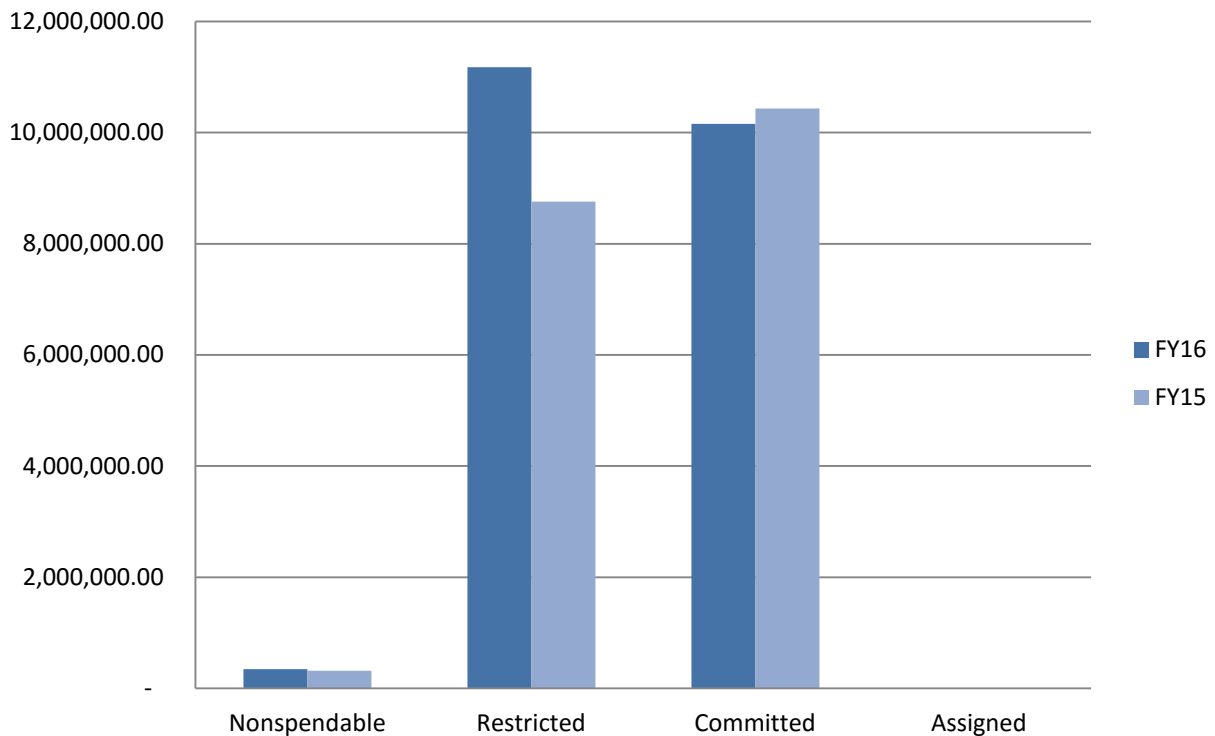
At June 30, 2016, the District's governmental funds reported combined ending fund balances of \$42,420,197, an increase of \$7,767,431 from the prior year. Approximately 43.2 percent or \$18,333,897 is *unassigned fund balance*, which is available for spending at the district's discretion. The remainder of the fund balance is either, *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$351,489), 2) restricted for particular purposes (\$11,173,838), 3) committed for particular purposes, (\$10,157,119), or 4) assigned for particular purposes (\$2,403,855). Assigned fund balance represents the portion of the reserves budgeted in 2016-17 for a potential increase in the District's retirement contribution to the state retirement system in the general fund.

**General Fund
Components of Fund Balance
June 30, 2015 and 2016**



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 \$20,741,477 with \$2,403,855 assigned to a plan to appropriate fund balance to limit further budget reductions due to retirement contribution increases, \$3,725 in deposits which is categorized as non spendable, and \$18,333,897 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 15.7 percent of the total general fund expenditures, while total fund balance represents approximately 17.8 percent of that same amount.

**Other Governmental Funds
Components of Fund Balance
June 30, 2015 and 2016**



The fund balance of the District's general fund increased by \$5,599,145 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 \$176,943 decrease during the current fiscal year for an overall fund balance of \$9,692,701. Funds used for capital projects were committed land sales funds and assigned Construction Excise Tax revenue. Major projects included replacing the Tualatin High School turf football field, a project in progress as of the fiscal year end, a drainage project at Byrom Elementary School and work in advance of the proposed bond measure on the ballot for November, 2016. Other smaller projects included fire alarm system replacements and security door replacements. The only funding stream for capital projects outside general obligation bond measures is the Construction Excise tax. Due to the improved economy and building within the district, this tax increased from \$545,339 in the prior year to \$1,823,933 in the current year.

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 increase in fund balance of \$2,356,520 for a total ending fund balance of \$2,453,631. 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 balance is a result the requirement to levy taxes for a payment due in the following year. The *full faith and credit debt service fund* had an increase in fund balance of \$3,166 for a total ending fund balance of \$250,463. 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 \$3,090 for a total ending fund balance of \$10,892. 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 \$17,546 decrease for an ending fund balance of \$9,271,034. 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 \$1,533,628 which was an increase of \$61,101.

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 \$6,793,911 for the year and exceeded budgetary expectations by \$593,911. 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 2014-15 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, 2016, the District's investment in capital assets totaled \$145,487,556, net of accumulated depreciation. The total decrease in capital assets for the current fiscal year was approximately 3%.

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

Capital Assets Net of Depreciation

| | FY2016 | FY2015 | Change |
|----------------------------|-----------------------|-----------------------|-----------------------|
| Land | \$ 20,712,399 | \$ 20,712,399 | \$ - |
| Land improvements | 7,910,480 | 8,456,791 | (546,311) |
| Buildings and improvements | 105,609,580 | 109,670,615 | (4,061,035) |
| Vehicles and equipment | 10,280,072 | 10,754,673 | (474,601) |
| Construction in progress | 975,026 | 377,858 | 597,168 |
| | <u>\$ 145,487,556</u> | <u>\$ 149,972,336</u> | <u>\$ (4,484,780)</u> |

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

- Improvements and remodeling at three elementary schools (\$357,887)
- Field drainage improvements at Byrom Elementary School (\$176,713)
- Technology for classrooms and school wide access (\$1,097,028)
- Fire alarm system replacement (\$73,033)
- Softball backstop (\$17,237)
- Vehicles and equipment for maintenance use (\$63,903)
- New ovens and freezer/coolers for school kitchens (\$139,946)
- New school bus for special needs students (\$108,522)
- Weight room equipment (\$72,889)
- Replacing school security doors (\$32,505)

Construction in progress includes:

- Long range facility plan work that lead to a decision to pursue a bond for a new school, school reconstruction, or major remodeling projects
- Tualatin High School turf field replacement
- Seismic work at Fowler Middle School

Additional information on the District's capital assets can be found in Note IV. C on pages 55 to 56 in this report.

Tigard-Tualatin School District 23J's Outstanding Debt

| | FY2016 | FY2015 | Change |
|-----------------------------------|----------------------|----------------------|------------------------|
| General obligation bonds | \$ 46,785,000 | \$ 56,730,000 | \$ (9,945,000) |
| Full faith and credit obligations | 39,609,152 | 41,737,628 | (2,128,476) |
| Capital lease agreements | - | 138,732 | (138,732) |
| | <u>\$ 86,394,152</u> | <u>\$ 98,606,361</u> | <u>\$ (12,212,209)</u> |

The District's total debt decreased by \$12,212,209 (12.4 percent) during the current fiscal year. The reason for this decrease was payment of principal due and amortization of bond premiums and discounts.

The District maintains an "Aa2" rating from Moody's for general obligation debt and an AA (underlying), and an AA+ (Oregon School Bond Guaranty) rating from Standard & Poors for the GO bonds issued in 2009. The District also received an Aa2 (underlying) and Aa1 (Oregon School Bond Guaranty) from Moody's for the bonds issued in August, 2011. This Oregon School Bond Guaranty pledges the full faith and credit of the State of Oregon for the District's bond issue. The current debt limitation for the District is \$1,085 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 67 through 70 in the notes to basic financial statements.

Economic Factors and Next Year's Budget

- The District saw growth in the state school fund grant from \$6,992 per student to \$7,148 per student between 2015-16 and 2016-17.
- 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 \$6.8 million and the District expects to receive \$7.8 million in 2016-17 based on this year's levy.
- Collective bargaining agreements are in effect for all groups through June 30, 2017. In early 2017, the District will begin negotiating the financial terms effective July 1, 2017 with the classified and licensed groups.
- The PERS employer contribution rate adjustment as of July 1, 2017 was based on the 2015 actuarial report. The Tier I and Tier II rates will increase from 17.62% of payroll to 22.69 and the OPSRP rate will increase from 12.93% of payroll to 17.36. It is estimated Tier I and Tier II account for approximately 53% of total covered payroll and the remainder, or 47%, is OPSRP. The District estimates the PERS rate increase will impact future annual PERS costs by \$3.5 million. The assigned balance in the general fund was set aside to cover this cost increase for one year.
- Oregon voters will consider a corporate tax measure on the November, 2016 ballot which should target additional funding for K-12 schools in future State budgets if successful. It is not certain what impact this would have on District resources from the State.

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.

Basic Financial Statements

TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON*Statement of Net Position**June 30, 2016*

| | <u>Governmental Activities</u> |
|---|--------------------------------|
| Assets: | |
| Equity in pooled cash and investments | \$ 49,879,986 |
| Cash and investments | 1,498,147 |
| Receivables: | |
| Property taxes | 3,257,787 |
| Accounts and other receivables | 3,074,441 |
| Prepaid items | 3,725 |
| Inventory | 347,763 |
| Net OPEB asset | 3,574,653 |
| Capital assets, net of depreciation | |
| Land and construction in progress | 21,687,425 |
| Land improvements | 7,910,480 |
| Buildings and improvements | 105,609,580 |
| Vehicles and equipment | 10,280,072 |
| <i>Total Assets</i> | <u>207,124,061</u> |
| Deferred Outflows of Resources: | |
| Contributions to pension plans post measurement period | 12,776,931 |
| Gain on bond reissue | 1,454,618 |
| | <u>14,231,549</u> |
| Liabilities: | |
| Accounts payable | 3,103,230 |
| Accrued payroll and related charges | 7,915,220 |
| Accrued interest | 83,361 |
| Unearned revenue | 98,720 |
| Accrued compensated absences | 469,869 |
| Net pension liability | 795,340 |
| Proportionate share of net PERS pension asset | 53,557,423 |
| Long-term debt | |
| Due within 1 year | 16,194,834 |
| Due in more than 1 year | 37,629,050 |
| Limited tax pension obligation bond | |
| Due within 1 year | 1,500,000 |
| Due in more than 1 year | 32,195,000 |
| <i>Total Liabilities</i> | <u>153,542,047</u> |
| Deferred Inflow of Resources: | |
| Difference between pension plan projected and actual earnings on investments | <u>13,723,993</u> |
| Net Position | |
| Net investment in capital assets | 91,663,673 |
| Restricted for: | |
| Debt service | 2,726,727 |
| Other purposes: | |
| Food service | 1,120,145 |
| Capital projects | 3,685,931 |
| State, county, private grants | 1,606,652 |
| Transportation equipment | 228,897 |
| Student body activities | 1,498,147 |
| Other | 587,207 |
| Unrestricted | (49,027,810) |
| <i>Total Net Position</i> | <u>\$ 54,089,570</u> |

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, 2016

| Year Ended June 30, 2016 | | | | | 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 | \$ 88,489,473 | \$ 2,897,610 | \$ 1,347,681 | \$ - | \$ (84,244,182) |
| Special programs | 30,268,435 | - | 4,597,741 | - | (25,670,694) |
| Total direct classroom services | 118,757,908 | 2,897,610 | 5,945,421 | - | (109,914,876) |
| Support Services | | | | | |
| Students | 11,269,433 | - | 1,659,499 | - | (9,609,934) |
| Instructional staff | 5,336,368 | - | 1,442,817 | - | (3,893,551) |
| General administration | 1,418,681 | - | 68,333 | - | (1,350,348) |
| School administration | 10,425,571 | - | 55,528 | - | (10,370,043) |
| Business | 3,017,736 | - | 4,136 | - | (3,013,600) |
| Operation and maintenance of buildings | 10,998,033 | - | 1,339 | - | (10,996,694) |
| Student transportation | 5,997,358 | - | 3,708,996 | 124,595 | (2,163,768) |
| Central activities | 4,724,843 | - | 264,095 | - | (4,460,748) |
| Total classroom support services | 53,188,022 | - | 7,204,743 | 124,595 | (45,858,685) |
| Enterprise and Community Services | | | | | |
| Food services | 4,361,555 | 1,086,907 | 2,758,443 | - | (516,205) |
| Scrip services | 232,519 | 252,716 | - | - | 20,197 |
| Building use services | 422,205 | 428,153 | - | - | 5,948 |
| Other enterprise and community services | 630,681 | - | 204,442 | - | (426,238) |
| Total enterprise and community services | 5,646,959 | 1,767,776 | 2,962,885 | - | (916,298) |
| Interest on long-term liabilities | 5,118,801 | - | - | 262,638 | (4,856,164) |
| Total school district | \$ 182,711,691 | \$ 4,665,387 | \$ 16,113,049 | \$ 387,233 | \$ (161,546,023) |

General revenues:

Property taxes levied for:

| | |
|--|---------------|
| General purposes | 55,671,956 |
| Debt service | 14,949,875 |
| Federal aid not restricted to specific purposes | 1,514 |
| Intermediate aid not restricted to specific purposes | 1,957,778 |
| State aid not restricted to specific purposes | 59,503,437 |
| Earnings on investments | 307,852 |
| Recovery of prior year expenses | 706,103 |
| Construction excise tax | 1,823,933 |
| Gain on sale of capital assets | 145,200 |
| Other local revenue | 1,023,857 |
| Total general revenues | 136,091,505 |
| Change in net position | (25,454,519) |
| Net position - beginning | 79,544,089 |
| Net position - ending | \$ 54,089,570 |

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, 2016

| | 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 | \$ 28,436,372 | \$ 2,228,126 | \$ 223,618 | \$ 10,892 | \$ 9,935,639 | \$ 7,400,457 | \$ 48,235,103 |
| Cash and investments | - | - | - | - | - | 1,498,147 | 1,498,147 |
| Receivables | | | | | | | |
| Property taxes | 2,576,124 | 681,663 | - | - | - | - | 3,257,788 |
| Accounts and other receivables | 1,130,103 | 172,118 | 26,845 | - | 467,383 | 1,247,508 | 3,043,957 |
| Due from other funds | 439,304 | - | - | - | - | - | 439,304 |
| Prepaid items | 3,725 | - | - | - | - | - | 3,725 |
| Inventories | - | - | - | - | - | 347,763 | 347,763 |
| Total Assets | \$ 32,585,629 | \$ 3,081,907 | \$ 250,463 | \$ 10,892 | \$ 10,403,022 | \$ 10,493,875 | \$ 56,825,788 |
| Liabilities, Deferred Inflows, and Fund Balances | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | \$ 1,682,453 | \$ - | \$ - | \$ - | \$ 710,321 | \$ 703,373 | \$ 3,096,146 |
| Accrued payroll and related charges | 7,769,935 | - | - | - | - | - | 7,769,935 |
| Unearned revenue | 18,555 | - | - | - | - | 80,165 | 98,720 |
| Due to other funds | - | - | - | - | - | 439,304 | 439,304 |
| Total Liabilities | 9,470,944 | - | - | - | 710,321 | 1,222,842 | 11,404,106 |
| Deferred Inflows | | | | | | | |
| Unearned revenue - unavailable property taxes | 2,373,208 | 628,276 | - | - | - | - | 3,001,484 |
| Fund Balances: | | | | | | | |
| Nonspendable | 3,725 | - | - | - | - | 347,763 | 351,489 |
| Restricted | - | 2,453,631 | 250,463 | 10,892 | 3,685,931 | 4,772,922 | 11,173,838 |
| Committed | - | - | - | - | 6,006,770 | 4,150,349 | 10,157,119 |
| Assigned | 2,403,855 | - | - | - | - | - | 2,403,855 |
| Unassigned | 18,333,897 | - | - | - | - | - | 18,333,897 |
| Total Fund Balances | 20,741,477 | 2,453,631 | 250,463 | 10,892 | 9,692,701 | 9,271,034 | 42,420,197 |
| Total Liabilities, Deferred Inflows, and Fund Balances | \$ 32,585,629 | \$ 3,081,907 | \$ 250,463 | \$ 10,892 | \$ 10,403,022 | \$ 10,493,875 | \$ 56,825,788 |

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, 2016*

Amounts reported for governmental activities in the statement of net position (page 15) are different because:

| | |
|--|----------------------|
| Total fund balances - governmental funds (page 17) | \$ 42,420,197 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 145,487,557 |
| The net pension asset is not an available resource and, therefore, is not reported in the funds. | - |
| Other long-term assets are not available to pay for current period expenditures, and, therefore, are reported as unavailable revenue in the funds. | 6,565,509 |
| 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. | 1,533,628 |
| 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 | (795,340) |
| 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. | (86,617,497) |
| The net pension liability is not an available resource and, therefore, is not reported in the funds. | (53,557,423) |
| 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. | <u>(947,062)</u> |
| Total Net Position | <u>\$ 54,089,570</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, 2016

| | 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 | \$ 57,224,251 | \$ 14,651,437 | \$ 1,023,857 | \$ 3,275,758 | \$ 2,554,652 | \$ 6,286,519 | \$ 85,016,474 |
| Intermediate sources | 1,957,778 | - | - | - | - | 2,406,251 | 4,364,029 |
| State sources | 63,147,528 | - | - | - | - | 686,070 | 63,833,598 |
| Federal sources | 1,514 | 262,638 | - | - | - | 7,296,291 | 7,560,443 |
| Total revenues | 122,331,071 | 14,914,075 | 1,023,857 | 3,275,758 | 2,554,652 | 16,675,131 | 160,774,544 |
| Expenditures | | | | | | | |
| Current | | | | | | | |
| Instruction | 77,823,026 | - | - | - | - | 7,797,799 | 85,620,825 |
| Support services | 38,441,665 | - | - | - | - | 4,055,859 | 42,497,523 |
| Community services | 178,258 | - | - | - | - | 4,633,165 | 4,811,424 |
| Transit payments to other school districts | - | - | - | - | - | 353,567 | 353,567 |
| Debt service | | | | | | | |
| Principal | - | 9,945,000 | 957,209 | 1,310,000 | - | - | 12,212,209 |
| Interest | - | 2,612,555 | 710,141 | 1,962,668 | - | - | 5,285,364 |
| Capital outlay | - | - | - | - | 2,226,201 | - | 2,226,201 |
| Total expenditures | 116,442,949 | 12,557,555 | 1,667,349 | 3,272,668 | 2,226,201 | 16,840,390 | 153,007,113 |
| Excess (deficiency) of revenues over (under) expenditures | 5,888,123 | 2,356,520 | (643,492) | 3,090 | 328,450 | (165,259) | 7,767,431 |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | 646,658 | - | - | 917,768 | 1,564,427 |
| Transfers out | (288,978) | - | - | - | (505,394) | (770,055) | (1,564,427) |
| Total other financing sources (uses) | (288,978) | - | 646,658 | - | (505,394) | 147,713 | - |
| Net change in fund balances | 5,599,145 | 2,356,520 | 3,166 | 3,090 | (176,943) | (17,546) | 7,767,431 |
| Fund balances, beginning of year | 15,142,332 | 97,111 | 247,297 | 7,801 | 9,869,645 | 9,288,579 | 34,652,766 |
| Fund balances, end of year | \$ 20,741,477 | \$ 2,453,631 | \$ 250,463 | \$ 10,892 | \$ 9,692,701 | \$ 9,271,034 | \$ 42,420,197 |

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, 2016*

Amounts reported for governmental activities in the statement of activities (page 15) are different because:

| | |
|---|------------------------|
| Net change in fund balances - total governmental funds (page 18) | \$ 7,767,431 |
| 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. | (4,484,778) |
| 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. | 12,212,209 |
| 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. | 971,755 |
| 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. | (42,641,998) |
| 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 | 307,332 |
| 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 | 352,430 |
| 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>61,101</u> |
| Change in Net Position | <u>\$ (25,454,519)</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, 2016

| | Self Insurance <u>Reserve Fund</u> |
|---------------------------|---------------------------------------|
| Assets | |
| Cash and cash equivalents | <u>\$ 1,685,995</u> |
| Liabilities | |
| Payroll liabilities | 145,284 |
| Accounts payable | <u>7,083</u> |
| Liabilities | <u>152,367</u> |
| Net Position | |
| Unrestricted | <u><u>\$ 1,533,628</u></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, 2016

| | <u>Self Insurance Reserve Fund</u> |
|---------------------------------|--|
| Revenue | \$ 90,449 |
| Operating expenses | |
| Support services | <u>29,348</u> |
| Change in net position | 61,101 |
| Net position, beginning of year | <u>1,472,527</u> |
| Net position, end of year | <u>\$ 1,533,628</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, 2016

| | <u>Self Insurance Reserve Fund</u> |
|---|--|
| Cash flows from operating activities | |
| Receipts from customers | \$ 90,449 |
| Payments to employees | (58,062) |
| Payments to suppliers | <u>6,143</u> |
| Net cash provided (used) by operating activities | 38,530 |
| Cash and investments at beginning of year | <u>1,647,465</u> |
| Cash and investments at end of year | <u>\$ 1,685,995</u> |
| Reconciliation of change in net position to net cash provided (used) by operating activities | |
| Change in net position | \$ 61,101 |
| Adjustments | |
| Change in accounts receivable | - |
| Change in accounts payable | 6,143 |
| Change in payroll liabilities | <u>(28,714)</u> |
| Net cash (used) by operating activities | <u>\$ 38,530</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, 2016

| | Early Retirement Stipends | Other Post Employment Benefits (OPEB) | Scholarship Fund |
|---|---------------------------------|--|---------------------|
| Assets | | | |
| Invested in State Treasurer's Investment Pool | \$ - | \$ - | \$ 211,427 |
| Invested in securities | 75,350 | 2,160,378 | - |
| | <u>\$ 75,350</u> | <u>\$ 2,160,378</u> | <u>\$ 211,427</u> |
| Net Position | | | |
| Assets held in trust for: | | | |
| Scholarships | - | - | 211,427 |
| Net position restricted for pension | 75,350 | | |
| Pension/ other postemployment benefits | - | 2,160,378 | - |
| | <u>-</u> | <u>2,160,378</u> | <u>-</u> |
| Total Net Position | <u>\$ 75,350</u> | <u>\$ 2,160,378</u> | <u>\$ 211,427</u> |

Statement of Changes in Fiduciary Net Position

For the year ending June 30, 2016

| | Early Retirement Fund | Other Post Employment Benefits (OPEB) | Scholarship Fund |
|--|-----------------------------|--|---------------------|
| Additions | | | |
| Contributions from employer | \$ 192,616 | \$ 1,075,633 | \$ - |
| Investment earnings | 595 | 14,519 | 1,365 |
| | <u>193,211</u> | <u>1,090,151</u> | <u>1,365</u> |
| Total additions | | | |
| Deductions | | | |
| Scholarship payments | - | - | - |
| Early retirement stipends | 225,939 | - | - |
| Health benefits | - | 1,279,970 | - |
| | <u>225,939</u> | <u>1,279,970</u> | <u>-</u> |
| Total deductions | | | |
| Change in net position | (32,728) | (189,818) | 1,365 |
| Net position, beginning of year | | <u>2,350,197</u> | <u>210,062</u> |
| Net position, end of year | | <u>\$ 2,160,378</u> | <u>\$ 211,427</u> |
| Net position restricted for pension, beginning of year | <u>108,078</u> | | |
| Net position restricted for pension, end of year | <u>\$ 75,350</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, 2016

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.

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.

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

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 expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

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, 2016.

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

1. Cash and Investments

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

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

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, 2016, the fair value of the position in the LGIP is approximately 100.6 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

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.

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

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 fair market 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.

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

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

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

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.

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.

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

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

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

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

not financial resources and, therefore, are not reported in the funds.” The details of this \$145,487,557 are as follows:

| | |
|--|-----------------------|
| Land | \$ 20,712,399 |
| Construction in progress | 975,026 |
| Land improvements | 13,154,214 |
| Less: Accumulated depreciation land improvements | (5,243,733) |
| Buildings and improvements | 181,278,231 |
| Less: Accumulated depreciation buildings and improvements | (75,668,652) |
| Vehicles and equipment | 21,034,270 |
| Less: Accumulated depreciation vehicles and equipment | <u>(10,754,197)</u> |
| Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities | <u>\$ 145,487,557</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 \$6,565,509 are as follows:

| | |
|--|---------------------|
| Property taxes collected after year-end but not soon enough to pay for current year operations | \$ 3,001,484 |
| Less: | |
| Difference between market value and carrying amount of investments investments recorded as income in the governmental fund statements. | (41,112) |
| Interest on investments earned but not yet received | 18,743 |
| Interest payments due from the federal government but not received | 11,742 |
| governmental fund receivables, but is recognized when received. | |
| Net OPEB and pension stipend assets | <u>3,574,653</u> |
| Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities | <u>\$ 6,565,509</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 \$86,617,497 difference are as follows:

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

| | |
|--|----------------------|
| Bonds payable | 87,518,884 |
| Issue premiums and discounts (to be amortized as interest expense) | 83,361 |
| Less: | |
| Deferred charge on refunding (to be amortized as interest expense) | (1,454,618) |
| Compensated absences | <u>469,869</u> |
| Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities | <u>\$ 86,617,497</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 \$947,062 difference are as follows:

| | |
|--|---------------------|
| Deferred Outflow | \$ 12,776,931 |
| Deferred Inflows | <u>(13,723,993)</u> |
| Net deferred outflow/(inflows) related to pension plan | <u>\$ (947,062)</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 \$4,484,778 difference are as follows:

| | |
|--|-----------------------|
| Capital Outlay | \$ 2,669,301 |
| Depreciation Expense | <u>(7,154,079)</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>\$ (4,484,778)</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 \$12,212,209 difference is as follows:

| | |
|---------------------------|----------------------|
| Debt Principal Repayments | <u>\$ 12,212,209</u> |
|---------------------------|----------------------|

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 \$971,755 difference are as follows:

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

| | |
|--|-----------------|
| Compensated absences | \$ 9,740 |
| Accrued interest on debt | 24,766 |
| Amortization of net pension obligation | 821,910 |
| Amortization of bond discounts | (4,487) |
| Amortization of bond premiums | 419,707 |
| Amortization of deferred charge on refunding | (273,424) |
| Adjustments to investments at market value | <u>(26,457)</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>\$ 971,755</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 \$42,641,998 are as follows:

| | |
|--|------------------------|
| Components of pension liability at measurement date | |
| Reversal of prior year components | <u>\$ 11,857,939</u> |
| Differences between expected and actual experience | 2,888,087 |
| Differences between projected and actual earnings | (11,226,850) |
| Changes in proportionate share | (1,064,081) |
| Differences between employer contributions and employer's proportionate share of systems contributions | (1,418,807) |
| Contributions subsequent to the measurement date | <u>9,879,137</u> |
| | <u>(942,514)</u> |
| Employer's proportionate share of net pension liability | <u>(53,557,423)</u> |
| Total components of pension liability at measurement date | <u>\$ (42,641,998)</u> |

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Violations of legal or contractual provisions

For the year ended June 30, 2016, 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, 2016, the district's bank balances were \$3,370,027 and \$2,701,842 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

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

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.

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

| | |
|---|----------------------|
| Petty cash | \$ 16,182 |
| Demand deposits | 1,448,756 |
| Public funds money market account | 5,000,204 |
| Investments | <u>47,401,259</u> |
| Total cash and investments | <u>\$ 53,866,401</u> |
| Cash and investments were held in the following fund types: | |
| Governmental funds: | |
| Equity in pooled cash and investments | \$ 48,235,103 |
| Cash and investments | <u>1,498,147</u> |
| Total governmental funds | <u>49,733,250</u> |
| Proprietary funds | |
| Equity in pooled cash and investments | <u>1,685,995</u> |
| Fiduciary funds: | |
| US Treasury and State Treasurer's investment pool | |
| Early retirement and OPEB fund | 2,235,728 |
| Scholarship fund | <u>211,427</u> |
| Total fiduciary funds | <u>2,447,155</u> |
| Total cash and investments | <u>\$ 53,866,401</u> |

3. Investments

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

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

As of June 30, 2016 the District had the following investments and maturities:

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

| Investment Type | Fair Value | Weighted | % of Investment Portfolio |
|-----------------------------------|----------------------|------------------------------|------------------------------|
| | | Average Maturity in Years | |
| US Treasury and Agency Securities | \$ 13,058,382 | 0.200 | 27.5% |
| State Treasurer's investment pool | 34,342,877 | 0.490 | 72.5% |
| | <u>\$ 47,401,259</u> | <u>0.411</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 18 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, 2016. 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, 2016, the fair value of the position in the LGIP is 100.6% 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 are fair value level 2 measurement.

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

| Issuer | Percentage of Total Investments (Total Equity Concentration) |
|--|---|
| Federal Home Loan Mortgage Corporation | 23.08% |
| United States Treasury | 76.92% |

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

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, 2016:

| | General Fund | Debt Service Fund | Capital Projects Fund | Special Revenue Funds | Total |
|--------------------------------------|---------------------|----------------------|-----------------------------|-----------------------------|---------------------|
| Property taxes receivable | \$ 2,576,124 | \$ 681,663 | \$ - | \$ - | \$ 3,257,788 |
| Accounts and other receivables: | | | | | |
| Grants receivable | - | - | - | 694,091 | 694,091 |
| Interest and Other | <u>1,130,103</u> | <u>198,963</u> | <u>467,383</u> | <u>553,417</u> | <u>2,349,866</u> |
| Total accounts and other receivables | <u>1,130,103</u> | <u>198,963</u> | <u>467,383</u> | <u>1,247,508</u> | <u>3,043,957</u> |
| Net receivables | <u>\$ 3,706,227</u> | <u>\$ 880,626</u> | <u>\$ 467,383</u> | <u>\$ 1,247,508</u> | <u>\$ 6,301,744</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 2015-16 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 | \$ 80,165 |
| Tigard-Tualatin Online Academy Summer School tuition paid in advance of courses held in July | <u>18,555</u> |
| Total unearned revenue | <u>\$ 98,720</u> |

C. CAPITAL ASSETS

Capital asset activity for the year ending June 30, 2016, was as follows:

Tigard-Tualatin School District 23J, Tigard, Oregon
Notes to Basic Financial Statements
June 30, 2016

| | Balance June 30, 2015 | Current year additions | Current year dispositions | Balance June 30, 2016 |
|---|--------------------------|---------------------------|------------------------------|--------------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$ 20,712,399 | \$ - | \$ - | \$ 20,712,399 |
| Construction in progress | 377,858 | 926,694 | (329,526) | 975,026 |
| Total capital assets not being depreciated | 21,090,256 | 926,694 | (329,526) | 21,687,425 |
| Capital assets, being depreciated | | | | |
| Land improvements | 12,977,501 | 176,713 | | 13,154,214 |
| Less accumulated depreciation | (4,520,710) | (723,023) | - | (5,243,733) |
| Land improvements, net of depreciation | 8,456,791 | (546,310) | - | 7,910,480 |
| Buildings and improvements | 180,920,345 | 357,887 | - | 181,278,231 |
| Less accumulated depreciation | (71,249,730) | (4,418,922) | - | (75,668,652) |
| Buildings and improvements, net of depreciation | 109,670,615 | (4,061,035) | - | 105,609,580 |
| Vehicles and equipment | 19,496,736 | 1,605,063 | (67,530) | 21,034,270 |
| Less accumulated depreciation | (8,742,063) | (2,079,664) | 67,530 | (10,754,197) |
| Vehicles and equipment, net of depreciation | 10,754,673 | (474,600) | - | 10,280,072 |
| Total capital assets being depreciated, net | 128,882,079 | (5,081,946) | - | 123,800,132 |
| Total all capital assets, net | <u>\$ 149,972,335</u> | <u>\$ (4,155,252)</u> | <u>\$ (329,526)</u> | <u>\$ 145,487,557</u> |

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

| | Current Depreciation |
|-----------------------------------|-------------------------|
| Instruction | \$6,080,994 |
| Support Services | \$972,504 |
| Enterprise and Community Services | <u>\$168,111</u> |
| Total depreciation current year | <u>\$7,221,609</u> |

1. Construction In Progress

The District's three construction projects that were in progress at the end of the fiscal year were two years of work on the long range facility plan that lead to a decision to pursue a bond for a new school, school reconstruction, or major remodeling projects. The bond measure was placed on the November 8, 2016 general election ballot. Other projects include preliminary work to assess need for seismic improvements at a middle school and replacing the turf football field at Tualatin High School. The District applied for a state grant after the year end for the middle school seismic improvements and the turf field replacement was completed in July, 2016.

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.

Tigard-Tualatin School District 23J, Tigard, Oregon
Notes to Basic Financial Statements
June 30, 2016

| <u>Description</u> | <u>Deferred Inflow Amount</u> |
|---|-----------------------------------|
| Delinquent property taxes receivable, general fund | \$ 2,373,208 |
| Delinquent property taxes receivable, debt service fund | 628,276 |
| | <u>\$ 3,001,484</u> |
| Total deferred inflows | <u>\$ 3,001,484</u> |

E. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at June 30, 2016, 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 | \$ 1,682,453 | \$ 710,321 | \$ 703,373 | \$ 3,096,146 | \$ 7,083 | \$ 3,103,230 |
| Accrued payroll and related charges | 7,769,935 | - | - | 7,769,935 | 145,284 | 7,915,220 |
| Net liabilities | <u>\$ 9,452,389</u> | <u>\$ 710,321</u> | <u>\$ 703,373</u> | <u>\$ 10,866,082</u> | <u>\$ 152,367</u> | <u>\$ 11,018,449</u> |

F. PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employee defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i) Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
 - ii) Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided 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 disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

- 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 period were based on the December 31, 2013 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2016 were \$9,879,137, excluding amounts to fund employer specific liabilities. Approximately \$3,273,000 was charged for the year ended June 30, 2016 as PERS benefits expenditures to be used for bond payments as they become due. In addition, \$2,954,650 in employee contributions were paid or picked up by the District in fiscal 2016.

At June 30, 2016, the District reported a net pension liability of \$53,557,423 for its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2012, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2013, the District's proportion was .93 percent.

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|--|----------------------------------|---------------------------------|
| Difference between expected and actual experience | \$ 2,888,087 | \$ - |
| Net difference between projected and actual earnings on investments | - | 11,226,850 |
| Changes in proportionate share | | 1,064,081 |
| Differences between employer contribution and employer's proportionate share of system contributions | - | 1,418,807 |
| Total (prior to post-MD contributions) | 2,888,087 | 13,709,738 |
| Subtotal - Amortized Deferrals (below) | | (10,821,651) |
| District contributions subsequent to measurement date | 9,879,137 | - |
| Net deferred outflow (inflow) of resources | | \$ (942,514) |

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 |
|----------------------|-----------------|
| 2017 | \$ (5,319,069) |
| 2018 | \$ (5,319,069) |
| 2019 | \$ (5,319,069) |
| 2020 | \$ 5,000,719 |
| 2021 | \$ 134,838 |
| Thereafter | - |
| Total | \$ (10,821,651) |

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated May 23, 2016. Oregon PERS produces an independently audited CAFR which can be found at:
http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx

Actuarial Valuations – The employer contribution rates effective July 1, 2015 through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (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.

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

Actuarial Methods and Assumptions:

| | |
|---------------------------|---|
| Valuation date | December 31, 2013 rolled forward to June 30, 2015 |
| 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 | 2.75 percent |
| Investment rate of return | 7.75 percent |
| Projected salary increase | 3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service. For COLA, a blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision, blend based on service. |
| Mortality | Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table. |

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2013.

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

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

| | Decrease 6.75% | Rate (7.75%) | Increase (8.75%) |
|--|-------------------|-----------------|---------------------|
| District's proportionate share of the net pension liability | \$ 129,258,848 | \$ 53,557,423 | \$ (10,238,990) |

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

Since the December 31, 2013 actuarial valuation, the system-wide actuarial accrued liability has increased primarily due to the Moro decision and assumption changes, along with interest on the liability as current active members get closer to retirement. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future system Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the benefits projected to be paid by Employers compared to those developed in the prior actuarial valuation, and consequently increased plan liabilities. The employers' projected long-term contribution effort has been adjusted for the estimated impact of the Moro Decision. In accordance with statute, a biennial review of actuarial methods and assumptions was completed in 2015 to be used for the December 31, 2014 actuarial valuation. After completion of this review and subsequent to the measurement date, the PERS Board adopted several assumption changes, including lowering the investment return assumption to 7.50%, which will be effective January 1, 2016 and will be included in the next update.

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of 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 which is invested in the IAP. The District makes this contribution on behalf of its licensed, administrative, confidential and managerial employees only. Classified employees and substitutes have the contribution deducted from their payroll. The District contributed approximately \$2,954,650 for the year ended June 30, 2016.

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

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

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

schedule until the earlier of death, reemployment or age 62 when the early retiree qualifies for social security benefits:

| | Licensed Employees | | Administrators | |
|-------------------------------|--------------------|-----------|----------------|-----------|
| | Maximum | Maximum | Maximum | Maximum |
| | Monthly | Number of | Monthly | Number of |
| Retired During Periods | Payments | Payments | Payments | Payments |
| 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:

| | |
|---|-----------|
| 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.

Funded Status and Funding Progress

As of June 30, 2016, the most recent actuarial valuation date, the funded status of the plan was as follows:

| | |
|--|-------------------|
| Actuarial value liability (AAL) | \$ 870,690 |
| Actuarial value of plan assets | <u>75,350</u> |
| Unfunded actuarial accrued liability (UAAL) | <u>\$ 795,340</u> |
| Funded ratios (actuarial value of plan assets/AAL) | 8.65% |
| Covered payroll (annual payroll of active employees covered by the plan) | \$ 4,287,714 |
| UAAL as a percentage of covered payroll | 18.55% |

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

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.

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

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 | \$ 870,690 |
| Plan fiduciary net position | <u>(75,350)</u> |
| District's net pension liability | <u>\$ 795,340</u> |

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Difference between expected and actual experience | \$ 6,483 | \$ 11,121 |
| Changes in assumptions | 1,046 | 3,134 |
| Net difference between projected and actual | <u>2,178</u> | <u></u> |
| Net deferred outflow (inflow) of resources | | <u>\$ (4,548)</u> |

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

| <u>Year ending June 30,</u> | <u>Amount</u> |
|-----------------------------|-------------------|
| 2016 | \$ 3,766 |
| 2017 | \$ 3,686 |
| 2018 | \$ (3,843) |
| 2019 | \$ (4,064) |
| 2020 | \$ (327) |
| 2012 | \$ (3,766) |
| Thereafter | - |
| Total | <u>\$ (4,548)</u> |

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

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

| | |
|-------------------------------|--|
| 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. 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, 2016 this fiduciary trust held \$2,160,378 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:

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

| | 2015-2016 | 2014-2015 | 2013-2014 |
|--|-----------------------|-----------------------|-----------------------|
| Annual Required Contribution (ARC) | \$ 669,236 | \$ 843,795 | \$ 843,795 |
| Interest on Net OPEB Obligation | (82,582) | (84,228) | (42,085) |
| Adjustment to ARC | 140,443 | 139,069 | 69,487 |
| Annual OPEB Cost | 727,097 | 898,636 | 871,197 |
| Contributions | (1,549,007) | (843,795) | (2,275,953) |
| Increase (Decrease) in Net OPEB Obligation | (821,910) | 54,841 | (1,404,756) |
| Net OPEB Obligation (asset) - beginning of fiscal year | (2,752,743) | (2,807,584) | (1,402,828) |
| Net OPEB Obligation (asset) - ending of fiscal year | <u>\$ (3,574,653)</u> | <u>\$ (2,752,743)</u> | <u>\$ (2,807,584)</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, 2016 and each of the two preceding years were as follows:

| Fiscal Year Ended June 30, | Annual OPEB Cost | Percentage of OPEB Cost Contributed | Net OPEB Obligation |
|-------------------------------|---------------------|---|------------------------|
| 2016 | \$ 1,549,007 | 213% | \$ 3,574,653 |
| 2015 | \$ 843,795 | 94% | \$ 2,752,743 |
| 2014 | \$ 871,197 | 261% | \$ 2,807,584 |

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:

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

| | |
|-------------------------------|---|
| Actuarial cost method | Entry Age Normal Level Percent of Pay |
| Amortization method | Level dollar |
| Remaining amortization period | 30-year open amortization period |
| Inflation rate | 2.50% |
| 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, 2016, 26 employees were participating in the plan.

J. TAX SHELTERED ANNUITY

The District offers its employees a tax deferred annuity program established pursuant to Section 403(b) of the Internal Revenue Code (the Code). Contributions are made through salary reductions from participating employees up to the amounts specified in the Code. No contributions are required by law from the District. As of June 30, 2016, 505 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 \$50,272 for the Tualatin High field turf replacement. Encumbrances for technology devices totaled \$48,427, an encumbrance for a ramp at Tualatin High totaled \$21,115 and other small encumbrances carried forward to the 2016-17 fiscal year totaling \$9,687 bring the total commitments at June 30, 2016 to \$130,502.

L. RISK MANAGEMENT

The district is exposed to various risks of loss related to torts: theft of, damage to, and destruction of

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

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 based on refunds of certain prior year expenditures for the contributing funds for the property loss exposure. Rates are evaluated periodically due to economic conditions and the worker's compensation plan is audited annually by the carrier.

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 \$1,348,382 and a net book value of \$464,693 for the year ended June 30, 2016.

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, 2016:

| | Balance June 30, 2015 | Additions | Reductions | Balance June 30, 2016 | Due Within One Year |
|---|--------------------------|-----------|---------------|--------------------------|------------------------|
| General Obligation Bonds: | | | | | |
| May, 2001 Refunding Issue | \$ 1,750,000 | \$ - | \$ 1,750,000 | \$ - | \$ - |
| August, 2005 Refunding Issue | 41,895,000 | - | 5,110,000 | 36,785,000 | 5,380,000 |
| August, 2011 Issue A | 3,085,000 | - | 3,085,000 | - | - |
| August, 2011 Issue B | 10,000,000 | - | - | 10,000,000 | 10,000,000 |
| Total General Obligation Bonds | 56,730,000 | - | 9,945,000 | 46,785,000 | 15,380,000 |
| Full Faith and Credit Obligations: | | | | | |
| March, 2000 Issue - New Hibbard Center | 2,342,628 | - | 330,476 | 2,012,152 | 311,834 |
| PERS Unfunded Actuarial Liability Bonds | 35,005,000 | - | 1,310,000 | 33,695,000 | 1,500,000 |
| July, 2009 Issue - Thorpe Property | 3,760,000 | - | 360,000 | 3,400,000 | 370,000 |
| January 2010 Issue - Transportation Facility | 366,000 | - | 84,000 | 282,000 | 89,000 |
| August 2010 Issue - Tigard High School Soccer Field | 264,000 | - | 44,000 | 220,000 | 44,000 |
| Total Full Faith and Credit Obligations | 41,737,628 | - | 2,128,476 | 39,609,152 | 2,314,834 |
| Capital Lease Agreements: | | | | | |
| March, 2006 - JCI Phase III Master Equipment | 138,732 | - | 138,732 | - | - |
| Total Capital Lease Agreements | 138,732 | - | 138,732 | - | - |
| Subtotal Long-Term Debt | 98,606,361 | - | 12,212,209 | 86,394,152 | |
| Issuance Premiums and Discounts | 1,539,950 | - | 415,220 | 1,124,732 | |
| Total Long-Term Debt | \$ 100,146,311 | \$ - | \$ 12,627,429 | \$ 87,518,884 | \$ 17,694,834 |

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

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 | 36,785,000 |
| General Obligation Bonds, 2011B Series, future payments due in one payment June, 2017 with federally subsidized interest paid semi-annually at an average coupon rate of 2.818%. | 10,000,000 |
| 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 | 2,012,152 |
| 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. | 3,400,000 |
| 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 | 282,000 |
| 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 | 220,000 |
| 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>33,695,000</u> |
| Total | <u>\$ 86,394,152</u> |

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

Total debt service expenditures, excluding retirement benefits, for the year ended June 30, 2015, were as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|----------------------|---------------------|----------------------|
| Debt Service Fund: | | | |
| General Obligation Bonds series 2001 Refunding | \$ 1,750,000 | \$ 91,869 | \$ 1,841,869 |
| General Obligation Bonds series 2005 Refunding | 5,110,000 | 2,135,120 | 7,245,120 |
| August 2011 Issue A | 3,085,000 | 103,768 | 3,188,768 |
| August 2011 Issue B | - | 281,798 | 281,798 |
| Full Faith and Credit Obligation - Thorpe Property | 360,000 | 145,394 | 505,394 |
| Full Faith and Credit Obligation - Bus Garage | 84,000 | 19,087 | 103,087 |
| Full Faith and Credit Obligation - Soccer Field | 44,000 | 7,845 | 51,845 |
| Full Faith and Credit Obligation - Hibbard Building | 330,476 | 535,283 | 865,760 |
| PERS Unfunded Actuarial Liability Bonds | 1,310,000 | 1,962,668 | 3,272,668 |
| Capital Lease Payments | <u>138,732</u> | <u>2,532</u> | <u>141,264</u> |
| Total Debt Service Fund | <u>\$ 12,212,209</u> | <u>\$ 5,285,364</u> | <u>\$ 17,497,572</u> |

No interest costs were capitalized during the year.

Capital leases are comprised of one lease that requires semiannual payments. The Johnson Controls Phase III master equipment lease is payable semiannually at \$141,264 including interest at 5.69 percent annually from 2006 through 2015. This was paid in full.

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 excluding capital lease agreements to the year 2028.

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

BOND REPAYMENT SCHEDULE

| <u>Year Ending June 30</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2021-2026</u> | <u>2027-2028</u> | <u>Total</u> |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|-----------------------|
| FF&C 2000 series | | | | | | | | |
| Principal | \$ 311,834 | \$ 293,192 | \$ 273,712 | \$ 281,476 | \$ 263,397 | \$ 588,542 | \$ - | \$ 2,012,152 |
| Interest | 555,100 | 571,808 | 591,288 | 668,525 | 686,603 | 1,804,187 | - | 4,877,511 |
| FF&C Thorpe Property | | | | | | | | |
| Principal | 370,000 | 385,000 | 400,000 | 415,000 | 430,000 | 1,400,000 | - | 3,400,000 |
| Interest | 132,794 | 119,844 | 105,406 | 90,406 | 73,806 | 115,219 | - | 637,475 |
| FF&C Bus Garage | | | | | | | | |
| Principal | 89,000 | 94,000 | 99,000 | | | - | - | 282,000 |
| Interest | 14,805 | 10,133 | 5,198 | | | - | - | 30,136 |
| FF&C Tigard High Soccer Field | | | | | | | | |
| Principal | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 | - | - | 220,000 |
| Interest | 6,435 | 5,005 | 3,575 | 2,145 | 715 | - | - | 17,875 |
| Bonds 2005 Refunding series | | | | | | | | |
| Principal | 5,380,000 | 5,665,000 | 6,000,000 | 6,260,000 | 6,575,000 | 6,905,000 | - | 36,785,000 |
| Interest | 1,866,863 | 1,584,413 | 1,287,000 | 987,000 | 674,000 | 345,250 | - | 6,744,525 |
| Bonds 2007 Pension Obligation | | | | | | | | |
| Principal | 1,500,000 | 1,715,000 | 1,940,000 | 2,185,000 | 2,455,000 | 17,000,000 | 6,900,000 | 33,695,000 |
| Interest | 1,892,648 | 1,808,393 | 1,712,062 | 1,603,092 | 1,480,360 | 4,994,917 | 521,538 | 14,013,011 |
| Bonds 2011 series B | | | | | | | | |
| Principal | 10,000,000 | - | - | - | - | - | - | 10,000,000 |
| Interest | 281,800 | - | - | - | - | - | - | 281,800 |
| Total Principal | 17,694,835 | 8,196,193 | 8,756,713 | 9,185,477 | 9,767,398 | 25,893,543 | 6,900,001 | 86,394,152 |
| Total Interest | 4,750,444 | 4,099,594 | 3,704,528 | 3,351,167 | 2,915,484 | 7,259,572 | 521,537 | 26,602,332 |
| Total Requirements | <u>\$ 22,445,279</u> | <u>\$ 12,295,787</u> | <u>\$ 12,461,241</u> | <u>\$ 12,536,643</u> | <u>\$ 12,682,882</u> | <u>\$ 33,153,115</u> | <u>\$ 7,421,538</u> | <u>\$ 112,996,484</u> |

Advance Refunding of Debt

The District has defeased certain general obligation bonds by placing the proceeds of refunding issues in an irrevocable trust to provide for all future debt service payments on the retired bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. On June 30, 2016, \$32,250,000 of bonds outstanding is considered defeased.

O. FUND BALANCE CONTSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2016 are as follows:

Tigard-Tualatin School District 23J, Tigard, Oregon
Notes to Basic Financial Statements
June 30, 2016

| | | | | Special Revenue Funds | Total |
|---|----------------------|---------------------|-------------------------|-----------------------------|----------------------|
| Fund Balances: | General Fund | Debt Service | Capital Projects | | |
| <u>Nonspendable:</u> | | | | | |
| Prepaid & Inventory | \$ 3,725 | \$ - | \$ - | \$ 347,763 | \$ 351,489 |
| <u>Restricted:</u> | | | | | |
| Long Term Debt | | | | | |
| General obligation debt | - | 2,453,631 | - | - | 2,453,631 |
| Full faith and credit debt | - | 250,463 | - | - | 250,463 |
| Pension bond debt | - | 10,892 | - | - | 10,892 |
| Construction excise tax | | | | | |
| agreements | - | - | 3,685,931 | - | 3,685,931 |
| Construction projects per ballot title | - | - | - | - | - |
| School donation accounts | - | - | - | 653,953 | 653,953 |
| Transportation equipment | - | - | - | 228,897 | 228,897 |
| Food service programs | - | - | - | 1,045,492 | 1,045,492 |
| Scrip purchases | - | - | - | 393,733 | 393,733 |
| Grants | - | - | - | 952,699 | 952,699 |
| Student body funds | - | - | - | 1,498,147 | 1,498,147 |
| | - | 2,714,985 | 3,685,931 | 4,772,922 | 11,173,838 |
| <u>Committed to:</u> | | | | | |
| Facility acquisition, land purchases, and leases | - | - | 6,006,770 | - | 6,006,770 |
| Consumables related to prior textbook adoptions | - | - | - | 670,109 | 670,109 |
| ESD programs and related services | - | - | - | 1,406,470 | 1,406,470 |
| School savings accounts | - | - | - | 479,147 | 479,147 |
| Facility use and parking lots | - | - | - | 795,246 | 795,246 |
| Educational programs | - | - | - | 799,377 | 799,377 |
| | - | - | 6,006,770 | 4,150,349 | 10,157,119 |
| <u>Assigned to:</u> | | | | | |
| Appropriation of fund balance | 2,403,855 | - | - | - | 2,403,855 |
| Unassigned: | 18,333,897 | - | - | - | 18,333,897 |
| Total Fund Balances | \$ 20,741,477 | \$ 2,714,985 | \$ 9,692,701 | \$ 9,271,034 | \$ 42,420,197 |

P. INTERFUND RECEIVABLES AND PAYABLES

The composition of due to/due from balances as of June 30, 2016, is as follows:

| | Interfund Payable Due To | Interfund Receivable Due From |
|-----------------------|--------------------------------|-------------------------------------|
| General Fund | \$ - | \$ 439,304 |
| Special Revenue Funds | 439,304 | - |
| Total | \$ 439,304 | \$ 439,304 |

Balances due to or due from funds occur between funds with separate checking or state investment pool accounts. All invoices are paid through the District's general checking account and funds are then transferred to/from the fund's pool account. Receipts are deposited into the District's general checking

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

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 | \$ - | \$ 288,978 |
| Full Faith and Credit Debt Service Fund | 646,658 | |
| Capital Projects Fund | | 505,394 |
| Special Revenue Funds | <u>917,768</u> | <u>770,055</u> |
| Total Governmental Funds | <u>\$1,564,427</u> | <u>\$ 1,564,427</u> |

General fund transfers of \$141,264 were made to the Full Faith and Credit Debt Service Fund for payment on full faith and credit obligations for HVAC projects to reduce energy costs. \$147,413 was transferred from the General Fund to the State County Private Grants Fund for obligations to schools. \$65,000 was transferred from the Scrip fund to a special revenue fund for the Superintendent's discretionary account. \$505,394 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. \$705,055 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, 2016, are as follows:

| | |
|-------------------------------|-------------------|
| Food Service Fund | |
| Food and supply items | \$ 40,766 |
| Value of commodities on hand | <u>33,887</u> |
| | <u>74,653</u> |
| Scrip Service Center Fund | |
| Scrip on hand | <u>273,110</u> |
| Total inventory | <u>\$ 347,763</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, 93 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:

| | |
|--|-------------------|
| Balance at June 30, 2015 | \$ 479,609 |
| Increase in accumulated accrued compensated absences | 49,132 |
| Decrease in accumulated accrued compensated absences | <u>(58,872)</u> |
| Balance at June 30, 2016 | <u>\$ 469,869</u> |

Tigard-Tualatin School District 23J, Tigard, Oregon

Notes to Basic Financial Statements

June 30, 2016

T. 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.

U. 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.

V. SUBSEQUENT EVENTS

The PERS employer contribution rate adjustment as of July 1, 2017 based on the 2015 actuarial valuation was adopted by the PERS Board in September, 2016. The Tier I and Tier II rates will increase from 17.62% of payroll to 22.69 and the OPSRP rate will increase from 12.93% of payroll to 17.36. It is estimated Tier I and Tier II account for approximately 53% of total covered payroll and the remainder, or 47%, is OPSRP.

On November 8, 2016, District voters passed a measure to issue general obligation bonds in the amount of \$291.3 million. The bond proceeds will be used to construct, renovate and improve school facilities in addition to purchase technology and curriculum.

The voters also passed a measure to provide funding of \$800 per high school student for career and technical education and dropout prevention programs. This amounts to \$3 million for the District but it is not certain whether these dollars come from new or existing State resources.

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Required Supplementary Information

Notes to Required Supplementary Information

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

TIGARD-TUALATIN SCHOOL DISTRICT 23J
WASHINGTON AND CLACKMAS COUNTIES, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

For the fiscal year ended June 30, 2016

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 |
|---------------------------|--|---|---|--|--|
| 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 |
|------|---|---|--|----------------------------------|--|
| 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

| <u>Fiscal Year Ending</u> | <u>Annual Required Contribution</u> | <u>% of ARC Contributed</u> |
|--------------------------------------|--|--|
| 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 | \$843,795 | 270% |
| 6/30/2015 | \$843,795 | 100% |
| 6/30/2016 | \$669,236 | 231% |

An actuarial evaluation was completed for the year ending June 30, 2016. This schedule includes the most updated 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

An actuarial evaluation was completed for the year ending June 30, 2016. This schedule includes the most updated information.

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> |
|--|---------------------|---------------------|-------------------|
| 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 | <u>(291,325)</u> | <u>(264,836)</u> | <u>(225,061)</u> |
| Net change in total pension liability | (201,073) | (209,866) | (200,994) |
| Total pension liability - beginning | <u>1,482,623</u> | <u>1,281,550</u> | <u>1,071,684</u> |
| Total pension liability - ending | <u>\$ 1,281,550</u> | <u>\$ 1,071,684</u> | <u>\$ 870,690</u> |
| Plan fiduciary net position | | | |
| Contributions employer | \$ 260,501 | \$ 222,459 | \$ 190,237 |
| Contributions member | - | - | - |
| Net investment income | 1,077 | 1,257 | 595 |
| Difference between actual and expected incomes | (1,105) | - | - |
| Benefit payments | <u>(291,325)</u> | <u>(264,836)</u> | <u>(225,061)</u> |
| Net change in plan fiduciary net position | (30,852) | (41,120) | (34,229) |
| Plan fiduciary net position - beginning | <u>181,551</u> | <u>150,699</u> | <u>109,579</u> |
| Plan fiduciary net position - ending | <u>\$ 150,699</u> | <u>\$ 109,579</u> | <u>\$ 75,350</u> |
| District's net pension liability | <u>\$ 1,130,851</u> | <u>\$ 962,105</u> | <u>\$ 795,340</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 11.76% | 10.22% | 8.65% |
| Covered employee payroll | \$ 4,480,675 | \$ 4,730,664 | \$ 4,287,714 |
| District's net pension liability as a percentage of covered-employee payroll | 25.24% | 20.34% | 18.55% |

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

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.

An actuarial evaluation was completed for the year ending June 30, 2016. This schedule includes the most updated information.

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, 2016

| | Adopted Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|----------------------|----------------------|----------------------|--|
| Revenues | | | | |
| Taxes - regular | \$ 47,757,000 | \$ 47,757,000 | \$ 48,878,045 | \$ 1,121,045 |
| Taxes - local option | 6,200,000 | 6,200,000 | 6,793,911 | 593,911 |
| Local sources | 1,035,400 | 1,035,400 | 1,349,331 | 313,931 |
| Intermediate sources | 2,100,000 | 2,100,000 | 1,957,778 | (142,222) |
| State sources | 60,803,369 | 60,803,369 | 63,147,528 | 2,344,159 |
| Federal sources | - | - | 1,514 | 1,514 |
| Investment earnings | 170,000 | 170,000 | 202,964 | 32,964 |
| Total revenues | <u>118,065,769</u> | <u>118,065,769</u> | <u>122,331,071</u> | <u>4,265,302</u> |
| Expenditures | | | | |
| Current | | | | |
| Instruction | 78,141,716 | 78,141,716 | 77,823,026 | 318,690 |
| Support services | 40,508,907 | 40,508,907 | 38,441,665 | 2,067,243 |
| Community services | 184,997 | 184,997 | 178,258 | 6,739 |
| Operating contingency | 2,307,100 | 2,307,100 | - | 2,307,100 |
| Total expenditures | <u>121,142,720</u> | <u>121,142,720</u> | <u>116,442,949</u> | <u>4,699,771</u> |
| Excess (deficiency) of revenues over (under) expenditures | (3,076,951) | (3,076,951) | 5,888,123 | 8,965,074 |
| Other financing sources (uses) | | | | |
| Transfers out | <u>(310,266)</u> | <u>(310,266)</u> | <u>(288,978)</u> | <u>21,288</u> |
| Total other financing sources (uses) | <u>(310,266)</u> | <u>(310,266)</u> | <u>(288,978)</u> | <u>21,288</u> |
| Net change in fund balances | (3,387,217) | (3,387,217) | 5,599,145 | 8,986,362 |
| Fund balance, beginning of year | <u>15,090,000</u> | <u>15,090,000</u> | <u>15,142,332</u> | <u>52,332</u> |
| Fund balance, end of year | <u>\$ 11,702,783</u> | <u>\$ 11,702,783</u> | <u>\$ 20,741,477</u> | <u>\$ 9,038,694</u> |

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, 2016

| | Adopted Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| Revenues | | | | |
| Local sources | \$ 8,914,700 | \$ 8,958,664 | \$ 6,277,808 | \$ (2,680,856) |
| Intermediate sources | 2,637,700 | 2,637,700 | 2,406,251 | (231,449) |
| State sources | 673,609 | 673,609 | 686,070 | 12,461 |
| Federal sources | 8,488,051 | 8,444,087 | 7,296,291 | (1,147,796) |
| Investment earnings | <u>5,000</u> | <u>5,000</u> | <u>8,712</u> | <u>3,712</u> |
| Total revenues | <u>20,719,060</u> | <u>20,719,060</u> | <u>16,675,131</u> | <u>(4,043,929)</u> |
| Expenditures | | | | |
| Current | | | | |
| Instruction | 12,180,242 | 12,180,242 | 7,797,799 | 4,382,442 |
| Support services | 8,109,743 | 8,109,743 | 4,055,859 | 4,053,884 |
| Community services | 5,844,051 | 5,844,051 | 4,633,165 | 1,210,886 |
| Transits to other School Districts | <u>450,000</u> | <u>450,000</u> | <u>353,567</u> | <u>96,433</u> |
| Total expenditures | <u>26,584,036</u> | <u>26,584,036</u> | <u>16,840,390</u> | <u>9,743,646</u> |
| Excess (deficiency) of revenues over (under) expenditures | (5,864,976) | (5,864,976) | (165,259) | 5,699,717 |
| Other financing sources (uses) | | | | |
| Transfers in | 1,344,000 | 1,344,000 | 917,768 | (426,232) |
| Transfers out | <u>(1,150,000)</u> | <u>(1,150,000)</u> | <u>(770,055)</u> | <u>379,945</u> |
| Total other financing sources (uses) | <u>194,000</u> | <u>194,000</u> | <u>147,713</u> | <u>(46,287)</u> |
| Net change in fund balance | (5,670,976) | (5,670,976) | (17,546) | 5,653,430 |
| Fund balance, beginning of year | <u>8,025,976</u> | <u>8,025,976</u> | <u>9,288,579</u> | <u>1,262,604</u> |
| Fund balance, end of year | <u>\$ 2,355,000</u> | <u>\$ 2,355,000</u> | <u>\$ 9,271,034</u> | <u>\$ 6,916,034</u> |

Supplementary Information

TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON*General Obligation Bond Debt Service Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2016*

| | Adopted Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|---------------------|---------------------|---------------------|--|
| Revenues | | | | |
| Taxes - regular | \$ 14,506,300 | \$ 14,506,300 | \$ 14,597,445 | \$ 91,145 |
| Federal sources | 258,000 | 258,000 | 262,638 | 4,638 |
| Investment earnings | <u>30,000</u> | <u>30,000</u> | <u>53,992</u> | <u>23,992</u> |
| Total revenues | <u>14,794,300</u> | <u>14,794,300</u> | <u>14,914,075</u> | <u>119,775</u> |
| Expenditures | | | | |
| Current | | | | |
| Debt service | <u>12,562,900</u> | <u>12,562,900</u> | <u>12,557,555</u> | <u>5,345</u> |
| Net change in fund balance | 2,231,400 | 2,231,400 | 2,356,520 | 125,120 |
| Fund balance, beginning of year | <u>33,600</u> | <u>33,600</u> | <u>97,111</u> | <u>63,511</u> |
| Fund balance, end of year | <u>\$ 2,265,000</u> | <u>\$ 2,265,000</u> | <u>\$ 2,453,631</u> | <u>\$ 188,631</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, 2016*

| | Adopted Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|---------------------|--|
| Revenues | | | | |
| Local | \$ 1,200,000 | \$ 1,200,000 | \$ 672,201 | \$ (527,799) |
| Construction Excise Tax | \$ 1,800,000 | \$ 1,800,000 | \$ 1,823,933 | \$ 23,933 |
| Investment earnings | <u>55,000</u> | <u>55,000</u> | <u>58,518</u> | <u>3,518</u> |
| Total revenues | <u>3,055,000</u> | <u>3,055,000</u> | <u>2,554,652</u> | <u>(500,348)</u> |
| Expenditures | | | | |
| Current | | | | |
| Facilities acquisition and construction | <u>13,464,606</u> | <u>13,464,606</u> | <u>2,226,201</u> | <u>11,238,405</u> |
| Excess (deficiency) of revenues over (under) expenditures | (10,409,606) | (10,409,606) | 328,450 | 10,738,056 |
| Other financing sources (uses) | | | | |
| Transfers out | <u>(505,394)</u> | <u>(505,394)</u> | <u>(505,394)</u> | <u>0</u> |
| Total other financing sources (uses) | <u>(505,394)</u> | <u>(505,394)</u> | <u>(505,394)</u> | <u>0</u> |
| Net change in fund balance | (10,915,000) | (10,915,000) | (176,943) | 10,738,057 |
| Fund balance, beginning of year | <u>10,915,000</u> | <u>10,915,000</u> | <u>9,869,645</u> | <u>(1,045,355)</u> |
| Fund balance, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,692,701</u> | <u>\$ 9,692,701</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, 2016*

| | Adopted Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| Revenues | | | | |
| Local sources | <u>1,033,206</u> | <u>1,033,206</u> | <u>1,023,857</u> | <u>(9,349)</u> |
| Expenditures | | | | |
| Current | | | | |
| Debt service | <u>1,667,800</u> | <u>1,667,800</u> | <u>1,667,349</u> | <u>451</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(634,594)</u> | <u>(634,594)</u> | <u>(643,492)</u> | <u>(8,898)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | <u>646,660</u> | <u>646,660</u> | <u>646,658</u> | <u>(2)</u> |
| Net change in fund balance | <u>12,066</u> | <u>12,066</u> | <u>3,166</u> | <u>(8,900)</u> |
| Fund balance, beginning of year | <u>234,192</u> | <u>234,192</u> | <u>247,297</u> | <u>13,105</u> |
| Fund balance, end of year | <u>\$ 246,258</u> | <u>\$ 246,258</u> | <u>\$ 250,463</u> | <u>\$ 4,205</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, 2016*

| | Adopted Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|------------------|------------------|------------------|--|
| Revenues | | | | |
| Local sources | \$ 3,272,700 | \$ 3,272,700 | \$ 3,265,635 | \$ (7,065) |
| Investment earnings | <u>-</u> | <u>-</u> | <u>10,123</u> | <u>10,123</u> |
| Total revenues | <u>3,272,700</u> | <u>3,272,700</u> | <u>3,275,758</u> | <u>3,058</u> |
| Expenditures | | | | |
| Current | | | | |
| Debt service | <u>3,272,700</u> | <u>3,272,700</u> | <u>3,272,668</u> | <u>32</u> |
| Total expenditures | <u>3,272,700</u> | <u>3,272,700</u> | <u>3,272,668</u> | <u>32</u> |
| Net change in fund balance | - | - | 3,090 | 3,090 |
| Fund balance, beginning of year | <u>-</u> | <u>-</u> | <u>7,801</u> | <u>7,801</u> |
| Fund balance, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,892</u> | <u>\$ 10,892</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, 2016

| | Adopted Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|----------------|--------------|--------------|--|
| Revenues | | | | |
| Local sources | \$ 188,000 | \$ 188,000 | \$ 90,449 | \$ (97,551) |
| Expenditures | | | | |
| Current | | | | |
| Instruction | 540,000 | 540,000 | 8,270 | 531,730 |
| Support services | 896,600 | 896,600 | 21,078 | 875,522 |
| Community services | 158,000 | 158,000 | - | 158,000 |
| Total expenditures | 1,594,600 | 1,594,600 | 29,348 | 1,565,252 |
| Net change in fund balance | (1,406,600) | (1,406,600) | 61,101 | 1,467,701 |
| Fund balance, beginning of year | 1,406,600 | 1,406,600 | 1,472,527 | 65,927 |
| Fund balance, end of year | \$ - | \$ - | \$ 1,533,628 | \$ 1,533,628 |

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, 2016*

| | Adopted Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| Revenues | | | | |
| Local sources | \$ 896,000 | \$ 896,000 | \$ 1,268,249 | \$ 372,249 |
| Investment Earnings | <u>30,000</u> | <u>30,000</u> | <u>16,479</u> | <u>(13,521)</u> |
| Total revenues | <u>926,000</u> | <u>926,000</u> | <u>1,284,728</u> | <u>358,728</u> |
| Expenditures | | | | |
| Current | | | | |
| Support services | <u>1,933,750</u> | <u>1,933,750</u> | <u>1,505,909</u> | <u>427,841</u> |
| Excess (deficiency) of revenues over (under) expenditures | (1,007,750) | (1,007,750) | (221,182) | 786,568 |
| Other financing sources (uses) | | | | |
| Transfers out | <u>(25,000)</u> | <u>(25,000)</u> | <u>-</u> | <u>25,000</u> |
| Net change in fund balance | (1,032,750) | (1,032,750) | (221,182) | 811,568 |
| Fund balance, beginning of year | <u>2,515,000</u> | <u>2,515,000</u> | <u>2,668,337</u> | <u>153,337</u> |
| Fund balance, end of year | <u>\$ 1,482,250</u> | <u>\$ 1,482,250</u> | <u>\$ 2,447,155</u> | <u>\$ 964,905</u> |

TIGARD-TUALATIN SCHOOL DISTRICT 23J, TIGARD, OREGON

Supplementary Information - Other Financial Schedules

Schedule of Property Tax Transactions

Year Ended June 30, 2016

| | Tax Year | Current Levy and Uncollected July 1, 2015 | Discounts Allowed | Interest | Adjustments | Collections | Uncollected June 30, 2016 |
|---|----------------|---|-----------------------|-------------------|--------------------|------------------------|------------------------------|
| <u>General Fund:</u> | | | | | | | |
| Current | 2015-16 | \$ 57,432,057 | \$ (1,540,155) | \$ 13,988 | \$ (56,613) | \$ (54,879,568) | \$ 969,710 |
| Prior | 2014-2015 | 927,195 | 96 | 29,056 | (16,641) | (442,964) | 496,741 |
| | 2013-2014 | 459,214 | 9 | 21,351 | (3,616) | (126,655) | 350,302 |
| | 2012-2013 | 326,884 | 9 | 30,590 | (2,948) | (124,050) | 230,485 |
| | 2011-2012 | 205,123 | 1 | 13,714 | (695) | (47,731) | 170,412 |
| | 2010-2011 | 175,920 | 3 | 4,202 | (479) | (11,502) | 168,144 |
| | 2010 and prior | 198,105 | - | 6,923 | (211) | (14,486) | 190,330 |
| Total Prior | | 2,292,440 | 118 | 105,836 | (24,591) | (767,388) | 1,606,415 |
| Total General Fund | | <u>\$ 59,724,497</u> | <u>\$ (1,540,037)</u> | <u>\$ 119,824</u> | <u>\$ (81,204)</u> | <u>\$ (55,646,956)</u> | <u>\$ 2,576,124</u> |
| Reconciliation to revenue: | | | | | | | |
| Cash collections by county treasurers above | | | | | | \$ 55,646,956 | |
| Payments in lieu of taxes | | | | | | 11,797 | |
| Penalty and interest on property taxes | | | | | | 19,900 | |
| Accrual of current receivables: | | | | | | | |
| 6/30/2015 | | | | | | (209,615) | |
| 6/30/2016 | | | | | | 202,916 | |
| Total revenues | | | | | | <u>\$ 55,671,956</u> | |
| <u>Debt Service Fund:</u> | | | | | | | |
| Current | 2015-16 | \$ 15,058,184 | \$ (403,793) | \$ 3,439 | \$ (14,852) | \$ (14,388,852) | \$ 254,125 |
| Prior | 2014-2015 | 246,230 | 26 | 7,245 | (4,419) | (117,611) | 131,470 |
| | 2013-2014 | 121,932 | 3 | 5,261 | (959) | (33,646) | 92,589 |
| | 2012-2013 | 87,871 | 2 | 7,694 | (792) | (33,344) | 61,431 |
| | 2011-2012 | 54,448 | 0 | 3,341 | (185) | (12,678) | 44,927 |
| | 2010-2011 | 42,969 | 1 | 960 | 229 | (2,809) | 41,349 |
| | 2010 and prior | 58,151 | - | 1,929 | (89) | (4,220) | 55,771 |
| Total Prior | | 611,601 | 32 | 26,429 | (6,214) | (204,310) | 427,538 |
| Total Debt Service Fund | | <u>\$ 15,669,785</u> | <u>\$ (403,761)</u> | <u>\$ 29,867</u> | <u>\$ (21,066)</u> | <u>\$ (14,593,162)</u> | <u>\$ 681,663</u> |
| Reconciliation to revenue: | | | | | | | |
| Cash collections by county treasurers above | | | | | | \$ 14,593,162 | |
| Payments in lieu of taxes | | | | | | 3,104 | |
| Penalty and interest on property taxes | | | | | | 3,396 | |
| Accrual of current receivables: | | | | | | | |
| 6/30/2015 | | | | | | (55,604) | |
| 6/30/2016 | | | | | | 53,387 | |
| Total revenues | | | | | | <u>\$ 14,597,445</u> | |

Tigard Tualatin School District 23J
Schedule of Expenditures of Federal Awards
Year ended June 30, 2016

| 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 | 9/01/15-8/31/16 | 145,577.66 | - |
| TRIO - Upward Bound | 84.047A | N/A | 9/01/14-8/31/15 | 91,701 | - |
| | | | | <u>237,278.89</u> | - |
| Passed through State Department of Education | | | | | |
| Title I Grants to Local Education Agencies | 84.010A | 36092 | 7/01/15-9/30/16 | 1,444,285 | 6,053 (1) |
| Title I Grants to Local Education Agencies | 84.010A | 32701 | 7/01/14-9/30/15 | 450,581 | - (1) |
| | | | | <u>1,894,866</u> | <u>6,053</u> |
| Special Education Grants to States (IDEA, Part B) | 84.027A | 36983 | 7/14/15-9/30/17 | 1,645,332 | 50,906 |
| Special Education Grants to States (IDEA, Part B) | 84.027A | 33396 | 7/14/14-9/30/16 | 148,678 | - |
| Special Education Grants to States (IDEA, Part B) | 84.027A | 38450 | 10/1/15-9/30/16 | 12,753 | - |
| Special Education Grants to States (IDEA, Part B) | 84.027A | 33824 | 10/1/14-9/30/15 | 1,165 | - |
| Special Education Grants to States (IDEA, Part B) | 84.027A | 38013 | 8/01/15-6/30/16 | 5,862 | - |
| Special Education Grants to States (IDEA, Part B) | 84.027A | 35811 | 9/01/15-6/30/16 | 2,612 | - |
| Special Education Preschool Grants (IDEA Preschool) | 84.173 | 37267 | 7/01/15-9/30/17 | 11,001 | - |
| Special Education Preschool Grants (IDEA Preschool) | 84.173 | 33550 | 7/01/14-9/30/16 | 1,904 | - |
| | | | | <u>1,829,308</u> | <u>50,906</u> |
| English Language Acquisition State Grants | 84.365A | 36365 | 7/01/15- 9/30/16 | 156,108 | 19,966 |
| English Language Acquisition State Grants | 84.365A | 36374 | 7/01/15- 9/30/16 | 12,916 | - |
| English Language Acquisition State Grants | 84.365A | 32366 | 7/01/14- 9/30/15 | 6,466 | - |
| | | | | <u>175,490</u> | <u>19,966</u> |
| Title IIA Improving Teacher Quality State Grants | 84.367A | 36289 | 7/01/15- 9/30/16 | 203,028 | 20,232 |
| Title IIA Improving Teacher Quality State Grants | 84.367A | 33025 | 7/01/14- 9/30/15 | 30,885 | - |
| | | | | <u>233,913</u> | <u>20,232</u> |
| Child Care and Development Block Grant | 93.575 | 9791-A4 | 7/01/13-6/30/17 | 48,279 | - |
| Passed through Oregon Department of Human Services | | | | | |
| Vocational Rehabilitational State Grants | 84.126A | 143324-1 | 7/01/15-6/30/17 | 95,707 | - |
| Total U.S. Department of Education | | | | 4,514,842 | |
| U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES | | | | | |
| Drug-Free Communities Support Program Grants | 93.276 | N/A | 10/1/15-9/29/16 | 91,638 | 1,500 |
| Drug-Free Communities Support Program Grants | 93.276 | N/A | 10/1/14-9/29/15 | 41,342 | - |
| | | | | <u>132,980</u> | <u>1,500</u> |
| Total U.S. Department of Health & Human Services | | | | 132,980 | |
| U.S. DEPARTMENT OF AGRICULTURE | | | | | |
| Passed through State Department of Education | | | | | |
| National School Lunch Breakfast | 10.553 | N/A | | 280,367 | |
| National School Lunch | 10.555 | N/A | | 2,290,204 | |
| Summer Food | 10.559 | N/A | | 77,899 | |
| Schools and Roads - Grants to States | 10.665 | N/A | | 1,514 | |
| Total U.S. Department of Agriculture | | | | 2,649,984 | |
| Total Expenditure of Federal Awards | | | | \$7,297,806 | |
| Interest on Qualified School Construction Bonds | | | | \$262,638 | |
| Total Expenditure of Federal Funds | | | | \$7,560,443 | |

(1) Major Programs

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

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STATISTICAL SECTION

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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.

| <u>Contents</u> | <u>Page</u> |
|---|--------------------|
| <i>Financial Trends</i> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. | 96-99 |
| <i>Revenue Capacity</i> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. | 100-103 |
| <i>Debt Capacity</i> 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. | 104-107 |
| <i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | 108-109 |
| <i>Operating Information</i> 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. | 110-113 |

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

| | Fiscal Year | | | | | | | | | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| Governmental activities | | | | | | | | | | |
| Net Position | | | | | | | | | | |
| Invested in capital assets, | | | | | | | | | | |
| net of related debt | \$ 33,205,745 | \$ 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 |
| Restricted | 5,931,763 | 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 |
| Unrestricted | <u>12,821,348</u> | <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> |
| Total Net Position | <u>\$ 51,958,856</u> | <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>\$ 54,089,569</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 | | | | | | | | | |
|---|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|------------------------|----------------------|------------------------|
| | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | \$ 67,596,687 | \$ 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 |
| Support Services | 35,300,857 | 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 |
| Enterprise and Community Services | 4,555,289 | 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 |
| Interest on long-term liabilities | 5,166,036 | 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 |
| Total expenditures | <u>112,618,869</u> | <u>121,100,649</u> | <u>125,184,780</u> | <u>125,126,510</u> | <u>127,044,364</u> | <u>127,952,686</u> | <u>127,527,591</u> | <u>127,134,971</u> | <u>105,005,671</u> | <u>182,711,691</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Instruction | 3,710,796 | 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 |
| Support Services | 2,271 | 2,807 | 1,743 | 657 | 54 | 35 | 54 | - | - | - |
| Enterprise and Community Services | 2,895,368 | 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 |
| Operating grants and contributions | 10,810,358 | 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 |
| Capital grants and contributions | 96,464 | 301,147 | 101,070 | 103,814 | 111,952 | 361,011 | 375,317 | 470,260 | 385,838 | 387,233 |
| Total program revenues | <u>17,515,257</u> | <u>20,881,408</u> | <u>22,189,299</u> | <u>24,015,833</u> | <u>23,164,580</u> | <u>23,361,185</u> | <u>21,788,279</u> | <u>21,011,655</u> | <u>23,820,450</u> | <u>21,165,668</u> |
| Net (Expenditures)/Revenue | (95,103,612) | (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) |
| General Revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Property taxes, levied for general purposes | 40,408,977 | 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 |
| Property taxes, levied for debt service | 11,813,451 | 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 |
| Federal aid not restricted to specific purposes | 1,035 | 7,823 | 2,433,605 | 3,327,216 | 3,797,150 | 37,517 | 1,369 | 1,377 | 1,304 | 1,514 |
| State aid not restricted to specific purposes | 47,455,369 | 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 |
| Intermediate aid not restricted to specific purposes | 2,757,552 | 3,416,920 | 3,038,375 | 224,894 | 264,690 | 2,697,273 | 195,450 | 1,057,282 | 3,298,968 | 1,957,778 |
| Earnings on investments | 1,876,693 | 1,806,302 | 753,786 | 260,262 | 240,409 | 304,017 | 304,919 | 240,215 | 272,842 | 307,852 |
| Recovery of prior year expenditures | - | 470,000 | - | 152,911 | 285,314 | 151,501 | 189,487 | 219,514 | 286,180 | 706,103 |
| Construction excise tax | - | 93,516 | 233,722 | 321,081 | 394,274 | 742,975 | 1,261,618 | 613,791 | 545,339 | 1,823,933 |
| Gain on sale of capital assets | - | - | - | - | 8,239,782 | - | - | 1,853,804 | - | 145,200 |
| Other local revenue | 1,650,790 | 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 |
| Loss on disposition capital assets | - | - | - | - | - | - | - | - | - | - |
| Total general revenues | <u>105,963,867</u> | <u>111,228,311</u> | <u>112,059,104</u> | <u>109,892,022</u> | <u>113,758,075</u> | <u>110,070,170</u> | <u>104,723,342</u> | <u>116,786,222</u> | <u>127,062,645</u> | <u>136,091,505</u> |
| Restatement of net position | | | | | | | | (72,150,126) | | |
| Change in Net Position-Governmental activities | <u>\$ 10,860,255</u> | <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> |

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 | | | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| General fund | | | | | | | | | | |
| Unreserved | \$ 7,887,048 | \$ 10,782,108 | \$ 12,010,628 | \$ 13,091,027 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Nonspendable | | | | | | | | | 3,456 | \$ 3,725 |
| Assigned | | | | | | 6,760,000 | 668,115 | - | 1,080,117 | 2,403,855 |
| Unassigned | - | - | - | - | 10,718,297 | 3,434,457 | 3,777,726 | 6,815,886 | 14,058,759 | 18,333,897 |
| Total general fund | <u>\$ 7,887,048</u> | <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> |
| All other governmental funds | | | | | | | | | | |
| Reserved, reported in: | | | | | | | | | | |
| Special Revenue funds | 8,443,469 | 9,285,746 | 9,094,831 | 10,153,275 | - | - | - | - | - | - |
| Capital Projects funds | 4,018,427 | 3,157,752 | 1,746,976 | 2,480,968 | - | - | - | - | - | - |
| Restricted, reported in: | | | | | | | | | | |
| Debt Service funds (1) | <u>813,946</u> | <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 |
| Restricted | | | | | 5,825,299 | 19,139,501 | 13,626,923 | 8,758,904 | 8,758,053 | 11,173,838 |
| Committed | | | | | 14,075,776 | 13,576,514 | 10,409,607 | 11,145,748 | 10,432,420 | 10,157,119 |
| Assigned | | | | | <u>1,942,956</u> | <u>1,172,069</u> | - | - | - | - |
| Total all other governmental funds | <u>\$ 13,275,842</u> | <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> |

(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 | | | | | | | | | |
|---|--------------------|---------------------|--------------------|---------------------|---------------------|----------------------|------------------------|-----------------------|---------------------|---------------------|
| | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| Revenues | | | | | | | | | | |
| Property and other taxes (1) | \$ 52,222,428 | \$ 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 |
| Local sources | 9,667,286 | 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 |
| Intermediate sources | 4,097,724 | 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 |
| State sources | 51,133,620 | 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 |
| Federal sources | 4,973,561 | 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 |
| Investment earnings | 1,876,693 | 1,806,302 | 753,786 | 260,262 | 240,409 | 327,493 | 304,919 | 240,215 | 272,842 | 307,852 |
| Total revenues | <u>123,971,312</u> | <u>134,823,184</u> | <u>137,403,313</u> | <u>136,308,166</u> | <u>132,112,399</u> | <u>136,331,923</u> | <u>130,389,880</u> | <u>141,153,822</u> | <u>154,726,000</u> | <u>160,774,544</u> |
| Expenditures | | | | | | | | | | |
| Current | | | | | | | | | | |
| Instruction | 63,928,324 | 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 |
| Support services | 35,300,975 | 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 |
| Community services | 4,449,297 | 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 |
| Transit payments to other school districts | - | - | - | 289,525 | 244,600 | 271,245 | 262,237 | 340,208 | 517,468 | 353,567 |
| Debt service | | | | | | | | | | |
| Principal | 8,444,923 | 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 |
| Interest | 5,681,740 | 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 |
| Fees | - | - | - | 60,585 | - | - | - | 1,450 | - | - |
| Capital outlay | <u>5,010,702</u> | <u>2,688,739</u> | <u>1,978,630</u> | <u>95,132</u> | <u>399,589</u> | <u>8,633,768</u> | <u>10,196,204</u> | <u>5,502,272</u> | <u>1,237,407</u> | <u>2,226,201</u> |
| Total expenditures | <u>122,815,961</u> | <u>132,736,810</u> | <u>137,257,249</u> | <u>134,180,105</u> | <u>133,347,681</u> | <u>145,466,451</u> | <u>146,036,997</u> | <u>142,835,028</u> | <u>147,128,866</u> | <u>153,007,112</u> |
| Excess (deficiency) of revenues over (under) expenditures | 1,155,351 | 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 |
| 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 | - | - | - | - |
| Proceeds from sale of capital assets | - | - | - | - | 8,418,724 | - | - | - | - | - |
| Lease purchase receipts | - | - | - | - | - | - | - | - | - | - |
| Transfers to other School Districts | (231,530) | (206,700) | (224,550) | - | - | - | - | - | - | - |
| Transfers | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,000</u> | <u>4,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(231,530)</u> | <u>194,130</u> | <u>(224,550)</u> | <u>856,486</u> | <u>8,853,924</u> | <u>20,656,997</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ 923,821</u> | <u>\$ 2,280,504</u> | <u>\$ (78,486)</u> | <u>\$ 2,984,547</u> | <u>\$ 7,618,642</u> | <u>\$ 11,522,469</u> | <u>\$ (15,647,117)</u> | <u>\$ (1,681,206)</u> | <u>\$ 7,597,133</u> | <u>\$ 7,767,431</u> |
| Debt service as a percentage of noncapital expenditures | 13.6% | 12.9% | 13.4% | 13.5% | 12.1% | 13.0% | 13.5% | 13.4% | 13.4% | 11.6% |

(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 | | | | |
| 2006-07 | 6,763,563,437 | 321,269,701 | 13,404,470 | 248,128,260 | 7,346,365,868 | 7.667 | 11,843,075,951 | 62.03% |
| 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% |

- (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 | Local Option (1) | General Obligation Debt Service Bonds (2) | Total Direct Tax Rate |
| | Permanent Rate | | | |
| 2007 | 4.989 | 1.000 | 1.678 | 7.667 |
| 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 |

| Overlapping Total Property Tax Rates | | | | | | | | | | | | | | | |
|--------------------------------------|-------------------|--|---------------------|-------------------|----------------------------|----------------------|--------------------------------|----------------------------------|--------------------------------|-------------------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------|---------------------|
| Fiscal Year | City of Durham | Tigard Tualatin School District | 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 Oswego School District | Clackamas Community College | Clackamas County | City of Lake Oswego | City of Portland |
| 2007 | 1.828 | 7.667 | 2.474 | 2.727 | 1.819 | 2.685 | 7.069 | 0.489 | 0.097 | 0.278 | 7.025 | 0.741 | 2.404 | 5.721 | 7.813 |
| 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 |

(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 | 2015-16 | | | 2006-07 | | |
|-------------------------------------|---------------------------|------|--|---------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Pacific Realty Associates | \$ 239,380,234 | 1 | 2.34% | \$ 174,222,569 | 1 | 2.37% |
| BV Centercal LLC | 134,588,306 | 2 | 1.32% | 99,628,986 | 3 | 1.36% |
| Lam Research Corporation (Novellus) | 102,444,330 | 3 | 1.00% | 105,428,370 | 2 | 1.44% |
| Lincoln Center LLC | 88,793,049 | 4 | 0.87% | 74,446,002 | 4 | 1.01% |
| Tuala Northeast LLC | 70,274,210 | 5 | 0.69% | | | - |
| Portland General Electric Co | 74,627,521 | 6 | 0.73% | 46,382,574 | 6 | 0.63% |
| Comcast Corporation | 59,334,800 | 7 | 0.58% | | | - |
| Pacific Foods Properties LLC | 49,904,860 | 8 | 0.49% | | | - |
| Icon Owner Pool 1 West LLC | 41,543,950 | 9 | 0.41% | | | |
| Sprint Corporation | 43,486,000 | 10 | 0.43% | 43,632,000 | 7 | 0.59% |
| Verizon Northwest Inc | - | | - | 69,138,124 | 5 | 0.94% |
| Northwest Natural Gas Co. | - | | - | 41,322,300 | 8 | 0.56% |
| Calwest Industrial Holdings LLC | - | | - | 33,943,230 | 9 | 0.46% |
| Randall, Robert D Rev Liv Trust | - | | - | 23,239,450 | 10 | 0.32% |
| | - | | - | | | |
| | - | | - | | | |
| Subtotal of ten largest Taxpayers | 904,377,260 | | 8.85% | 711,383,605 | | 9.68% |
| All Other Taxpayers | 9,311,457,555 | | 91.15% | 6,634,982,263 | | 90.32% |
| Total | <u>\$ 10,215,834,815</u> | | 100.00% | <u>\$ 7,346,365,868</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 |
| 2006-07 | 53,712,070 | 51,137,737 | 95.2% | 1,184,864 | 52,322,601 | 97.4% |
| 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% | 1,106,650 | 58,636,114 | 96.5% |
| 2011-12 | 61,102,542 | 58,111,872 | 95.1% | 941,015 | 59,052,887 | 96.6% |
| 2012-13 | 60,602,464 | 57,845,437 | 95.5% | 1,022,388 | 58,867,825 | 97.1% |
| 2013-14 | 63,263,087 | 60,179,613 | 95.1% | 859,599 | 61,039,212 | 96.5% |
| 2014-15 | 68,880,155 | 65,834,718 | 95.6% | 560,575 | 66,395,293 | 96.4% |
| 2015-16 | 72,490,241 | 69,268,420 | 95.6% | - | 69,268,420 | 95.6% |

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) |
|-------------|---|---|---|--------------------------------------|--|----------------|
| 2006-07 | 106,015 | 814 | 105,201 | 3.73% | 0.14% | 1,448 |
| 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 | 65,941 | 149 | 65,792 | 1.78% | 0.07% | 814 |
| 2014-15 | 55,190 | 97 | 55,093 | 1.49% | 0.06% | 678 |
| 2015-16 | 45,660 | 2,454 | 43,206 | 1.17% | 0.04% | 532 |

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 |
|-------------|--------------------------|----------------|---------------------------------|--------------------------|---------------------------------|--------------------------|-------------------------------|------------|-------------|
| 2006-07 | 106,015 | - | 16,141 | 2,758 | 2,056 | 126,971 | 0.16% | 1,748 | 10,648 |
| 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 |

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, 2016

| Governmental Unit | Outstanding Gross Property-tax Backed Debt Outstanding (1) | Estimated Percentage Applicable | Estimated Share of Direct and Overlapping Debt |
|--|--|------------------------------------|--|
| City Of Durham | 520,000 | 100.00% | 520,000 |
| City Of Portland | 663,337,916 | 0.01% | 84,244 |
| City of Tigard | 26,217,711 | 83.07% | 21,779,053 |
| City Of Tualatin | 11,152,166 | 84.77% | 9,453,267 |
| Clackamas Community College | 88,991,012 | 1.60% | 1,426,793 |
| Clackamas County | 103,175,136 | 1.17% | 1,209,832 |
| Metropolitan Service District | 228,690,000 | 6.01% | 13,747,928 |
| Northwest Regional ESD | 4,340,000 | 14.76% | 640,462 |
| Port of Portland | 63,760,760 | 5.57% | 3,550,709 |
| Portland Community College | 426,855,000 | 7.23% | 30,859,482 |
| Tualatin Hills Park & Rec District | 86,871,694 | 0.02% | 19,459 |
| Tualatin Valley Fire & Rescue District | 53,000,000 | 21.08% | 11,171,075 |
| Washington County | 80,419,570 | 17.59% | 14,145,963 |
| Washington Cty Enhanced Patrol Dist. | 90,020 | 6.65% | 5,990 |
| Subtotal, overlapping debt | | | 108,614,257 |
| District direct debt | | | <u>87,518,882</u> |
| Total direct and overlapping debt | | | <u>\$ 196,133,139</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 2015-16

| | |
|---|-----------------------------|
| Real Market value | 13,656,863,025 |
| Debt limit (7.95% of real market value) | 1,085,720,610 |
| Debt applicable to limit | <u>46,785,000</u> |
| Legal Debt Margin | <u><u>1,038,935,610</u></u> |

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| Debt Limit | \$ 941,524,538 | \$ 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 |
| Total net debt applicable to limit | <u>106,015,000</u> | <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> |
| Legal debt margin | <u>\$ 835,509,538</u> | <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> |
| Total net debt applicable to the limit as a percentage of debt limit | 11.26% | 10.27% | 8.27% | 8.09% | 7.89% | 9.82% | 8.84% | 7.36% | 5.55% | 4.31% |

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) |
|-------------|----------------------------|--|--------------------------------|-----------------------|
| 2006-07 | 72,635 | 2,821,289 | 38,842 | 4.8% |
| 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 | 80,845 | 3,702,216 | 45,794 | 6.1% |
| 2014-15 | 81,310 | a | a | 5.4% |
| 2015-16 | 81,175 | a | a | 5.2% |

(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, 2016

(a) Data for 2014-15 and 2015-16 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 | 2015-16 | | | 2006-07 | | |
|--|--------------|------|-------------------------------------|--------------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| LAM Research Corporation (Novellus) | 1,357 | 1 | 21.14% | 400 | 8 | 6.23% |
| Tigard-Tualatin School District | 1,189 | 2 | 18.53% | 1,217 | 1 | 18.95% |
| Legacy Meridian Park Hospital | 905 | 3 | 14.10% | 823 | 3 | 12.82% |
| Nortek Air Solutions (CES Group LLC) | 540 | 4 | 8.41% | - | | 0.00% |
| Portland General Electric | 478 | 5 | 7.45% | - | | 0.00% |
| Nordstrom | 422 | 6 | 6.58% | 461 | 7 | 7.18% |
| United Parcel Services | 405 | 7 | 6.31% | 512 | 5 | 7.97% |
| Creganna Medical (Precision Wire Components) | 386 | 8 | 6.01% | - | | 0.00% |
| Macy's Department Stores, Inc. | 372 | 9 | 5.80% | 704 | 4 | 10.96% |
| Oregon PERS | 364 | 10 | 5.67% | 347 | 9 | 5.40% |
| Renaissance Credit Services | - | | 0.00% | 1,116 | 2 | 17.38% |
| GE Securities | - | | 0.00% | 500 | 6 | 7.79% |
| Costco Wholesale | - | | 0.00% | 341 | 10 | 5.31% |
| Total | <u>6,418</u> | | <u>100.00%</u> | <u>6,421</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

| | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction | | | | | | | | | | |
| Regular instruction | 529 | 495 | 476 | 478 | 485 | 504 | 502 | 550 | 543 | 517 |
| Special programs | 239 | 229 | 222 | 235 | 229 | 225 | 236 | 227 | 262 | 233 |
| Total direct classroom services | 768 | 724 | 698 | 713 | 714 | 729 | 738 | 777 | 805 | 750 |
| Support Services | | | | | | | | | | |
| Students | 75 | 78 | 74 | 74 | 72 | 72 | 71 | 66 | 72 | 79 |
| Instructional staff | 31 | 36 | 31 | 35 | 40 | 45 | 50 | 59 | 58 | 42 |
| General administration | 3 | 2 | 2 | 3 | 2 | 2 | 2 | 2 | 2 | 2 |
| School administration | 76 | 71 | 68 | 68 | 65 | 67 | 70 | 73 | 71 | 71 |
| Business | 16 | 16 | 16 | 16 | 15 | 16 | 16 | 16 | 15 | 15 |
| Operations and maintenance of buildings | 68 | 65 | 63 | 67 | 60 | 69 | 69 | 70 | 73 | 69 |
| Student transportation | 21 | 21 | 21 | 21 | 20 | 20 | 20 | 20 | 19 | 21 |
| Central activities | 17 | 10 | 11 | 14 | 12 | 13 | 14 | 14 | 14 | 13 |
| Total classroom support services | 307 | 299 | 286 | 298 | 286 | 304 | 312 | 319 | 324 | 312 |
| Enterprise and Community Services | | | | | | | | | | |
| Food services | 29 | 29 | 30 | 28 | 33 | 30 | 29 | 31 | 40 | 38 |
| Scrip services | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 7 | 4 | 5 |
| Building use services | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 2 | 2 |
| Other enterprise and community services | 4 | 3 | 3 | 3 | 1 | 3 | 8 | 1 | 8 | 7 |
| Total enterprise and community services | 37 | 36 | 37 | 35 | 38 | 36 | 40 | 42 | 54 | 52 |
| Total Full-Time Equivalent District Employees | 1,112 | 1,059 | 1,021 | 1,046 | 1,038 | 1,069 | 1,091 | 1,138 | 1,183 | 1,114 |

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 |
|-------------|----------------|------------------------|----------------|-------------------|-------------|----------------|-------------------|----------------|---------------------|--|
| 2006-07 | 12,544 | 103,678,596 | 8,265 | 2% | 112,618,869 | 8,978 | 3% | 669 | 18.8:1 | 25.7% |
| 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% |

(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 |
|----------------|-------------------|-------------------|--------------------------------|
| 2006-07 | 31,317 | 63,077 | 51,471 |
| 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 |

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

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | Building only Ins. Value 2015-16 |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--|
| 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 | 13,038,905 | 14,370,372 | 14,440,689 | 14,787,494 | 12,181,994 |
| Square Feet | 72,995 | 72,995 | 72,995 | 72,995 | 72,995 | 72,995 | 72,995 | 72,995 | 72,995 | 72,995 | |
| Capacity | 600 | 600 | *624 | *624 | *624 | *624 | *624 | *624 | *624 | *624 | |
| Enrollment | 534 | 540 | 571 | 582 | 579 | 579 | 601 | 624 | 591 | 587 | |
| Bridgeport (1982) | | | | | | | | | | | |
| Value | 4,447,290 | 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 | 8,399,969 |
| Square Feet | 60,866 | 60,866 | 66,193 | 66,193 | 66,193 | 66,193 | 66,193 | 66,193 | 66,193 | 66,193 | |
| Capacity | 575 | 575 | *572 | *572 | *572 | *572 | *572 | *572 | *572 | *598 | |
| Enrollment | 520 | 534 | 550 | 529 | 549 | 549 | 508 | 486 | 498 | 491 | |
| Edward Byrom (1979) | | | | | | | | | | | |
| Value | 3,462,372 | 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 | 8,575,872 |
| Square Feet | 61,275 | 61,275 | 61,275 | 61,275 | 61,275 | 61,275 | 61,275 | 61,275 | 61,275 | 61,275 | |
| Capacity | 700 | 700 | *650 | *650 | *650 | *650 | *650 | *650 | *650 | *598 | |
| Enrollment | 634 | 659 | 655 | 633 | 624 | 624 | 568 | 529 | 528 | 560 | |
| Charles F. Tigard (2004) | | | | | | | (2) | (2) | (2) | (2) | |
| Value | 10,654,498 | 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 | 14,308,331 |
| Square Feet | 76,444 | 76,444 | 76,444 | 76,444 | 76,444 | 76,444 | 76,444 | 76,444 | 76,444 | 76,444 | |
| Capacity | 600 | 600 | *624 | *624 | *624 | *624 | *624 | *624 | *624 | *624 | |
| Enrollment | 614 | 598 | 587 | 577 | 547 | 547 | 583 | 553 | 531 | 527 | |
| Deer Creek (1997) | | | | | | | | | | | |
| Value | 7,275,409 | 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 | 10,229,824 |
| Square Feet | 61,387 | 61,387 | 61,387 | 61,387 | 61,387 | 61,387 | 61,387 | 61,387 | 61,387 | 61,387 | |
| Capacity | 600 | 600 | *624 | *624 | *624 | *624 | *624 | *624 | *624 | *598 | |
| Enrollment | 607 | 609 | 581 | 574 | 556 | 556 | 516 | 559 | 580 | 600 | |
| Durham (1989) | | | | | | | | | | | |
| Value | 6,271,036 | 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 | 12,898,132 |
| Square Feet | 65,322 | 65,322 | 65,322 | 65,322 | 65,322 | 65,322 | 65,322 | 65,322 | 65,322 | 65,322 | |
| Capacity | 625 | 625 | *598 | *598 | *598 | *598 | *598 | *598 | *598 | *598 | |
| Enrollment | 523 | 512 | 542 | 556 | 548 | 548 | 550 | 563 | 574 | 584 | |
| Mary Woodward (1979) | | | | | | | | | | | |
| Value | 4,023,718 | 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 | 7,472,477 |
| Square Feet | 68,330 | 68,330 | 68,330 | 68,330 | 68,330 | 68,330 | 68,330 | 68,330 | 68,330 | 68,330 | |
| Capacity | 700 | 700 | *624 | *624 | *624 | *624 | *624 | *624 | *624 | *598 | |
| Enrollment | 531 | 520 | 528 | 500 | 467 | 467 | 424 | 476 | 469 | 505 | |

| | <u>2006-07</u> | <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>Building only</u> <u>Ins. Value</u> <u>2015-16</u> |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|
| <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 | 11,005,106 | 11,024,992 | 11,024,992 | 11,024,992 | 10,358,579 |
| Square Feet | 69,981 | 69,981 | 69,981 | 69,981 | 69,981 | 69,981 | 69,981 | 69,981 | 69,981 | 69,981 | |
| Capacity | 600 | 600 | *546 | *546 | *546 | *546 | *546 | *546 | *546 | *546 | *624 |
| Enrollment | 609 | 589 | 590 | 582 | 574 | 574 | 570 | 620 | 648 | 645 | |
| 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 | 6,563,095 |
| Square Feet | 50,478 | 50,478 | 50,478 | 50,478 | 50,478 | 50,478 | 50,478 | 50,478 | 50,478 | 50,478 | |
| Capacity | 600 | 600 | *598 | *598 | *598 | *598 | *598 | *598 | *598 | *598 | |
| Enrollment | 558 | 551 | 588 | 588 | 614 | 614 | 596 | 574 | 581 | 577 | |
| New Tualatin (2004) | | | | | | | | | | | |
| Value | 11,074,879 | 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 | 10,358,579 |
| Square Feet | 76,024 | 76,024 | 76,024 | 76,024 | 76,024 | 76,024 | 76,024 | 76,024 | 76,024 | 76,024 | |
| Capacity | 600 | 600 | *598 | *598 | *598 | *598 | *598 | *598 | *598 | *598 | *624 |
| Enrollment | 539 | 560 | 580 | 562 | 584 | 584 | 617 | 577 | 572 | 554 | |
| Old Tualatin (1930) | | | | | | | | | | | |
| Value | 2,333,606 | 2,333,606 | 2,333,606 | 2,333,606 | Sold | | - | - | - | - | |
| Square Feet | 61,600 | 61,600 | 67,000 | 67,000 | 67,000 | - | - | - | - | - | |
| Capacity | - | - | - | - | - | - | - | - | - | - | |
| Enrollment | - | - | - | - | - | - | - | - | - | - | |
| <u>Middle Schools</u> | | | | | | | | | | | |
| Thomas Fowler (1971) | | | | | | | | | | | |
| Value | 11,465,927 | 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 | 21,163,000 |
| Square Feet | 124,488 | 124,488 | 124,488 | 124,488 | 124,488 | 124,488 | 124,488 | 124,488 | 124,488 | 124,488 | |
| Capacity | 950 | 950 | *983 | *983 | *983 | *983 | *983 | *983 | *983 | *983 | *1000 |
| Enrollment | 913 | 898 | 875 | 885 | 823 | 823 | 802 | 804 | 815 | 804 | |
| Hazelbrook (1992) | | | | | | | | | | | |
| Value | 7,934,067 | 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 | 19,840,557 |
| 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 | 1,000 | *1040 | *1040 | *1040 | *1040 | *1040 | *1040 | *1040 | *1040 | |
| Enrollment | 1,003 | 1,002 | 983 | 1,013 | 959 | 959 | 988 | 1,027 | 984 | 959 | |
| Twality (1963) | | | | | | | | | | | |
| Value | 8,451,254 | 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 | 16,411,579 |
| Square Feet | 116,540 | 116,540 | 123,314 | 123,314 | 123,314 | 123,314 | 123,314 | 123,314 | 123,314 | 123,314 | |
| Capacity | 1,050 | 1,050 | *942 | *942 | *942 | *942 | *942 | *942 | *942 | *942 | |
| Enrollment | 876 | 951 | 1,028 | 1,020 | 1,012 | 1,012 | 1,049 | 1,051 | 1,024 | 1,062 | |
| <u>High Schools</u> | | | | | | | | | | | |
| Tigard (1953) | | | | | | | | | | | |
| Value | 26,946,598 | 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 | 47,892,757 |
| 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 | 1,850 | *1776 | *1776 | *1776 | *1776 | *1776 | *1776 | *1776 | *1776 | |
| Enrollment | 2,042 | 2,002 | 2,001 | 1,977 | 2,046 | 2,046 | 1,975 | 1,990 | 1,959 | 1,956 | |
| Tualatin (1992) | | | | | | | | | | | |
| Value | 19,837,264 | 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 | 42,861,339 |
| 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 | 1,900 | *1888 | *1888 | *1888 | *1888 | *1888 | *1888 | *1888 | *1888 | |
| Enrollment | 1,797 | 1,863 | 1,863 | 1,825 | 1,854 | 1,854 | 1,842 | 1,839 | 1,896 | 1,928 | |

| | <u>2006-07</u> | <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>Building only</u> <u>Ins. Value</u> <u>2015-16</u> |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|
| <u>Other</u> | | | | | | | | | | | |
| New Administration (2000) | | | | | | | | | | | |
| Value | 4,211,600 | 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 | 10,518,807 |
| 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 | 42,753 | 176,005 | 204,260 | 204,260 | 2,059,444 |
| 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 | |
| Enrollment | | | | | | | 67 | 66 | 55 | 46 | |
| 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 | 2,772,195 |
| 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 | 3,852,747 |
| Square Feet | 17,338 | 17,338 | 17,338 | 17,338 | 17,338 | 17,338 | 17,338 | 17,338 | 17,338 | 17,338 | |
| Bus Garage - Tigard (1967) | | | | | | | (3) | (3) | (3) | (3) | |
| Value | 186,443 | 186,443 | 186,443 | 186,443 | 186,443 | 186,443 | 186,443 | 186,443 | 186,443 | 186,443 | 1,506,318 |
| 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 | 145,860 |
| Square Feet | | | | | | | | 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 | 98,162 |
| Square Feet | - | 2,520 | 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 | |
| Square Feet | - | - | - | - | - | - | - | - | - | - | |
| Tigard-Tualatin On Line Academy | | | | | | | | | | | |
| Value | - | - | - | - | - | 208,583 | 209,724 | 209,724 | 209,724 | 209,724 | |
| Square Feet | - | - | - | - | - | 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 AND DISCLOSURES

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Schedules Required by Oregon Department of Education

SUPPLEMENTAL INFORMATION, 2015-2016

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 | \$1,397,960 |
| Function 2550 | \$ 5,217 |

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

\$ 50,505

2015 - 16 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 | | \$48,858,145 | \$0 | \$14,594,083 | \$0 | \$0 | \$0 |
| 1120 Local Option Ad Valorem Taxes Levied by District | | \$6,793,911 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1130 Construction Excise Tax | | \$0 | \$0 | \$0 | \$1,823,933 | \$0 | \$0 |
| 1190 Penalties and Interest on Taxes | | \$19,900 | \$0 | \$3,362 | \$0 | \$0 | \$0 |
| 1200 Revenue from Local Governmental Units Other Than Districts | | | | | | | |
| 1311 Regular Day School Tuition - From Individuals | | \$47,370 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1312 Regular Day School Tuition - Other Dist Within State | | \$173,500 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1313 Regular Day School Tuition - Other Districts Outside | | | | | | | |
| 1320 Adult/Continuing Education Tuition | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1330 Summer School Tuition | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1411 Transportation Fees - From Individuals | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1412 Transportation Fees - Other Dist Within State | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1413 Transportation Fees - Other Districts Outside | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1420 Summer School Transportation Fees | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1500 Earnings on Investments | | \$202,964 | \$8,712 | \$64,115 | \$58,518 | \$0 | \$16,479 |
| 1600 Food Service | | \$0 | \$1,082,657 | \$0 | \$0 | \$0 | \$0 |
| 1700 Extracurricular Activities | | \$376,329 | \$21,094 | \$0 | \$0 | \$0 | \$0 |
| 1800 Community Services Activities | | \$121,248 | \$252,716 | \$0 | \$0 | \$0 | \$0 |
| 1910 Rentals | | \$0 | \$427,868 | \$155,051 | \$0 | \$0 | \$0 |
| 1920 Contributions and Donations From Private Sources | | \$0 | \$1,824,268 | \$0 | \$0 | \$0 | \$0 |
| 1930 Rental or Lease Payments From Private Contractors | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1940 Services Provided Other Local Education Agencies | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1950 Textbook Sales and Rentals | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1960 Recovery of Prior Years' Expenditure | | \$154,812 | \$0 | \$0 | \$527,001 | \$13,567 | \$0 |
| 1970 Services Provided Other Funds | | \$0 | \$0 | \$3,265,635 | \$0 | \$66,158 | \$0 |
| 1980 Fees Charged to Grants | | \$83,328 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1990 Miscellaneous | | \$392,744 | \$2,669,204 | \$0 | \$0 | \$10,724 | \$1,268,249 |
| Total Revenue from Local Sources | | \$57,224,251 | \$6,286,519 | \$18,082,246 | \$2,409,452 | \$90,449 | \$1,284,728 |
| Revenue from Intermediate Sources | | Fund 100 | Fund 200 | Fund 300 | Fund 400 | Fund 600 | Fund 700 |
| 2101 County School Funds | | \$285,092 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2102 General ESD Revenue | | \$1,672,686 | \$2,124,801 | \$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 | \$1,850 | \$0 | \$0 | \$0 | \$0 |
| 2200 Restricted Revenue | | \$0 | \$279,599 | \$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 | | \$1,957,778 | \$2,406,251 | \$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 | | \$57,884,045 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3102 State School Fund - School Lunch Match | | \$0 | \$34,204 | \$0 | \$0 | \$0 | \$0 |
| 3103 Common School Fund | | \$1,476,344 | \$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 | | \$3,758,325 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3204 Driver Education | | \$28,815 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3222 State School Fund (SSF) Transportation Equipment | | \$0 | \$124,595 | \$0 | \$0 | \$0 | \$0 |
| 3299 Other Restricted Grants-in-Aid | | \$0 | \$527,271 | \$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 | | \$63,147,528 | \$686,070 | \$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 | \$370,259 | \$262,638 | \$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 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 4500 Restricted Revenue From the Federal Government Through the State | | \$0 | \$6,645,666 | \$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 | | \$1,514 | \$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 | \$280,367 | \$0 | \$0 | \$0 | \$0 |
| Total Revenue from Federal Sources | | \$1,514 | \$7,296,291 | \$262,638 | \$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 | \$0 | \$0 | \$0 |
| 5200 Interfund Transfers | | \$0 | \$917,768 | \$646,658 | \$0 | \$0 | \$0 |
| 5300 Sale of or Compensation for Loss of Fixed Assets | | \$0 | \$0 | \$0 | \$145,200 | \$0 | \$0 |
| 5400 Resources - Beginning Fund Balance | | \$15,142,332 | \$9,288,579 | \$352,210 | \$9,869,645 | \$1,472,527 | \$2,668,337 |
| Total Revenue from Other Sources | | \$15,142,332 | \$10,206,348 | \$1,867,674 | \$10,014,845 | \$1,472,527 | \$2,668,337 |
| Grand Totals | | \$137,473,404 | \$26,881,479 | \$20,212,558 | \$12,424,296 | \$1,562,976 | \$3,953,064 |

2015 - 16 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 | \$26,714,019 | \$16,526,821 | \$9,627,909 | \$24,381 | \$531,681 | \$2,086 | \$1,141 | \$0 |
| 1113 Elementary Extracurricular | \$46,091 | \$33,916 | \$12,174 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1121 Middle/Junior High Programs | \$12,836,086 | \$7,995,149 | \$4,619,876 | \$28,376 | \$186,444 | \$0 | \$6,241 | \$0 |
| 1122 Middle/Junior High School Extracurricular | \$84,457 | \$64,139 | \$19,981 | \$0 | \$337 | \$0 | \$0 | \$0 |
| 1131 High School Programs | \$17,733,414 | \$10,876,734 | \$6,206,342 | \$164,445 | \$418,034 | \$25,000 | \$42,860 | \$0 |
| 1132 High School Extracurricular | \$1,627,906 | \$1,031,141 | \$396,379 | \$53,171 | \$42,829 | \$14,677 | \$89,708 | \$0 |
| 1140 Pre-Kindergarten Programs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1210 Programs for the Talented and Gifted | \$321,538 | \$200,409 | \$105,623 | \$979 | \$14,528 | \$0 | \$0 | \$0 |
| 1220 Restrictive Programs for Students with Disabilities | \$1,455,258 | \$799,104 | \$527,640 | \$111,553 | \$16,562 | \$0 | \$399 | \$0 |
| 1250 Less Restrictive Programs for Students with Disabilities | \$8,504,597 | \$4,771,458 | \$3,717,377 | \$2,778 | \$12,894 | \$0 | \$91 | \$0 |
| 1260 Treatment and Habilitation | \$32,645 | \$0 | \$0 | \$32,645 | \$0 | \$0 | \$0 | \$0 |
| 1271 Remediation | \$950,621 | \$670,604 | \$246,165 | \$12,097 | \$21,755 | \$0 | \$0 | \$0 |
| 1272 Title I | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1280 Alternative Education | \$3,752,597 | \$1,172,186 | \$785,216 | \$1,758,817 | \$32,913 | \$0 | \$3,465 | \$0 |
| 1291 English Second Language Programs | \$3,627,261 | \$2,151,686 | \$1,465,456 | \$5,331 | \$4,718 | \$0 | \$70 | \$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 | \$136,535 | \$52,054 | \$11,643 | \$17,642 | \$13,560 | \$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 | \$77,823,026 | \$46,345,402 | \$27,741,781 | \$2,212,214 | \$1,296,255 | \$41,763 | \$185,611 | \$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 | \$1,213,859 | \$718,376 | \$492,916 | \$44 | \$2,522 | \$0 | \$0 | \$0 |
| 2120 Guidance Services | \$4,149,813 | \$2,537,496 | \$1,489,529 | \$106,092 | \$16,060 | \$0 | \$636 | \$0 |
| 2130 Health Services | \$602,018 | \$229,990 | \$156,734 | \$210,035 | \$4,975 | \$0 | \$284 | \$0 |
| 2140 Psychological Services | \$441,679 | \$274,604 | \$153,300 | \$60 | \$13,714 | \$0 | \$0 | \$0 |
| 2150 Speech Pathology and Audiology Services | \$124,003 | \$75,161 | \$48,093 | \$335 | \$23 | \$0 | \$392 | \$0 |
| 2160 Other Student Treatment Services | \$73,735 | \$0 | \$0 | \$73,735 | \$0 | \$0 | \$0 | \$0 |
| 2190 Service Direction, Student Support Services | \$364,225 | \$220,393 | \$125,284 | \$8,935 | \$8,782 | \$0 | \$830 | \$0 |
| 2210 Improvement of Instruction Services | \$948,322 | \$555,478 | \$319,846 | \$59,900 | \$12,503 | \$0 | \$595 | \$0 |
| 2220 Educational Media Services | \$841,657 | \$436,165 | \$362,755 | \$887 | \$41,750 | \$0 | \$100 | \$0 |
| 2230 Assessment & Testing | \$371,872 | \$177,972 | \$90,714 | \$100,679 | \$1,657 | \$0 | \$850 | \$0 |
| 2240 Instructional Staff Development | \$401,722 | \$244,423 | \$115,759 | \$30,584 | \$10,957 | \$0 | \$0 | \$0 |
| 2310 Board of Education Services | \$411,180 | \$0 | \$0 | \$120,346 | \$5,346 | \$0 | \$285,488 | \$0 |
| 2320 Executive Administration Services | \$659,045 | \$381,452 | \$211,543 | \$58,723 | \$3,883 | \$0 | \$3,443 | \$0 |
| 2410 Office of the Principal Services | \$7,711,737 | \$4,684,591 | \$2,839,024 | \$70,559 | \$114,576 | \$0 | \$2,988 | \$0 |
| 2490 Other Support Services - School Administration | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2510 Direction of Business Support Services | \$284,083 | \$173,643 | \$91,576 | \$12,111 | \$2,272 | \$0 | \$4,480 | \$0 |
| 2520 Fiscal Services | \$1,361,643 | \$614,540 | \$412,846 | \$25,395 | \$21,549 | \$0 | \$287,312 | \$0 |
| 2540 Operation and Maintenance of Plant Services | \$9,485,427 | \$2,873,954 | \$2,074,153 | \$3,393,900 | \$908,876 | \$70,208 | \$164,336 | \$0 |
| 2550 Student Transportation Services | \$5,216,141 | \$684,261 | \$604,666 | \$3,844,103 | \$82,772 | \$0 | \$339 | \$0 |
| 2570 Internal Services | \$658,853 | \$188,891 | \$127,334 | \$207,754 | \$134,235 | \$0 | \$639 | \$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 | \$937 | \$0 | \$0 | \$0 | \$937 | \$0 | \$0 | \$0 |
| 2630 Information Services | \$200,432 | \$104,470 | \$29,623 | \$43,919 | \$21,255 | \$0 | \$1,165 | \$0 |
| 2640 Staff Services | \$903,551 | \$359,315 | \$391,399 | \$70,185 | \$13,502 | \$0 | \$69,151 | \$0 |
| 2660 Technology Services | \$2,015,731 | \$780,649 | \$454,745 | \$254,806 | \$437,671 | \$86,214 | \$1,647 | \$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 | \$38,441,665 | \$16,315,823 | \$10,591,840 | \$8,693,087 | \$1,859,818 | \$156,422 | \$824,674 | \$0 |
| Enterprise and Community Services Expenditures | Totals | Object 100 | Object 200 | Object 300 | Object 400 | Object 500 | Object 600 | Object 700 |
| 3100 Food Services | \$5,111 | \$2,728 | \$2,023 | \$360 | \$0 | \$0 | \$0 | \$0 |
| 3200 Other Enterprise Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3300 Community Services | \$108,764 | \$59,269 | \$49,301 | \$0 | \$195 | \$0 | \$0 | \$0 |
| 3500 Custody and Care of Children Services | \$64,383 | \$36,752 | \$27,631 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Enterprise and Community Services Expenditures | \$178,258 | \$98,748 | \$78,955 | \$360 | \$195 | \$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 | \$288,978 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$288,978 |
| 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 | \$288,978 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$288,978 |
| Grand Total | \$116,731,927 | \$62,759,974 | \$38,412,576 | \$10,905,661 | \$3,156,268 | \$198,185 | \$1,010,285 | \$288,978 |

2015 - 16 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 | \$325,113 | \$109,161 | \$21,494 | \$24,256 | \$169,782 | \$0 | \$420 | \$0 |
| 1113 Elementary Extracurricular | \$76,204 | \$27,488 | \$7,570 | \$11,630 | \$29,091 | \$0 | \$425 | \$0 |
| 1121 Middle/Junior High Programs | \$228,617 | \$31,189 | \$9,869 | \$88,604 | \$97,059 | \$0 | \$1,895 | \$0 |
| 1122 Middle/Junior High School Extracurricular | \$199,559 | -\$184 | \$15 | \$0 | \$199,728 | \$0 | \$0 | \$0 |
| 1131 High School Programs | \$485,535 | \$31,890 | \$10,742 | \$71,315 | \$350,313 | \$16,088 | \$5,187 | \$0 |
| 1132 High School Extracurricular | \$1,795,536 | \$169,014 | \$28,658 | \$33,726 | \$1,510,811 | \$47,889 | \$5,439 | \$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 | \$1,117,209 | \$235,882 | \$178,261 | \$691,496 | \$7,637 | \$0 | \$3,932 | \$0 |
| 1250 Less Restrictive Programs for Students with Disabilities | \$1,352,797 | \$704,572 | \$423,911 | \$220,290 | \$3,608 | \$0 | \$415 | \$0 |
| 1260 Treatment and Habilitation | \$160,000 | \$0 | \$0 | \$160,000 | \$0 | \$0 | \$0 | \$0 |
| 1271 Remediation | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1272 Title I | \$1,809,248 | \$1,129,291 | \$512,203 | \$10,449 | \$113,482 | \$0 | \$43,824 | \$0 |
| 1280 Alternative Education | \$15,316 | \$0 | \$0 | \$15,263 | \$54 | \$0 | \$0 | \$0 |
| 1291 English Second Language Programs | \$34,361 | \$8,708 | \$6,740 | \$3,115 | \$12,468 | \$0 | \$3,330 | \$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 | \$198,303 | \$103,905 | \$70,067 | \$1,726 | \$14,700 | \$0 | \$7,904 | \$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 | \$7,797,799 | \$2,550,918 | \$1,269,529 | \$1,331,870 | \$2,508,733 | \$63,977 | \$72,771 | \$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 | \$20,400 | \$170 | \$14 | \$20,216 | \$0 | \$0 | \$0 | \$0 |
| 2120 Guidance Services | \$690,170 | \$283,650 | \$139,249 | \$206,323 | \$38,794 | \$0 | \$22,154 | \$0 |
| 2130 Health Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2140 Psychological Services | \$156,658 | \$31,186 | \$15,327 | \$110,145 | \$0 | \$0 | \$0 | \$0 |
| 2150 Speech Pathology and Audiology Services | \$861,970 | \$129,165 | \$62,067 | \$666,616 | \$4,123 | \$0 | \$0 | \$0 |
| 2160 Other Student Treatment Services | \$250 | \$0 | \$0 | \$250 | \$0 | \$0 | \$0 | \$0 |
| 2190 Service Direction, Student Support Services | \$88,064 | \$47,272 | \$26,277 | \$14,001 | \$513 | \$0 | \$0 | \$0 |
| 2210 Improvement of Instruction Services | \$21,854 | \$7,394 | \$1,528 | \$12,915 | \$17 | \$0 | \$0 | \$0 |
| 2220 Educational Media Services | \$10,208 | \$0 | \$0 | \$0 | \$10,208 | \$0 | \$0 | \$0 |
| 2230 Assessment & Testing | \$58,301 | \$2,788 | \$880 | \$0 | \$54,633 | \$0 | \$0 | \$0 |
| 2240 Instructional Staff Development | \$1,493,395 | \$755,045 | \$327,270 | \$311,105 | \$93,052 | \$0 | \$6,922 | \$0 |
| 2310 Board of Education Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2320 Executive Administration Services | \$74,917 | \$24,241 | \$6,350 | \$18,688 | \$23,639 | \$0 | \$2,000 | \$0 |
| 2410 Office of the Principal Services | \$60,879 | \$532 | \$85 | \$8,069 | \$51,715 | \$0 | \$478 | \$0 |
| 2490 Other Support Services - School Administration | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2510 Direction of Business Support Services | \$3,874 | \$0 | \$0 | \$0 | \$3,874 | \$0 | \$0 | \$0 |
| 2520 Fiscal Services | \$12,632 | \$11,031 | \$940 | \$661 | \$0 | \$0 | \$0 | \$0 |
| 2540 Operation and Maintenance of Plant Services | \$1,468 | \$0 | \$0 | \$0 | \$1,468 | \$0 | \$0 | \$0 |
| 2550 Student Transportation Services | \$211,273 | \$0 | \$0 | \$102,751 | \$0 | \$108,522 | \$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 | \$91,187 | \$54,085 | \$37,102 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2630 Information Services | \$21,193 | \$0 | \$0 | \$878 | \$20,315 | \$0 | \$0 | \$0 |
| 2640 Staff Services | \$2,007 | \$0 | \$0 | \$2,007 | \$0 | \$0 | \$0 | \$0 |
| 2660 Technology Services | \$175,158 | \$0 | \$0 | \$27,836 | \$147,322 | \$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 | \$4,055,859 | \$1,346,561 | \$617,089 | \$1,502,460 | \$449,673 | \$108,522 | \$31,554 | \$0 |
| Enterprise and Community Services Expenditures | Totals | Object 100 | Object 200 | Object 300 | Object 400 | Object 500 | Object 600 | Object 700 |
| 3100 Food Services | \$3,884,896 | \$1,015,335 | \$858,546 | \$68,022 | \$1,800,171 | \$139,946 | \$2,876 | \$0 |
| 3200 Other Enterprise Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3300 Community Services | \$700,619 | \$417,645 | \$195,146 | \$34,225 | \$48,689 | \$0 | \$4,914 | \$0 |
| 3500 Custody and Care of Children Services | \$47,650 | \$18,402 | \$9,071 | \$4,682 | \$12,759 | \$0 | \$2,736 | \$0 |
| Total Enterprise and Community Services Expenditures | \$4,633,165 | \$1,451,382 | \$1,062,763 | \$106,929 | \$1,861,619 | \$139,946 | \$10,526 | \$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 | \$770,055 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$770,055 |
| 5300 Apportionment of Funds by ESD | \$353,567 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$353,567 |
| 5400 PERS UAL Bond Lump Sum | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Other Uses Expenditures | \$1,123,622 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,123,622 |
| Grand Total | \$17,610,445 | \$5,348,861 | \$2,949,382 | \$2,941,260 | \$4,820,025 | \$312,445 | \$114,852 | \$1,123,622 |

2015 - 16 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 | \$17,497,572 | \$0 | \$0 | \$17,497,572 | \$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 | \$17,497,572 | \$0 | \$0 | \$17,497,572 | \$0 | \$0 | \$0 | \$0 |
| Grand Total | \$17,497,572 | \$0 | \$0 | \$17,497,572 | \$0 | \$0 | \$0 | \$0 |

2015 - 16 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 4120 Site Acquisition and Development Services | \$964,017 | \$0 | \$0 | \$13,182 | \$0 | \$949,800 | \$1,035 | \$0 |
| 4150 Building Acquisition, Construction, and Improvement Services | \$135,677 | \$0 | \$0 | \$30,139 | \$0 | \$105,538 | \$0 | \$0 |
| 4180 Other Capital Items | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 4190 Other Facilities Construction Services | \$1,126,507 | \$55 | \$19 | \$133,775 | \$3,763 | \$988,896 | \$0 | \$0 |
| Total Facilities Acquisition and Construction Expenditures | \$2,226,201 | \$55 | \$19 | \$177,096 | \$3,763 | \$2,044,234 | \$1,035 | \$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 | \$505,394 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$505,394 |
| 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 | \$505,394 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$505,394 |
| Grand Total | \$2,731,595 | \$55 | \$19 | \$177,096 | \$3,763 | \$2,044,234 | \$1,035 | \$505,394 |

2015 - 16 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 | \$2,993 | \$0 | \$2,993 | \$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 | \$5,259 | \$0 | \$5,259 | \$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 | \$18 | \$0 | \$18 | \$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 | \$8,270 | \$0 | \$8,270 | \$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 | \$329 | \$0 | \$329 | \$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 | \$128 | \$0 | \$128 | \$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 | \$6,853 | \$0 | \$6,853 | \$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 | \$5,603 | \$0 | \$5,603 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2550 Student Transportation Services | \$8,165 | \$0 | \$8,165 | \$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 | \$21,078 | \$0 | \$21,078 | \$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 | \$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 | \$29,348 | \$0 | \$29,348 | \$0 | \$0 | \$0 | \$0 | \$0 |

2015 - 16 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 | \$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 | \$1,505,909 | \$209,226 | \$1,296,683 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Support Services Expenditures | \$1,505,909 | \$209,226 | \$1,296,683 | \$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 | \$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 | \$1,505,909 | \$209,226 | \$1,296,683 | \$0 | \$0 | \$0 | \$0 | \$0 |

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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, 2016, and have issued our report thereon dated December 7, 2016. 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 7, 2016

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, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 7, 2016.

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 7, 2016

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, 2016. 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, 2016.

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, 2016

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**

84.010 Title IA – Grants to Local Education Agencies

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, 2016

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.