

Comprehensive Annual Financial Report
FOR THE YEAR ENDED JUNE 30, 2018



INSPIRE AND EMPOWER

◊ EACH STUDENT ◊

Gresham-Barlow School District 10JT • GRESHAM, OREGON
Serving the Communities of Boring, Damascus, Gresham and Orient in Multnomah and Clackamas Counties

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
Gresham, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Prepared by:
Business Office:

Michael D. Schofield, Chief Financial Officer

Elaine Fagan, Director of Accounting

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INTRODUCTORY SECTION

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Dr. A. Katrise Perera, Superintendent

Gresham-Barlow School District No. 10Jt

1331 NW Eastman Parkway, Gresham, OR 97030-3825
#TeamGBSD #BuildGBSD

Phone 503.261.4567
Fax 503.261.4552

October 29, 2018

Board of Education and Citizens
Gresham-Barlow School District 10JT
1331 NW Eastman Parkway
Gresham, OR 97030

In accordance with the provisions of Oregon Revised Statutes Sections 297.405 through 297.555, known as Municipal Audit Law, submitted herewith is the Comprehensive Annual Financial Report (CAFR) of Gresham-Barlow School District 10JT, Multnomah and Clackamas counties, Oregon for the year ended June 30, 2018.

This report was prepared by the Business Office of Gresham-Barlow School District 10JT. The responsibility for the completeness, fairness, and accuracy of the data presented and all accompanying disclosures rests with the District. To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

INDEPENDENT AUDIT

The District's financial statements have been audited by Pauly, Rogers and Co., P. C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the District for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2018, 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, beginning on page 1.

The independent audit of the District's basic financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic 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. These reports are available in the Single Audit Section of this report, beginning on page 95.

Management's Discussion and Analysis

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors, beginning on page 3.

THE DISTRICT

Gresham-Barlow School District 10JT is a unified District, established June 1, 1994, which includes the former Gresham Grade (established in 1884), Orient (established in 1853), Damascus Union (established in 1876), Barlow-Gresham Union High (established in 1902) School Districts, and that portion of Boring School District which was served by the Union High School District prior to unification. The Barlow-Gresham Union High School District Board of Directors remained the governing Board and the policies of the

high school district remained intact. The District was given a new name and the Board of Directors was increased from a five-member Board to a seven-member Board.

The District is one of the ten largest districts in the State of Oregon. The District covers approximately 54 square miles serving the communities of Boring, Damascus, Gresham and Orient located in Multnomah and Clackamas Counties. The District area population is approximately 80,000. The District enrollment boundaries include part of the City of Gresham, located in east Multnomah County approximately 12 miles east of Portland; it is the second largest city within the Portland metropolitan area and the fourth largest city in Oregon.

The District serves over 11,000 students in kindergarten through grade twelve, and presently operates ten elementary schools, four middle schools, one K-8 and three high schools.

Seven Board members are elected, four to zoned positions and three at large from within the District, to four-year terms. The Board of Directors is the governing body and is exclusively responsible for its public decisions. The Board of Directors establishes the policies of the District, appoints the management of the District and is accountable for all fiscal matters, which significantly influence operations. The Board of Directors, together with seven appointed citizens, comprises the fourteen member Budget Committee. In addition, citizens take an active role in the District's schools through volunteer programs, advisory boards, site committees and parent groups.

The District is a fiscally independent taxing entity and is not a component of Multnomah or Clackamas Counties or any other government. As required by accounting principles generally accepted in the United States of America, all significant activities and organizations have been included in the financial statements.

Oregon statute provides state funding for charter schools that flows through the district for schools that local boards of education have granted a charter. The District has granted charters to three schools in operation during the 2017-18 fiscal year; Gresham Arthur Academy, Lewis and Clark Montessori and Metro East Web Academy. The Center for Advanced Learning (CAL), a charter school, is reported by the District as a joint venture as described in notes to the financial statements (Note 14).

APPROPRIATIONS AND BUDGETARY CONTROLS

The Board is required by the State of Oregon to adopt an annual budget for all funds subject to the requirements of Local Budget Law as outlined in the Oregon Revised Statutes 294.305 through 294.565, inclusive, by no later than the close of the fiscal year. The District's budget is governed by the Oregon Department of Revenue to ensure that the District remains in compliance with Oregon Budget Law. The annual budget serves as a management tool to enhance performance efficiency and effectiveness, a financial system to account for revenues and expenditures, and a control mechanism to ensure public money is spent as it is authorized. The budget also provides the authority to levy property taxes.

Consistent with Oregon law, expenditures are appropriated for each legally adopted annual operating budget at the following levels of control: Instruction, Support Services, Community Services, Facilities acquisition and construction, Debt Service, Operating Contingencies/Fund Transfers.

Budgetary appropriations may not be legally over-expended except in the case of reimbursable grant expenditures and trust monies which could not be reasonably estimated at the time the budget was adopted. After the original budget is adopted, the Board may approve appropriation transfers between levels of control. The Board may approve supplemental appropriations if any occurrence, condition or need exists which had not been anticipated at the time the budget was adopted through procedures specified in State statute and Board policy.

ECONOMIC CONDITION AND LONG-TERM FINANCIAL PLANNING

The Office of Economic Analysis (OEA) reported in September 2018 that Oregon's job growth has continued to slow since 2016, Oregon is still outpacing the nation overall and continues to keep pace with a growing population. Oregon employment has grown at about 5,000 jobs per month the last couple of years. The OEA expects to see healthy job growth in the near term at about 2,00 jobs per month, significantly less than the last couple of years. More importantly, wages in Oregon continue to grow at a healthy pace. Wages are down from the full-throttle rates seen during the recovery, but are expected to outpace population growth.

OEA reported that Oregon's population is estimated to have reached 3,831,074 in 2010. Oregon gained 409,550 persons between 2000 and 2010 a 12 percent growth, down from a decade ago of 20.4 percent growth. Oregon's population growth during the most recent decade was the second lowest since 1900. The slowest was during the 1980's when Oregon was hit hard by another recession. Oregon's economic condition heavily influences the state's population growth. The economy determines the ability to attract job seekers from other states and beyond as Oregon's population growth is dependent on net in-migration. Oregon's

population is expected to continue a slow pace of growth in the near future. Oregon's population is anticipated to reach 4.59 million by 2026, with an annual rate of growth of 1.2% between 2016 and 2026. The growth in K-12 population (aged 5-17) will remain low which will translate into slow growth in school enrollments for the State. The school-age population has actually declined in size in recent years and will grow in the future at well below the overall state average.

District enrollment for 2017-2018 as measured in September was approximately 100 students lower than the District projected and lower than projected by Portland State University Population Research Center enrollment forecast performed November 2015. The District is projecting future enrollment to be flat in the coming years. Due to the important relationship between funding and enrollment, the District will be conducting a demographic study in 2019 to assist in estimating future enrollment. From 2009 to 2013, the District was required to make significant changes by reducing staffing and school days, while we now have a full school year the funding has not recovered.

Over the past five years, due to budget constraints, the District has engaged the community in prioritizing the areas where reductions were made. Difficult reductions were made in some years with the basic premise in mind; preserve the core. With an increase in available revenue for the 2015-2017 biennium, we were able to maintain staffing and provide a full school year. The 2018-2019 budget anticipates moderate improvement in staffing ratios, supplies and material allocations.

In November 2016, the voters of Gresham-Barlow School District approved a capital construction bond in the amount of \$291.17 million. Additionally, the state of Oregon awarded the school district a capital construction grant of \$8 million. This grant was only available upon successful passage of the bond measure. School bond projects will increase student and staff safety, improve access to modern technology, and address overcrowding through upgrades and updates made to schools and classrooms throughout the district. As the average age of the District's buildings is in excess of 50 years, funds will also be used to rebuild and make extensive renovations to facilities throughout the District.

MAJOR INITIATIVES AND RELEVANT FINANCIAL POLICIES

Gresham-Barlow is one of the largest school districts in the state, with a student population of more than 11,000, and speaking more than 50 languages. During the 2017-18, the District reviewed its educational programs through a curriculum audit.

Three priorities were identified as a result of the curriculum audit:

- Build and implement a framework that defines and aligns curriculum and assessment in academic areas, social-emotional learning, and digital literacy.
- Build and implement systems that give students a voice and make them feel comfortable, appreciated, and understood.
- Build and implement a framework that is committed to high-quality, effective instructional practices.

At the beginning of the 2018-19 school year, the school board, in participation with the District's Leadership Team, developed a new mission and vision statement.

New District mission: "Inspire and empower each student"

New District vision: "Culturally responsive graduates who will thrive in an ever-changing global community"

As a part of the District's strategic planning, work is underway to develop District Goals.

As we look forward and discuss financial and economic difficulties and uncertainties, it is important to recognize our pride in recent accomplishments and our commitment to students, staff and patrons. Listed below are just a few of the recent accomplishments in our District:

- In 2016 the Gresham-Barlow School District successfully passed a \$291 million bond measure for capital projects, safety and technology. During the 2017-18 school year construction work on various bond projects began. The school bond is positively impacting every school in the district. The Bond's four large projects include substantial renovation of Gresham High School and Sam Barlow High School, and replacement schools for East Gresham and North Gresham Elementary.
- In 2017 Gresham-Barlow students and staff received the following awards:
 - Gresham High School Theatre Department won first place at State for large group musical group performance of "Jekyll and Hyde."
 - Sam Barlow High School Theatre Department won first place for small group musical group performance of "Coffee Break" from the musical "How to Succeed in Business Without Really Trying"

- Individual State Championships in track & field, music, gymnastics and racquetball.
- Gresham-Barlow staff received the following awards: Oregon Regional Teacher of the Year-Metro Region, Celebrate Literacy Award, OnPoint Educator of the Year Award, and Mt Hood Conference Coach of the Year.
- The Gresham-Barlow School District received four communications awards from the National School Public Relations Association (NSPRA). The District has received 13 communications awards from NSPRA.
- The U.S. Environmental Protection Agency (EPA) recognized the Gresham-Barlow School District with a 2018 Energy Star Partner of the Year – Sustained Excellence Award for its continued leadership in protecting our environment through energy efficiency. This is the 11th Energy Star award the school district has received since 2005 and is recognized for winning this award more times than any other district in the country.
- The District was awarded the following grants:
 - The Oregon Department of Education (ODE) first awarded a three-year, \$1.8 million School Improvement Grant for East Gresham Elementary School in 2014-15. Since then, the Grant has been extended. The District was awarded a grant of \$165,000 in 2017-18 to be spent over two years. For the 2018-19 school year, the school was awarded an additional \$101,000.
 - The ODE has awarded the District a Collaboration Design Grant of \$1.5 million for the 2018-19 school year to improve student achievement through the collaboration of teachers and administrators and through building opportunities for teacher leadership.
 - The ODE awarded the District a five-year 21st Century Community Learning Center grant to Hogan Cedars Elementary School, Hollydale Elementary School and Dexter McCarty Middle School. The grant is for 499,844 annually in the first three years and \$374,873 in the last two years.
 - The District was awarded a McKinney-Vento homeless education federal subgrant in the amount of \$60,000 annually in 2017-18.
 - The District received an ODE English Language Learners HB 3499 Grant for \$90,000 for the 2017-18 school year to prepare English Language Learner students to be ready with language and academic skills. The grant funds will focus on Math.
 - The Center for Advanced Learning (GBSD Charter School) received the Oregon Department of Education's CTE Revitalization Grant. The \$430,493 grant will be used to bolster career training for high school students.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Gresham-Barlow School District 10JT for its Comprehensive Annual Financial Report for a number of years. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to Gresham-Barlow School District 10JT for its Comprehensive Annual Financial Report for the year ended June 30, 2017. This was the 24th consecutive year that the District has received this prestigious award.

Receiving this Award is recognition that the District has met the highest standards of excellence in school financial reporting as adopted by ASBO. The District believes that the current Comprehensive Annual Financial Report, which will be submitted to ASBO for review, will also conform to these standards.

ACKNOWLEDGMENTS

We wish to express our appreciation to the entire Business Office staff and members of other District departments who assisted in the preparation of this Comprehensive Annual Financial Report. We also wish to extend our appreciation to the members of the Board of Directors, the administrators, managers and employees of the District and citizens for their continued support and dedication to the financial operations of the District.



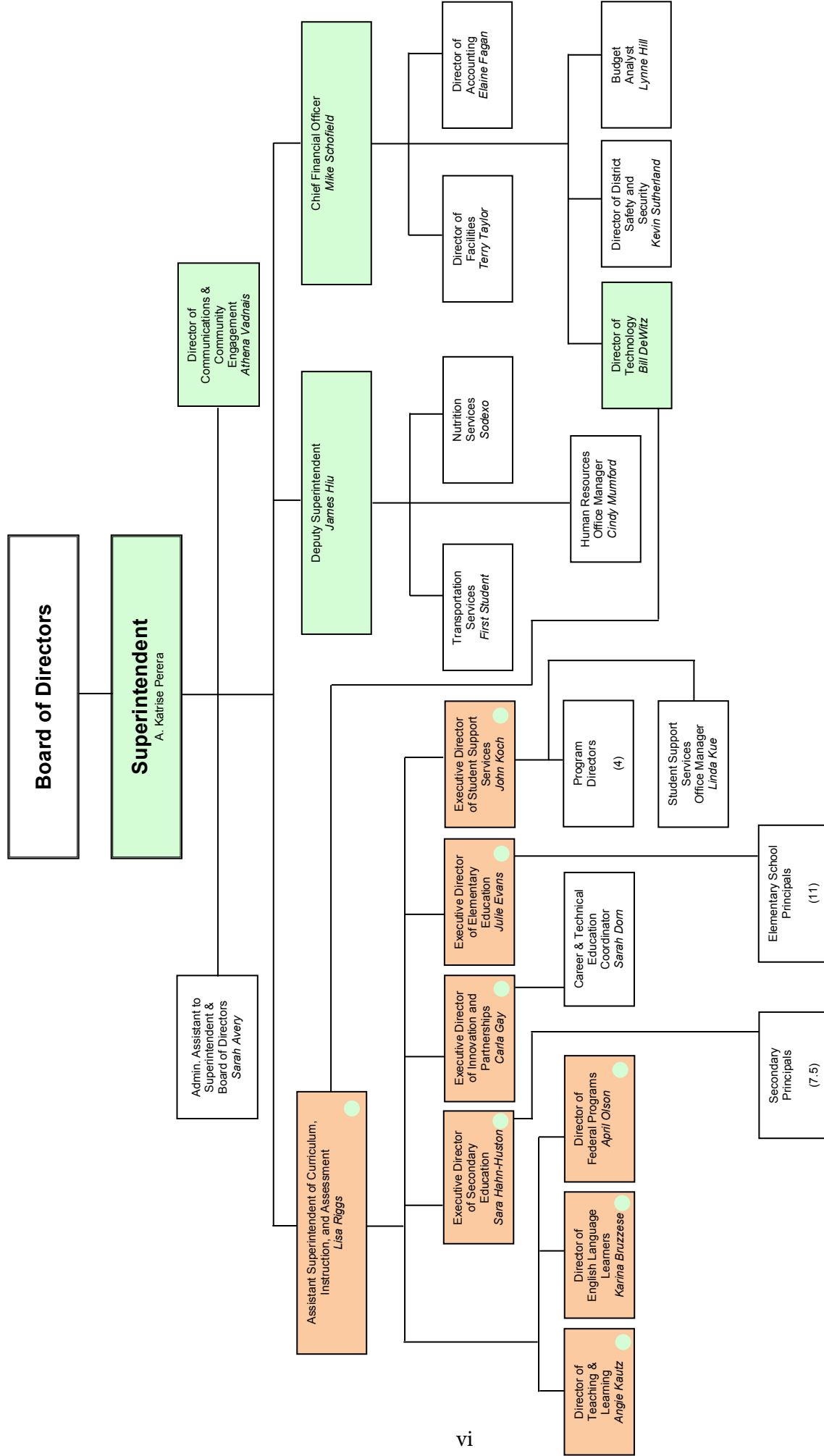
Dr. A. Katrise Perera
Superintendent



Michael D. Schofield
Chief Finance Officer



Elaine Fagan
Director of Accounting





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Gresham-Barlow School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.' The signature is written in a cursive style.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink that reads 'John D. Musso'. The signature is written in a cursive style.

John D. Musso, CAE
Executive Director

**Elected and Appointed Officials
Gresham-Barlow School District 10JT
Gresham, Oregon**

School Board as of June 30, 2018

Name	Zone	Term Expires
Kris Howatt, Chair howatt3@gresham.k12.or.us	Zone 3	June 30, 2019
Sharon Garner, Vice Chair garner6@gresham.k12.or.us	At-Large	June 30, 2021
Carla Piluso piluso2@gresham.k12.or.us	At-Large	June 30, 2021
John Hartsock hartsock7@gresham.k12.or.us	At-Large	June 30, 2019
Katherine J. Ruthruff ruthruff@gresham.k12.or.us	Zone 1	June 30, 2019
Matt O'Connell oconnell5@gresham.k12.or.us	Zone 2	June 30, 2021
Blake Petersen petersen21@gresham.k12.or.us	Zone 4	June 30, 2021

Dr. A. Katrise Perera
Michael D. Schofield

Superintendent and District Clerk
Chief Financial Officer and Deputy Clerk
Accounting Director

Administrative Office:

1331 NW Eastman Parkway
Gresham, OR 97030-3825

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

INDEPENDENT AUDITORS' REPORT

October 29, 2018

To the Board of Directors
Gresham-Barlow School District
Gresham, 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 Gresham-Barlow School District, as of and for the year ended June 30, 2018, 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 basic 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 basic 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 basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic 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 basic 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 basic 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 basic 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 Gresham-Barlow School District as of June 30, 2018, and the respective changes in financial position and budgetary comparisons for the general fund and federal grant fund, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 management's discussion and analysis or the Schedules of Net Pension Liability or Contributions for PERS or the Schedules of Change in the District's Net OPEB Liability and related ratios or contributions for OPEBs, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary 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 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 expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

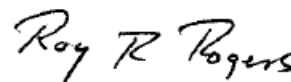
Other Information

The introductory, other information and statistical 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.

Report on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our reports dated October 29, 2018 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 October 29, 2018, 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.



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

As management of Gresham-Barlow School District 10JT (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, which can be found on pages i – v of this report.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the liabilities and deferred inflows of resources of the District exceed its assets and deferred outflows of resources at June 30, 2018 by \$23.8 million.
- The District's total net position increased by \$6.65 million for the year, a 22% increase in the District's financial position as compared to the prior year.
- The District's governmental funds report combined ending fund balance of approximately \$257.4 million, a decrease of \$24.2 million in comparison with the prior year. Of this amount, approximately \$15.3 million (6%) is unassigned and available for appropriation at the District's discretion. The remaining fund balances are either non-spendable, restricted committed or assigned: \$236.2 million is restricted for capital projects, and the balance of \$5.9 million is non-spendable, restricted or assigned to other purposes.
- At the end of the current fiscal year, the unrestricted fund balance (the total of the committed, assigned and unassigned components of the fund balance) for the General Fund was \$15.2 million, or about 12.6% of total General Fund revenue.
- Total cost of all the District's programs was \$150.16 million for the fiscal year, an increase of \$8.46 million (6 percent) from the prior year.
- The District's total outstanding long-term debt decreased \$5.8 million (1.8 percent) during the 2017-18 fiscal year due to debt service payments and amortization of premiums and discounts.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements include:

The Statement of Net Position - The *statement of net position* presents information on all of the assets and liabilities of the District at year-end. Net position is what remains after the liabilities have been paid or otherwise satisfied. 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 - The *statement of activities* presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category as *Governmental activities*. Most of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues.

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements - The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Gresham-Barlow School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds - The *governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, 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. Such information may be useful in evaluating a government'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 government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Federal Grant Fund and Capital Projects Fund, which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided as Supplemental Information.

The basic governmental fund financial statements can be found on pages 13 and 15 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is the same as the government-wide financial statements, only in more detail.

The basic fiduciary fund financial statements can be found on pages 19-20 of this report.

Notes to the basic financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 21-47 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's progress in funding its obligation to provide pension and other post employment benefits to its employees. Required Supplementary Information can be found on pages 48-52 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented as Supplementary Information on pages 53-55 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by approximately \$23.8 million at June 30, 2018.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles, and equipment, represent about 26.8 percent of total assets. The remaining assets consist mainly of cash, investments, grant and property taxes receivable, equity in CAL and a deferred outflow of resources.

The District's largest liability (95 percent) is for the repayment of long term debt and obligations including post-employment benefit obligations, including repayment of general obligation bonds, PERS and full faith and credit obligation bonds. Current liabilities, representing about 5 percent of the District's total liabilities, consist of debt obligations due within one year, payables on accounts and payroll liabilities.

A portion of the District's net position reflects its investment in capital assets (e.g. land, buildings, vehicles, equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

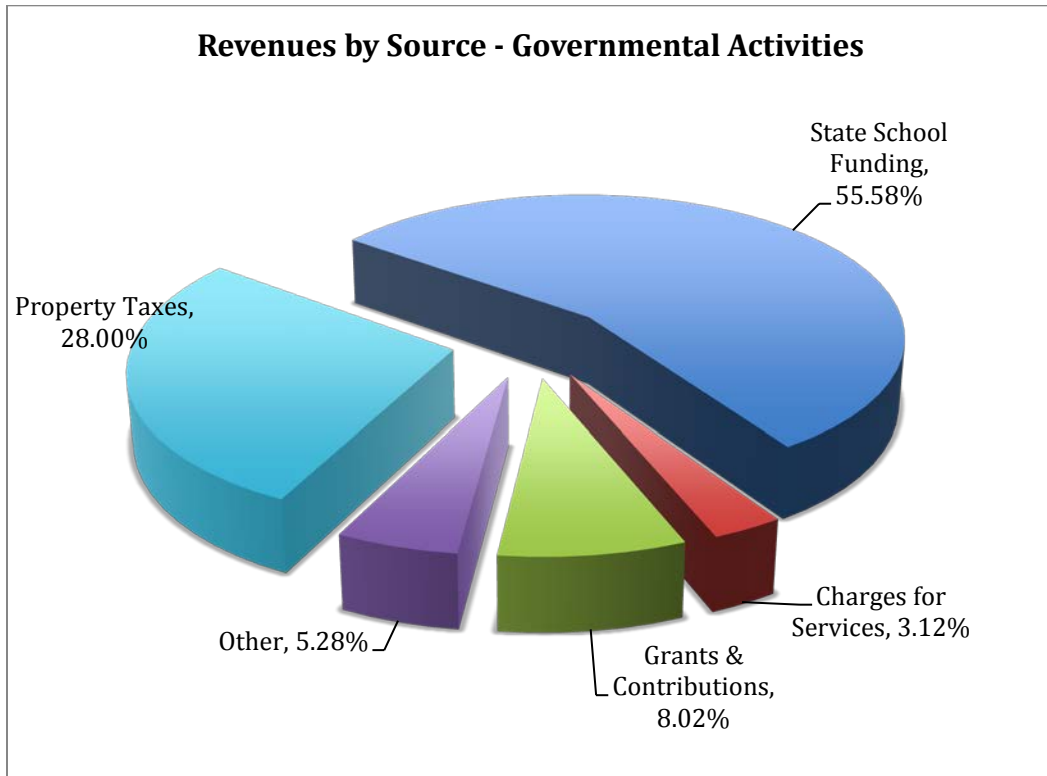
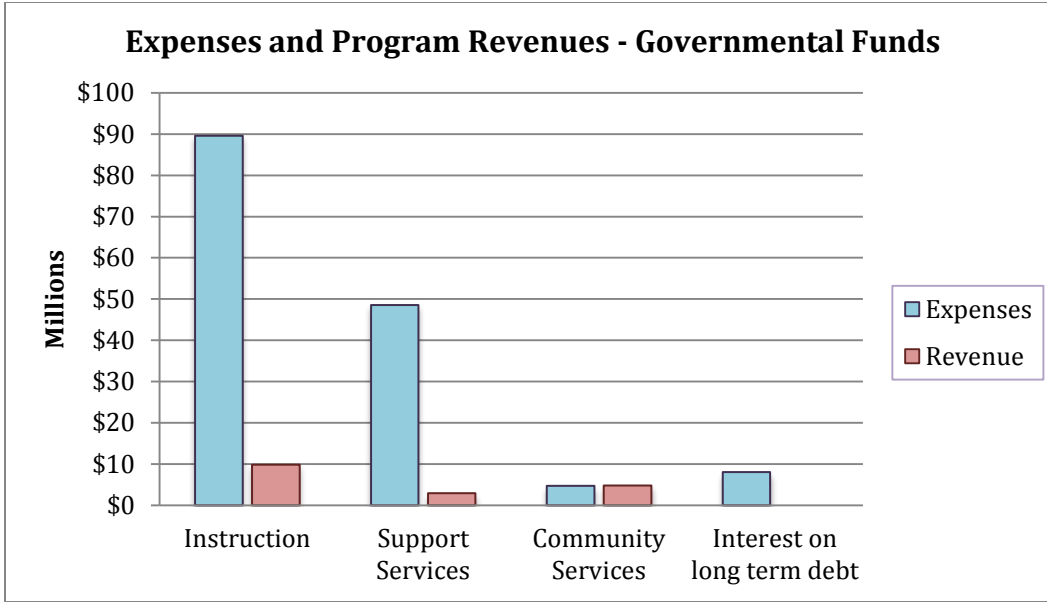
Net Position at June 30, 2018 and 2017			
(in thousands)			
	Governmental Activities		Increase (Decrease)
	2018	2017	
Current and other assets	\$ 284,231	\$ 296,459	\$ (12,228)
Capital assets	104,062	75,280	28,782
Total assets	<u>388,293</u>	<u>371,739</u>	<u>16,554</u>
Deferred Outflow of Resources	<u>25,502</u>	<u>41,881</u>	<u>(16,380)</u>
Current liabilities	21,866	12,282	9,584
Non-Current liabilities	330,869	336,957	(6,088)
Pension and OPEB Obligations	81,192	93,043	(11,851)
Total liabilities	<u>433,927</u>	<u>442,282</u>	<u>(8,355)</u>
Deferred Inflow of Resources			
Pension related deferred inflows	<u>3,619</u>	<u>1,740</u>	<u>1,879</u>
Net position:			
Net investment in capital assets	55,267	48,952	6,315
Restricted	239,632	2,605	237,027
Unrestricted	(318,650)	(81,959)	(236,691)
Total net position	<u>\$ (23,751)</u>	<u>\$ (30,402)</u>	<u>\$ 6,651</u>

During the current fiscal year, the District's overall financial position changed as indicated by an increase of \$6.7 million in net position. The District's investment in capital assets net of related debt increased by \$6.3 million primarily due to payment of related debt during the year. Restricted net position increased by \$237 million due to an increase in ending fund balance for Capital Projects, Nutrition Services and Student Activity funds. Unrestricted net position decreased by \$236.7 million, this decrease is primarily due to the change in net pension and OPEB obligation and the net deferred inflow/outflow of resources of \$6.4 million offset with an increase in General Fund ending fund balance of \$3.5 million and decrease in Capital Projects fund of \$28.9 million, the addition of an assigned PERS liability account \$1 million, debt service payments of \$.5 million net of amortized discount and the reduction of accrued interest on bonds of \$2.4 million.

Governmental activities. The key elements of the change in the District's net position for the year ended June 30, 2018 are as follows:

- General revenues increased by approximately \$20 million, mainly due to an increase in the State School Fund general support of approximately \$6.3 million, an increase in property taxes of approximately \$11 million, an increase in earnings on investments of approximately \$1.8 million and an increase in grants and contributions of approximately \$.5 million.
- Governmental program expenses increased by about \$8 million. This was primarily due to an increase in debt service payments as a result of the 2016 Bond of \$6.1 million and an increase of \$2.5 million in the PERS rate from 9.18 to 13.89 percent for Tier1/Tier 2 and 4.49 to 8.56 percent for OPSERP. The District also established a PERS liability account in the Other Governmental Funds account increasing the expenses by \$1 million.

Changes in Net Position			
For the year ended June 30, 2018 and 2017			
(in thousands)			
	2018	2017	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for service	\$ 4,893	\$ 4,602	\$ 291
Operating grants and contributions	12,579	12,055	524
Capital grants and contributions	98	316	(218)
General revenues:			
Property taxes	43,971	32,976	10,995
State school fund – general support	87,163	80,889	6,274
Other federal, state and local sources	4,713	4,719	(6)
Earnings on investments	2,761	988	1,773
Other	633	149	484
Total revenues	<u>156,811</u>	<u>136,694</u>	<u>20,117</u>
Expenses:			
Instruction	88,406	85,566	2,840
Support services	48,063	48,640	(577)
Enterprise and community services	4,675	4,595	80
Facilities acquisition and construction	0	0	0
Interest on long-term debt	9,016	2,898	6,118
Total expenses	<u>150,160</u>	<u>141,699</u>	<u>8,461</u>
Increase (decrease) in net position	6,651	(5,005)	11,656
Net position – July 1	(30,402)	(25,397)	(5,005)
Net position – June 30	<u>\$ (23,751)</u>	<u>\$ (30,402)</u>	<u>\$ 6,651</u>



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental funds. The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2018, the District's governmental funds reported combined ending fund balances of \$257.4 million, a decrease of approximately \$24 million in comparison with the prior year. Approximately \$242 million (94 percent) of the ending fund balance constitutes non-spendable, restricted or committed balances. Restricted or committed ending fund balances are constrained to specific purposes by bondholders or governing body. Another \$15.27 million (6 percent) of the ending fund balances are unassigned and available for spending at the District's discretion. Of the fund balance, \$237.5 million or 92 percent is designated for capital projects, as authorized by voters and the Board and an additional \$.46 million (0.18 percent) is dedicated for debt service obligations.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2018, unassigned fund balance was about \$15.38 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 13.1 percent of total General Fund expenditures. The fund balance increased by approximately \$3.5 million during the current fiscal year compared to an increase of approximately \$1.6 million during the 2016/17 fiscal year.

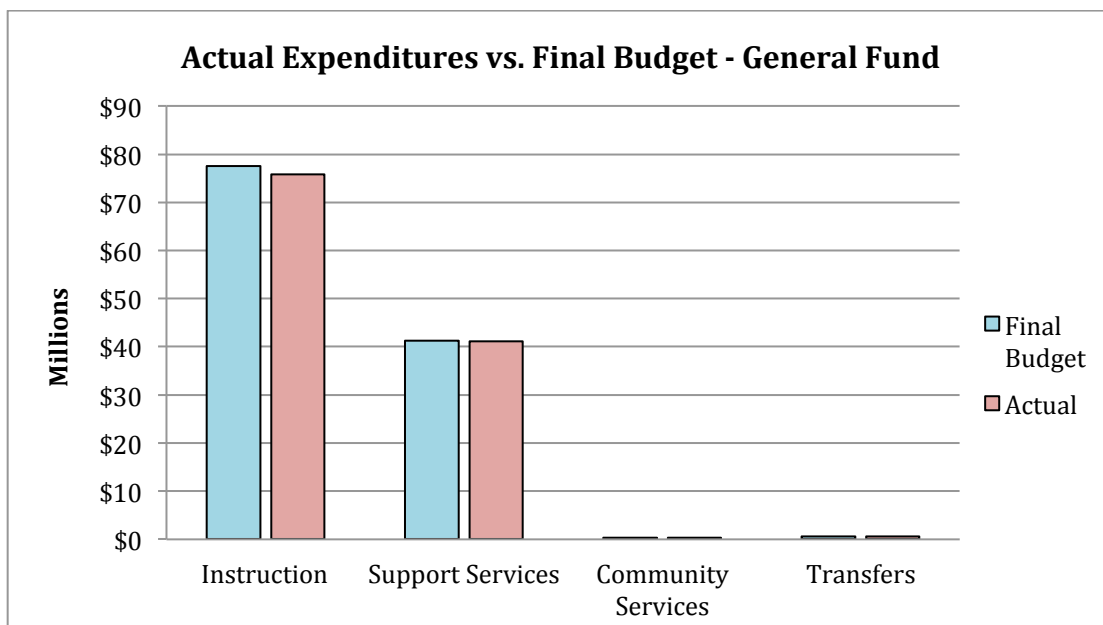
Federal Grant Fund. Revenues and expenditures in the Federal Grant Fund decreased from approximately \$6.7 million in fiscal year 2016/17 to approximately \$6 million in 2017/18. This decrease was primarily due to a reduction in spending for Title I grants.

Capital Projects Fund. The Capital Projects Fund has a total fund balance of approximately \$237.5 million. The fund balance decreased by \$29 million during the fiscal year primarily due to capital construction projects in progress.

Other Governmental Funds. Changes to fund balances in the other governmental funds can be attributed to the addition of the PERS liability account that was established in 2017/18.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, as shown in the chart, below, in the General Fund expenditures for Instruction and Support Services were within budget. Expenditures for Community Services exceeded budget, however offsetting revenues were received. Variances noted between the budget and actual totals were not inconsistent with prior year experience and reflect the District's conservative budget and spending practices.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment and construction in progress. As of June 30, 2018, the District had invested approximately \$104 million in capital assets, net of depreciation, as shown in the following table:

Capital Assets (Net of Depreciation) For the year ended June 30, 2018 and 2017 (in thousands)			
	2018	2017	Increase (Decrease)
Land	\$ 6,326	\$ 6,326	\$ -
Buildings and improvements	60,167	62,724	-2,557
Vehicles and equipment	5,597	1,431	4,166
Construction in Progress	31,972	4,800	27,172
Total Capital Assets	\$ 104,062	\$ 75,281	\$ 28,781

During the year, the District's investment in capital assets increased by approximately \$28.8 million. The major capital asset events for the year include the following:

- Gresham-Barlow bond projects \$31.88 million

Approximately \$3.1 million in depreciation expense offset the capital asset additions identified above.

Additional information of the District's capital assets can be found in Note 5 on page 30 of this report.

Long-term debt - At the end of the current fiscal year, the District had total debt outstanding of approximately \$330 million, consisting of general obligation debt, full faith and credit obligations and capital leases, net of unamortized premium/discount and other postemployment benefits obligation (OPEB).

The District's debt is currently all issued with the Oregon School Bond Guaranty. Standard & Poors has rated the bonds AA+ and Moody's under their Global Scale Rating has rated the bonds Aa1.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.95 percent of its total real market valuation. The current debt limitation for the District is approximately \$769 million, which is in excess of the District's outstanding general obligation debt. The current legal debt margin is approximately \$441 million.

Additional information on the District's long-term debt can be found in Note 6 on pages 30-32 of this report

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the District is the State of Oregon's State School Fund. For the year ended June 30, 2018, the State School Fund – General Support provided 56 percent of the District's total resources and 72 percent of District's general fund resources. This is consistent with the previous year. There were significant reductions in the State School Fund from 2009-2013 caused by the economic downturn where Gresham-Barlow School District was required to make significant reductions in staffing and school days. While we now have a full school year, funding for schools has not fully recovered.

The 2018-19 budget relies on K-12 funding level of \$8.2 billion for the 2017-2019 biennium. This funding level allows the District to make some budget enhancements while also maintaining an estimated 7.6 percent ending fund balance.

To comply with state law and sound business principles, the District must maintain a balanced budget with adequate reserves for economic and operational uncertainties. The commonly cited standard, and the amount the district is committed to setting aside is 5 percent of annual operating expenditures. The District's anticipated expenditures will use a portion of the increased reserves in 2017-18 to support expenditures in 2018-19.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
MANAGEMENT'S DISCUSSION AND ANALYSIS

In November 2016, the voters of Gresham-Barlow School District approved a capital construction bond in the amount of \$291.17 million. Additionally, the state of Oregon awarded the school district a capital construction grant of \$8 million. This grant was only available upon successful passage of the bond measure. School bond projects will increase student and staff safety, improve access to modern technology, and address chronic overcrowding through upgrades and updates made to schools and classrooms throughout the district.

The education of students is labor intensive, as reflected in the allocation of the financial resources of the district. For the 2018-19 budget, salaries and fringe benefits represent approximately 71.76% of the General Fund operating budget. The expenditures for salaries and fringe benefits are determined by contractual agreements and staffing policies and guidelines of the board, on the basis of projected enrollment, special student needs, and the conditions of employment established by collective bargaining agreements. In 2017 to 2018 ending fund balance increased from \$11.85 million to \$15.38 million. The 2017-2018 budget anticipates an ending fund balance of approximately \$9.5 million.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Chief Finance Officer at 1331 NW Eastman Parkway, Gresham, Oregon 97030.

BASIC FINANCIAL STATEMENTS

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Governmental Activities
ASSETS:	
Cash and investments	\$ 274,420,784
Receivables	6,524,789
Prepays	116,770
Equity interest in CAL	3,168,874
Capital assets, net	
Construction in Progress	31,972,167
Land	6,326,123
Buildings and improvements	60,166,789
Vehicles and equipment	5,596,729
TOTAL ASSETS	<u>388,293,025</u>
DEFERRED OUTFLOWS OF RESOURCES	
PERS Pension related deferred outflows	23,921,509
Stipend Plan related deferred outflows	319,728
OPEB related deferred outflows	1,260,420
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>25,501,657</u>
LIABILITIES:	
Accounts payable and other current payables	21,305,433
Accrued interest payable	381,185
Unearned revenue	179,511
Noncurrent liabilities:	
Compensated absences, due within one year	273,101
due in more than one year	329,241
Bonds payable, net of unamortized premium/discount,	
due within one year	10,735,659
due in more than one year	319,531,098
Proportionate share of net PERS liability	70,875,734
Net Pension Liability - Stipend Plan	1,455,665
Net OPEB Liability - Insurance and Implicit Subsidy	8,860,284
TOTAL LIABILITIES	<u>433,926,911</u>
DEFERRED INFLOW OF RESOURCES:	
PERS Pension related deferred inflows	3,067,045
Stipend Plan related deferred inflows	35,107
OPEB related deferred inflows	516,917
TOTAL DEFERRED INFLOW OF RESOURCES	<u>3,619,069</u>
NET POSITION:	
Net investment in capital assets	55,267,175
Restricted for:	
Capital Projects	236,216,767
Student and other activities	1,620,891
Nutrition services	1,329,938
Debt Service	463,940
Unrestricted	(318,650,009)
TOTAL NET POSITION	<u>\$ (23,751,298)</u>

See notes to basic financial statements.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense), Revenue and Change in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction:					
Regular programs	\$ 57,567,160	\$ 2,619,535	\$ 1,425,318	\$ 97,925	\$ (53,424,382)
Special programs	30,820,653	358,079	5,340,358	-	(25,122,216)
Summer school programs	17,868	22	-	-	(17,846)
Total instruction	<u>88,405,681</u>	<u>2,977,636</u>	<u>6,765,676</u>	<u>97,925</u>	<u>(78,564,444)</u>
Support Services:					
Student support services	8,117,838	78,674	24,935	-	(8,014,229)
Instructional staff support	6,056,780	49,726	1,891,545	-	(4,115,509)
General administration	1,138,534	7,152	-	-	(1,131,382)
School administration	8,748,351	80,600	-	-	(8,667,751)
Business support services	20,526,465	756,641	-	-	(19,769,824)
Central activities	3,475,812	50,509	-	-	(3,425,303)
Supplemental retirement program	-	-	-	-	-
Total support services	<u>48,063,780</u>	<u>1,023,302</u>	<u>1,916,480</u>	<u>-</u>	<u>(45,123,998)</u>
Enterprise and Community Services:	4,674,721	892,431	3,896,837	-	114,547
Interest on long-term debt	9,015,879	-	-	-	(9,015,879)
Total governmental activities	<u>\$ 150,160,061</u>	<u>\$ 4,893,369</u>	<u>\$ 12,578,993</u>	<u>\$ 97,925</u>	<u>(132,589,774)</u>

General revenues:	
Property taxes levied for general purposes	27,920,419
Property taxes levied for debt service	16,050,570
State school fund - general support	87,163,092
Other unrestricted state sources	3,428,022
Common school fund	1,276,986
County school fund	1,485
Other unrestricted federal sources	6,496
Earnings on investments	2,981,775
Unrealized Gain/Loss on investments	(220,822)
Miscellaneous	632,251
Total general revenues	<u>139,240,274</u>
CHANGE IN NET POSITION	6,650,500
Net position - July 1, 2017	<u>(30,401,798)</u>
Net position - June 30, 2018	<u>\$ (23,751,298)</u>

See notes to basic financial statements.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	General Fund	Federal Grant Fund	Capital Projects Fund	Other Governmental Funds	Total
ASSETS					
Equity in pooled cash and investments	\$ 23,712,506	\$ -	\$ 246,608,248	\$ 4,100,030	\$ 274,420,784
Receivables	2,878,169	1,528,661	177,452	1,940,507	6,524,789
Prepaid Items	116,770				116,770
Due from other funds	2,146,088	-	-	-	2,146,088
TOTAL ASSETS	\$ 28,853,533	\$ 1,528,661	\$ 246,785,700	\$ 6,040,537	\$ 283,208,431
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts, retainage, payroll and payroll withholding payables	\$ 11,870,246	\$ 9,058	\$ 9,243,851	\$ 182,278	\$ 21,305,433
Due to other funds	-	1,514,469	-	631,619	2,146,088
Unearned revenue	-	5,134	-	174,377	179,511
Total Liabilities	11,870,246	1,528,661	9,243,851	988,274	23,631,032
Deferred Inflows of Resources:					
Unavailable revenue-property taxes	1,598,407	-	-	540,945	2,139,352
Fund Balances:					
Nonspendable	116,770	-	-	-	116,770
Restricted	-	-	236,216,767	3,414,769	239,631,536
Committed	-	-	-	-	-
Assigned	-	-	1,325,082	1,096,549	2,421,631
Unassigned	15,268,110	-	-	-	15,268,110
Total fund balances	15,384,880	-	237,541,849	4,511,318	257,438,047
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 28,853,533	\$ 1,528,661	\$ 246,785,700	\$ 6,040,537	\$ 283,208,431

See notes to basic financial statements.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2018**

TOTAL FUND BALANCES		\$ 257,438,047
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 172,425,609	
Accumulated depreciation	<u>(68,363,801)</u>	104,061,808
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are not reported as revenue in the governmental funds.		
		2,139,352
The proportionate share of the net pension liability is not reported as a liability in the governmental funds - PERS		
		(70,875,734)
Pension liability for the stipend plan is not reported as a liability in the governmental funds.		
		(1,455,665)
OPEB liability for insurance is not reported as a liability in the governmental funds.		
		(8,860,284)
Deferred inflow/outflow of resources are not reported as deferred in the governmental funds		
Pension related deferred outflow/inflow (Net)		20,854,464
Stipend plan related deferred outflow (Net)		284,621
OPEB related deferred outflow (Net)		743,503
Equity interest in the Center for Advanced Learning (CAL) is not reported in the governmental funds.		
		3,168,874
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Accrued interest payable	(381,185)	
Capital leases	-	
Bonds and financing payables	(330,266,757)	
Compensated absences payable	<u>(602,342)</u>	<u>(331,250,284)</u>
TOTAL NET POSITION		\$ <u>(23,751,298)</u>

See notes to basic financial statements.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	General Fund	Federal Grant Fund	Capital Projects Fund	Other Governmental Funds	Total
REVENUES:					
Property taxes	\$ 27,920,419	\$ -	\$ -	\$ 16,050,570	\$ 43,970,989
Other taxes	-	-	800,376	-	800,376
Federal sources	37,876	5,951,358	-	3,848,538	9,837,772
State, local and intermediate sources	90,928,950	-	291,325	2,634,035	93,854,310
Charges for services	2,071,478	-	36,151	3,478,532	5,586,161
Investment earnings	616,481	-	2,025,867	118,605	2,760,953
TOTAL REVENUES	121,575,204	5,951,358	3,153,719	26,130,280	156,810,561
EXPENDITURES:					
Current:					
Instruction	75,767,596	3,974,040	-	2,548,842	82,290,478
Support services	41,357,742	1,945,236	123,549	1,974,110	45,400,637
Community services	290,974	32,082	-	4,278,152	4,601,208
Facilities acquisition and construction	-	-	26,292,477	-	26,292,477
Debt service:					
Principal	-	-	387,911	4,420,000	4,807,911
Interest	-	-	53,800	11,921,830	11,975,630
Capital outlay	109,642	-	5,485,336	-	5,594,978
TOTAL EXPENDITURES	117,525,954	5,951,358	32,343,073	25,142,934	180,963,319
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,049,250	-	(29,189,354)	987,346	(24,152,758)
OTHER FINANCING SOURCES (USES):					
Transfers to other funds	(520,000)	-	-	-	(520,000)
Transfer from other funds	-	-	260,000	260,000	520,000
Proceeds from financing agreement	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(520,000)	-	260,000	260,000	-
NET CHANGE IN FUND BALANCE	3,529,250	-	(28,929,354)	1,247,346	(24,152,758)
FUND BALANCE, July 1, 2017	11,855,630	-	266,471,203	3,263,972	281,590,805
FUND BALANCE, June 30, 2018	\$ 15,384,880	\$ -	\$ 237,541,849	\$ 4,511,318	\$ 257,438,047

See notes to basic financial statements.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

NET CHANGE IN FUND BALANCE \$ (24,152,758)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	\$ 31,880,361	
Less current year depreciation	<u>(3,099,242)</u>	28,781,119

In the Statement of Activities, the contributions to the Pension Trust Fund were more than the actuarially determined contribution amount increasing the net pension asset. In the governmental funds the entire contribution is recognized as an expenditure. This is the amount by which the NPL is increased: 509,251

In the Statement of Activities, the contributions to the Post Retirement Health Benefits Program were less than the actuarially determined contribution amount increasing the net OPEB liability. In the governmental funds the entire contribution is recognized as an expenditure. This is the amount by which the net OPEB is recognized as an expenditure. This is the amount by which the net OPEB liability is increased: 1,064,795

The PERS pension expense represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.

Change in Proportionate Share of Net Pension Liability - PERS	9,538,187	
Change in deferred inflows/outflows of resources from net pension liability - PERS	<u>(17,519,327)</u>	(7,981,140)

Long-term debt proceeds are reported as other financing sources in the governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position:

Debt principal repaid (GO \$4,420,000 PERS \$1,424,791, FFCO \$130,000)		5,974,791
Payments on capital lease		253,600

Governmental funds report the effect of premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Amortization of premium/(discount)		(180,589)
------------------------------------	--	-----------

Change in Equity Interest in Center for Advanced Learning (CAL) (95,444)

In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due 2,476,788

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied. (39,865)

Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expenditures when earned. 39,952

CHANGE IN NET POSITION \$ 6,650,500

See notes to basic financial statements.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Over (Under)
REVENUES:				
Property taxes	\$ 27,215,000	\$ 27,215,000	\$ 27,920,419	\$ 705,419
State and local sources	90,597,000	90,597,000	93,000,428	2,403,428
Investment earnings	300,000	300,000	616,481	316,481
Federal sources	52,000	52,000	37,876	(14,124)
Total revenues	118,164,000	118,164,000	121,575,204	3,411,204
EXPENDITURES:				
Instruction	77,574,332	77,574,332	75,767,596	(1,806,736)
Support services	41,584,568	41,584,568	41,467,384	(117,184)
Community services	263,194	263,194	290,974	27,780
Facilities acquisition and construction	-	-	-	-
Operating contingency	10,342,719	10,342,719	-	(10,342,719)
Total expenditures	129,764,813	129,764,813	117,525,954	(12,238,859)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,600,813)	(11,600,813)	4,049,250	15,650,063
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(520,000)	(520,000)	(520,000)	-
Proceeds from sale or loss of capital assets	5,000	5,000	-	(5,000)
	(515,000)	(515,000)	(520,000)	(5,000)
NET CHANGE IN FUND BALANCE	(12,115,813)	(12,115,813)	3,529,250	15,645,063
FUND BALANCE, July 1, 2017	12,115,813	12,115,813	11,855,630	(260,183)
FUND BALANCE, June 30, 2018	\$ -	\$ -	\$ 15,384,880	\$ 15,384,880

See notes to basic financial statements.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL GRANT FUND (SPECIAL REVENUE FUND)
YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
Federal sources	\$ 7,251,359	\$ 7,251,359	\$ 5,951,358	\$ (1,300,001)
Total revenues	<u>7,251,359</u>	<u>7,251,359</u>	<u>5,951,358</u>	<u>(1,300,001)</u>
EXPENDITURES:				
Instruction	4,876,396	4,876,396	3,974,040	(902,356)
Support services	2,303,125	2,303,125	1,945,236	(357,889)
Community services	71,838	71,838	32,082	(39,756)
Total expenditures	<u>7,251,359</u>	<u>7,251,359</u>	<u>5,951,358</u>	<u>(1,300,001)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, July 1, 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to basic financial statements.

FIDUCIARY FUNDS

These funds account for the District's early retirement and post-employment health care benefits, and scholarship programs provided by bequests and donations. Included are:

Pension Trust Fund – The Early Retirement Fund accounts for the accumulation of resources to be used for payments to employees who receive supplemental early retirement stipends. The Post Retirement Fund accounts for the accumulation of resources to be used to pay post-employment medical care benefits (OPEB). Resources for the early retirement fund are charged to other funds as a percent of payroll based on actuarial valuations. Resources are contributed to the Post Retirement Fund through a transfer from the General Fund. Both funds are budgeted together as the Pension Trust Fund.

Agency Fund – accounts for the receipts and disbursements associated with the processing of payroll for the Center for Advanced Learning and to account for “pass-through” grants where the District acts as the fiscal agent or cash conduit.

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

	Pension Trust Funds	Agency Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 1,693,834	\$ 8,023
Receivables	-	102
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>1,693,834</u>	<u>8,125</u>
LIABILITIES		
Book overdraft	-	102
Due to other agencies	-	8,023
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>-</u>	<u>8,125</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 1,693,834</u>	<u>\$ -</u>

See notes to basic financial statements.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2018**

	Pension Trust Funds
ADDITIONS:	
Contributions:	
Employer	\$ 595,748
Investment earnings	29,703
	<hr/>
Total additions	625,451
	<hr/>
DEDUCTIONS:	
Early retirement benefits	280,044
Health and welfare benefits	152,376
	<hr/>
Total deductions	432,420
	<hr/>
CHANGE IN NET POSITION	193,031
NET POSITION, July 1, 2017	<hr/> 1,500,803
NET POSITION, June 30, 2018	<hr/> <hr/> \$ 1,693,834

See notes to basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Gresham-Barlow School District 10JT (the District), was established on July 1, 1994 as the result of the unification of the former Gresham Grade, Orient, Damascus Union and Barlow-Gresham Union High School Districts. The elementary districts merged into Barlow-Gresham Union High School District. The Barlow-Gresham Union High School District Board of Directors remained the governing Board and the policies of the high school remained intact.

The District is governed by an elected seven-member board. The District is a special-purpose primary government exercising financial accountability for all public education within its boundaries. As required by generally accepted accounting principles, these financial statements present all significant activities and organizations of the District. The District reports no component units, nor is the District a component unit of any other entity. There are various governmental agencies and special service districts, which provide service with the District's boundaries, however, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

The District has granted charter to three public charter schools, Gresham-Barlow Web Academy Charter School, Gresham Arthur Academy Charter School and Lewis and Clark Montessori Charter School. These public charter schools are legally separate, tax-exempt organizations governed by their own boards of directors and their financial statements may be obtained by their administrative offices.

Gresham-Barlow Web Academy
1331 NW Eastman Parkway
Gresham, OR 97030

Lewis and Clark Montessori Charter School
PO Box 365
Gresham, OR 97030

Arthur Academy Gresham, Mastery Learning Institute
13717 SE Division
Portland, OR 97236

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities, however interfund services provided and used are not eliminated in the process of consolidation. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Net position is reported as restricted when constraints placed on net position use are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

The fund financial statements provide information about the District's funds including those of a fiduciary nature. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund.

Federal Grant Fund – This fund accounts for revenues and expenditures of grants restricted for specific educational projects. Principal revenue sources are federal grants.

Capital Project Fund – This fund accounts for financial resources that are used for the acquisition of land, construction of buildings, remodel, rehabilitation and/or major renovation of capital facilities, fixtures, new equipment and textbooks for program improvement and educational technology. Principal revenue sources are construction excise taxes, SB 1149 revenues, rental fees on surplus land and surplus land sales, MESD resolution, and transfers from the General Fund.

Additionally, the District reports the following fund types:

The pension trust fund accounts for the accumulation of resources to be used for payments to employees who receive supplemental early retirement stipends and post-employment health care benefits.

The agency fund accounts for pass-through grants where the District acts as fiscal agent or cash conduit and handles the payroll function for the Center for Advanced Learning and Gresham-Barlow Education Foundation.

Measurement Focus and Basis of Accounting

Government-wide and pension trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within thirty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Agency fund financial statements report only assets and liabilities and therefore, have no measurement focus. However the accrual basis of accounting is used to recognize receivables and payables.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments

The cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less. Short-term investments are stated at cost, which approximates fair value. Investments in the State of Oregon Treasurer's Local Government Investment Pool (LGIP) are stated at cost which approximates fair value. Fair value of the LGIP is the same as the value in pool shares.

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 upon 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.

Property Taxes Receivable

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected property taxes are recorded on the statement of net assets. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District.

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants. All accounts receivable are current and no allowance for uncollectible accounts is made.

Interfund Receivables and Payables and Transfers

The receipt and payment of monies through one central checking account, as well as transfers between funds, result in interfund payables and receivables until cash is transferred from one fund to the other. These amounts represent current assets and liabilities and are reported as due to or due from other funds.

Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are recorded as unearned revenue.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Supply Inventories and Prepaid

Inventories are charged as expenditures when purchased and are stated at cost using first-in, first-out (FIFO) method. Any donated inventories are stated at their estimated fair market value. Inventories at year-end were considered immaterial. A portion of the inventory consists of donated United States Department of Agriculture (USDA) commodities. Commodities are recorded when processing and handling fees are paid and are stated at their fair market value based on guidelines provided by the USDA. Commodities on hand at year-end were considered immaterial.

Prepaid items are recorded in both government-wide and fund financial statements using the consumption method where items are charged to expenditure as the service is provided. Prepaid items include funds held at the City of Gresham for permits and first month's rent on a building lease.

Intangible Assets

Intangible assets are recorded in accordance with GASB Statement No. 51. The capitalization threshold for intangible assets is \$50,000. There were no intangible assets as of June 30, 2018.

Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at acquisition value on the date donated. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of three years. Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10 to 50 years
Equipment and vehicles	5 to 20 years
Land and construction in progress are not depreciated	

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.

In addition, licensed, classified employees (hired prior to July 1, 1999), administrative supervisors, (hired prior to July 1, 2005) and confidential employees (hired prior to July 1, 2009) with 15 years of service with the District and reaching age 55 (10 years for administrative) or age 55 with 30 years of service with PERS, generally, are eligible for early retirement benefits. Payment of benefits is made from a fiduciary fund, which accumulates contributions made from the General Fund. These contributions are charged to expenditures based on actuarially determined amounts. Employer contributions to the Pension Trust Fund are recorded when due and the Board has made a formal commitment to provide contributions.

The District offers its employees tax deferred annuity plans established pursuant to Section 403(b) and Section 457(b) of the Internal Revenue Code.

Post Employment Health Care Benefits

Eligible administrative and confidential employees who elect early retirement are entitled to payment of group medical and dental insurance premiums up to specified maximum limits. Such costs are recorded as expenses in the Pension Trust Fund and funded as premiums become due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Budget

A budget is prepared and legally adopted for each governmental fund type and pension trust funds on the modified accrual basis of accounting. The agency fund is not required to be budgeted. A budget is prepared for multiple areas of the District's Capital Project Fund and Special Revenue Funds because the individual funds are associated with specific bond proceeds, grants or other revenue sources, however, the legal level of budgetary control is at the combined level as adopted by the Board of Education by resolution. The budgetary basis of accounting is substantially the same as accounting principles generally accepted in the United States of America basis, except capital outlay expenditures, including items below the District's capitalization level, are budgeted by major function in governmental fund types, inventories are budgeted as expenditures when purchased and contributions to the Post Retirement Fund are budgeted as transfers. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution.

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. During the 2017/18 fiscal year no budget amendments were proposed. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. During the year, no appropriation transfers were made. Appropriations lapse at the end of each fiscal year. Expenditures of the various funds were within authorized appropriations, except as noted on the budgetary comparisons for the General Fund.

Use of Estimates

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred outflows/inflows of resources

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. At June 30, 2018, there were deferred outflows of \$25,501,657 representing pension, stipend, and OPEB related deferrals reported in the statement of net position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2018, there were deferred inflows of \$3,619,069 representing pension, stipend, and OPEB related deferrals reported in the statement of net position. In addition, the governmental funds balance sheet has deferred inflows of \$2,139,352 which represent unavailable property taxes.

NET POSITION

Net position comprises the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net Investment in Capital Assets – consists of all capital assets reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There is net position restricted for special projects.

Unrestricted – consists of all other assets that are not included in the other categories previously mentioned.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitation requiring the use of resources for specific purposes. These categories are described as follows:

Nonspendable Fund Balance – represents amounts that are not in a spendable form (inventories and prepaid items). The District currently has no nonspendable fund balance.

Restricted Fund Balance – represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements or other governments) or are restricted by law (constitutionally or by enabling legislation).

Committed Fund Balance – represents funds formally set aside by the Board of Directors for a particular purpose. The Board of Directors must take formal action by resolution to establish, modify or resend the commitment. The District currently has no committed fund balance.

Assigned Fund Balance – represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. The Board has given authority by motion to the District's Superintendent and/or the District's Chief Finance Officer to assign fund balance.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned Fund Balance – is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. In other governmental it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The Board of Directors has approved the following order of spending regarding fund balance categories:

1. Restricted Fund Balance
2. Committed Fund Balance
3. Assigned Fund Balance
4. Unassigned Fund Balance

2. CASH, DEPOSITS AND INVESTMENTS

Deposits with financial institutions include bank demand deposits, deposits in the local government investment pool, time certificates of deposit, and savings accounts deposits as authorized by Oregon statutes. The cash and investments are comprised of the following:

Cash on hand	\$ 4,798
Deposits banks	17,828,480
Time certificates of deposit	110,700
State of Oregon treasurer's investment pool	35,246,648
US Treasuries	14,916,800
US Agencies	208,015,215
	<u>\$ 276,122,641</u>

Cash and investments are shown on the basic financial statements as:

Statement of Net Position	
Equity in Cash and Investments	\$ 274,420,784
Statement of Fiduciary Funds Net Assets	
Equity in Cash and Investments	1,701,857
	<u>\$ 276,122,641</u>

Deposits with Financial Institutions

Deposits with financial institutions include bank demand deposits and certificates of deposit. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. At year-end, the District's net carrying amount of deposits was \$17,939,180 and the bank balance was \$19,155,532. Of these deposits, \$947,669 was covered by federal depository insurance, and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP). Oregon Revised Statutes and District policy require depository institutions to maintain on deposit, with the collateral pool manager, securities having a value not less than 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer.

2. CASH, DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

As of June 30, 2018 the District held the following investments and maturities:

Investment Type	<u>Fair Value</u>	<u>Less than 3</u>	<u>More than 3</u>
State Treasurer's Investment Pool	\$ 35,246,648	\$ 35,246,648	\$ -
U.S. Agencies	208,015,215	56,896,450	151,118,765
U.S. Treasuries	14,916,800	-	14,916,800
	<u>\$ 258,178,663</u>	<u>\$ 92,143,098</u>	<u>\$ 166,035,565</u>

Generally accepted accounting principles require investments with a remaining maturity of more than one year at the time of purchase to be stated at fair value. Fair value is determined at the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale.

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's compliance with all portfolio guidelines can be found in their annual report when issued. 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. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)
 If the link has expired please contact the Oregon Short Term Fund directly.

Interest Rate Risk

Oregon Revised Statutes require investments not to exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. In accordance with its investment policy, the District manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities or short-term investment pools. The maximum maturity shall be the anticipated use of the cash or 18 months, whichever is shorter, unless the funds are being accumulated for a specific purpose, including future construction projects, and upon approval of the District, the maximum maturity date matches anticipated use of the funds.

Credit Risk

Oregon Statutes authorize investing in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation of P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

2. CASH, DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk - Investments

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's investment policy requires that all of the District's investments, except for the investment in the Local Government Investment Pool which is not evidenced by securities and the overnight sweep repurchase agreements, to be delivered to and held in third party safekeeping. The overnight sweep repurchase agreements were held in safekeeping by the financial institution counterparty in the financial institution's general customer account name. There was no overnight sweep balance at June 30, 2018.

Concentration of Credit Risk

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U.S. Government Agencies. At June 30, 2018, 14% of total investments were in the State Treasurer's Investment Pool.

The District's investment policy places no limit on the amount the District may invest in U.S. government agency securities and instrumentalities of government-sponsored corporations or the state treasurer's investment pool, however the policy limits investment to a single U. S government agency to 50% of surplus funds. The District's investment policy limits commercial paper to 35% of total investments with no more than 5% in a single corporate entity or it affiliates or subsidiaries. The District's investment policy also limits banker's acceptances to 50% of the total investment portfolio with no more than 25% of the total portfolio of investments in a single issuer. State and Local Government securities are limited to 25% of the total portfolio and to lawfully issued debt obligation or the agencies and instrumentalities of the States of Oregon, Washington, Idaho and California. The District policy, which adheres to State of Oregon law, is to limit its investment to issuers within Oregon with a rating of at least "A" (bond) or A-2/P-2 (commercial paper) or better by Standard and Poor's, Moody's Investor Service or any other nationally recognized statistical rating organization, issuers not in Oregon must be rated AA/Aa (bonds) or A-1/P-1 (commercial paper) or better.

3. RECEIVABLES

Receivables are comprised of the following as of June 30, 2018:

Property taxes	\$	2,139,352
Grants		2,593,392
Common school fund		638,493
July turnover with county treasurer		199,221
Nutrition Services Negative Balances		72,672
Investment Interest		124,691
Other		756,968
Total	\$	<u>6,524,789</u>

4. PREPAID ITEMS

Prepaid items are comprised of the following as of June 30, 2018:

Rent	\$	5,402
City of Gresham Escrow - Permits		24,618
Other		86,750
Total	\$	<u>116,770</u>

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
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5. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	July 1, 2017	Increases	Decreases	June 30, 2018
Capital assets not being depreciated:				
Land	\$ 6,326,123	\$ -	\$ -	\$ 6,326,123
Construction in progress	4,799,816	27,172,351	-	31,972,167
Total capital assets not being depreciated	<u>11,125,939</u>	<u>27,172,351</u>	<u>-</u>	<u>38,298,290</u>
Capital assets being depreciated				
Buildings and improvements	122,143,096	43,640	-	122,186,736
Vehicles and equipment	7,276,213	4,664,370	-	11,940,583
Total capital assets being depreciated	<u>129,419,309</u>	<u>4,708,010</u>	<u>-</u>	<u>134,127,319</u>
Less accumulated depreciation for:				
Buildings and improvements	(59,419,270)	(2,600,677)	-	(62,019,947)
Vehicles and equipment	(5,845,289)	(498,565)	-	(6,343,854)
Total accumulated depreciation	<u>(65,264,559)</u>	<u>(3,099,242)</u>	<u>-</u>	<u>(68,363,801)</u>
Total capital assets being depreciated, net	<u>64,154,750</u>	<u>1,608,768</u>	<u>-</u>	<u>65,763,518</u>
Total capital assets, net	<u>\$ 75,280,689</u>	<u>\$ 28,781,119</u>	<u>\$ -</u>	<u>\$ 104,061,808</u>

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

<u>Program</u>	
Regular programs	\$ 2,603,603
Special programs	32,481
Student support services	971
Instructional programs	660
School administration	3,924
Business support services	386,679
Central activities	7,848
Enterprise and community services	63,076
Total	<u>\$ 3,099,242</u>

6. LONG-TERM DEBT

Bonds Payable

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bonds to provide funds for the acquisition and construction of District school facilities. The 2005 and 2012 outstanding issues as of June 30, 2018 are refunding issues, which refunded the 1996 and 2000 construction bonds. The district refunding series 2005 matures in June of 2021 and refunding series 2012 matured in June 2017.

On February 28, 2017 the District issued \$241.166 million in general obligation bonds for capital construction and improvements. Interest rates on the bonds range from 1.39-5%, payable semi-annual in June and December. Principal is paid annually in June with a final maturity in June 2037.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

6. LONG-TERM DEBT (CONTINUED)

Changes in general obligation bonds outstanding are as follows:

ISSUE DATE:	Original Issue	Outstanding		Matured	Outstanding	Due	Interest Rates
		July 1, 2017	Issued	and Redeemed	June 30, 2018	Within One Year	
April 18, 2005	\$ 32,405,000	\$ 20,210,000	\$ -	\$ 4,420,000	\$ 15,790,000	\$ 4,825,000	5.50%
February 28, 2017	241,165,714	241,165,714	-	-	241,165,714	3,375,850	1.39-5%
		261,375,714	-	4,420,000	256,955,714	8,200,850	
Unamortized premium		29,741,841	-	728,131	29,013,711	1,721,810	
Total		\$ 291,117,555	\$ -	\$ 5,148,131	\$ 285,969,425	\$ 9,922,660	

Pension Obligation Bonds

On October 31, 2002 and April 21, 2003, limited tax pension obligation bonds totaling \$35,758,403 and \$25,307,539, respectively, were issued to finance the District's unfunded actuarially accrued liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The issuance of the bonds was considered an advance refunding of the District's UAL and resulted in an estimated present value saving of approximately \$16 million over the life of the bonds. The actual savings realized by the District over the life of the bonds is uncertain because of the various legislative changes and legal issues pending with the PERS system which could impact the District's future required contribution rate.

On January 31, 2012, limited tax pension refunding obligation bonds totaling \$2,485 million were issued to refund \$2,380 million of the October 31, 2002 limited tax pension obligation bonds. The remaining pension obligation bonds are not callable. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government activities column of the statement of net assets. At June 30, 2018, \$2,380,000 of pension obligation bonds are considered defeased.

Changes in pension obligation bonds outstanding are as follows:

ISSUE DATE:	Original Issue	Outstanding		Matured	Outstanding	Due	Interest Rates
		July 1, 2017	Issued	and Redeemed	June 30, 2018	Within One Year	
October 31, 2002	\$ 35,758,403	\$ 26,502,102	\$ -	\$ 742,557	\$ 25,759,545	\$ 753,543	5.48-6.1%
April 21, 2003	25,307,539	17,381,991	-	682,234	16,699,757	677,872	5.66-6.34%
January 31, 2012	2,485,000	2,485,000	-	-	2,485,000	-	2.75%
		46,369,093	-	1,424,791	44,944,302	1,431,415	
Unamortized Discount		(3,108,139)	-	(921,463)	(2,186,676)	(766,161)	
Total		\$ 43,260,954	\$ -	\$ 503,328	\$ 42,757,626	\$ 665,254	

Full Faith and Credit Obligations

On August 22, 2012 the District issued \$2.185 million in full faith and credit obligations in order to finance energy efficiency and related capital projects. Repayment will be made from the District's general non-restricted revenues and other funds that may be available for that purpose but primarily SB 1149 revenues which are designated for energy projects. The obligations are not general obligation bonds and are not subject to the District's debt limitation.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

6. LONG-TERM DEBT (CONTINUED)

Changes in full faith and credit obligation bonds outstanding are as follows:

ISSUE DATE:	<u>Original Issue</u>	<u>Outstanding July 1, 2017</u>	<u>Issued</u>	<u>Matured and Redeemed</u>	<u>Outstanding June 30, 2018</u>	<u>Due Within One Year</u>	<u>Interest Rates</u>
August 12, 2012	\$ 2,185,000	\$ 1,555,000	\$ -	\$ 130,000	\$ 1,425,000	\$ 135,000	3-4%
	Unamortized premium	127,450	-	12,745	114,705	12,745	
	Total	<u>\$ 1,682,450</u>	<u>\$ -</u>	<u>\$ 142,745</u>	<u>\$ 1,539,705</u>	<u>\$ 147,745</u>	

Financing Agreement

The District entered into a ten-year financing agreement with Washington Federal on July 6, 2015 for the purpose of replacing the turf field at Gresham High School in the amount of \$1.5 million. The obligation is not subject to the District's debt limitation. General obligation debt issued February 28, 2017 refunded this debt issue.

Future maturities are as follows and does not include amortization of premium and discounts:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	9,767,264	13,910,378
2020	10,590,720	14,043,110
2021	12,745,447	12,549,033
2022	12,781,498	12,529,519
2023	14,406,954	11,742,880
2024-2028	101,860,000	37,127,657
2029-2033	81,846,293	34,064,457
2034-2037	59,326,840	45,415,160
Total	<u>\$303,325,016</u>	<u>\$181,382,194</u>

In prior years, the District defeased general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. As a result, the early refunding bonds are considered to be defeased. Accordingly, the trust account assets and the liabilities for the defeased obligations are not included in the District's basic financial statements. At June 30, 2018, \$16,150,000 of general obligation bonds are considered defeased.

Compensated Absences

<u>Outstanding 7/1/17</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 6/30/18</u>	<u>Due with one year</u>
\$642,294	\$602,342	\$642,294	\$602,342	\$273,101

Compensated absences are assumed to be used on a first in first out basis and are generally liquidated by the general fund. An estimate has been made to determine balances which are considered due within one year.

The general obligation bonds will be paid from general property tax revenues from the Debt Service Fund. The pension bonds will be paid from the general fund with reimbursements from charges to fringe benefits for all employees who qualify for the State of Oregon Public Employees Retirement System. The full faith and credit obligation and the financing agreement will be paid from the capital projects fund. Compensated absences will be paid from the general fund.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds at June 30, 2018 are as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 2,146,088	\$ -
Federal Grant Fund		1,514,469
Non-major governmental funds		631,619
Total interfund receivables and payables	<u>\$ 2,146,088</u>	<u>\$ 2,146,088</u>

The outstanding balances between funds results from grant awards which require the expenditure of funds prior to reimbursement, causing negative cash balances until grant reimbursement is received. This transaction properly records negative cash balances.

Transfers are used to move unrestricted revenues to finance various programs that the District must account for in other funds in accordance with budgetary authorization.

In the year ended June 30, 2018, the District made the following transfers:

- 1) A transfer of \$260,000 from the General Fund to the Capital Projects Fund in support of the maintenance reserve program.
- 2) A transfer of \$300,000 from the General Fund to the Post Retirement Fund in support of other post employment health care benefits. This transfer is included as support services expenditures for GAAP reporting purposes.
- 3) A transfer of \$260,000 from the General Fund to the Other Special Revenue Fund in support of print shop operations.

8. OPERATING LEASES

The District leases equipment, primarily copiers, under non-cancelable lease agreements. Operating lease expenses/expenditures totaled approximately \$328,000 for the year ended June 30, 2018. Future payments associated with operating leases are due as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 339,413
2020	332,627
2021	128,960
2022	121,041
2023	14,313
	<u>\$ 936,354</u>

9. CAPITAL LEASES

The District entered into a lease agreement as lessee for financing the acquisition of computer hardware with a down payment of \$257,911 on July 17, 2014. The lease agreement qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of the future minimum lease payments as of the inception date. The equipment acquired through the capital lease had a purchase price of \$1,006,065 but did not meet the criteria for capitalization under the District's capitalization policy and therefore was expensed in the 2014-2015 fiscal year. Lease payments for the current fiscal year amounted to \$257,911, with \$4,311 representing interest. This lease was paid off in July 2017.

10. OTHER POST EMPLOYMENT BENEFITS

Post Employment Health Care Benefits

Plan Description - The District, as a result of collective bargaining agreements, offers post-employment medical benefits under a single-employer, defined benefit plan, to administrators and confidential employees upon retiring under the provisions of PERS and to instructors who retired prior to July 1, 1992. In addition to qualifying for PERS, retirees must elect early retirement under the District's early retirement program as described in the previous Note. For these retirees, the District provides payments for medical premiums and provides dental coverage to administrators until the earlier of 120 months or until age 65.

Prior to July 1, 1992, the program was also available to instructors. As a result of collective bargaining, increased benefits in the District's early retirement program, as described in the previous note, have replaced the post-employment health care benefits for instructions retiring on or after July 1, 1992. Benefits will continue for those instructors already receiving benefits, who retired prior to July 1, 1992. The District does not issue a stand-alone report for this plan.

Summary of significant accounting policies - The plan is accounted for in the Post Retirement Fund, which is reported on the accrual basis of accounting. The District's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are a part of the District's investment pool, reported at fair value. Because the District has not transferred the assets to an insurance trust, the actuarial value of assets is zero.

Funding Policy - The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. Although there is no obligation on the part of the District to fund these benefits in advance, the District has established a Post Retirement Fund to accumulate assets to pay these benefits in the future; however the District does not contribute to the fund on an actuarially determined basis.

Post Employment Health Insurance Subsidy

Plan Description - The District operates a single-employer retiree benefit plan that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements. The District's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active employees, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. Instead, the activities of the plan are reported in the General Fund. The District does not issue a stand-alone report for this plan.

Funding Policy - The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance.

10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Total Other Post Employment Benefit Liability

For presentation purposes the actuary combined both OPEB Plans (Implicit Subsidy and Post employment Health Care) into one liability and the following disclosures include both plans. The District's total pension liability and total other post employment benefits were measured as of June 30, 2017 and determined by an actuarial valuation as of June 30, 2017.

Actuarial Methods and Assumptions - The District engaged an actuary to perform a valuation as of June 30, 2017 using the Entry age normal, level percent of salary Actuarial Cost Method. The asset valuation method used was market value and the amortization method used was 30 year, open level %.

The total other post employment benefit liability in the June 30, 2017 actuarial valuation was calculated based on the discount rate and actuarial assumptions below, and was then projected forward/backward to the measurement date.

Discount Rate	2.85%	3.58%
Valuation Date	January 1, 2017	January 1, 2017
Measurement Date	June 30, 2016	June 30, 2017
Reporting Date	June 30, 2017	June 30, 2018
Inflation	2.50%	2.50%
Salary Increases	3.25%	3.25%
Healthy Mortality	Based on Oregon PERS valuation assumptions as of December 31, 2015	Based on Oregon PERS valuation assumptions as of December 31, 2015
Actuarial Cost Method	Entry Age Normal Level Percent of Pay	Entry Age Normal Level Percent of Pay

Mortality rates were based on the RP=2000 Combined Mortality Table for males or females, as appropriate, set back 24 months, and were calculated by adjusting the rates by 60% for male participants and 55% for female participants.

Disability rates were not used in the June 30, 2017 valuation.

Retirement rates were calculated based on age, tier/OPSRP and years of service. 100% of future retirees eligible for District-paid health care are assumed to elect medical coverage and 80% of those retirees are assumed to cover a spouse, as well.

60% of all other future retirees are assumed to elect medical coverage and 70% of male/30% of female retirees are assumed to cover a spouse, as well. There was an assumption of no impact of dependent children on the implicit subsidy.

100% of eligible retirees are assumed to continue life insurance coverage until the maximum allowable age.

The discount rate used to measure the total other post-employment benefit liabilities were 3.85%, based on the Bond Buyer Index: 20-Bond Government Obligations at the measurement date.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
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10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Net Other Post-employment Benefit Liability

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balance at June 30, 2017	\$ 10,572,896	\$ 1,163,383	\$ 9,409,513
Service Cost	615,960	-	615,960
Interest on Total Pension Liability	308,980	-	308,980
Effect of changes to benefit terms	-	-	-
Effect of economic /demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	(591,833)	-	(591,833)
Contributions - Employer	-	324,352	(324,352)
Contributions - Employee	-	-	-
Benefit Payments	(699,804)	(141,820)	(557,984)
Administrative Expenses	-	-	-
Balance at June 30, 2018	\$ 10,206,199	\$ 1,345,915	\$ 8,860,284

Sensitivity of the Total Post-employment Benefit Liability to changes in the discount and trend rates

The following presents the Total OPEB Liability of the plan, calculated using the discount rate as of the measurement date, as well as what the Plan's Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption:

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
	Total OPEB Liability	\$ 11,024,945	\$ 10,206,199
Fiduciary Net Position	-	-	-
Net OPEB Liability	\$ 11,024,945	\$ 10,206,199	\$ 9,447,507

	1% Decrease (4%)	Current Trend Rate (5%)	1% Increase (6%)
	Total OPEB Liability	\$ 9,221,876	\$ 10,206,199
Fiduciary Net Position	-	-	-
Net OPEB Liability	\$ 9,221,876	\$ 10,206,199	\$ 11,342,942

Tax Sheltered Annuity

The District offers its employees a tax deferred annuity programs established pursuant to Section 403(b) and 457(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 from the District. As of June 30, 2018, approximately 310 employees were participating in the plan.

10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Other Post-Employment Benefit Plan (RHIA)

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

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

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.50% of annual covered OPERF payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the year ended June 30, 2018 were considered by management to be immaterial to the basic financial statements.

At June 30, 2018, the District's net OPEB liability/(asset) and deferred inflows and outflows were not considered to be material to the basic financial statements by management and were not accrued on the government wide statements.

11. PENSION PLANS

Early Retirement

Plan Description - The District maintains a single employer early retirement supplement program for its employees. This program covers all full-time certificated and classified employees (hired prior to July 1, 1999) and administrative employees (hired prior to July 1, 2005) and confidential (hired prior to July 1, 2009) personnel of the District. The District does not issue a stand alone report for this plan.

These programs have been established under separate collective bargaining agreements and provide provisions for early retirement after 30 years of service or age 55 with at least 15 years of continuous District service (ten years for administrative) immediately preceding retirement. This optional early retirement program provides the employee with the following:

- For certificated employees, \$780 per month for the earlier of forty-eight months or until age 62.
- For classified or confidential employees, \$200 per month for the earlier of forty-eight months or until age 62.
- For administrators with between 10 and 15 years of service, \$350 per month for the earlier of forty-eight months or until age 62.
- For administrators with 15 or more years of service, \$400 per month for the earlier of forty-eight months or until age 62

11. PENSION PLANS (CONTINUED)

Summary of significant accounting policies –The plan is accounted for in the Early Retirement Fund, which is reported on the accrual basis of accounting. The District’s contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are a part of the District’s investment pool, reported at fair value.

Funding Policy - The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. Although there is no obligation on the part of the District to fund these benefits in advance, the District has established an Early Retirement Fund to accumulate assets to pay these benefits in the future based on an actuarially determined rate.

Total Pension Liability (Stipend) - The District’s total pension liability and total other post employment benefits were measured as of June 30, 2017 and determined by an actuarial valuation as of June 30, 2017.

Actuarial Methods and Assumptions - The District engaged an actuary to perform a valuation as of June 30, 2017 using the Entry age normal, level percent of salary Actuarial Cost Method. The asset valuation method used was market value and the amortization method used was 30 year, open level %.

The total pension liability in the June 30, 2017 actuarial valuation was calculated based on the discount rate and actuarial assumptions below, and was then projected forward/backward to the measurement date. There are no assets accumulated in a trust that meets the criteria in GASB 73 paragraph 4.

Discount Rate	2.85%	3.58%
Valuation Date	January 1, 2017	January 1, 2017
Measurement Date	June 30, 2016	June 30, 2017
Reporting Date	June 30, 2017	June 30, 2018
Inflation	2.50%	2.50%
Salary Increases	3.25%	3.25%
Healthy Mortality	Based on Oregon PERS valuation assumptions as of December 31, 2015	Based on Oregon PERS valuation assumptions as of December 31, 2015
Actuarial Cost Method	Entry Age Normal Level Percent of Pay	Entry Age Normal Level Percent of Pay

Mortality rates were based on the RP=2000 Combined Mortality Table for males or females, as appropriate, set back 24 months, and were calculated by adjusting the rates by 60% for male participants and 55% for female participants.

Disability rates were not used in the June 30, 2017 valuation.

Retirement rates were calculated based on age, tier/OPSRP and years of service. Members who can become eligible for District-paid stipend were assumed not to terminate employment prior to retirement.

100% of active members eligible for stipend benefits were assumed to elect coverage upon retirement.

The discount rate used to measure the total other post-employment benefit liabilities was 3.5%, based on the expected long-term future annual investment returns for Oregon’s Local Government Investment Pool and comparable investments.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

11. PENSION PLANS (CONTINUED)

Program membership consisted of the following at January 1, 2017:

Retirees currently receiving benefits	41
Active program members	212
Total	<u>253</u>

Changes in the Total Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at June 30, 2017	\$ 2,055,856	\$ 337,420	\$ 1,718,436
Service Cost	57,372	-	57,372
Interest on Total Pension Liability	55,725	-	55,725
Effect of changes to benefit terms	-	-	-
Effect of economic /demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	(47,213)	-	(47,213)
Contributions - Employer	-	301,100	(301,100)
Contributions - Employee	-	-	-
Benefit Payments	(318,156)	(290,601)	(27,555)
Administrative Expenses	-	-	-
Balance at June 30, 2018	<u>\$ 1,803,584</u>	<u>\$ 347,919</u>	<u>\$ 1,455,665</u>

Sensitivity of the Total Pension Liability to changes in the discount and trend rates - The following presents the Total Pension Liability of the plan, calculated using the discount rate as of the measurement date, as well as what the Plan's Total Pension Liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption:

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
Total Pension Liability	\$ 1,868,033	\$ 1,803,584	\$ 1,738,047
Fiduciary Net Position	-	-	-
Net Pension Liability	<u>\$ 1,868,033</u>	<u>\$ 1,803,584</u>	<u>\$ 1,738,047</u>

Oregon Public Employees Retirement System (PERS)

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at: <http://www.oregon.gov/pers/Documents/Financials/CAFR/2017-CAFR.pdf>
If the link is expired please contact Oregon PERS for this information.

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

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

11. PENSION PLANS (CONTINUED)

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

- 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 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.

11. PENSION PLANS (CONTINUED)

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, 2015 actuarial valuation, which became effective July 1, 2017. 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, 2018 were \$6,691,710, excluding amounts to fund employer specific liabilities. In addition approximately \$2,420,760 in employee contributions were paid by the District in 2018.

PENSION ASSET OR LIABILITY – At June 30, 2018, the District reported a net pension liability of \$70,875,734 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2017 and 2016, the District’s proportion was .526 and .536 percent respectively. Pension expense for the year ended June 30, 2018 was \$7,981,140.

The rates in effect for the year ended June 30, 2018 were:

- (1) Tier 1/Tier 2 – 13.89%
- (2) OPSRP general services – 8.56%

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 3,427,581	\$ -
Changes in assumptions	12,919,382	-
Net difference between projected and actual earnings on pension plan investments	730,186	-
Net changes in proportionate share	152,650	835,799
Differences between District contributions and proportionate share of contributions	<u>-</u>	<u>2,231,246</u>
Subtotal - Amortized Deferrals (below)	17,229,799	3,067,045
District contributions subsequent to measurement date	<u>6,691,710</u>	<u>-</u>
Net deferred outflow (inflow) of resources	<u>\$ 23,921,509</u>	<u>\$ 3,067,045</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2019.

Subtotal amounts related to pension as deferred outflows of resources, \$17,299,799, and deferred inflows of resources, (\$3,067,045), net to \$14,162,754 and will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2019	2,486,271
2020	8,301,919
2021	5,536,650
2022	(2,139,323)
2023	(22,763)
Thereafter	-
Total	<u>\$ 14,162,754</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 20, 2018. Oregon PERS produces an independently audited CAFR which can be found at: <http://www.oregon.gov/pers/Documents/Financials/CAFR/2017-CAFR.pdf>

11. PENSION PLANS (CONTINUED)

ACTUARIAL VALUATIONS – The employer contribution rates effective July 1, 2017 through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date	December 31, 2015 rolled forward to June 30, 2017
Experience Study Report	2014, Published September 23, 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 OPSERP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.50 percent
Projected salary increase	3.50 percent overall payroll growth
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/.15%) in accordance with Moro decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled Retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2015 Experience Study which is reviewed for the four-year period ending December 31, 2015.

ASSUMED ASSET ALLOCATION

<i>Asset Class/Strategy</i>	<i>Low Range</i>	<i>High Range</i>	<i>OIC Target</i>
<i>Cash</i>	<i>0.0%</i>	<i>3.0%</i>	<i>0.0%</i>
<i>Debt Securities</i>	<i>15.0%</i>	<i>25.0%</i>	<i>20.0%</i>
<i>Public Equity</i>	<i>32.5%</i>	<i>42.5%</i>	<i>37.5%</i>
<i>Real Estate</i>	<i>9.5%</i>	<i>15.5%</i>	<i>12.5%</i>
<i>Private Equity</i>	<i>14.0%</i>	<i>21.0%</i>	<i>17.5%</i>
<i>Alternative Equity</i>	<i>0.0%</i>	<i>12.5%</i>	<i>12.5%</i>
<i>Opportunity Portfolio</i>	<i>0.0%</i>	<i>3.0%</i>	<i>0.0%</i>
<i>Total</i>			<i>100%</i>

Source: June 30, 2017 PERS CAFR; p. 92)

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

11. PENSION PLANS (CONTINUED)

LONG-TERM EXPECTED RATE OF RETURN – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Market Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equities	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds – Diversified	2.50%	4.64%
Hedge Fund – Event-Driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	1.88%	4.58%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

Source: June 30, 2017 PERS CAFR; p. 69

DISCOUNT RATE – The discount rate used to measure the total pension liability, as of the measurement dates June 30, 2017 and 2016 was 7.50 and 7.50 percent respectively, 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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 120,785,191	\$ 70,875,734	\$ 29,142,185

11. PENSION PLANS (CONTINUED)

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

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

OPSRP INDIVIDUAL ACCOUNT PROGRAM (OPSRP IAP)

Plan Description - Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

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

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

Contributions - Employees of the District pay six (6) percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2018.

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

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

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters. The District purchases commercial insurance for all claims other than that represented by minimal deductible amounts per loss. Workers' compensation insurance is purchase on a retrospectively rated basis so that total insurance cost is ultimately in direct proportion to losses. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years and there have been no reductions in insurance coverage from the prior year. The District does not engage in risk financing activities where the risk is retained (self-insurance).

13. COMMITMENTS AND CONTINGENCIES

On July 1, 2004, the District entered into a contract for pupil transportation to extend through the 2013-2014 school year. The District may extend the contract for up to an additional four years in two year increments. The contract was extended on April 5, 2018 for an additional two years to through the 2019-20 school year. The total cost to the District under this contract will vary depending upon the number of buses utilized each day. Expenditures under the contract for pupil transportation during fiscal 2018 were approximately \$6,185,000, including expenditures for gasoline and additional bus services not included in the computation of minimum annual costs.

On June 9, 2016, the District entered into a one-year contract for food service management to extend through the 2016-17 school year. The contract may be renewed yearly upon mutual written agreement for up to four additional years. The contract was renewed on May 3, 2018 for the 2018-19 fiscal year. The total cost to the District under the contract will vary depending upon the number of meals served. Expenditures under the contact for fiscal year 2018 were approximately \$3,678,000

In 2017 and 2018 the District entered into contracts for the design, build and renovation of buildings through out the district. As of June 30, 2018 the district has approximately \$87,900,000 in contracts outstanding.

The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable.

14. JOINT VENTURE

The District has entered into an intergovernmental property agreement to build and operate a Center for Advanced Learning (CAL), a charter school. However, payment and ownership will be shared with the following Districts along with their share of ownership: Reynolds School District No. 7, 19.305%; Centennial School District no. 28J, 16.369%; Mt. Hood Community College, 15.058%; and Gresham-Barlow School District No. 10J, 49.268%. The District's investment in CAL at June 30, 2017 and 2018 was \$3,264,318 and \$3,168,874, respectively. The Center for Advanced Learning issues a publicly available financial report which may be obtained by writing: Administrator, The Center for Advanced Learning, 1484 NW Civic Drive, Gresham, OR 97030.

15. SCHOOL FUNDING

The District is dependent on the State of Oregon for a substantial portion of its operating funds. Due to funding uncertainties at the State level, future funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the District's future operations is not yet determinable.

The District participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2018 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts are expected to be immaterial.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

16. FUND BALANCES

Below is a schedule of ending fund balance, based on GASB Statement No 54 implementation.

Fund Balances	General Fund	Major Capital Projects Fund	Non Major Funds	Total
Nonspendable	\$ 116,770	\$ -	\$ -	\$ 116,770
Restricted:				
Student and other activities	\$ -	\$ -	\$ 1,620,891	\$ 1,620,891
Food Services	-	-	1,329,938	1,329,938
Debt Service	-	-	463,940	463,940
School Construction	-	236,216,767	-	236,216,767
	\$ -	\$ 236,216,767	\$ 3,414,769	\$ 239,631,536
Committed to:				
PERS Rate Increase	\$ -	\$ -	\$ -	\$ -
Assigned to:				
Other Capital Projects	\$ -	\$ 1,325,082	\$ -	\$ 1,325,082
Other Special Revenue	-	-	1,096,549	1,096,549
Unassigned	\$ 15,268,110	\$ -	\$ -	\$ 15,268,110
Total Fund Balances	\$ 15,384,880	\$ 237,541,849	\$ 4,511,318	\$ 257,438,047

17. TAX ABATEMENTS

As of June 30, 2018, Gresham-Barlow School District has state provided tax abatements through four major programs:

Vertical Housing (ORS 307.864) - The partial property tax exemption for vertical housing development projects exempts the property from a portion of ad valorem property taxes imposed by local districts, other than districts electing not to participate in the vertical housing development zone.

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

Enterprise Zone (ORS 285C.175) - The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

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

Construction in Process in Enterprise Zone (ORS 285C.170) - The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions. A Construction-in-Process exemption is available for qualifying properties currently under construction in an Enterprise Zone.

To qualify, the property must be owned or leased by an authorized business that is contractually obligated to own or lease the property until placed in service, it may not be previously subject to exemption as a commercial facility (ORS 307.330), and may not be operated, in all or part, as a hotel, motel, or destination resort.

Property may be exempt for no more than two tax years, which must be consecutive, and is not dependent on the property already receiving or being qualified to receive the Enterprise Zone exemption.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

17. TAX ABATEMENTS (CONTINUED)

Strategic Key Investment Zone (ORS 307.123) - Real or personal property that the Oregon Business Development Commission, acting pursuant to ORS 285C.606, has determined is an eligible project under ORS 285C.600 to 285C.635 shall be subject to assessment and taxation up to that portion of the real market value of the eligible project that equals the minimum cost of the project under ORS 285C.606 (1)(c), increased annually for growth at the rate of three percent, shall be taxable at the taxable portion's assessed value under ORS 308.146. The taxable portion of real market value, as adjusted, shall be allocated as follows until the entire amount is assigned: first to land, second to buildings, third to real property machinery and equipment and last to personal property. The remainder of the real market value shall be exempt from taxation for a period of 15 years from the beginning of the tax year after the date the property is certified for occupancy.

For the fiscal year ended June 30, 2018, the District abated property taxes as follows under these programs:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated during the Fiscal Year</u>
Vertical Housing Zones	\$ 19,674
Enterprise Zones	269,173
Construction in Process Enterprise Zones	165,685
Strategic Key Investment Zones	193,796
	<u>\$ 648,327</u>

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REQUIRED SUPPLEMENTAL INFORMATION

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

*Year Ended June 30,	(a) District's proportion of the net pension liability (NPL)	(b) District'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
2018	53 %	\$ 70,875,734	\$ 57,672,826	1.23 %	83.1 %
2017	.54	80,413,921	58,294,529	1.38	80.5
2016	.53	30,542,161	54,461,564	0.56	91.9
2015	.55	(12,462,938)	47,561,896	(0.26)	103.6
2014	.55	28,058,317	51,573,224	0.54	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31/14 and rolled forward to the measurement date.

SCHEDULE OF DISTRICT CONTRIBUTIONS

*Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percent of covered payroll
2018	\$ 6,691,710	\$ 6,691,710	\$ -	\$ 59,042,248	11.3 %
2017	4,127,058	4,127,058	-	57,672,826	7.2
2016	2,931,512	2,931,512	-	58,294,529	5.0
2015	4,088,013	4,088,013	-	54,461,564	7.5
2014	3,906,814	3,906,814	-	47,561,896	8.2

The amounts presented for each fiscal year were actuarially 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.

The above schedules have been restated for all years.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
REQUIRED SUPPLEMENTARY INFORMATION
EARLY RETIREMENT PROGRAM**

**SCHEDULE OF CHANGE IN THE DISTRICT'S NET PENSION LIABILITY AND RELATED RATIOS
STIPEND BENEFIT**

	2018	2017
Total Pension Liability - beginning	\$ 2,055,856	\$ 2,211,684
Service cost	57,372	46,428
Interest	55,725	80,177
Changes of benefit terms		
Differences between expected and actual experience		
Changes in assumptions or other input	(47,213)	72,124
Benefit payments	(318,156)	(354,557)
Net change in total pension liability	(252,272)	(155,828)
Total Pension Liability - end of year	\$ 1,803,584	\$ 2,055,856
Fiduciary Net Position - beginning	\$ 337,420	\$ 313,534
Contributions - Employer	295,748	338,928
Contributions - Employee	-	-
Net investment income	5,352	3,115
Benefit payments	(290,601)	(318,157)
Administrative expense	-	-
Net change in fiduciary net position	10,499	23,886
Fiduciary Net Position - end of year	\$ 347,919	\$ 337,420
Net Pension Liability - end of year	\$ 1,455,665	\$ 1,718,436
Fiduciary net position as a percentage of the total pension liability	19%	16%
Covered payroll	12,010,255	12,456,637
Net pension liability as a percentage of covered payroll	12%	14%

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.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 REQUIRED SUPPLEMENTARY INFORMATION
 EARLY RETIREMENT PROGRAM**

SCHEDULE OF EMPLOYER CONTRIBUTIONS - STIPEND BENEFIT

Fiscal Year Ending June 30,	Actuarially Determined Contribution (ADC)	Contributions in relation to the ADC	Contribution Deficiency (excess)	Employers Covered Payroll	Contributions as a percent of Covered Payroll
2018	\$ 333,600	\$ 295,748	\$ 37,852	\$ 12,010,255	2.5%
2017	333,600	338,928	(5,328)	12,456,637	2.7%

NOTES TO SCHEDULE

The above data is based on actuarial valuation performed as of July 1, 2017

KEY METHOD AND ASSUMPTIONS USED TO CALCULATE ADC

The actuarial cost method used is the Individual Entry Age Normal Level Percent of Pay cost method.

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.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PROGRAMS (IMPLICIT SUBSIDY AND HEALTH CARE BENEFITS)**

**SCHEDULE OF CHANGE IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
Implicit Subsidy and Health Care Benefits**

	<u>2018</u>	<u>2017</u>
Total OPEB Liability - beginning	\$ 10,572,896	\$ 9,618,834
Service cost	615,960	498,577
Interest	308,980	376,179
Changes of benefit terms		
Differences between expected and actual experience		
Changes in assumptions or other input	(591,833)	779,110
Benefit payments	(699,804)	(699,804)
Net change in total OPEB liability	(366,697)	954,062
Total OPEB Liability - end of year	\$ 10,206,199	\$ 10,572,896
Fiduciary Net Position - beginning	\$ 1,163,383	\$ 965,144
Contributions - Employer	300,000	300,000
Contributions - Employee	-	-
Net investment income	24,352	13,288
Benefit payments	(141,820)	(115,049)
Administrative expense	-	-
Net change in fiduciary net position	182,532	198,239
Fiduciary Net Position - end of year	\$ 1,345,915	\$ 1,163,383
Net OPEB Liability - end of year	\$ 8,860,284	\$ 9,409,513
Fiduciary net position as a percentage of the total OPEB liability	13%	11%
Covered payroll	58,554,649	59,036,086
Net OPEB liability as a percentage of covered payroll	15%	16%

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.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER POST EMPLOYMENT BENEFIT PROGRAMS (IMPLICIT SUBSIDY AND HEALTH CARE BENEFITS)**

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB

<u>Fiscal Year Ending June 30,</u>	<u>Actuarially Determined Contribution (ADC)</u>	<u>Contributions in relation to the ADC</u>	<u>Contribution Deficiency (excess)</u>	<u>Employers Covered Payroll</u>	<u>Contributions as a percent of Covered Payroll</u>
2018	\$ -	\$ 300,000	\$ (300,000)	\$ 58,554,649	0.5%
2017	\$ -	\$ 300,000	\$ (300,000)	\$ 59,036,086	0.5%

NOTES TO SCHEDULE

The above data is based on actuarial valuation performed as of July 1, 2017

KEY METHOD AND ASSUMPTIONS USED TO CALCULATE ADC

The actuarial cost method used is the Individual Entry Age Normal Level Percent of Pay cost method.

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.

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SUPPLEMENTARY INFORMATION

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
Construction excise taxes	\$ 200,000	\$ 200,000	\$ 307,288	\$ 107,288
E-Rate	250,000	250,000	493,088	243,088
Intermediate Sources	75,000	75,000	75,000	-
Other state and local sources	215,000	215,000	216,325	1,325
Investment earnings	3,019,500	3,019,500	2,025,867	(993,633)
Miscellaneous	15,000	15,000	36,151	21,151
Total revenues	3,774,500	3,774,500	3,153,719	(620,781)
EXPENDITURES:				
Instruction	-	-	-	-
Support services	341,699	341,699	123,549	(218,150)
Facilities acquisition and construction	35,100,000	35,100,000	31,777,813	(3,322,187)
Debt Service	470,000	470,000	441,711	(28,289) (1)
Total expenditures	35,911,699	35,911,699	32,343,073	(3,568,626)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(32,137,199)	(32,137,199)	(29,189,354)	2,947,845
OTHER FINANCING SOURCES (USES):				
Financing Proceeds	-	-	-	-
Transfers from other funds	260,000	260,000	260,000	-
	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(31,877,199)	(31,877,199)	(28,929,354)	2,947,845
FUND BALANCE, July 1, 2017	267,738,500	267,738,500	266,471,203	(1,267,297)
FUND BALANCE, June 30, 2018	\$ 235,861,301	\$ 235,861,301	\$ 237,541,849	\$ 1,680,548

(1) - Overexpenditure allowable for debt refunding under Oregon Local Budget Law.

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NONMAJOR GOVERNMENTAL FUNDS

These funds account for revenues and expenditures restricted for specific educational projects, the District's food dispensing program, future capital equipment replacement, and student participation fees. Included are the following funds:

Nutrition Services Fund – The program is funded by the sale of meal tickets and monies and food products received from the U.S.D.A and the Oregon State Department of Education. The Board has contracted the operation of the food service to Sodexo, a nationwide food service contractor.

State and Other Grant Fund – This grant accounts for revenue and expenditures of grants restricted for specific educational projects. Principal revenue sources are state and local grants.

Other Special Revenue Fund – This fund accounts for the other special revenues from one primary source: student activities. The major source of revenue is student participation fees and receipts from event admission charges for student activities.

Debt Service Fund – This fund accounts for the payment of principal and interest on the general obligation bonds issued in 1996 and 2001, refunded in 2003, 2005, 2012 and 2016.

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds				Total
	Nutrition Services Fund	State and Other Grant Fund	Other Special Revenue Fund	Debt Service Fund	
ASSETS					
Equity in pooled cash and investments	\$ 1,110,683	\$ -	\$ 2,591,537	\$ 397,810	\$ 4,100,030
Property taxes receivable	-	-	-	540,945	540,945
Accounts and other receivable	265,051	1,064,731	3,430	66,350	1,399,562
TOTAL ASSETS	\$ 1,375,734	\$ 1,064,731	\$ 2,594,967	\$ 1,005,105	\$ 6,040,537
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and retainage payable	\$ 748	\$ 173,396	\$ 7,914	\$ 220	\$ 182,278
Matured interest coupons payable	-	-	-	-	-
Unearned revenue	45,048	129,329	-	-	174,377
Due to other funds	-	631,619	-	-	631,619
TOTAL LIABILITIES	45,796	934,344	7,914	220	988,274
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	-	540,945	540,945
Fund Balances:					
Restricted for:					
Food Service	1,329,938	-	-	-	1,329,938
Retirement of long-term debt	-	-	-	463,940	463,940
School activities	-	-	1,490,504	-	1,490,504
Other activities	-	130,387	-	-	130,387
Assigned	-	-	1,096,549	-	1,096,549
TOTAL FUND BALANCES	1,329,938	130,387	2,587,053	463,940	4,511,318
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,375,734	\$ 1,064,731	\$ 2,594,967	\$ 1,005,105	\$ 6,040,537

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds				Total
	Nutrition Services Fund	State and Other Grant Fund	Other Special Revenue Fund	Debt Service Fund	
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ 16,050,570	\$ 16,050,570
Other taxes	-	-	-	-	-
Federal grants	3,848,538	-	-	-	3,848,538
State and local sources	86,958	2,378,201	168,876	-	2,634,035
Charges for services	540,509	-	2,938,023	-	3,478,532
Investment earnings	22,282	-	343	95,980	118,605
TOTAL REVENUES	4,498,287	2,378,201	3,107,242	16,146,550	26,130,280
EXPENDITURES:					
Current:					
Instruction	-	771,789	1,777,053	-	2,548,842
Support services	-	1,655,934	318,176	-	1,974,110
Community services	4,278,152	-	-	-	4,278,152
Capital outlay	-	-	-	-	-
Debt Service:					
Principal	-	-	-	4,420,000	4,420,000
Interest	-	-	-	11,921,830	11,921,830
TOTAL EXPENDITURES	4,278,152	2,427,723	2,095,229	16,341,830	25,142,934
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	220,135	(49,522)	1,012,013	(195,280)	987,346
OTHER FINANCING SOURCES:					
5100 Financing Proceeds	-	-	-	-	-
5200 Transfers in	-	-	260,000	-	260,000
	-	-	260,000	-	260,000
NET CHANGE IN FUND BALANCE	220,135	(49,522)	1,272,013	(195,280)	1,247,346
FUND BALANCE, July 1, 2017	1,109,803	179,909	1,315,040	659,220	3,263,972
FUND BALANCE, June 30, 2018	\$ 1,329,938	\$ 130,387	\$ 2,587,053	\$ 463,940	\$ 4,511,318

DETAIL BUDGET REPORTS

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED REVENUES -
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Over (Under)
REVENUES:				
Local Sources:				
Current year taxes	\$ 26,700,000	\$ 26,700,000	\$ 27,444,813	\$ 744,813
Prior year taxes	500,000	500,000	460,014	(39,986)
Other taxes	15,000	15,000	-	(15,000)
Penalties and interest	-	-	15,592	15,592
Tuition and transportation	100,000	100,000	61,193	(38,807)
Investment earnings	300,000	300,000	616,481	316,481
Co-curricular activities	310,000	310,000	274,118	(35,882)
Community services activities	55,000	55,000	112,395	57,395
Rentals	250,000	250,000	288,117	38,117
Services provided to others	220,000	220,000	195,000	(25,000)
Fees charged to grants	480,000	480,000	503,941	23,941
Medicare Reimbursements	100,000	100,000	138,307	38,307
Miscellaneous	380,000	380,000	498,407	118,407
Total local sources	29,410,000	29,410,000	30,608,378	1,198,378
Intermediate Sources:				
County School Fund	2,000	2,000	1,485	(515)
Other Intermediate sources	2,000,000	2,000,000	1,825,000	(175,000)
Total intermediate sources	2,002,000	2,002,000	1,826,485	(175,515)
State Sources:				
State school fund	84,600,000	84,600,000	87,122,833	2,522,833
Common school fund	1,500,000	1,500,000	1,276,986	(223,014)
Other State Revenue	600,000	600,000	702,646	102,646
Total state sources	86,700,000	86,700,000	89,102,465	2,402,465
Federal Sources:				
Child care development	40,000	40,000	31,380	(8,620)
Federal forest fees	12,000	12,000	6,496	(5,504)
Other federal sources	-	-	-	-
Total federal sources	52,000	52,000	37,876	(14,124)
TOTAL REVENUES	118,164,000	118,164,000	121,575,204	3,411,204
Other Financing Sources:				
Proceeds from sale or loss of capital assets	5,000	5,000	-	(5,000)
Total other financing sources	5,000	5,000	-	(5,000)
TOTAL REVENUES AND OTHER FINANCING SOURCES	118,169,000	118,169,000	121,575,204	3,406,204
FUND BALANCE, July 1, 2017	12,115,813	12,115,813	11,855,630	(260,183)
TOTAL REVENUES, OTHER FINANCING SOURCES AND FUND BALANCE	\$ 130,284,813	\$ 130,284,813	\$ 133,430,834	\$ 3,146,021

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED EXPENDITURES -
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
Instruction:				
1111 Elementary programs	\$ 13,969,664	\$ 8,281,238	\$ 58,983	\$ 167,340
1121 Middle school programs	7,269,287	4,017,919	37,302	100,220
1122 Middle school extracurricular	242,445	79,497	30,382	8,886
1131 High school programs	8,502,787	5,019,346	28,906	224,428
1132 High school extracurricular	970,983	391,203	144,243	19,074
1140 Preschool programs	231,809	179,959	66	4,126
1210 Talented and gifted programs	15,447	8,525	7,659	-
1220 Restrictive programs	1,631,904	1,037,622	1,351,218	7,807
1250 Resource rooms	4,934,098	3,285,813	2,161	11,155
1271 Remediation	49,187	17,779	30,501	-
1272 Title I	-	-	-	-
1280 Alternative education	182,399	90,775	9,104,126	-
1290 Designated programs	2,487,330	1,460,596	8,171	22,339
1400 Summer School	4,262	1,266	12,000	-
Total instruction	40,491,602	23,871,538	10,815,718	565,375
Support services:				
2110 Attendance and social work services	583,934	402,724	210,725	-
2120 Guidance services	1,720,984	943,938	-	6,179
2130 Health services	400,488	200,723	3,881	10,588
2140 Psychological services	318,800	178,867	901	748
2150 Speech pathology and audiology services	543,550	299,309	2,769	3,071
2190 Service direction - student support services	313,750	160,567	84,207	23,116
2210 Improvement of instruction services	647,049	326,687	143,621	7,371
2220 Educational media services	649,602	467,912	1,014	47,635
2230 Assessment and testing	172,349	85,685	7,736	17,198
2240 Instructional staff development	386,425	639,058	98,955	31,265
2310 Board of education services	43,055	21,692	140,251	4,950
2320 Executive administration services	540,700	237,705	55,728	18,776
2410 Office of the principal services	5,101,922	2,985,475	162,505	44,342
2520 Fiscal services	629,276	394,370	150,179	27,922
2540 Operation and maintenance of plant service	2,959,774	1,915,762	4,104,943	575,278
2550 Student transportation services	63,379	41,491	6,550,925	3,042
2570 Internal services	8,686	4,759	204,693	31,975
2620 Planning and development services	-	-	-	-
2630 Information services	133,846	54,705	21,455	6,850
2640 Staff services	418,301	255,655	47,930	15,805
2660 Technology services	1,063,447	571,581	20,648	483,621
2670 Records management	-	-	-	-
2680 Interpretation and translation services	19,768	4,752	22,854	-
2690 Other central support	45,011	21,850	-	5,092
Total support services	16,764,096	10,215,267	12,035,920	1,364,824

Capital Outlay (500)	Other Objects (600)	Total	Budget		Variance with Final Budget Over (Under)
			Adopted	Final	
\$ -	\$ 24	\$ 22,477,249	\$ 23,233,451	\$ 23,233,451	\$ (756,202)
-	5,166	11,429,894	11,479,464	11,479,464	(49,570)
-	-	361,210	413,030	413,030	(51,820)
-	6,066	13,781,533	13,609,999	13,609,999	171,534
-	11,947	1,537,450	1,590,803	1,590,803	(53,353)
-	35	415,995	419,216	419,216	(3,221)
-	-	31,631	47,466	47,466	(15,835)
-	-	4,028,551	4,292,321	4,292,321	(263,770)
-	-	8,233,227	8,467,270	8,467,270	(234,043)
-	-	97,467	212,232	212,232	(114,765)
-	-	-	-	-	-
-	(470)	9,376,830	9,667,189	9,667,189	(290,359)
-	595	3,979,031	4,117,513	4,117,513	(138,482)
-	-	17,528	24,378	24,378	(6,850)
-	23,363	75,767,596	77,574,332	77,574,332	(1,806,736)
-	-	1,197,383	1,388,755	1,388,755	(191,372)
-	189	2,671,290	2,803,850	2,803,850	(132,560)
-	-	615,680	655,325	655,325	(39,645)
-	-	499,316	536,938	536,938	(37,622)
-	-	848,699	884,440	884,440	(35,741)
-	3,035	584,675	575,411	575,411	9,264
-	3,173	1,127,901	1,243,917	1,243,917	(116,016)
-	-	1,166,163	1,231,866	1,231,866	(65,703)
-	608	283,576	363,434	363,434	(79,858)
-	1,190	1,156,893	1,265,309	1,265,309	(108,416)
-	11,993	221,941	225,777	225,777	(3,836)
-	17,133	870,042	845,794	845,794	24,248
-	29,272	8,323,516	8,304,280	8,304,280	19,236
-	595,817	1,797,564	1,802,790	1,802,790	(5,226)
109,642	1,124	9,666,523	9,019,918	9,019,918	646,605
-	-	6,658,837	6,217,643	6,217,643	441,194
-	-	250,113	330,868	330,868	(80,755)
-	-	-	-	-	-
-	2,667	219,523	286,969	286,969	(67,446)
-	11,335	749,026	828,756	828,756	(79,730)
-	99	2,139,396	2,337,013	2,337,013	(197,617)
-	-	-	-	-	-
-	-	47,374	46,882	46,882	492
-	-	71,953	88,633	88,633	(16,680)
109,642	677,635	41,167,384	41,284,568	41,284,568	(117,184)

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED EXPENDITURES -
BUDGET AND ACTUAL (Continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
Community services:				
3310 Community services	\$ 123,035	70,060	7,447	12,395
3320 Civic services	56,767	17,671	1,571	488
Total community services	<u>179,802</u>	<u>87,731</u>	<u>9,018</u>	<u>12,883</u>
Facilities acquisition and construction				
4150 Building acquisition and construction	-	-	-	-
Total facilities acquisition and construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6110 OPERATING CONTINGENCY	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u><u>\$ 57,435,500</u></u>	<u><u>\$ 34,174,536</u></u>	<u><u>\$ 22,860,656</u></u>	<u><u>\$ 1,943,082</u></u>

OTHER FINANCING USES:

5200 Transfers out

7000 UNAPPROPRIATED ENDING FUND BALANCE

TOTAL EXPENDITURES AND OTHER FINANCING USES

Capital Outlay (500)	Other Objects (600)	Total	Budget		Variance with Final Budget Over (Under)
			Adopted	Final	
-	1,540	214,477	\$ 199,630	199,630	\$ 14,847
-	-	76,497	63,564	63,564	12,933
-	1,540	290,974	263,194	263,194	27,780
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	10,342,719	10,342,719	(10,342,719)
<u>\$ 109,642</u>	<u>\$ 702,538</u>	<u>\$ 117,225,954</u>	<u>\$ 129,464,813</u>	<u>\$ 129,464,813</u>	<u>\$ (12,238,859)</u>
		(1) 820,000	820,000	820,000	-
		820,000	820,000	820,000	-
		-	-	-	-
		<u>\$ 118,045,954</u>	<u>\$ 130,284,813</u>	<u>\$ 130,284,813</u>	<u>\$ (12,238,859)</u>

(1) See footnote 7 for explanation of treatment of \$300,000 transfer to Post Retirement Fund (page 69)

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NUTRITION SERVICES FUND
YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance with Final budget Over (Under)
	Adopted	Final		
REVENUES:				
Charges for services:				
1600 Food services sales	\$ 829,630	\$ 829,630	\$ 540,304	\$ (289,326)
1900 Miscellaneous	200	200	205	5
Total local sources	<u>829,830</u>	<u>829,830</u>	<u>540,509</u>	<u>(289,321)</u>
State sources:				
3102 State school fund - school lunch match	43,260	43,260	40,259	(3,001)
3200 Other state sources	103,103	103,103	46,699	(56,404)
Total state sources	<u>146,363</u>	<u>146,363</u>	<u>86,958</u>	<u>(59,405)</u>
Federal sources:				
4505 Received through state agencies	3,500,000	3,500,000	3,567,124	67,124
4503 Food distribution	320,075	320,075	281,414	(38,661)
Total federal sources	<u>3,820,075</u>	<u>3,820,075</u>	<u>3,848,538</u>	<u>28,463</u>
1500 Investment earnings	<u>5,500</u>	<u>5,500</u>	<u>22,282</u>	<u>16,782</u>
TOTAL REVENUES	<u>4,801,768</u>	<u>4,801,768</u>	<u>4,498,287</u>	<u>(303,481)</u>
EXPENDITURES:				
Community services*:				
3100 Food preparation and dispensing services:				
100 Salaries	-	-	-	-
200 Benefits	-	-	-	-
300 Services	4,462,019	4,462,019	3,729,947	(732,072)
400 Materials	595,273	595,273	302,987	(292,286)
500 Capital outlay	200,000	200,000	43,715	(156,285)
600 Other	213,000	213,000	201,503	(11,497)
TOTAL EXPENDITURES	<u>5,470,292</u>	<u>5,470,292</u>	<u>4,278,152</u>	<u>(1,192,140)</u>
NET CHANGE IN FUND BALANCE	<u>(668,524)</u>	<u>(668,524)</u>	<u>220,135</u>	<u>888,659</u>
FUND BALANCE, July 1, 2017	<u>940,602</u>	<u>940,602</u>	<u>1,109,803</u>	<u>169,201</u>
FUND BALANCE, June 30, 2018	<u>\$ 272,078</u>	<u>\$ 272,078</u>	<u>\$ 1,329,938</u>	<u>\$ 1,057,860</u>

* Appropriation level

Note - Included in this Fund is the required state revenue match of \$40,259 (in the form of Claim on Cash) the District must provide for National School Lunch Support, in order to meet the general cash assistance match requirements.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL GRANT FUND
YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
Federal Sources:				
4500 Received through state agencies	\$ 7,251,359	\$ 7,251,359	\$ 5,951,358	\$ (1,300,001)
4900 Received through other sources	-	-	-	-
Total federal sources	<u>7,251,359</u>	<u>7,251,359</u>	<u>5,951,358</u>	<u>(1,300,001)</u>
EXPENDITURES:				
1000 Instruction	4,876,396	4,876,396	3,974,040	(902,356)
2000 Support Services	2,303,125	2,303,125	1,945,236	(357,889)
3000 Community Services	71,838	71,838	32,082	(39,756)
Total expenditures	<u>7,251,359</u>	<u>7,251,359</u>	<u>5,951,358</u>	<u>(1,300,001)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, July 1, 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED EXPENDITURES -
BUDGET AND ACTUAL
FEDERAL GRANT FUND
YEAR ENDED JUNE 30, 2018**

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
INSTRUCTION*:				
1220 Restrictive programs	\$ 64,690	\$ 49,500	\$ -	\$ 2,003
1250 Resource rooms	627,425	381,097	500	7,774
1272 Title 1	1,520,790	875,748	264,768	42,076
1280 Alternative education	-	-	-	-
1290 Other programs	-	-	-	-
1460 Summer school - special programs	-	-	-	-
Total instruction	<u>2,212,905</u>	<u>1,306,345</u>	<u>265,268</u>	<u>51,853</u>
SUPPORT SERVICES*:				
2120 Placement services	-	-	-	-
2130 Health services	161,189	90,489	1,110	-
2140 Psychological services	56,283	41,905	210	-
2150 Speech pathology and audiology services	247,800	144,621	-	-
2190 Service direction-student support services	170,961	103,135	3,444	-
2210 Improvement of instruction services	63,481	35,994	4,162	3,418
2230 Assessment and testing	-	-	-	-
2240 Instructional staff development	384,938	228,222	54,364	17,539
2520 Fiscal services	-	-	-	-
2550 Student transportation	-	-	-	-
2690 Other central support services	-	-	-	-
Total support services	<u>1,084,652</u>	<u>644,366</u>	<u>63,290</u>	<u>20,957</u>
3300 COMMUNITY SERVICES*:	<u>9,203</u>	<u>2,820</u>	<u>12,146</u>	<u>7,913</u>
TOTAL EXPENDITURES	<u>\$ 3,306,760</u>	<u>\$ 1,953,531</u>	<u>\$ 340,704</u>	<u>\$ 80,723</u>

*Appropriation level

Capital Outlay (500)	Other Objects (600)	Total	Budget		Variance with Final Budget Over (Under)
			Adopted	Final	
\$ -	\$ 267	\$ 116,460	\$ 136,720	\$ 136,720	\$ (20,260)
-	-	1,016,796	1,094,296	1,094,296	(77,500)
-	137,402	2,840,784	3,336,380	3,336,380	(495,596)
-	-	-	-	-	-
-	-	-	300,000	300,000	(300,000)
-	-	-	9,000	9,000	(9,000)
-	137,669	3,974,040	4,876,396	4,876,396	(902,356)
-	-	-	-	-	-
-	-	252,788	260,042	260,042	(7,254)
-	164	98,562	115,294	115,294	(16,732)
-	-	392,421	394,493	394,493	(2,072)
-	11,441	288,981	281,762	281,762	7,219
-	2,995	110,050	448,793	448,793	(338,743)
-	-	-	-	-	-
-	24,993	710,056	683,330	683,330	26,726
-	92,378	92,378	119,411	119,411	(27,033)
-	-	-	-	-	-
-	-	-	-	-	-
-	131,971	1,945,236	2,303,125	2,303,125	(357,889)
-	-	32,082	71,838	71,838	(39,756)
\$ -	\$ 269,640	\$ 5,951,358	\$ 7,251,359	\$ 7,251,359	\$ (1,300,001)

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STATE AND OTHER GRANT FUND
YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
Revenues from local sources:				
1920 Private donations	\$ 97,656	\$ 97,656	\$ 51,394	\$ (46,262)
1990 Miscellenous	-	-	66,051	66,051
Total local sources	97,656	97,656	117,445	19,789
Revenues from intermediate sources:				
2102 ESD apportionment	100,000	100,000	100,000	-
2900 Other intermdiate souces	515,000	515,000	442,408	(72,592)
Total intermdiate sources	615,000	615,000	542,408	(72,592)
Revenues from state sources:				
3199 Other restricted grants	150,000	150,000	-	(150,000)
3299 Other restricted grants	7,472,200	7,472,200	1,718,348	(5,753,852)
	7,622,200	7,622,200	1,718,348	(5,903,852)
TOTAL REVENUES	8,334,856	8,334,856	2,378,201	(5,956,655)
EXPENDITURES:				
1000 Instruction	5,634,944	5,634,944	771,789	(4,863,155)
2000 Support services	2,866,912	2,866,912	1,655,934	(1,210,978)
3000 Community services	-	-	-	- +
Total expenditures	8,501,856	8,501,856	2,427,723	(6,074,133)
NET CHANGE IN FUND BALANCE	(167,000)	(167,000)	(49,522)	117,478
FUND BALANCE, July 1, 2017	167,000	167,000	179,909	12,909
FUND BALANCE, June 30, 2018	\$ -	\$ -	\$ 130,387	\$ 130,387

+Exempt from Oregon Budget Law per ORS 294.338(2)

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED EXPENDITURES -
BUDGET AND ACTUAL
STATE AND OTHER GRANT FUND
YEAR ENDED JUNE 30, 2018**

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
INSTRUCTION*:				
1111 Elementary school programs	\$ 8,738	\$ 1,404	\$ 7,209	\$ 1,257
1121 Middle school programs	-	-	2,064	9,830
1131 High school programs	114,946	87,465	238,900	88,606
1140 Pre-kindergarten programs	14,779	13,473	48	15,311
1220 Restrictive programs for students with disabilities	-	-	-	-
1250 Resource Rooms	78,575	35,878	-	-
1271 Remediation	7,979	2,843	-	-
1272 Title I	4,211	1,439	-	-
1290 Other Programs	4,113	1,250	1,669	2,589
Total instruction	233,341	143,752	249,890	117,593
SUPPORT SERVICES*:				
2113 Social Work	164,879	106,657	993	4,304
2120 Restrictive Programs	868	318	-	-
2130 Health services	267	62	15,220	-
2190 Service direction-student support services	-	-	-	-
2210 Improvement of instruction services	1,872	279	13,940	-
2220 Education media services	-	-	-	6,320
2230 Assessment and testing	-	-	4,000	-
2240 Instructional staff development	669,966	282,877	192,373	43,738
2320 Executive administration services	-	-	-	-
2540 Operation and maintenance of plant services	-	-	-	-
2550 Student transportation	-	-	-	-
2620 Planning and development services	-	-	-	-
2640 Staff services	-	-	-	-
2660 Technology services	48,930	37,870	-	11,380
Total support services	886,782	428,063	226,526	65,742
3100 COMMUNITY SERVICES*:	-	-	-	-
TOTAL EXPENDITURES	\$ 1,120,123	\$ 571,815	\$ 476,416	\$ 183,335
7000 UNAPPROPRIATED ENDING FUND BALANCE*:				
TOTAL EXPENDITURES AND UNAPPROPRIATED ENDING FUND BALANCE				

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
OTHER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
Local sources:				
1311 Tuition from individuals	\$ 170,000	\$ 170,000	\$ 83,699	\$ (86,301)
1330 Summer school tuition	-	-	-	-
1410 Transportation from individuals	1,500	1,500	390	(1,110)
1700 Extracurricular Activities	1,817,550	1,817,550	1,627,531	(190,019)
1800 Community Services	-	-	2,871	2,871
1920 Contributions	180,500	180,500	168,876	(11,624)
1940 Services provided others	75,665	75,665	21,558	(54,107)
1950 Textbook sales and rentals	16,300	16,300	9,993	(6,307)
1970 Services provided other funds	1,025,000	1,025,000	1,020,726	(4,274)
1990 Miscellaneous	57,200	57,200	171,255	114,055
Total local sources	3,343,715	3,343,715	3,106,899	(236,816)
1500 Investment earnings	6,500	6,500	343	(6,157)
			-	
TOTAL REVENUES	3,350,215	3,350,215	3,107,242	(242,973)
EXPENDITURES:				
1000 Instruction	3,365,550	3,365,550	1,777,053	(1,588,497)
2000 Support services	507,899	507,899	318,176	(189,723)
Total expenditures	3,873,449	3,873,449	2,095,229	(1,778,220)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(523,234)	(523,234)	1,012,013	1,535,247
OTHER FINANCING SOURCES:				
5200 Transfers in	260,000	260,000	260,000	-
NET CHANGE IN FUND BALANCE	(263,234)	(263,234)	1,272,013	1,535,247
FUND BALANCE, July 1, 2017	1,297,500	1,297,500	1,315,040	17,540
FUND BALANCE, June 30, 2018	\$ 1,034,266	\$ 1,034,266	\$ 2,587,053	\$ 1,552,787

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED EXPENDITURES -
BUDGET AND ACTUAL
OTHER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
INSTRUCTION*:				
1113 Elementary school extracurricular	\$ -	\$ -	\$ 12,139	\$ 182,236
1122 Middle school extracurricular	-	-	84,919	163,991
1131 High school programs	-	-	-	-
1132 High school extracurricular	-	-	360,433	549,330
1220 Self Contained Classrooms	-	-	432	729
1400 Summer school programs.	-	-	-	-
Total instruction	-	-	457,923	896,286
SUPPORT SERVICES*:				
2410 Office of the Principal	-	-	114	13,946
2550 Student transportation	-	-	57,416	-
2570 Internal services	109,829	40,231	8,006	88,634
Total support services	109,829	40,231	65,536	102,580
TOTAL EXPENDITURES	\$ 109,829	\$ 40,231	\$ 523,459	\$ 998,866
7000 UNAPPROPRIATED ENDING FUND BALANCE*:				
TOTAL EXPENDITURES AND UNAPPROPRIATED ENDING FUND BALANCE				

*Appropriation level

Capital Outlay (500)	Other Objects (600)	Total	Budget		Variance with Final Budget Over (Under)
			Adopted	Final	
\$ -	\$ 70,653	\$ 265,028	\$ 393,550	\$ 393,550	\$ (128,522)
-	74,187	323,097	615,000	615,000	(291,903)
-	-	-	15,000	15,000	(15,000)
-	278,004	1,187,767	2,342,000	2,342,000	(1,154,233)
-	-	1,161	-	-	1,161
-	-	-	-	-	-
-	422,844	1,777,053	3,365,550	3,365,550	(1,588,497)
-	-	14,060	38,000	38,000	(23,940)
-	-	57,416	103,500	103,500	(46,084)
-	-	246,700	366,399	366,399	(119,699)
-	-	318,176	507,899	507,899	(189,723)
\$ -	\$ 422,844	\$ 2,095,229	\$ 3,873,449	\$ 3,873,449	\$ (1,778,220)
		-	1,034,266	1,034,266	(1,034,266)
		\$ 2,095,229	\$ 4,907,715	\$ 4,907,715	\$ (2,812,486)

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
1100 Property taxes	\$ 16,132,352	\$ 16,132,352	\$ 16,050,570	\$ (81,782)
1500 Investment earnings	60,000	60,000	95,980	35,980
TOTAL REVENUES	<u>16,192,352</u>	<u>16,192,352</u>	<u>16,146,550</u>	<u>(45,802)</u>
EXPENDITURES:				
5100 Debt service:*				
610 Principal	4,420,000	4,630,000	4,420,000	(210,000)
620 Interest	11,922,352	1,406,438	11,921,830	10,515,392
	<u>16,342,352</u>	<u>6,036,438</u>	<u>16,341,830</u>	<u>10,305,392</u> (1)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(150,000)	10,155,914	(195,280)	(10,351,194)
FUND BALANCE, July 1, 2017	<u>600,000</u>	<u>600,000</u>	<u>659,220</u>	<u>59,220</u>
FUND BALANCE, June 30, 2018	<u>\$ 450,000</u>	<u>\$ 10,755,914</u>	<u>\$ 463,940</u>	<u>\$ (10,291,974)</u>

(1) - Overexpenditure allowable for debt refunding under Oregon Local Budget Law.

*Appropriation level

**GRESHAM-BARLOW SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
1130 Construction Excise Tax	\$ 200,000	\$ 200,000	\$ 307,288	\$ 107,288
2190 Intermediate Sources	75,000	75,000	75,000	-
3290 Other State Sources	215,000	215,000	216,325	1,325
1500 Investment earnings	3,019,500	3,019,500	2,025,867	(993,633)
1960 E-Rate and recovery of prior year	250,000	250,000	493,088	243,088
1920 Contributions	-	-	22,925	22,925
1910 Rentals	15,000	15,000	13,226	(1,774)
TOTAL REVENUES	3,774,500	3,774,500	3,153,719	(620,781)
EXPENDITURES:				
1000 Instruction	-	-	-	-
2000 Support services	341,699	341,699	123,549	(218,150)
4000 Facilities Acquisition and construction	35,100,000	35,100,000	31,777,813	(3,322,187)
5110 Debt services	470,000	470,000	441,711	(28,289)
Total expenditures	35,911,699	35,911,699	32,343,073	(3,568,626)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(32,137,199)	(32,137,199)	(29,189,354)	2,947,845
OTHER FINANCING SOURCES:				
5100 Financing Proceeds	-	-	-	-
5200 Transfers in	260,000	260,000	260,000	-
	260,000	260,000	260,000	-
NET CHANGE IN FUND BALANCE	(31,877,199)	(31,877,199)	(28,929,354)	2,947,845
FUND BALANCE, July 1, 2017	267,738,500	267,738,500	266,471,203	(1,267,297)
FUND BALANCE, June 30, 2018	\$ 235,861,301	\$ 235,861,301	\$ 237,541,849	\$ 1,680,548

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED EXPENDITURES -
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2018**

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
INSTRUCTION*:				
1111 Elementary, K-5	\$ -	\$ -	\$ -	\$ -
SUPPORT SERVICES*:				
2520 Fiscal services	-	-	18,182	74,429
2540 Operation and maintenance of plant services	5,000	1,481	19,848	-
2630 Information services	-	-	-	-
2660 Technology services	-	-	-	4,609
Total support services	<u>5,000</u>	<u>1,481</u>	<u>38,030</u>	<u>79,038</u>
FACILITIES ACQUISITION AND CONSTRUCTION*:				
4110 Facilities acquisition and construction direction	-	-	339,237	6,496
4120 Site acquisition and development	-	-	-	-
4150 Building acquisition, construction and improvement	19,466	7,038	19,064,169	1,640,586
4180 Other Capital Items	-	-	437,808	1,482,508
Total facilities acquisition and construction	<u>19,466</u>	<u>7,038</u>	<u>19,841,214</u>	<u>3,129,590</u>
DEBT SERVICES*:				
5110 Long-Term Debt				
Principal	-	-	-	-
Interest	-	-	-	-
Lease	-	-	-	-
Total debt services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6110 OPERATING CONTINGENCY	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 24,466</u>	<u>\$ 8,519</u>	<u>\$ 19,879,244</u>	<u>\$ 3,208,628</u>
7000 UNAPPROPRIATED ENDING FUND BALANCE*:				
TOTAL EXPENDITURES AND UNAPPROPRIATED ENDING FUND BALANCE				

*Appropriation level

Capital Outlay (500)	Other Objects (600)	Total	Budget		Variance with Final Budget Over (Under)
			Adopted	Final	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	92,611	235,000	235,000	(142,389)
-	-	26,329	106,699	106,699	(80,370)
-	-	-	-	-	-
-	-	4,609	-	-	4,609
-	-	123,549	341,699	341,699	(218,150)
-	1,948,812	2,294,545	35,100,000	35,100,000	(32,805,455)
-	-	-	-	-	-
5,448,838	1,346,357	27,526,454	-	-	27,526,454
36,498	-	1,956,814	-	-	1,956,814
5,485,336	3,295,169	31,777,813	35,100,000	35,100,000	(3,322,187)
-	387,911	387,911	415,000	415,000	(27,089)
-	53,800	53,800	55,000	55,000	(1,200)
-	-	-	-	-	-
-	441,711	441,711	470,000	470,000	(28,289)
-	-	-	10,000,000	10,000,000	(10,000,000)
\$ 5,485,336	\$ 3,736,880	\$ 32,343,073	\$ 45,911,699	\$ 45,911,699	\$ (13,568,626)
		-	225,861,301	225,861,301	(225,861,301)
		\$ 32,343,073	\$ 271,773,000	\$ 271,773,000	\$ (239,429,927)

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
PENSION TRUST FUND
YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		Over (Under)
REVENUES:				
5200 Contributions	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
1970 Charges for Services	340,000	340,000	295,748	(44,252)
1500 Investment earnings	8,000	8,000	29,703	21,703
TOTAL REVENUES	648,000	648,000	625,451	(22,549)
EXPENDITURES:				
Support services:*				
2700 Supplemental retirement program:				
100 Salaries	620,000	620,000	280,044	(339,956)
200 Benefits	1,503,000	1,503,000	152,376	(1,350,624)
Total support services	2,123,000	2,123,000	432,420	(1,690,580)
NET CHANGE IN FUND BALANCE	(1,475,000)	(1,475,000)	193,031	1,668,031
FUND BALANCE, July 1, 2017	1,475,000	1,475,000	1,500,803	25,803
FUND BALANCE, June 30, 2018	\$ -	\$ -	\$ 1,693,834	\$ 1,693,834

*Appropriation level

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED JUNE 30, 2018**

	<u>BALANCES JULY 1, 2017</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCES JUNE 30, 2018</u>
ASSETS				
Cash and investments	\$ 8,836	\$ 603,962	\$ 604,775	\$ 8,023
Accounts receivable	<u>3,247</u>	<u>\$ 102</u>	<u>3,247</u>	<u>102</u>
Total Assets	<u>\$ 12,083</u>	<u>\$ 604,064</u>	<u>\$ 608,022</u>	<u>\$ 8,125</u>
LIABILITIES				
Book overdraft	\$ 3,247	\$ 102	\$ 3,247	\$ 102
Due to agencies	<u>8,836</u>	<u>603,962</u>	<u>604,775</u>	<u>8,023</u>
Total Liabilities	<u>\$ 12,083</u>	<u>\$ 604,064</u>	<u>\$ 608,022</u>	<u>\$ 8,125</u>

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF BOND AND FINANCING REDEMPTION AND INTEREST REQUIREMENTS
June 30, 2018

DATE	Gresham-Barlow #10JT 2005 Refunding Series		Gresham-Barlow #10JT 2012 FFCO Series*		Gresham-Barlow #10JT 2017 General Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2018-19	4,825,000	856,387	135,000	48,050	3,375,850	8,460,775
2019-20	5,250,000	603,075	140,000	42,650	3,765,545	8,556,080
2020-21	5,715,000	314,325	145,000	37,050	3,731,021	8,660,604
2021-22	-	-	155,000	31,250	9,255,166	8,891,459
2022-23	-	-	160,000	26,050	10,530,000	8,113,875
2023-24	-	-	165,000	20,700	11,570,000	7,587,825
2024-25	-	-	170,000	15,750	12,615,000	7,071,200
2025-26	-	-	175,000	10,650	13,780,000	6,444,400
2026-27	-	-	180,000	5,400	15,025,000	5,757,500
2027-28	-	-	-	-	16,345,000	5,006,250
2028-29	-	-	-	-	17,750,000	4,189,000
2029-30	-	-	-	-	19,245,000	3,301,500
2030-31	-	-	-	-	20,825,000	2,339,250
2031-32	-	-	-	-	12,187,133	11,615,867
2032-33	-	-	-	-	11,839,160	12,618,840
2033-34	-	-	-	-	11,474,383	13,653,617
2034-35	-	-	-	-	11,119,635	14,703,365
2035-36	-	-	-	-	10,772,822	15,760,179
2036-37	-	-	-	-	25,960,000	1,298,000
TOTALS	\$ 15,790,000	\$ 1,773,787	\$ 1,425,000	\$ 237,550	\$ 241,165,714	154,029,586

DATE	PERS Bonds 2002 Series		PERS Bonds 2003 Series		PERS Bonds 2012 Refunding Series		Total Requirements All Issues	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018-19	753,543	2,613,331	677,872	1,863,497	-	68,337	9,767,265	13,910,377
2019-20	761,002	2,780,872	674,173	1,992,096	-	68,337	10,590,720	14,043,110
2020-21	-	1,341,874	669,426	2,126,843	2,485,000	68,337	12,745,447	12,549,033
2021-22	2,705,000	1,341,874	666,333	2,264,935	-	-	12,781,499	12,529,518
2022-23	3,050,000	1,193,640	666,954	2,409,315	-	-	14,406,954	11,742,880
2023-24	3,425,000	1,026,195	2,465,000	756,269	-	-	17,625,000	9,390,989
2024-25	3,835,000	836,107	2,760,000	617,984	-	-	19,380,000	8,541,041
2025-26	4,275,000	623,265	3,080,000	461,216	-	-	21,310,000	7,539,531
2026-27	4,745,000	386,003	3,420,000	286,272	-	-	23,370,000	6,435,175
2027-28	2,210,000	122,655	1,620,000	92,016	-	-	20,175,000	5,220,921
2028-29	-	-	-	-	-	-	17,750,000	4,189,000
2029-30	-	-	-	-	-	-	19,245,000	3,301,500
2030-31	-	-	-	-	-	-	20,825,000	2,339,250
2031-32	-	-	-	-	-	-	12,187,133	11,615,867
2032-33	-	-	-	-	-	-	11,839,160	12,618,840
2033-34	-	-	-	-	-	-	11,474,383	13,653,617
2034-35	-	-	-	-	-	-	11,119,635	14,703,365
2035-36	-	-	-	-	-	-	10,772,822	15,760,179
2036-37	-	-	-	-	-	-	25,960,000	1,298,000
TOTALS	\$ 25,759,545	\$ 12,265,816	\$ 16,699,758	\$ 12,870,443	\$ 2,485,000	\$ 205,011	303,325,017	\$ 181,382,193

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF PROPERTY TAX TRANSACTIONS
For the Year Ended June 30, 2018

General Fund:	TAXES UNCOLLECTED JUNE 30, 2017	ADD LEVY AS EXTENDED BY ASSESSOR	DEDUCT DISCOUNTS ALLOWED	ADD INTEREST	ADD (DEDUCT) CANCELLATION AND ADJUSTMENTS	DEDUCT COLLECTIONS	TAXES UNCOLLECTED JUNE 30, 2018
Total General Fund Levies							
2017-2018		\$ 28,983,051	\$ 760,857	\$ 8,808	\$ (323,835)	\$ 27,444,814	\$ 462,353
2016-2017	\$ 535,932	-	(61)	15,111	(92,536)	238,501	220,067
2015-2016	334,101	-	(93)	15,391	(92,403)	89,138	168,044
2014-2015	245,945	-	(44)	19,218	(19,761)	76,650	168,796
2013-2014	177,544	-	(2)	11,674	(11,694)	41,468	136,058
2012-2013 & Prior	471,041	-	(1)	6,404	(20,099)	14,257	443,090
Total Prior	1,764,563	-	(201)	67,798	(236,493)	460,014	1,136,055
Total	\$ 1,764,563	\$ 28,983,051	\$ 760,656	\$ 76,606	\$ (560,328)	\$ 27,904,828	\$ 1,598,408
Multnomah County							
2017-2018		\$ 24,195,396	636,071	8,117	(314,860)	22,885,545	\$ 367,037
2016-2017	\$ 447,903	-	(61)	12,026	(88,478)	200,436	171,076
2015-2016	282,348	-	(93)	12,548	(90,881)	73,621	130,487
2014-2015	209,449	-	(44)	16,026	(18,862)	64,382	142,275
2013-2014	153,990	-	(2)	10,048	(11,506)	35,665	116,869
2012-2013 & Prior	407,709	-	(1)	5,267	(19,676)	11,612	381,689
Total Prior	1,501,399	-	(201)	55,915	(229,403)	385,716	942,396
Total	\$ 1,501,399	\$ 24,195,396	\$ 635,870	\$ 64,032	\$ (544,263)	\$ 23,271,261	\$ 1,309,433
Clackamas County							
2017-2018		\$ 4,787,655	124,786	691	(8,975)	4,559,269	\$ 95,316
2016-2017	\$ 88,029	-	-	3,085	(4,058)	38,065	48,991
2015-2016	51,753	-	-	2,843	(1,522)	15,517	37,557
2014-2015	36,496	-	-	3,192	(899)	12,268	26,521
2013-2014	23,554	-	-	1,626	(188)	5,803	19,189
2012-2013 & Prior	63,332	-	-	1,137	(423)	2,645	61,401
Total Prior	263,164	-	-	11,883	(7,090)	74,298	193,659
Total	\$ 263,164	\$ 4,787,655	\$ 124,786	\$ 12,574	\$ (16,065)	\$ 4,633,567	\$ 288,975
Debt Service Fund:							
Total Debt Service Levies							
2017-2018		\$ 16,832,467	\$ 441,886	\$ 5,118	\$ (188,241)	\$ 15,939,009	\$ 268,449
2016-2017	\$ 117,088	-	(14)	3,308	(20,288)	52,232	47,890
2015-2016	76,391	-	(21)	3,520	(21,177)	20,385	38,370
2014-2015	57,218	-	(10)	4,471	(4,593)	17,833	39,273
2013-2014	42,179	-	(1)	2,772	(2,780)	9,846	32,326
2012-2013 & Prior	121,869	-	-	1,876	(5,101)	4,007	114,637
Total Prior	414,745	-	(46)	15,947	(53,939)	104,303	272,496
Total	\$ 414,745	\$ 16,832,467	\$ 441,840	\$ 21,065	\$ (242,180)	\$ 16,043,312	\$ 540,945

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF PROPERTY TAX TRANSACTIONS (Continued)
For the Year Ended June 30, 2018**

Debt Service Fund (Continued):

	<u>TAXES UNCOLLECTED JUNE 30, 2017</u>	<u>ADD LEVY AS EXTENDED BY ASSESSOR</u>	<u>DEDUCT DISCOUNTS ALLOWED</u>	<u>ADD INTEREST</u>	<u>ADD (DEDUCT) CANCELLATION AND ADJUSTMENTS</u>	<u>DEDUCT COLLECTIONS</u>	<u>TAXES UNCOLLECTED JUNE 30, 2018</u>
Multnomah County							
2017-2018		\$ 14,067,024	369,807	\$ 4,719	\$ (183,057)	\$ 13,305,486	\$ 213,393
2016-2017	\$ 97,961	-	(14)	2,637	(19,406)	43,961	37,245
2015-2016	64,688	-	(21)	2,877	(20,833)	16,876	29,877
2014-2015	48,662	-	(10)	3,723	(4,382)	14,958	33,055
2013-2014	36,616	-	(1)	2,390	(2,736)	8,481	27,790
2012-2013 & Prior	100,526	-	-	1,587	(4,901)	3,342	93,870
			-				
Total Prior	348,453	-	(46)	13,214	(52,258)	87,618	221,837
Total	<u>\$ 348,453</u>	<u>\$ 14,067,024</u>	<u>\$ 369,761</u>	<u>\$ 17,933</u>	<u>\$ (235,315)</u>	<u>\$ 13,393,104</u>	<u>\$ 435,230</u>
Clackamas County							
2017-2018		\$ 2,765,443	\$ 72,079	\$ 399	\$ (5,184)	\$ 2,633,523	\$ 55,056
2016-2017	\$ 19,127	-	-	671	(882)	8,271	10,645
2015-2016	11,703	-	-	643	(344)	3,509	8,493
2014-2015	8,556	-	-	748	(211)	2,875	6,218
2013-2014	5,563	-	-	382	(44)	1,365	4,536
2012-2013 & Prior	21,343	-	-	289	(200)	665	20,767
			-				
Total Prior	66,292	-	-	2,733	(1,681)	16,685	50,659
Total	<u>\$ 66,292</u>	<u>\$ 2,765,443</u>	<u>\$ 72,079</u>	<u>\$ 3,132</u>	<u>\$ (6,865)</u>	<u>\$ 2,650,208</u>	<u>\$ 105,715</u>
						General Fund	Debt Service Fund
Total Property Taxes						\$ 27,904,828	\$ 16,043,312
Other taxes							
County sales tax						-	-
Tax offsets						15,591	7,258
Total other taxes						15,591	7,258
Total Taxes						<u>\$ 27,920,419</u>	<u>\$ 16,050,570</u>

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OTHER INFORMATION

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
COMPARATIVE SCHEDULE OF STUDENT ACTIVITY FUNDS BY SCHOOL
June 30, 2018 and 2017

	2018	2017
Gresham Union High School:		
Cash and investments	\$ 326,002	\$ 289,172
Sam Barlow High School:		
Cash and investments	565,350	491,068
Springwater Trail High School		
Cash and investments	40,641	34,996
Clear Creek Middle School:		
Cash and investments	52,366	45,439
Damascus Middle School:		
Cash and investments	74,365	71,366
Dexter McCarty Middle School:		
Cash and investments	55,899	45,744
Gorden Russell Middle School:		
Cash and investments	98,946	82,359
West Orient Middle School:		
Cash and investments	76,053	69,174
East Gresham Elementary School		
Cash and investments	16,459	3,460
East Orient Grade School:		
Cash and investments	22,884	23,249
Hall Elementary School:		
Cash and investments	11,346	9,309
Highland Elementary School:		
Cash and investments	13,028	8,255
Hogan Cedars Elementary School		
Cash and investments	37,986	25,811
Hollydale Elementary School:		
Cash and investments	12,782	10,560
Kelly Creek Elementary School:		
Cash and investments	43,793	32,898
North Gresham Grade School:		
Cash and investments	19,686	12,920
Powell Valley Grade School:		
Cash and investments	12,451	9,834
West Gresham Grade School		
Cash and investments	9,370	8,461
Student Support Services		-
Cash and investments	1,097	-
Total	\$ 1,490,504	\$ 1,274,075

The Student Activity Funds are grouped in the Other Special Revenue Fund under Nonmajor Governmental Funds

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SUPPLEMENTAL INFORMATION AS REQUIRED
 BY THE OREGON STATE DEPARTMENT OF EDUCATION
 YEAR ENDED JUNE 30, 2018**

A.		Energy bills for heating - all funds:		<u>Objects 325 and 326</u>
		Please enter your expenditures for electricity	Function 2540	\$ 1,407,176
		& heating fuel for these Functions & Objects.	Function 2550	-
B.		Replacement of equipment - General Fund:		
		Include all General Fund expenditures in Object 542, except for the following exclusions:		<u>Amount</u>
		Exclude these functions:		
1113, 1122 & 1132	Co-curricular activities	4150	Construction	\$ 89,467
1140	Pre-kindergarten	2550	Pupil transportation	
1300	Continuing education	3100	Food service	
1400	Summer school	3300	Community services	

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SUPPLEMENTAL INFORMATION AS REQUIRED
BY THE OREGON STATE DEPARTMENT OF EDUCATION
SCHEDULE OF REVENUES
YEAR ENDED JUNE 30, 2018**

	Fund 100	Fund 200	Fund 300
REVENUES:			
REVENUES FROM LOCAL SOURCES:			
1110 Ad valorem taxes levied by district	\$ 27,904,827	\$ -	\$ 16,043,313
1190 Penalties and interest on taxes	15,592	-	7,257
1130 Construction excise tax	-	-	-
1310 Tuition from individuals	-	83,699	-
1330 Summer school tuition	27,550	-	-
1410 Transportation fees from individuals	33,643	390	-
1500 Earnings on investments	616,481	22,625	95,980
1600 Food service	-	540,304	-
1700 Extracurricular activities	274,118	1,627,531	-
1800 Community services activities	112,395	2,871	-
1910 Rentals	288,117	-	-
1920 Contributions and donations	37,616	220,270	-
1940 Services provided to other LEA	195,000	21,558	-
1950 Textbook sales and rentals	-	9,993	-
1960 Recovery of prior year's expenditures	180,713	-	-
1970 Services provided other funds	-	1,020,726	-
1980 Fees charged to grants	503,941	-	-
1990 Miscellaneous	418,385	237,511	-
Total revenue from local sources	<u>30,608,378</u>	<u>3,787,478</u>	<u>16,146,550</u>
REVENUES FROM INTERMEDIATE SOURCES:			
2101 County school fund	1,485	-	-
2102 General education service district funds	1,825,000	-	-
2190 Other revenue from intermediate sources	-	542,408	-
Total revenue from intermediate sources	<u>1,826,485</u>	<u>542,408</u>	<u>-</u>
REVENUES FROM STATE SOURCES:			
3101 State school fund	87,122,833	-	-
3102 State school lunch match	-	40,259	-
3103 Common school fund	1,276,986	-	-
3199 Other unrestricted state revenue	702,646	-	-
3204 Driver education	-	-	-
3299 Other restricted state revenue	-	1,765,047	-
Total revenue from state sources	<u>89,102,465</u>	<u>1,805,306</u>	<u>-</u>
REVENUES FROM FEDERAL SOURCES:			
4500 Restricted revenue from federal government through the state	-	9,799,896	-
4700 Restricted revenue from federal government through the intermediate sources	31,380	-	-
4801 Forest Fees	6,496	-	-
Total revenue from federal sources	<u>37,876</u>	<u>9,799,896</u>	<u>-</u>
REVENUES FROM OTHER SOURCES:			
5160 Lease purchase receipts	-	-	-
5200 Transfers	-	260,000	-
5300 Sale or compensation for loss of fixed assets	-	-	-
5400 Resources - beginning fund balance	11,855,630	2,604,752	659,220
Total revenue from other sources	<u>11,855,630</u>	<u>2,864,752</u>	<u>659,220</u>
TOTAL REVENUES	<u>\$ 133,430,834</u>	<u>\$ 18,799,840</u>	<u>\$ 16,805,770</u>

Fund 400	Fund 500	Fund 600	Fund 700	Total
\$ -	\$ -	\$ -	\$ -	\$ 43,948,140
-	-	-	-	22,849
307,288	-	-	-	307,288
-	-	-	-	83,699
-	-	-	-	27,550
-	-	-	-	34,033
2,025,867	-	-	29,703	2,790,656
-	-	-	-	540,304
-	-	-	-	1,901,649
-	-	-	-	115,266
13,226	-	-	-	301,343
22,925	-	-	8,750	289,561
-	-	-	260,157	476,715
-	-	-	-	9,993
493,088	-	-	-	673,801
-	-	-	295,748	1,316,474
-	-	-	-	503,941
-	-	-	35,625	691,521
<u>2,862,394</u>	<u>-</u>	<u>-</u>	<u>629,983</u>	<u>54,034,783</u>
-	-	-	-	1,485
-	-	-	-	1,825,000
75,000	-	-	-	617,408
<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,443,893</u>
-	-	-	-	87,122,833
-	-	-	-	40,259
-	-	-	-	1,276,986
-	-	-	-	702,646
-	-	-	-	-
216,325	-	-	-	1,981,372
<u>216,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,124,096</u>
-	-	-	-	9,799,896
-	-	-	-	31,380
-	-	-	-	6,496
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,837,772</u>
-	-	-	-	-
260,000	-	-	300,000	820,000
-	-	-	-	-
266,471,203	-	-	1,509,639	283,100,444
266,731,203	-	-	1,809,639	283,920,444
<u>\$ 269,884,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,439,622</u>	<u>\$ 441,360,988</u>

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SUPPLEMENTAL INFORMATION AS REQUIRED
BY THE OREGON STATE DEPARTMENT OF EDUCATION
SCHEDULE OF SPECIAL REVENUE FUND EXPENDITURES
YEAR ENDED JUNE 30, 2018**

	100 Objects	200 Objects	300 Objects
EXPENDITURES:			
INSTRUCTION:			
1111 Primary programs K-5	\$ 8,738	1,404	7,209
1113 Elementary extracurricular	-	-	12,139
1121 Middle school programs	-	-	2,064
1122 Middle school extracurricular	-	-	84,919
1131 High school programs	114,946	87,465	238,900
1132 High school extracurricular	-	-	360,433
1140 Pre-kindergarten programs	14,779	13,473	48
1220 Restrictive programs for students with disabilities	64,690	49,500	432
1250 Resource rooms	706,000	416,975	500
1271 Remediation	7,979	2,843	-
1272 Title I	1,525,001	877,187	264,768
1299 Other programs	4,113	1,250	1,669
1400 Summer school programs	-	-	-
Total instruction	<u>2,446,246</u>	<u>1,450,097</u>	<u>973,081</u>
SUPPORT SERVICES:			
2110 Attendance and social work	164,879	106,657	993
2120 Guidance services	868	318	-
2130 Health services	161,456	90,551	16,330
2140 Psychological testing services	56,283	41,905	210
2150 Speech pathology and audiology	247,800	144,621	-
2190 Service direction - student support services	170,961	103,135	3,444
2210 Improvement of instruction services	65,353	36,273	18,102
2220 Educational media services	-	-	-
2230 Assessment and testing	-	-	4,000
2240 Instructional staff development	1,054,904	511,099	246,737
2320 Executive administration services	-	-	-
2410 Office of the principal	-	-	114
2520 Fiscal services	-	-	-
2550 Student transportation	-	-	57,416
2570 Internal services	109,829	40,231	8,006
2620 Planning and development services	-	-	-
2660 Technology services	48,930	37,870	-
2690 Other central support	-	-	-
Total support services	<u>2,081,263</u>	<u>1,112,660</u>	<u>355,352</u>
COMMUNITY SERVICES:			
3100 Food services	-	-	3,729,947
3300 Community services	9,203	2,820	12,146
Total community services	<u>9,203</u>	<u>2,820</u>	<u>3,742,093</u>
TOTAL EXPENDITURES	<u>\$ 4,536,712</u>	<u>\$ 2,565,577</u>	<u>\$ 5,070,526</u>

Note - this is the total of the Federal Grant, Nutrition Services,
State and Other Grant and Other Special Revenue Funds.

400 Objects	500 Objects	600 Objects	Total
1,257	-	-	\$ 18,608
182,236	-	70,653	265,028
9,830	-	-	11,894
163,991	-	74,187	323,097
88,606	27,213	-	557,130
549,330	-	278,004	1,187,767
15,311	-	-	43,611
2,732	-	267	117,621
7,774	-	-	1,131,249
-	-	-	10,822
42,076	-	137,402	2,846,434
2,589	-	-	9,621
-	-	-	-
<u>1,065,732</u>	<u>27,213</u>	<u>560,513</u>	<u>6,522,882</u>
4,304	-	-	276,833
-	-	-	1,186
-	-	-	268,337
-	-	164	98,562
-	-	-	392,421
-	-	11,441	288,981
3,418	-	2,995	126,141
6,320	-	-	6,320
-	-	-	4,000
61,277	-	73,814	1,947,831
-	-	-	-
13,946	-	-	14,060
-	-	92,378	92,378
-	-	-	57,416
88,634	-	-	246,700
-	-	-	-
11,380	-	-	98,180
-	-	-	-
<u>189,279</u>	<u>-</u>	<u>180,792</u>	<u>3,919,346</u>
302,987	43,715	201,503	4,278,152
7,913	-	-	32,082
<u>310,900</u>	<u>43,715</u>	<u>201,503</u>	<u>4,310,234</u>
<u>\$ 1,565,911</u>	<u>\$ 70,928</u>	<u>\$ 942,808</u>	<u>\$ 14,752,462</u>

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STATISTICAL SECTION

This part of Gresham-Barlow School 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 government's overall financial health.

Contents

Financial Trends	77
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	81
These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax.	
Debt Capacity	85
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	87
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	88
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2017-18	2016-17**	2015-16	2014-15	2013-14*	2012-13	2011-12	2010-11	2009-10	2008-09
Governmental activities:										
Net investment in capital assets	\$ 55,267,175	\$ 48,951,887	\$ 43,176,211	\$ 40,316,151	\$ 37,147,822	\$ 34,124,378	\$ 31,873,301	\$ 29,983,256	\$ 27,643,113	\$ 25,985,197
Restricted	239,631,536	2,604,752	3,435,202	3,299,710	3,692,994	4,216,323	4,100,076	3,897,351	2,323,424	4,991,939
Unrestricted	(318,650,009)	(81,958,437)	(62,194,488)	(38,284,073)	(54,264,349)	4,704,560	11,151,934	18,091,441	23,717,800	20,329,271
Total primary government net position	<u>\$ (23,751,298)</u>	<u>\$ (30,401,798)</u>	<u>\$ (15,583,075)</u>	<u>\$ 5,331,788</u>	<u>\$ (13,423,533)</u>	<u>\$ 43,045,261</u>	<u>\$ 47,125,311</u>	<u>\$ 51,972,048</u>	<u>\$ 53,684,337</u>	<u>\$ 51,306,407</u>

* as restated for GASB 68

** as restated for GASB 73 and 75

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Expenses										
Governmental activities:										
Instruction:										
Regular programs	\$ 57,567,160	\$ 54,472,633	\$ 65,410,928	\$ 38,759,479	\$ 45,136,409	\$ 42,766,242	\$ 46,001,030	\$ 45,585,182	\$ 45,897,151	\$ 49,652,048
Special programs	30,820,653	31,072,837	30,955,800	23,247,820	24,005,235	21,281,755	19,462,804	18,662,614	17,550,276	15,627,129
Adult/Continuing programs	-	-	-	-	-	-	-	-	-	-
Summer school programs	17,868	20,370	40,928	31,756	23,617	27,907	29,639	37,316	35,779	53,740
Total instruction	88,405,681	85,565,840	96,407,656	62,039,055	69,165,261	64,075,904	65,493,473	64,285,112	63,483,206	65,332,917
Support services:										
Student support services	8,117,838	8,041,429	9,279,322	5,559,793	6,610,669	6,224,778	6,291,417	5,970,489	5,928,050	6,789,371
Instructional staff support	6,056,780	6,132,841	5,869,810	4,065,219	3,604,080	3,757,790	4,046,447	4,615,721	4,799,441	4,050,962
General administration	1,138,534	1,553,901	1,503,735	873,881	1,078,227	1,016,157	600,724	1,096,149	860,098	868,546
School administration	8,748,351	8,524,219	9,614,000	5,870,308	7,088,709	6,816,155	6,762,586	6,163,757	6,361,477	7,074,493
Business support services	20,226,465	19,710,606	20,504,784	18,633,516	19,493,722	21,367,682	18,949,088	16,737,959	15,434,205	15,368,094
Central activities	3,475,812	4,377,320	3,753,521	3,568,485	5,125,256	4,993,580	3,163,133	4,924,378	4,621,373	6,392,442
Supplemental retirement program	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total support services	48,063,780	48,640,316	50,825,172	38,871,202	43,300,663	44,476,142	40,113,395	39,808,453	38,304,644	40,843,908
Enterprise and community services	4,674,721	4,595,430	4,220,173	4,083,154	3,972,990	3,943,914	3,756,939	3,656,939	3,836,382	3,751,276
Facilities and construction	-	-	-	-	146,963	-	-	-	-	-
Interest on long-term debt	9,015,879	2,897,748	1,256,043	4,868,853	4,757,167	4,903,333	5,321,741	5,053,148	5,136,273	5,121,596
Total primary government expenses	\$ 150,160,061	\$ 141,699,334	\$ 152,709,044	\$ 109,862,264	\$ 121,343,044	\$ 117,399,293	\$ 114,685,548	\$ 112,803,652	\$ 110,760,505	\$ 115,049,697
Program Revenues										
Governmental activities:										
Charges for services:										
Regular programs	\$ 2,619,535	\$ 2,555,549	\$ 2,531,283	\$ 2,580,889	\$ 2,258,215	\$ 2,404,909	\$ 2,591,406	\$ 2,489,026	\$ 2,490,473	\$ 2,660,125
Other instruction activities	358,101	170,033	125,047	84,280	175,515	173,701	171,181	175,652	166,175	100,568
Support services	1,023,302	1,095,766	911,172	927,334	865,374	514,453	448,729	789,508	897,504	603,320
Enterprise and community services	892,431	780,786	741,698	705,118	922,338	953,220	1,039,824	1,123,322	1,241,200	1,337,930
Operating grants and contributions	12,578,993	12,054,900	10,718,324	11,182,275	10,374,635	11,123,257	10,410,830	12,407,411	12,084,445	8,816,914
Capital grants and contributions	97,925	316,330	694,825	867,493	554,778	1,733,518	1,202,499	936,071	403,907	227,399
Total primary government program revenues	\$ 17,570,287	\$ 16,973,364	\$ 15,722,349	\$ 16,347,389	\$ 15,150,855	\$ 16,903,058	\$ 15,864,469	\$ 17,920,990	\$ 17,283,704	\$ 13,746,256
Net (Expense)/Revenue										
Total primary government net expense	\$ (132,589,774)	\$ (124,725,970)	\$ (136,986,695)	\$ (93,514,875)	\$ (106,192,189)	\$ (100,496,235)	\$ (98,821,079)	\$ (94,882,662)	\$ (93,476,801)	\$ (101,303,441)

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 27,920,419	\$ 27,051,766	\$ 26,419,363	\$ 25,127,171	\$ 23,524,401	\$ 23,617,045	\$ 23,114,803	\$ 22,742,618	\$ 22,241,298	\$ 21,322,714
Property taxes levied for debt service	16,050,570	5,924,562	6,038,838	5,848,183	5,585,613	5,731,001	5,865,392	5,770,673	5,937,248	6,081,408
State school fund - general support	87,163,092	80,889,125	78,922,863	77,338,087	72,089,563	65,044,223	60,784,257	58,771,970	62,535,975	61,607,549
State school fund - school improvement fund	-	-	-	-	-	-	-	-	-	2,512,333
Common school fund	1,276,986	1,551,007	1,488,746	1,226,724	1,168,802	1,219,378	1,098,776	1,195,304	1,230,366	998,554
Multnomah county income taxes	1,485	3,578	1,882	-	-	-	-	85,995	59,254	-
Unrestricted state and local sources	3,428,022	3,161,123	2,765,807	2,548,419	2,276,194	449,916	2,651,937	367,976	26,328	1,066,638
Federal forest fees	6,496	2,877	12,093	12,662	13,289	13,282	6,747	22,283	26,376	30,291
Other federal sources	-	-	-	-	-	-	35,578	3,734,680	3,229,489	2,337,828
Earnings on investments	2,760,953	987,718	232,192	168,950	170,315	198,678	241,170	237,566	304,554	1,031,904
Miscellaneous	632,251	148,953	190,048	-	-	142,662	175,540	241,308	263,843	136,794
Proceeds from refunding bonds	-	-	-	-	-	-	142	-	-	-
Total primary government	<u>\$ 139,240,274</u>	<u>\$ 119,720,709</u>	<u>\$ 116,071,832</u>	<u>\$ 112,270,196</u>	<u>\$ 104,828,177</u>	<u>\$ 96,416,185</u>	<u>\$ 93,974,342</u>	<u>\$ 93,170,373</u>	<u>\$ 95,854,731</u>	<u>\$ 97,126,013</u>
Change in Net Position										
Total primary government	<u>\$ 6,650,500</u>	<u>\$ (5,005,261)</u>	<u>\$ (20,914,863)</u>	<u>\$ 18,755,321</u>	<u>\$ (1,364,012)</u>	<u>\$ (4,080,050)</u>	<u>\$ (4,846,737)</u>	<u>\$ (1,712,289)</u>	<u>\$ 2,377,930</u>	<u>\$ (4,177,428)</u>

Source: Gresham-Barlow School District 10JT financial records.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

	2017-18(1)	2016-17(1)	2015-16(1)	2014-15(1)	2013-14(1)	2012-13(1)	2011-12(1)	2010-11(1)	2009-10	2008-09
General Fund (1)										
Nonspendable	\$ 116,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	15,268,110	11,855,630	10,278,093	6,866,451	6,080,252	6,530,804	10,654,889	12,714,159	-	-
Unreserved	-	-	-	-	-	-	-	-	13,557,462	10,172,332
Total general fund	<u>\$ 15,384,880</u>	<u>\$ 11,855,630</u>	<u>\$ 10,278,093</u>	<u>\$ 6,866,451</u>	<u>\$ 6,080,252</u>	<u>\$ 6,530,804</u>	<u>\$ 10,654,889</u>	<u>\$ 12,714,159</u>	<u>\$ 13,557,462</u>	<u>\$ 10,172,332</u>
All Other Governmental Funds(1)										
Restricted for:										
Student activity groups	\$ 1,490,504	\$ 1,274,075	\$ 1,305,948	\$ 1,286,825	\$ 1,271,120	\$ 1,319,242	\$ 1,365,098	\$ 1,306,688	\$ -	\$ -
Retirement of long-term debt	463,940	659,220	865,944	853,530	893,146	1,069,912	1,164,286	1,450,341	-	-
Food service	1,329,938	1,109,803	1,100,720	943,319	933,926	788,221	672,758	475,903	-	-
School construction	236,216,767	356,493	59,751	121,494	231,001	706,896	607,767	451,362	-	-
Planning activities	130,387	179,909	151,652	81,715	46,286	16,718	-	-	-	-
Other activities	1,096,549	40,965	102,839	94,542	-	-	-	-	-	-
Committed to:										
PERS litigation	-	-	-	-	-	-	-	3,352,000	-	-
Assigned to:										
Capital expenditures(2)	1,325,082	266,114,710	926,538	1,113,052	1,156,265	1,573,340	720,371	782,383	-	-
Reserved for:										
Student activity groups	-	-	-	-	-	-	-	-	1,263,121	1,195,670
Retirement of long-term debt	-	-	-	-	-	-	-	-	1,770,506	1,863,037
Capital expenditures(2)	-	-	-	-	-	-	-	-	948,887	941,317
PERS litigation	-	-	-	-	-	-	-	-	3,336,190	3,312,047
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	327,906	343,578
Total all other governmental funds	<u>\$ 242,053,167</u>	<u>\$ 269,735,175</u>	<u>\$ 4,513,392</u>	<u>\$ 4,494,477</u>	<u>\$ 4,531,744</u>	<u>\$ 5,474,329</u>	<u>\$ 4,530,280</u>	<u>\$ 7,818,677</u>	<u>\$ 7,646,610</u>	<u>\$ 7,655,649</u>

(1) GASB 54 implemented - requiring new fund balance categories. Over time all fund balances will be reported under new GASB 54 fund balance categories.

(2) Assigned/Reserved for capital expenditures fluctuate from years when bonds are sold in anticipation of capital construction to years where capital expenditures are made.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

REVENUES:	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Local sources:										
Taxes(1)	\$ 44,771,365	\$ 33,438,943	\$ 32,698,611	\$ 31,371,012	\$ 29,350,424	\$ 29,546,553	\$ 29,029,839	\$ 28,761,869	\$ 28,364,220	\$ 27,275,876
Earnings on investments	2,760,953	987,718	232,192	168,950	170,315	199,253	241,170	237,566	304,554	1,031,904
Other Local Sources	5,586,161	4,778,402	4,470,406	4,603,450	4,518,788	5,801,012	4,681,234	5,166,456	5,236,971	5,179,019
Intermediate Sources(3)	2,730,214	3,029,585	2,025,930	2,399,201	2,299,495	1,248,936	657,635	514,209	528,565	458,145
State Sources(2)	91,124,096	84,221,308	82,274,119	79,634,347	73,895,753	66,817,581	64,711,770	60,404,359	63,841,922	66,224,037
Federal Sources	9,837,772	10,137,897	9,971,176	10,363,332	9,704,632	9,531,146	10,203,702	16,050,190	14,857,826	10,452,395
Total Revenues	<u>156,810,561</u>	<u>136,593,853</u>	<u>131,672,434</u>	<u>128,540,292</u>	<u>119,939,407</u>	<u>113,144,481</u>	<u>109,525,350</u>	<u>111,134,649</u>	<u>113,134,058</u>	<u>110,621,376</u>
EXPENDITURES:										
Current:										
Instruction	82,290,478	79,023,925	75,370,746	74,744,012	70,652,667	67,548,028	65,948,102	64,693,562	63,823,957	65,523,523
Support Services	45,400,637	44,243,859	41,574,300	42,399,084	39,371,998	38,277,642	37,221,418	36,620,508	35,499,369	38,145,944
Enterprise and Community Services	4,601,208	4,233,443	4,102,848	4,134,407	3,956,043	3,929,611	3,723,763	3,634,613	3,817,410	3,731,405
Facilities Acquisition & Construction	26,292,477	4,843,684	-	-	148,444	102,336	47,369	-	154,673	1,500
Other Capital Outlay	5,594,978	450,517	2,052,751	1,181,480	1,251,059	2,836,840	1,818,164	707,685	400,043	319,680
Debt Service:										
Principal	4,807,911	6,660,683	5,839,761	4,737,911	4,250,000	4,120,000	3,745,000	3,532,970	3,301,667	3,188,511
Interest	11,975,630	1,326,689	808,009	1,600,531	1,718,968	1,892,070	2,371,556	2,620,786	2,799,602	2,917,837
Total Expenditures	<u>180,963,319</u>	<u>140,782,800</u>	<u>129,748,415</u>	<u>128,797,425</u>	<u>121,349,179</u>	<u>118,706,527</u>	<u>114,875,372</u>	<u>111,810,124</u>	<u>109,796,721</u>	<u>113,828,400</u>
Excess of revenues over (under) expenditures	(24,152,758)	(4,188,947)	1,924,019	(257,133)	(1,409,772)	(5,562,046)	(5,350,022)	(675,475)	3,337,337	(3,207,024)
Other Financing Sources (uses):										
General long-term debt issued	-	241,165,714	1,500,000	-	-	2,185,000	11,915,000			
Premium/(discount) on debt issued	-	29,810,354	-	-	-	191,174	(82,562)			
Payments to refunded bond escrow	-	-	-	-	-	-	(11,832,296)			
Proceeds from capital leases	-	-	-	1,006,065	-	-	-			
Sale or loss of capital assets	-	12,200	6,538	-	16,635	5,836	2,213	4,239	38,754	245
Transfers in	520,000	540,000	500,000	510,000	250,000	250,000	3,616,205			
Transfers out	(520,000)	(540,000)	(500,000)	(510,000)	(250,000)	(250,000)	(3,616,205)			
Total other financing sources (uses)	<u>-</u>	<u>270,988,268</u>	<u>1,506,538</u>	<u>1,006,065</u>	<u>16,635</u>	<u>2,382,010</u>	<u>2,355</u>	<u>4,239</u>	<u>38,754</u>	<u>245</u>
Net change in fund balances	\$ <u>(24,152,758)</u>	\$ <u>266,799,321</u>	\$ <u>3,430,557</u>	\$ <u>748,932</u>	\$ <u>(1,393,137)</u>	\$ <u>(3,180,036)</u>	\$ <u>(5,347,667)</u>	\$ <u>(671,236)</u>	\$ <u>3,376,091</u>	\$ <u>(3,206,779)</u>
Debt services as a percentage of noncapital expenditures	11.26%	5.90%	5.21%	4.97%	4.98%	5.19%	5.41%	5.54%	5.59%	5.38%

08

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

FISCAL YEAR	PROPERTY VALUE ASSESSED VALUATION(1)				TOTAL DIRECT TAX RATE(2)	PROPERTY VALUE TRUE CASH VALUATION(1)				RATIO OF ASSESSED VALUATION TO TRUE CASH VALUATION
	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	TOTAL		REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	TOTAL	
2017-18	\$ 6,084,673,840	\$ 108,656,446	\$ 247,992,706	\$ 6,441,322,992	\$ 7.14	\$ 9,301,858,299	\$ 117,459,162	\$ 257,425,263	\$ 9,676,742,724	66.6 %
2016-17	5,749,555,044	94,830,643	236,182,700	6,080,568,387	5.51	7,465,179,001	99,053,031	295,841,508	7,860,073,540	77.4
2015-16	5,713,975,169	94,699,500	236,328,300	6,045,002,969	5.55	7,333,823,559	98,851,917	299,960,840	7,732,636,316	78.2
2014-15	5,471,345,826	89,714,891	238,220,500	5,799,281,217	5.56	6,690,357,833	93,359,109	272,772,787	7,056,489,729	82.2
2013-14	5,221,377,564	94,527,553	225,607,960	5,541,513,077	5.56	6,078,358,205	98,166,145	269,903,109	6,446,427,459	86.0
2012-13	5,086,731,228	96,150,587	219,078,200	5,401,960,015	5.61	5,998,838,242	99,719,516	259,509,321	6,358,067,079	85.0
2011-12	5,049,372,484	100,445,837	224,488,380	5,374,306,701	5.57	6,206,883,641	104,198,915	238,505,680	6,549,588,236	82.1
2010-11	4,951,908,278	107,992,177	186,293,200	5,246,193,655	5.59	6,767,365,771	111,713,129	186,878,336	7,065,957,236	74.2
2009-10	4,801,708,917	111,816,750	181,458,890	5,094,984,557	5.62	7,243,951,660	112,838,609	181,540,671	7,538,330,940	67.6
2008-09	4,648,285,952	121,218,173	125,844,240	4,895,348,365	5.69	7,814,487,254	122,051,905	126,358,154	8,062,897,313	60.7

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(1) Multnomah County Tax Supervising and Conservation Commission, Multnomah and Clackamas Counties.

(2) per \$1,000 of assessed value.

NA=not available

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
LARGEST TAXPAYERS WITHIN DISTRICT
CURRENT AND NINE YEARS AGO**

	2018		2009	
	ASSESSED VALUATION	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION	ASSESSED VALUATION	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION
PRIVATE ENTERPRISES				
Microchip Technology Inc	\$ 155,776,810	2.42 %	\$ 120,939,290	2.47 %
Semiconductor Components	106,943,010	1.66	88,470,810	1.81
Comcast Corporation	98,997,100	1.54		
DDR Gresham Station Eat LLC	36,905,680	0.57		
Holly Ridge Associates	29,014,070	0.45	22,236,950	0.45
PKI Gresham Town Fair LLC	25,441,060	0.39	19,353,220	0.40
ARHC CFGREOR01LLC	22,108,300	0.34		
ROC II or Vista at 23 LLC	21,003,140	0.33		
Fred Meyer Stores Inc	20,954,280	0.33	16,511,491	0.34
Timberline Partners LLC/Columbia Trails	19,896,230	0.31	-	0.00
GE Capital			33,431,890	0.68
Westlake Gresham North LLC			23,849,370	0.49
EQR Oregon LLC			16,033,530	0.33
Mutual Materials Company			15,260,510	0.31
Columbia Trails Appartment			15,248,920	0.31
PUBLIC UTILITIES				
Portland General Electric Co.	58,181,620	0.90	45,838,000	0.94
Frontier/Verizon Communications	23,775,000	0.37	36,364,100	0.74
Northwest Natural Gas	13,797,000	0.21		
SUB TOTAL	632,793,300	9.82	453,538,081	9.26
ALL OTHER TAXPAYERS	5,808,529,692	90.18	4,441,810,284	90.74
TOTAL	\$ 6,441,322,992	100.00 %	\$ 4,895,348,365	100.00 %

Source: Multnomah County Department of Assessment and Taxation

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Dollars per \$1,000 True Cash Value

	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>
DIRECT:										
Gresham-Barlow School District 10JT Permanent Rate	\$ 4.53	\$ 4.53	\$ 4.53	\$ 4.53	\$ 4.53	\$ 4.53	\$ 4.53	\$ 4.53	\$ 4.53	\$ 4.53
Gresham-Barlow School District 10JT Bond	2.61	0.98	1.02	1.03	1.03	1.08	1.04	1.06	1.09	1.14
Gresham Grade School #4 Bond	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
Weighted Average Direct (1)	<u>\$ 7.14</u>	<u>\$ 5.51</u>	<u>\$ 5.55</u>	<u>\$ 5.56</u>	<u>\$ 5.56</u>	<u>\$ 5.61</u>	<u>\$ 5.57</u>	<u>\$ 5.59</u>	<u>\$ 5.62</u>	<u>\$ 5.69</u>
Orient School District #6 Bond (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.34	0.53
Damascus Union School District #26 Bond (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.72	0.73	0.77	0.73
Overlapping:										
Tri-Met Service District	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.09	0.09	0.08
Port of Portland	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Multnomah ESD	0.46	0.46	0.46	0.46	0.46	0.44	0.46	0.46	0.46	0.46
Mt. Hood Community College	0.49	0.49	0.49	0.49	0.49	0.48	0.49	0.49	0.49	0.49
Clackamas Community College	0.75	0.74	0.75	0.71	0.71	0.72	0.70	0.70	0.72	0.74
City of Gresham	3.48	3.61	3.61	3.61	3.61	3.51	3.61	3.61	3.61	3.61
City of Damascus	2.40	2.40	2.80	2.80	3.10	3.10	3.30	3.30	3.30	3.30
Metropolitan Service District	0.41	0.40	0.39	0.46	0.47	0.40	0.32	0.41	0.44	0.40
Multnomah County	5.57	4.34	5.67	5.67	5.69	5.42	5.44	5.38	5.40	5.39
East Multnomah County Water & Soil	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.09
Clackamas County Rural	3.22	3.22	3.22	3.22	3.22	3.22	3.22	2.86	2.86	2.79
Boring Fire District 59	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38
Vector control	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
	<u>19.36</u>	<u>18.25</u>	<u>19.97</u>	<u>20.00</u>	<u>20.33</u>	<u>19.87</u>	<u>20.18</u>	<u>19.88</u>	<u>19.95</u>	<u>19.83</u>
Totals*	<u>\$ 26.50</u>	<u>\$ 23.76</u>	<u>\$ 25.52</u>	<u>\$ 25.56</u>	<u>\$ 25.89</u>	<u>\$ 25.48</u>	<u>\$ 25.75</u>	<u>\$ 25.47</u>	<u>\$ 25.57</u>	<u>\$ 25.52</u>

*Numbers in totals do not reflect the actual tax rate for any one property, but are the results of the potential combination of taxing units within District boundaries.

(1) This is a weighted average rate as limited by ballot Measure 5. Actual rates may vary by tax codes and lots because of differing compression.

(2) Rates are presented for comparison only and are not included in the totals. Debt levies were not consolidated upon merger. Instead, the debt levies are assessed depending upon the former District's boundary lines.

N/A - Not Available

Source: Multnomah and Clackamas Counties Departments of Assessment and Taxation.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
PROPERTY TAX LEVIES AND COLLECTION
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR			COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
	GENERAL FUND	DEBT SERVICE FUND	TOTAL	AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2017-18	\$ 28,983,051	\$ 16,832,467	\$ 45,815,517	\$ 43,383,823	94.7 %	\$ -	\$ 43,383,823	94.7 %
2016-17	27,770,373	6,086,989	33,857,362	32,253,312	95.3	290,733.6	31,985,355	94.5
2015-16	27,063,772	6,196,842	33,260,614	32,533,242	97.8	424,117	32,957,359	99.1
2014-15	25,773,207	5,996,922	31,770,129	31,023,586	97.7	555,165	31,578,751	99.4
2013-14	24,087,065	5,717,058	29,804,123	29,033,266	97.4	627,355	29,660,621	99.5
2012-13	24,240,352	5,880,813	30,121,165	29,287,073	97.2	686,216	29,973,289	99.5
2011-12	23,670,264	5,999,667	29,669,931	28,740,137	96.9	756,390	29,496,527	99.4
2010-11	23,437,991	5,939,102	29,377,093	28,539,902	97.2	721,214	29,261,116	99.6
2009-10	22,864,871	6,095,480	28,960,351	28,019,394	96.8	832,504	28,851,898	99.6
2008-09	21,975,158	6,264,837	28,239,995	27,196,140	96.3	1,038,924	28,235,064	100.0

Source: Multnomah and Clackamas County Departments of Assessment and Taxation.

(1) Tax collections include discounts, interest and other adjustments.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

FISCAL YEAR	DEBT OUTSTANDING						RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUATION
	GENERAL OBLIGATION BONDS	PENSION OBLIGATION BONDS	TOTAL	LESS DEBT SERVICE FUND	NET GENERAL BONDED DEBT	OTHER DEBT OUTSTANDING(4)	
2018-19	\$ 284,975,745	\$ 42,757,626	\$ 303,325,016	\$ 463,940	\$ 302,861,076	\$ 1,539,708	\$ 4.70%
2016-17	291,117,555	43,260,954	334,378,509	659,220	333,719,289	1,936,050	5.49%
2015-16	26,271,457	43,626,533	69,897,990	865,944	69,032,046	3,827,900	1.14%
2014-15	31,132,749	44,080,635	75,213,384	853,530	74,359,854	2,711,093	1.28%
2013-14	35,724,040	44,113,855	79,837,895	893,146	78,944,749	2,095,685	1.42%
2012-13	40,085,332	44,120,084	84,205,416	1,069,912	83,135,504	2,228,430	1.54%
2011-12	44,392,310	44,085,334	88,477,644	1,164,286	87,313,358		1.62%
2010-11	48,291,210	43,899,973	92,191,183	1,450,341	90,740,842		1.73%
2009-10	52,166,203	43,719,868	95,886,071	1,770,506	94,115,565		1.85%
2008-09	55,836,341	43,546,567	99,382,908	1,863,037	97,519,871		1.99%

Legal Debt Margin Calculation for Fiscal Year 2018:

Real Market Value	\$ 9,676,742,724
Debt Limit (7.95%)(1)	769,301,047
Amount of Debt Applicable to Debt Limit	(303,325,016)
Legal Debt Margin	<u>\$ 465,976,031</u>

FISCAL YEAR	RATIO OF NET GENERAL BONDED DEBT TO TRUE CASH VALUE	RATIO OF TOTAL GENERAL BONDED DEBT TO PERSONAL INCOME	TOTAL GENERAL BONDED DEBT PER CAPITA	NET GENERAL BONDED DEBT PER CAPITA	LEGAL DEBT LIMIT(1)	LEGAL DEBT MARGIN(2)	RATIO OF LEGAL DEBT MARGIN TO DEBT LIMIT
2017-18	3.13%	N/A	2,762	\$ 2,758	\$ 769,301,047	\$ 465,976,031	60.57%
2016-17	4.25%	8.29%	4,269	4,260	624,875,846	290,497,337	46.49%
2015-16	0.89%	1.83%	901	890	614,744,587	544,846,597	88.63%
2014-15	1.05%	2.07%	975	964	560,990,933	485,777,549	86.59%
2013-14	1.22%	2.29%	1,038	1,026	512,490,983	432,653,088	84.42%
2012-13	1.31%	2.46%	1,097	1,083	505,466,333	421,260,917	83.34%
2011-12	1.33%	2.69%	1,155	1,139	520,692,265	432,214,621	83.01%
2010-11	1.28%	2.92%	1,205	1,186	561,743,600	469,552,417	83.59%
2009-10	1.25%	2.99%	1,207	1,184	599,297,310	503,411,239	84.00%
2008-09	1.21%	2.96%	1,255	1,232	641,000,336	541,617,428	84.50%

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements

(1) ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the District bases on the following: (A) For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one of one percent (.0055) of real market value. (B) For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of real market value. Allowable percent of real market value: (A) Kindergarten through eighth grade, 9 x .0055 = 4.95%

(B) Ninth through twelfth grade, 4 x .0075 = 3.00% or 7.95% of real market value. Real market value data can be found on page 75:

Assessed Value and Actual Value of Taxable Property.

(2) The legal debt margin is the District's available borrowing authority under ORS 328.245 and is calculated by subtracting the net debt applicable to the legal debt limit from the legal debt limit.

(3) Demographic and Economic Statistics can be found on page 81 for personal income and population data. Assessed Value and True Cash Value can be found on page 75.

(4) Includes Full Faith and Credit Obligations, Financing Agreement and Capital Leases (all of which are not included in the debt limit calculation).

Sources: Portland State University, Population Research Center and Multnomah and Clackamas Counties Departments of Assessment and Taxation.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
DIRECT AND OVERLAPPING GROSS BONDED DEBT
JUNE 30, 2018**

GOVERNMENTAL UNIT	2017-2018	GROSS (1) BONDED DEBT	NET (2) DIRECT DEBT	PERCENT WITHIN SCHOOL DISTRICT (3)	OVERLAPPING	
	REAL MARKET VALUATION				GROSS (1) BONDED DEBT	NET (2) DIRECT DEBT
<u>DIRECT DEBT</u>						
Gresham-Barlow School District	\$ 9,676,742,724	\$ 303,325,016	\$ 303,325,016	100.00%	\$ 303,325,016	\$ 303,325,016
<u>OVERLAPPING GOVERNMENT</u>						
City of Troutdale	2,132,915,787	11,175,000	11,175,000	2.44	272,413	272,413
Clackamas County	71,989,650,457	138,185,000	138,185,000	2.66	3,673,510	3,673,510
Clackamas Community College	52,968,772,411	123,948,913	98,403,913	0.00	3,842	3,051
Multnomah County	161,490,084,458	369,970,117	369,970,117	5.23	19,349,067	19,349,067
Multnomah County RFPD 10	1,040,948,272	3,019,182	3,019,182	64.73	1,954,377	1,954,377
Metropolitan Service District	304,749,597,459	223,905,000	205,735,000	3.25	7,268,180	6,678,364
Multnomah ESD	163,731,919,235	28,200,000	-	6.33	1,784,270	-
Mt. Hood Community College	43,987,140,423	56,481,704	21,960,000	23.55	13,300,142	5,171,075
Port of Portland	329,856,659,850	60,339,399	-	3.14	1,895,019	-
Lusted Water Authority	260,006,089	690,000	690,000	100.00	690,000	690,000
Rockwood Water PUD	6,278,394,648	4,920,000	-	14.37	707,127	-
Pleasant Home Water District	235,640,756	1,500,000	1,500,000	94.64	1,419,598	1,419,598
Clackamas Cty RFPD 1	32,883,578,278	41,790,000	25,770,000	4.54	1,897,141	1,169,881
North Clackamas Parks & Rec	21,282,544,263	4,020,000	-	0.00	40	-
City of Gresham	12,841,739,221	76,606,690	39,217,690	60.12	46,053,031	23,576,185
TOTAL OVERLAPPING	1,205,729,591,607	1,144,751,005	915,625,902		100,267,757	63,957,521
TOTAL	\$ 1,215,406,334,331	\$ 1,448,076,021	\$ 1,218,950,918		\$ 403,592,773	\$ 367,282,537

Source: Municipal Debt Advisory Commission, State of Oregon.

- (1) Gross bonded debt includes all bonds backed by a general obligation pledge including self-supporting general obligation bonds and limited tax debt.
- (2) Net direct debt including all tax-supported bonds. Self-supporting bonds are excluded.
- (3) The percentage of overlapping debt is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping district's taxable assessed value that is within the school district's boundaries and dividing it by the overlapping district's total taxable assessed value. These percentages are calculated by the State of Oregon Municipal Debt Advisory Commission.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>POPULATION (ESTIMATED) (1)</u>	<u>PERSONAL INCOME (thousands of dollars) (ESTIMATED) (3)</u>	<u>PER CAPITA PERSONAL INCOME (2)</u>	<u>UNEMPLOYMENT RATE (2)</u>
2017-2018	109,820	\$ N/A	\$ N/A	3.6 %
2016-2017	78,335	4,034,873	51,508	3.7
2015-2016	77,549	3,817,737	49,230	4.8
2014-2015	77,108	3,632,249	47,106	5.7
2013-2014	76,909	3,482,824	45,285	6.6
2012-2013	76,757	3,424,744	44,618	7.7
2011-2012	76,631	3,288,006	42,907	8.6
2010-2011	76,485	3,152,176	41,213	9.4
2009-2010	79,462	3,202,001	40,296	11.3
2008-2009	79,179	3,361,069	42,449	12.1

(1) Population Research Center, Portland State University

a) 2010-11 from 2010 Census, 2011-12 estimated based on City of Gresham's projected population increases since the 2010 Census

b) Estimated based on City of Gresham's projected population increases since the 2000 Census (2002-2010)

(2) Employment Division, Research and Statistics, State of Oregon (For Multnomah County)

(3) Estimated using per capital information and estimated population.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 PRINCIPAL EMPLOYERS
 CURRENT AND NINE YEARS AGO**

EMPLOYER	2018			2009		
	Employees	Rank	Percentage of total employment(1)	Employees	Rank	Percentage of total employment(1)
Mt. Hood Community College	1,283	1	2.35 %	1,365	1	2.92 %
Gresham-Barlow School District	998	2	1.83	1,227	2	2.63
ON Semiconductor	807	3	1.48	422	4	0.90
Legacy Mt. Hood Medical Center	601	4	1.10	313	6	0.67
City of Gresham	580	5	1.06	552	3	1.18
Microchip Technology	564	6	1.03	361	5	0.77
Fred Meyer Inc	279	7	0.51			
Albertina Kerr Centers	185	8	0.34			
Kaiser Foundation Health Plan	170	9	0.31			
Winco Foods	165	10	0.30	134	8	0.29
First Student	140	11	0.26	112	10	0.24
Safeway	144	12	0.26			
Regency Gresham Nursing	116	13	0.21			
Fairlawn Health Center	106	14	0.19	134	8	0.29
Kaiser Permanente				140	7	0.30
Total	6,137		11.26 %	4,760		10.19 %

Source: City of Gresham, Community and Economic Development Department and United States Department of Labor, Bureau of Labor and Statistics.

(1)The District does not have records on employers within its jurisdiction and was unable to find a resource for its jurisdiction. The District used total employment for the City of Gresham as reported by the Bureau of Labor and Statistics.

The District took the City's top 25 list and was able to use this information to obtain those top ten within the District's jurisdiction.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

	2017-18	2016-17	2015-16	2014-15	2013-14(1)	2012-13(1)	2011-12(1)	2010-11(2)	2009-10	2008-09
Instruction:										
Primary programs	230.4	233.0	226.9	201.3	199.3	202.8	199.1	149.9	152.6	171.0
Intermediate programs(4)	-	-	-	-	-	-	-	78.6	75.8	87.4
Middle school programs	97.1	97.5	95.4	101.8	98.1	112.5	110.7	125.2	124.8	132.1
High school programs	120.1	120.9	119.3	120.5	117.7	136.2	132.5	149.4	148.7	159.9
Preschool programs	6.2	5.7	5.7	5.7	5.7	6.6	6.1	6.1	6.5	6.5
Talented and gifted programs	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.3	-	-
Restrictive programs	51.2	39.4	37.8	35.6	50.6	28.7	30.4	15.1	50.5	58.6
Resource rooms	112.3	124.2	114.2	113.5	103.2	104.2	107.0	118.9	82.4	67.7
Remediation	-	-	-	-	-	-	-	-	-	1.2
Title I	39.4	35.2	32.5	38.4	33.5	25.8	29.0	46.8	39.0	39.5
Alternative education	3.2	3.0	3.1	0.8	2.2	2.2	3.1	3.8	5.4	6.0
Designated programs	44.0	44.0	44.4	44.6	39.8	39.4	39.5	40.4	39.5	44.0
Total instruction	704.1	703.1	679.5	662.3	650.3	658.6	657.6	734.5	725.2	773.9
Support services:										
Attendance and social work services	18.0	19.0	17.5	18.3	17.5	18.0	17.8	17.3	16.5	17.3
Guidance services	26.9	26.9	27.3	26.9	27.5	29.5	31.1	31.7	34.9	44.0
Health services	9.2	9.5	9.8	8.8	7.3	7.3	5.2	6.2	4.6	3.6
Psychological services	5.3	7.0	6.5	6.5	7.5	7.5	7.1	7.1	7.1	7.3
Speech pathology and audiology services	12.0	12.0	12.0	11.7	11.7	11.7	14.5	13.9	14.0	17.2
Service direction - student support services	5.7	5.7	5.7	5.7	3.8	4.3	4.2	4.2	4.2	4.2
Improvement of instruction services	6.5	6.3	6.3	5.8	5.8	5.6	9.3	7.6	7.4	10.3
Educational media services	18.7	18.6	18.4	18.5	18.9	18.9	19.5	20.7	19.8	21.7
Assessment and testing	2.4	2.4	2.4	2.4	2.4	2.4	1.9	2.5	2.2	3.0
Instructional staff development	8.0	9.6	9.9	7.9	8.3	8.0	7.5	16.1	1.3	2.3
Executive administration services	5.0	6.0	6.0	6.0	6.0	6.0	3.0	4.0	4.0	4.5
Office of the principal services	75.9	74.9	74.7	78.1	76.3	77.5	78.2	77.8	71.6	87.7
Fiscal services	8.9	8.9	8.7	8.6	8.8	8.9	9.9	8.9	8.8	9.9
Operations and maintenance of plant services	58.0	58.0	58.0	58.0	57.0	57.0	57.0	59.0	59.0	68.5
Student transportation services	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9	4.0	0.5
Internal services	2.3	2.3	2.3	2.2	1.2	1.0	1.0	1.0	1.0	1.0
Planning and development services	-	-	-	-	-	-	-	-	-	-
Information services	2.0	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.0
Staff services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0
Technology services	18.8	18.8	18.8	18.8	18.4	18.3	18.3	18.1	19.1	26.0
Other central support	1.0	1.0	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total support services	291.5	295.4	293.9	293.6	287.8	291.3	294.9	307.0	289.5	339.0
Community services:										
Food preparation and dispensing	-	-	0.2	0.2	0.2	-	-	-	0.1	0.1
Community services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Civic services	-	-	-	-	-	-	-	-	-	-
Other community services	-	-	-	-	-	-	-	-	-	-
Total community services	2.0	2.0	2.2	2.2	2.2	2.0	2.0	2.0	2.1	2.1
Total FTE	997.7	1,000.5	975.6	958.1	940.3	951.9	954.5	1,043.5	1,016.8	1,115.0

(1) FTE (Full Time Equivalent) based on a reduction of 5 contracted working days.

(2) FTE (Full Time Equivalent) based on a reduction of 8 contracted working days.

(3) FTE based on a reduction of 10 contracted working days.

(4) Function eliminated in 2011-12

Source: Gresham-Barlow School District Adopted Budget

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 LICENSED PROFESSIONAL SALARY PLAN
 YEAR ENDED JUNE 30, 2018**

<u>LEVEL</u>	<u>BACHELORS*</u>	<u>BACHELORS +45*</u>	<u>BACHELORS +75* MASTERS*</u>	<u>BACHELORS +105* MASTERS +23*</u>
1	39,178	43,036	44,430	48,386
2	41,109	44,886	46,372	50,364
3	43,134	46,816	48,400	52,421
4	45,259	48,828	50,516	54,561
5	47,487	50,929	52,726	56,786
6	49,825	53,119	55,031	59,106
7	52,279	55,403	59,127	63,329
8	54,855	57,785	59,950	64,032
9	57,555	60,271	62,571	66,648
10	60,392	62,861	65,307	69,368
11		65,563	68,164	72,200
12		68,384	71,144	75,150
13			74,256	78,218

*Based on 191 day contract

LICENCED STAFF PER LEVEL AND EDUCATION IN FULL-TIME EQUIVALENT EMPLOYEES-JUNE 2018

<u>LEVEL</u>	<u>BACHELORS</u>	<u>BACHELORS +45</u>	<u>BACHELORS +75 MASTERS</u>	<u>BACHELORS +105 MASTERS +23</u>	<u>TOTAL</u>
1	13.00	1.00	19.00	3.00	36.00
2	7.00	0.00	14.00	5.00	26.00
3	5.00	1.00	8.00	10.00	24.00
4	9.00	4.00	21.00	18.00	52.00
5	5.00	1.00	14.00	9.00	29.00
6	0.00	3.00	13.00	4.00	20.00
7	0.00	2.00	15.00	10.00	27.00
8	3.00	0.00	11.00	11.00	25.00
9	0.00	0.00	7.00	13.00	20.00
10	10.00	5.00	16.00	13.00	44.00
11		2.00	19.00	21.00	42.00
12		16.00	9.00	17.00	42.00
13			118.00	308.00	426.00
Total	52.00	35.00	284.00	442.00	813.00

Source: Gresham-Barlow School District Budget Department

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	STUDENT ENROLLMENT(1)	AVERAGE DAILY MEMBERSHIP(2)	COST PER PUPIL(3)			TEACHING STAFF (5)	PUPIL-TEACHER RATIO (4)	NUMBER OF STUDENTS GRADUATED(5)		
			K-8	9-12	ALL			GRESHAM HIGH SCHOOL	BARLOW HIGH SCHOOL	SPRING-WATER TRAIL
2017-2018	11,841	11,894	\$ 9,658	\$ 10,623	\$ 10,525	623.0	19.01	296	345	48
2016-2017	10,981	11,921	9,785	10,367	10,467	619.0	17.74	342	389	39
2015-2016	11,144	11,993	9,063	9,227	9,607	813.0	13.71	347	335	38
2014-2015	11,120	11,647	9,460	8,757	9,223	556.4	19.99	307	344	34
2013-2014	11,251	11,630	8,873	8,355	8,700	512.6	21.95	315	334	29
2012-2013	11,319	11,708	8,671	8,476	8,611	568.8	19.90	328	354	26
2011-2012	11,507	11,661	8,508	8,289	8,442	560.2	20.54	342	362	29
2010-2011	11,598	11,648	8,234	8,153	8,213	613.9	18.89	332	368	32
2009-2010	11,925	11,694	7,997	8,331	8,109	609.6	19.56	330	377	32
2008-2009	12,007	11,682	8,292	8,326	8,311	659.9	18.20	339	374	31

FISCAL YEAR	NUMBER OF TYPE A LUNCHES SERVED			NUMBER OF BREAKFASTS SERVED		
	PAID	FREE	REDUCED PRICE	PAID	FREE	REDUCED PRICE
2017-2018	153,982	727,567	50,960	28,926	320,001	13,728
2016-2017	126,353	709,047	51,334	18,232	307,943	13,666
2015-2016	134,229	788,452	46,470	21,035	372,462	11,469
2014-2015	131,919	723,820	38,787	17,866	325,204	7,884
2013-2014	180,825	562,725	73,555	54,116	271,047	31,274
2012-2013	234,133	612,662	72,010	61,002	304,513	28,870
2011-2012	266,606	595,317	78,625	49,147	247,628	27,323
2010-2011	305,294	550,631	88,862	69,760	209,919	33,264
2009-2010	364,163	536,262	103,422	79,085	210,632	38,105
2008-2009	424,169	465,425	101,554	74,188	188,178	26,921

(1) Enrollment in Gresham-Barlow School District locations only.

(2) Average Daily Membership (ADM) includes all resident students regardless of where they attend (including charter schools, schools outside the district, and schools for special needs students operated by other agencies and education service districts).

(3) Cost per pupil is calculated by the District using actual expenditures on the budgetary basis, excluding capital outlay and debt service and offset by payments received for tuition (i.e., outdoor school, driver's education) and non-reimbursable transportation.

(4) Enrollment to Teacher Ratio

(5) Includes all licensed staff, not just classroom teachers, (i.e., counselors, special education, librarians).

N/A-Not Available

Sources: Gresham Barlow School District Human Resources Department, Food Service Department, High Schools, Enrollment and Attendance Records.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013(1)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
SCHOOLS										
ELEMENTARY										
BUILDINGS	11	11	11	11	11	11	11	11	11	11
SQUARE FEET	633,084	633,084	633,084	633,084	633,084	633,084	651,268	651,268	649,635	649,667
CAPACITY	5,611	5,611	5,611	5,611	5,611	5,611	5,838	5,838	5,353	5,353
ENROLLMENT	5,149	5,185	5,216	5,212	5,176	5,136	4,925	4,925	5,081	5,132
MIDDLE										
BUILDINGS	5	5	5	5	5	5	5	5	5	5
SQUARE FEET	460,285	460,285	460,285	460,285	460,285	460,285	472,199	472,199	470,257	470,257
CAPACITY	3,328	3,328	3,328	3,328	3,328	3,328	3,280	3,280	2,943	2,943
ENROLLMENT	2,683	2,666	2,659	2,703	2,731	2,885	2,887	2,887	2,946	2,950
HIGH										
BUILDINGS	3	3	3	3	3	3	3	3	3	3
SQUARE FEET	561,876	561,876	561,876	561,876	561,876	561,876	537,134	537,134	537,134	537,134
CAPACITY	3,630	3,630	3,630	3,630	3,630	3,630	3,627	3,627	3,170	3,170
ENROLLMENT(2)	3,525	3,613	3,826	3,742	3,707	3,634	3,389	3,389	3,769	3,892
92 ADMINISTRATIVE										
BUILDINGS	1	1	1	1	1	1	1	1	1	1
SQUARE FEET	13,094	13,094	13,094	13,094	13,094	13,094	13,094	13,094	12,000	12,000
OPERATIONS AND MAINTENANCE										
BUILDINGS	1	1	1	1	1	1	1	1	1	1
SQUARE FEET	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	6,000	6,000
OTHER										
SQUARE FEET	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
ATHLETICS										
FOOTBALL FIELDS	3	3	3	3	3	3	3	3	3	3
SOCCER FIELDS	4	4	4	4	4	4	4	4	4	4
FOOTBALL/SOCCER FIELDS	2	2	2	2	2	2	2	2	2	2
BASEBALL/SOFTBALL	20	20	20	20	20	20	20	20	20	20
SWIMMING POOLS	2	2	2	2	2	2	2	2	2	2
PLAYGROUNDS	16	16	16	16	16	16	16	16	16	16

(1) Long-range planning for building capacity was conducted on a building by building and room by room basis to develop optimal capacity information.

(2) Does not include Adult Living Program.

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AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, and comments and disclosures required in all audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth in the following pages.

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PAULY, ROGERS AND Co., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

October 29, 2018

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Gresham-Barlow School District as of and for the year ended June 30, 2018, and have issued our report thereon dated October 29, 2018. 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.**

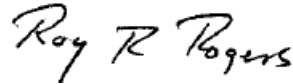
In connection with our testing nothing came to our attention that caused us to believe the Gresham-Barlow School District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

1. Expenditures of all the various funds there within authorized appropriations, except as noted on page 25.

OAR 162-10-0230 Internal Control

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

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

A handwritten signature in cursive script that reads "Roy R. Rogers".

Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

SINGLE AUDIT SECTION

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**Gresham-Barlow School District 10JT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018**

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>ODE Pass Through Entity Number</u>	<u>Grant Period Covered</u>	<u>Expenditures</u>
U.S. Department of Education				
Passed through Oregon Department of Education:				
Title IA/D Grants to LEA's	84.010	45602	07/01/17-09/30/18	\$ 2,332,775
	84.010	41066	07/01/16-09/30/17	232,184
	84.010	41879	07/01/16-09/30/17	336
	84.010	41884	07/01/16-09/30/17	8,063
				<u>2,573,358</u>
English Language Acquisition	84.365	44218	07/01/16-09/30/17	151,317
	84.365	41763	07/01/17-09/30/18	39,052
	84.365	48112	07/01/17-09/30/19	1,447
				<u>191,816</u>
Support Effective Instruction State Grant	84.367	45817	07/01/17-09/30/18	214,887
	84.367	41321	07/01/16-09/30/17	81,468
				<u>296,355</u>
Special Education - Grants to States	84.027	44393	07/01/17-09/30/18	9,635
	84.027	46438	07/01/17-09/30/18	12,731
	84.027	45045	07/01/17-09/30/18	1,648
	84.027	41518	07/01/16-09/30/17	238,196
	84.027	45184	07/01/17-09/30/19	2,001,015
	84.027	48426	07/01/16-09/30/17	300
				<u>2,263,525</u>
Special Education Preschool Grant	84.173	45396	07/01/17-09/30/18	5,787
	84.173	40597	07/01/16-09/30/17	3,548
				<u>9,335</u>
Special Education Cluster				<u>2,272,860</u>
21st Century Community Learning	84.287	44148	07/01/17-09/30/18	213,628
	84.287	40521	07/01/16-09/30/17	137,349
				<u>350,977</u>
School Improvement Grants	84.377	42123	07/01/16-09/30/17	122,674
	84.377	46140	07/01/17-09/30/18	83,318
				<u>205,992</u>
Homeless Children and Youth	84.196	46121	07/01/17-09/30/18	60,000
Total U.S. Department of Education				<u><u>5,951,358</u></u>
U.S. Department of Health & Human Services				
Passed through Oregon Employment Department				
Child Care and Development Block Grant	93.575	ODE/OCC 14-036	07/01/13 - 12/31/2017	<u>31,380</u>
Total U.S. Department of Health & Human Services				<u>31,380</u>

(1) There were no funds passed through to subrecipients

Gresham-Barlow School District 10JT
 Schedule of Expenditures of Federal Awards (Continued)
 Year Ended June 30, 2018

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>ODE Pass Through Entity Number</u>	<u>Period Covered</u>	<u>Expenditures</u>
U.S. Department of Agriculture:				
Passed through Oregon Department of Education:				
Child Nutrition Cluster:				
Donated Commodities	10.555/10.553		07/01/17-06/30/18	281,414
School Breakfast Program	10.553		07/01/17-06/30/18	702,275
National School Lunch Program	10.555		07/01/17-06/30/18	2,638,233
Child and Adult Care Food Program	10.558		07/01/17-06/30/18	142,867
Summer Food Service Program for Children	10.559		07/01/17-06/30/18	107,859
CNP SAE 2016 Reallocation	10.560		07/01/17-06/30/18	8,606
				<u>3,881,254</u>
Passed through Clackamas and Multnomah Counties Oregon				
Forest Service - Schools and Roads	10.665		07/01/17-06/30/18	6,496
				<u>6,496</u>
Total U.S. Department of Agriculture				<u><u>3,887,750</u></u>

TOTAL FEDERAL FINANCIAL ASSISTANCE \$ 9,870,488

Reconciliation to Federal Revenue:	
Total Federal Awards Expended, above	\$ 9,870,488
Accruals/Deferrals	(32,716)
Total Federal Revenue Recognized	<u><u>\$ 9,837,772</u></u>

(1) There were no funds passed through to subrecipients

REPORTS ON LEGAL AND OTHER REGULATORY COMPLIANCE

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PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

October 29, 2018

To the Board of Directors
Gresham-Barlow School District
Gresham, 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 Gresham-Barlow School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated October 29, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic 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 basic 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 basic 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.

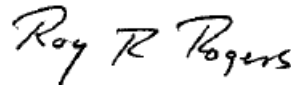
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 basic 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.



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

GRANT COMPLIANCE REVIEW

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PAULY, ROGERS, AND Co., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

October 29, 2018

To the Board of Directors
Gresham-Barlow School District
Gresham, 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 Gresham-Barlow School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2018. 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, Gresham-Barlow School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

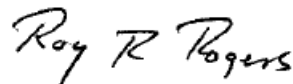
Report on Internal Control Over Compliance

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.



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

GRESHAM-BARLOW SCHOOL DISTRICT
GRESHAM, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

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

Noncompliance material to financial statements noted? yes no

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

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

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

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

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

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER **NAME OF FEDERAL PROGRAM CLUSTER**

10.553,10.555, 10.559 Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? yes no

GRESHAM-BARLOW SCHOOL DISTRICT
GRESHAM, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

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 District.

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.

