

Comprehensive Annual Financial Report
FOR THE YEAR ENDED JUNE 30, 2017



EVERY STUDENT

◦ PREPARED FOR SUCCESS ◦

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, 2017

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

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Phone: (503) 261-4550

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Fax: (503) 261-4554

October 23, 2017

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, 2017.

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, 2017, 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, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report, 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 89.

Management's Discussion and Analysis

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basis 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 2016-17 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 13).

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 2017 that Oregon's job growth has slowed since 2014-2015, Oregon is still outpacing the nation overall and continues to keep pace with a growing population. Oregon added 48,100 jobs in 2015 or an increase of 2.7 percent. Arizona State University W.P. Carey School of Business, places Oregon 7th in the nation for job growth in December, 2015. Oregon ranked 6th for job growth in 2014, with growth of 2.8 percent, 11th in 2013 with growth of 2.1 percent and 31st in 2012 with growth of .9 percent. Oregon's unemployment rate sits at 3.8 percent for July 2017, down from the high of 11.6 percent in June 2009. OEA reports that Oregon has averaged just under 2 percent growth since the Great Recession and the forecast is a peak growth of 2.6 percent over the 2014-16 time frame. More important, wages in Oregon are increasing on the average of 3-4 percent per year, which is faster than inflation of 1-2 percent per year. This is better than during the mid-2000s expansion but still below 1990s gains.

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 2016-17 as measured in September was five students lower than the District projected and approximately 250 students lower than projected by Portland State University Population Research Center enrollment forecast performed February 2012. However there was an overall growth of 23 students over 2014-15. Due to the important relationship between funding and enrollment, the District will continue to carefully review future projections. 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 had to be made. Difficult reductions were made 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 2016-17 budget maintains the staffing ratios, supplies and material allocations and instructional days as 2015-16 actual budget.

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.

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 over 39 languages. Throughout 2016-17, the District has been engaged in a process of strategically planning for the District's future. The planning is part of a year-five task that was written within the 2015 vision developed in 2010. Considerable community input was collected this year through an extensive outreach to students, parents, staff members and community members. The result of this work included the affirmation of our mission statement and the identification of strategic themes and bold steps that defined the 2020 vision for the District.

The District's mission, "Every student prepared for a lifetime of learning, career opportunities, and productive contributions to the community," is supported by our vision as defined by seven strategic themes that guide the District's work:

Teaching and Learning, Growth and Achievement for All — Engage every student in meaningful learning through high-quality, accessible instruction and relevant content

Equitable Outcomes — Reduce the achievement gaps by supporting and sustaining equitable opportunities for every student

College and Career Readiness — Improve and increase high school pathways to college and career options

Early Learning — Align practices and resources to support all students reading at grade level by the end of the 3rd grade

Class Size and Learning Environments — Strive to strategically reduce class sizes and improve learning environments

Community Partnerships — Enhance support for students and schools through parent, business and community partnerships

Community Investment — Create a long-term prioritized plan for enhancing and preserving the community's facilities

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:

- On November 8, 2016 the Gresham-Barlow School District successfully passed a \$291 million bond measure for capital projects, safety and technology.
- In 2017 Gresham-Barlow students and staff received the following awards:
 - Gresham High School Theatre Department won first place for the 6th year in a row in the State Acting Competition for their performance of "Biggest Blame Fool."
 - Individual State Championships in track & field, music, speech, acting, softball, baseball, soccer and Equestrian.
 - Gresham-Barlow staff received the Mary Hartman Journalism Teacher of the Year, Celebrate Literacy, OSPRA Communicator of the Year, Speech Educator of the Year, Outstanding Early Career Teacher and the Oregon Elementary Social Studies Educator of the Year awards.
- The District was awarded the following grants:
 - School Improvement Grant for East Gresham Elementary School. The grant is for \$1.8 million over three years beginning in 2014-15.
 - Mt Hood Cable Regulatory Commission Grant for \$1.37 million to create a technology rich, blended learning kindergarten through 3rd grade classrooms at North Gresham and Kelly Creek elementary schools.
 - Collaboration Design Grant \$1 million for 2016/2017 to improve student achievement through the voluntary collaboration of teachers and administrators
 - English Language Learners HB 3499 Grant for \$82 thousand for 2016/17 to prepare English language learner students to be ready with the language and academic skills necessary to access and achieve success in college and multiple career pathways.
- The U.S Environmental Protection Agency (EPA) recognized Gresham-Barlow School District with a 2017 Energy Star Partner of the Year – Sustained Excellence Award for its continued leadership in protecting our environment through energy efficiency. This is the 10th Energy Star Partner of the Year award Gresham Barlow

has been an energy partner since 2005 and is recognized for winning this award more times than any other district in the country.

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 the year ended June 30, 2016. This was the 25th consecutive year that the District has received this prestigious award. 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, 2016. This was the 23rd 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.



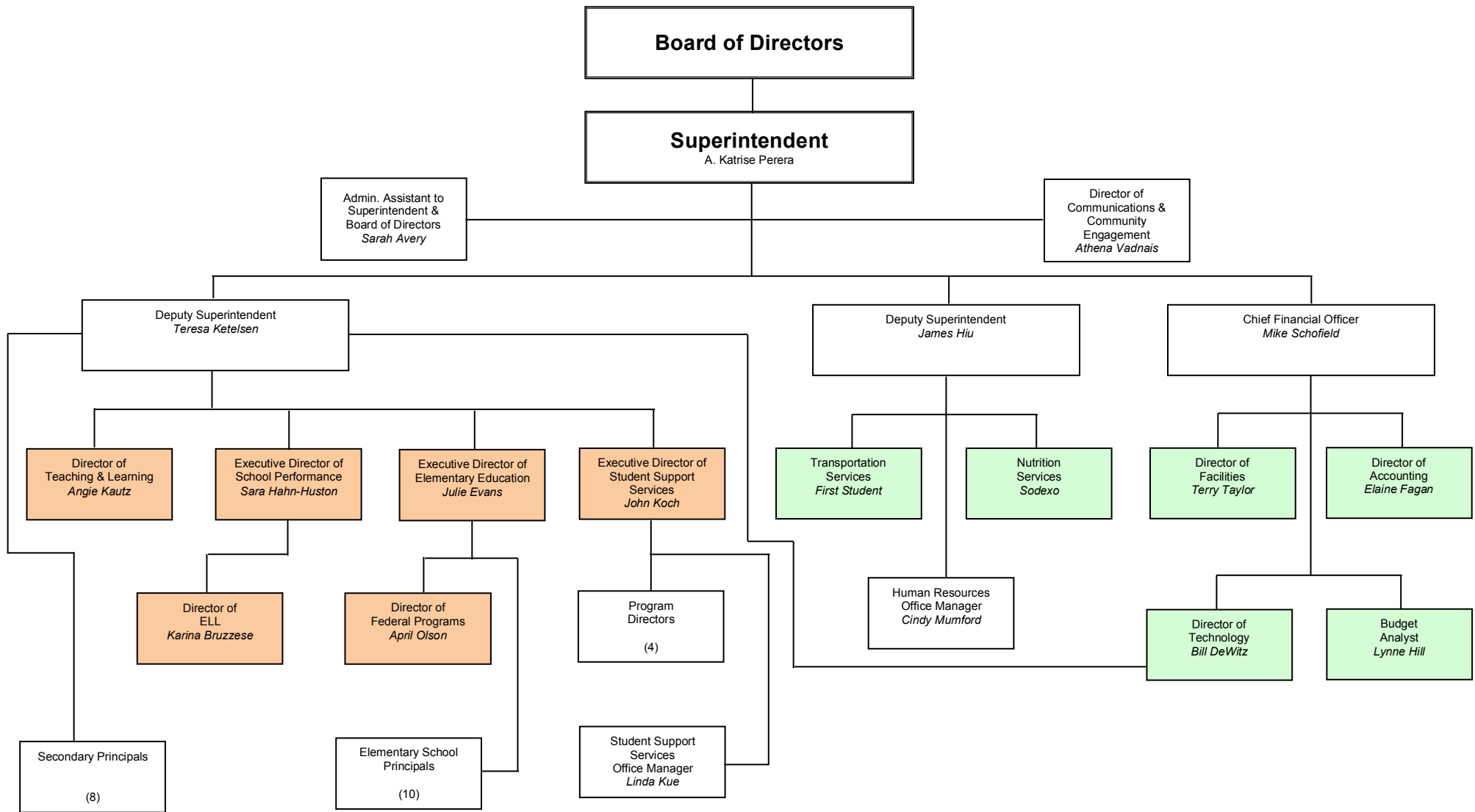
Dr. A. Katrise Perera
Superintendent



Michael D. Schofield
Chief Finance Officer



Elaine Fagan
Director of Accounting





Government Finance Officers Association

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

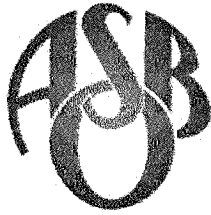
Presented to

**Gresham-Barlow School District No. 10JT
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Gresham-Barlow School District 10JT

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE
Executive Director

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

School Board as of June 30, 2017

Name	Zone	Term Expires
Kris Howatt, Chair Howatt3@gresham.k12.or.us 503-669-9255	Zone 3	June 30, 2019
Sharon Garner, Vice Chair Garner6@gresham.k12.or.us 503-679-3443	At-Large	June 30, 2021
Carla Piluso Piluso2@gresham.k12.or.us 503-666-2525	At-Large	June 30, 2021
John Hartsock Hartsock7@gresham.k12.or.us 503-780-4806	At-Large	June 30, 2019
Katherine J. Ruthruff ruthruff@gresham.k12.or.us 503-658-3391	Zone 1	June 30, 2019
Matt O'Connell Oconnell5@gresham.k12.or.us 503-680-1314	Zone 2	June 30, 2021
Blake Petersen petersen21@gresham.k12.or.us 503-348-5111	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	

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

October 11, 2017

To the Board of Directors
Gresham-Barlow School District
Multnomah County, Oregon

INDEPENDENT AUDITORS' REPORT

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, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Gresham-Barlow School District, as of June 30, 2017, 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.

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* and GASB Statement No. 77, *Tax Abatements*, for the year ended June 30, 2017. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal expenditures 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, as listed in the table of contents and the schedule of expenditures of federal expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents and the schedule of federal expenditures, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical and the other information, as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our report dated October 11, 2017 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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. That report is 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 11, 2017, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Matthew Graves, 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, 2017**

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, 2017. 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 – vi of this report.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the liabilities of the District exceeded its assets at June 30, 2017 by approximately \$30.4 million. Of this amount, approximately \$49 million represents the District's net investment in capital assets, approximately \$2.6 million is restricted and the remaining (\$82) million is unrestricted.
- For the fiscal year ended June 30, 2017, the District's total net position decreased by approximately \$5 million from the June 30, 2016 restated net position. This decrease is primarily due to the change in the proportionate share of net pension liability and the net deferred pension inflow/outflow (\$10.1 million), an increase in deferred outflow of resources net of liability for Stipend and OPEB benefits (\$1 million), an increase in cash and investments (269.7 million), an increase in capital assets and construction in progress (\$2.6 million), and an increase in bonds and interest payable (\$265.8 million), an increase in accounts payable (2.8 million).
- Deferred outflows and inflows related to the pension and OPEB plans varied in accordance with the actuarial reports issued for each of the District's individual plans. Detailed information on the components of deferred outflows and inflows is included with the footnote disclosures for each of these plans.
- The District's governmental funds report combined ending fund balance of approximately \$281.59 million, an increase of approximately \$266.8 million in comparison with the prior year. Of this amount, approximately \$11.86 Million (4.2%) is unassigned and available for spending at the District's discretion. This increase is primarily due to the 2017 bond sale for capital projects.
- At the end of the fiscal year, unassigned fund balance for the general fund was approximately \$11.86 million, or about 10.5% of total general fund expenditures.
- The District's total debt increased by \$262.7 million (357%) during the 2016-17 fiscal year. Debt increased in 2016/17 due to the 2017 bond issue and premium in the amount of \$270.9 million which was offset by scheduled debt service payments of approximately \$7.8 million and the amortization of prior year bond amortized premiums and discounts of approximately \$.2 million.

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:

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 13 and 14 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 15 and 17 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 21-22 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 23-45 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 46-50 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented as Supplementary Information on pages 51-53 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by approximately \$30.4 million at June 30, 2017.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles, and equipment, represent about 18.2 percent of total assets. The remaining assets consist mainly of cash, investments, grant and property taxes receivable, equity in CAL and a proportionate share of net pension asset.

The District's largest liability (75.7 percent) is for the repayment of general obligation, PERS and full faith and credit obligation bonds. Current liabilities, representing about 2.77 percent of the District's total liabilities, consist almost entirely of payables on accounts, payroll withholdings.

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, 2017 and 2016			
(in thousands)			
	Governmental Activities		Increase (Decrease) From Fiscal 2016
	2017	2016	
Current and other assets	\$ 296,459	\$ 26,690	\$ 269,769
Capital assets	75,280	72,635	2,645
Total assets	<u>371,739</u>	<u>99,325</u>	<u>272,414</u>
Deferred Outflow of Resources	<u>41,881</u>	<u>6,249</u>	<u>35,632</u>
Current liabilities	12,282	6,512	5,770
Non-Current liabilities	336,957	74,448	262,509
Pension and OPEB Obligations	<u>93,043</u>	<u>42,373</u>	<u>50,670</u>
Total liabilities	<u>442,282</u>	<u>123,333</u>	<u>318,949</u>
Deferred Inflow of Resources	<u>1,740</u>	<u>7,638</u>	<u>(5,898)</u>
Net position:			
Net investment in capital assets	48,952	43,176	5,776
Restricted	2,605	2,569	36
Unrestricted	<u>(81,959)</u>	<u>(71,142)</u>	<u>(10,817)</u>
Total net position	<u>\$ (30,402)</u>	<u>\$ (25,397)</u>	<u>\$ (5,005)</u>

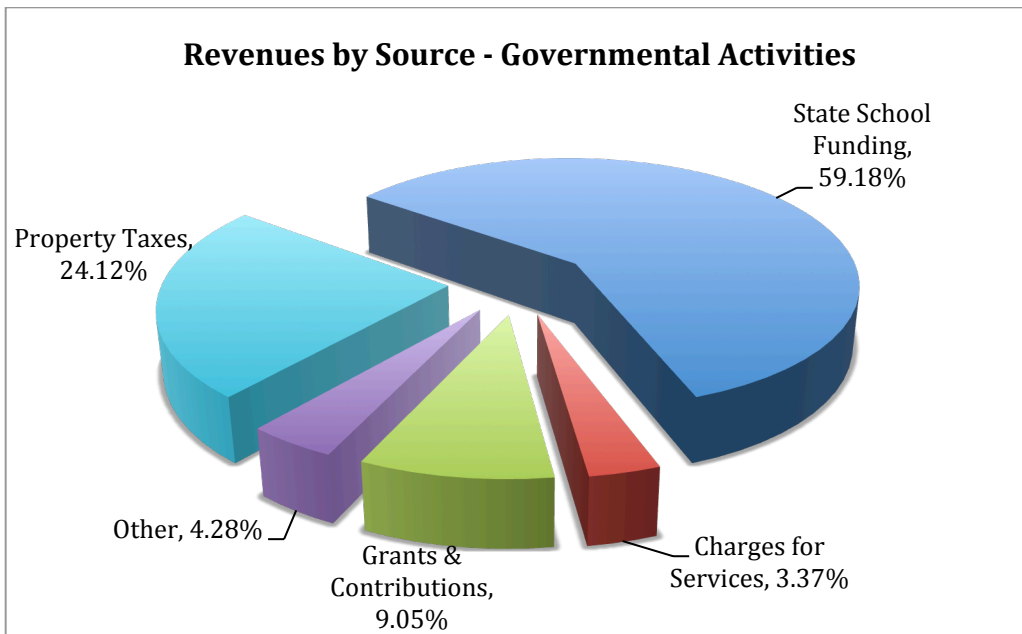
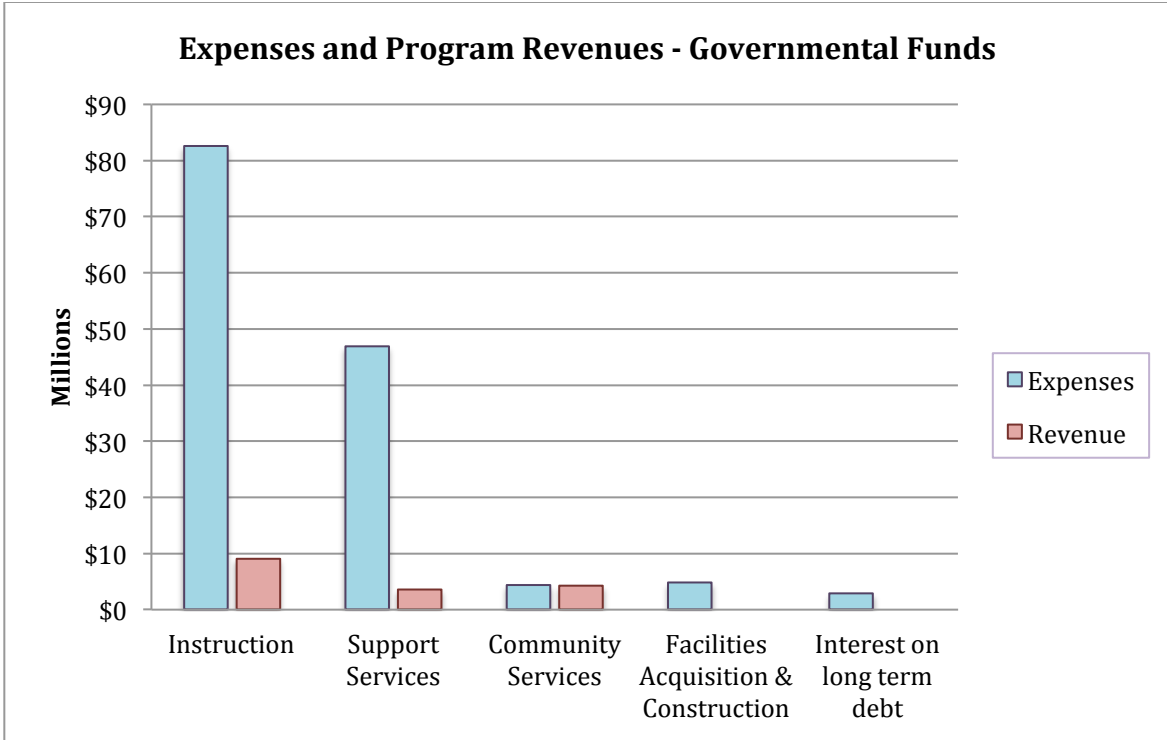
During the current fiscal year, the District's net position decreased by approximately \$5 million. Net investment in capital assets increased by \$5.8 million and unrestricted decreased by \$10.8 million while restricted net position increased by \$.03 million. This decrease is primarily due to the change in pension and OPEB obligation and the net deferred inflow/outflow of resources of \$9.1 million, an increase in non-current liabilities of \$262.5 million and an increase in current assets of \$269.8 million. Other changes include an increase in capital assets in excess of depreciation by \$2.6 million and an increase of current liabilities of \$5.8 million. Unrestricted decreased primarily due to the \$9.1 million change in pension and OPEB obligation and deferred inflows/outflow of resources caused by the implementation of GASB 68, 71, 73 and 75. Restricted decreased primarily due to a decrease in the amounts restricted for student groups.

Governmental activities. The key elements of the change in the District's net position for the year ended June 30, 2017 are as follows:

- General revenues increased by approximately \$4.9 million, mainly due to an increase in the State School Fund general support of approximately \$1.97 million, an increase in property taxes of approximately \$.5 million, an increase in earnings on investments of approximately \$.76 million and an increase in grants and contributions of approximately \$1 million.
- Governmental program expenses decreased by about \$11 million. This was primarily due to the change in net pension and OPEB liability from 6/30/2016 to 6/30/2017.

Changes in Net Position			
For the year ended June 30, 2017 and 2016			
(in thousands)			
	2017	2016	Increase (Decrease) from Fiscal Year 2016
Revenues:			
Program revenues:			
Charges for service	\$ 4,602	\$ 4,309	\$ 293
Operating grants and contributions	12,055	10,718	1,337
Capital grants and contributions	316	695	(379)
General revenues:			
Property taxes	32,976	32,458	518
State school fund – general support	80,889	78,923	1,966
Other federal, state and local sources	4,719	4,269	450
Earnings on investments	988	232	756
Other	149	190	(41)
Total revenues	136,694	131,794	4,900
Expenses:			
Instruction	82,562	96,408	(13,846)
Support services	46,933	50,825	(3,892)
Enterprise and community services	4,434	4,220	214
Facilities acquisition and construction	4,872	-	4,872
Interest on long-term debt	2,898	1,256	1,642
Total expenses	141,699	152,709	(11,010)
Increase (decrease) in net position	(5,005)	(20,915)	15,910
Net position – July 1	(25,397)	5,332	(30,729)
Net position – June 30	\$ (30,402)	\$ (15,583)	\$ (14,819)

Due to the implementation of GASB Statement 73 and 75, beginning net position was restated as of July 1, 2016 to account for pension liability for stipend benefits, OPEB liability and related deferred inflows and outflows as of the beginning of the year based on the actuarial data provided by Milliman for the prior measurement date. Because the prior measurement date only relates to data for restatement of the beginning of the current fiscal year (2016-2017), and no prior measurement data was provided by the actuaries related to the fiscal year 6/30/15, there is no way to restate the prior year (2015-2016) data for the purposes of the comparison in the MD&A. Therefore the 2016-2017 information has been presented in the same manner as it was in last year's report.



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, 2017, the District's governmental funds reported combined ending fund balances of \$281.59 million, an increase of approximately \$266.8 million in comparison with the prior year. About \$11.86 million (4.21 percent) of the ending fund balance constitutes *unassigned ending fund balance*, which is available for spending at the government's discretion. Approximately \$.659 million (.234 percent) is restricted for debt service, \$1.494 million (.531 percent) is restricted for Student groups and print shop activities, about 1.109 million (.394 percent) is restricted for the Nutrition Service program and other activities, another .356 million (.126 percent) is restricted for school construction projects and \$266.1 million (94.504 percent) is assigned to capital projects.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2017, unassigned fund balance was about \$11.86 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 10.54 percent of total General Fund expenditures. The fund balance increased by approximately \$1.6 million during the current fiscal year compared to an increase of approximately \$3.4 million during the 2015/16 fiscal year.

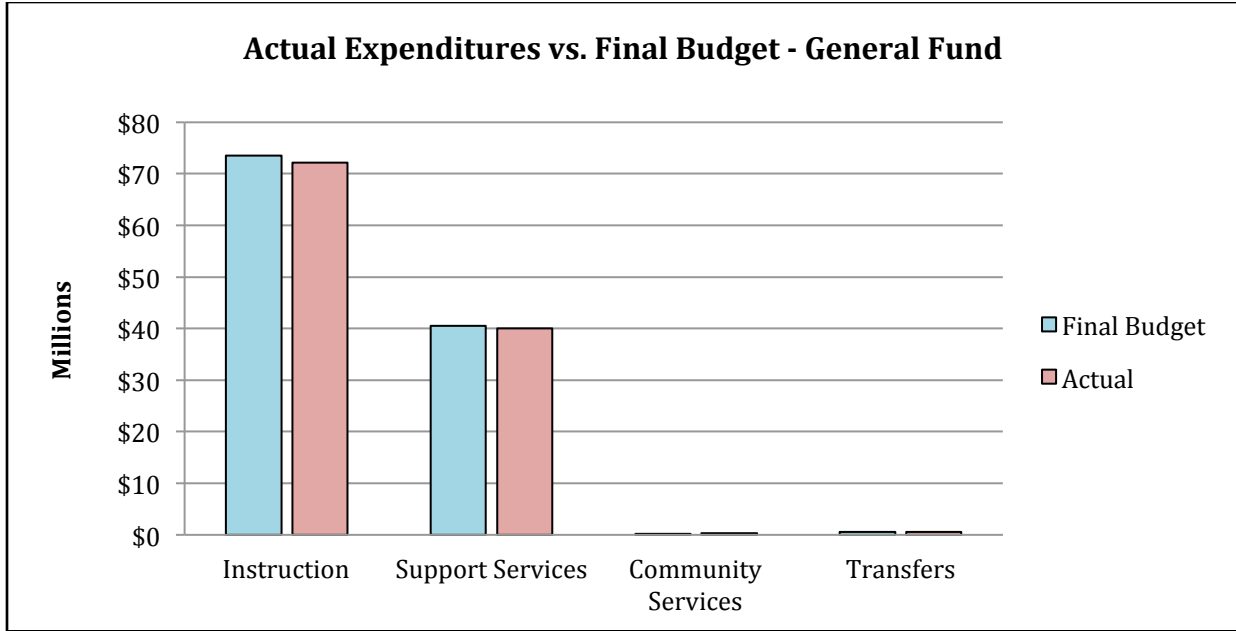
Federal Grant Fund. Revenues and expenditures in the Federal Grant Fund increased from approximately \$6.3 million in fiscal year 2015/16 to approximately \$6.7 million in 2016/17. This increase was primarily due to additional funding for Title I grants.

Capital Projects Fund. The Capital Projects Fund has a total fund balance of approximately \$266 million. The fund balance increased by \$265 million during the fiscal year primarily due to the 2017 bond sale.

Other Governmental Funds. Changes to fund balances in the other governmental funds can be attributed to a increase in fund balance in the Food Service Fund of \$9,083, a decrease in fund balance in the Debt Service Fund of \$206,724, an decrease in the Other Special Revenue Fund of \$93,746 and an increase in fund balance for State and Other Grant Fund of \$28,257.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, as shown in the chart, below, all General Fund expenditures were within budget. Variances noted between instruction and support services 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, 2017, the District had invested approximately \$75 million in capital assets, net of depreciation, as shown in the following table:

	2017	2016	Increase (Decrease) from Fiscal Year 2016
Land	\$ 6,326	\$ 6,326	\$ -
Buildings and improvements	62,724	65,128	(2,404)
Vehicles and equipment	1,431	1,181	250
Construction in Progress	4,800	-	4,800
Total Capital Assets	\$ 75,281	\$ 72,635	\$ 2,646

During the year, the District's investment in capital assets increased by approximately \$2.6 million. The major capital asset events for the year include the following:

- Gresham-Barlow bond projects \$4,800,000
- Other minor capital assets additions totaling approximately \$755,000

Approximately \$2.9 million in depreciation expense offset the capital asset additions identified above. Additional information of the District's capital assets can be found in Note 4 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 \$337 million, consisting of general obligation debt, full faith and credit obligations and capital leases, net of unamortized premium/discount.

During the current fiscal year, the District's total debt increased by approximately \$262.5 million (353% percent). The increase is the result of the 2017 bond sale for capital projects for approximately \$271 million including the premium. This is offset by the payoff of the finance agreement for the Gresham High Turf Project in the amount of \$1.36 million, \$6.7 million in scheduled debt payments and approximately \$.2 million in amortization of bond premium and discounts.

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 \$624 million, which is in excess of the District's outstanding general obligation debt. The current legal debt margin is approximately \$290 million.

Additional information on the District's long-term debt can be found in Note 5 on pages 31-33 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, 2017, the State School Fund – General Support provided 60 percent of the District's total resources and 71.2 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 2017-18 budget relies on K-12 funding level of \$8.1 billion for the 2017-2019 biennium, a projected average daily membership weighted (ADMw) of approximately 14,448, which includes full-day kindergarten and an estimated beginning fund balance of approximately \$12.1 million. The enrollment projection is based on the District's most recent demographic student population report and experience over the past couple of years and is critical to our revenue projections, as the state bases our revenue on enrollment and student demography.

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 2016-17 to support expenditures in 2017-18.

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 2017-18 budget, salaries and fringe benefits represent approximately 71.7% 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 2016 to 2017 ending fund balance increased from \$10.28 million to \$11.85 million. The 2017-2018 budget anticipates an ending fund balance of approximately \$10.34 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 ACTIVITIES
YEAR ENDED JUNE 30, 2017**

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	\$ 54,472,633	\$ 2,555,549	\$ 414,148	\$ 293,427	\$ (51,209,509)
Special programs	31,072,837	170,033	5,666,636	-	(25,236,168)
Summer school programs	20,370	-	-	-	(20,370)
Total instruction	85,565,840	2,725,582	6,080,784	293,427	(76,466,047)
Support Services:					
Student support services	8,041,429	-	664,674	-	(7,376,755)
Instructional staff support	6,132,841	48,888	1,803,320	-	(4,280,633)
General administration	1,553,901	-	54,692	-	(1,499,209)
School administration	8,524,219	-	-	-	(8,524,219)
Business support services	20,010,606	1,021,928	1,500	-	(18,987,178)
Central activities	4,377,320	24,950	4,050	-	(4,348,320)
Supplemental retirement program	-	-	-	-	-
Total support services	48,640,316	1,095,766	2,528,236	-	(45,016,314)
Enterprise and Community Services:	4,595,430	780,786	3,445,880	22,903	(345,861)
Interest on long-term debt	2,897,748	-	-	-	(2,897,748)
Total governmental activities	\$ 141,699,334	\$ 4,602,134	\$ 12,054,900	\$ 316,330	(124,725,970)

General revenues:	
Property taxes levied for general purposes	27,051,766
Property taxes levied for debt service	5,924,562
State school fund - general support	80,889,125
Other unrestricted state sources	3,161,123
Common school fund	1,551,007
County school fund	3,578
Other unrestricted federal sources	2,877
Earnings on investments	987,718
Miscellaneous	148,953
Total general revenues	119,720,709
CHANGE IN NET POSITION	(5,005,261)
Net position, restated - July 1, 2016	(25,396,537)
Net position - June 30, 2017	\$ (30,401,798)

See notes to basic financial statements.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	General Fund	Federal Grant Fund	Capital Projects Fund	Other Governmental Funds	Total
ASSETS					
Equity in pooled cash and investments	\$ 16,475,735	\$ -	\$ 268,101,268	\$ 2,796,848	\$ 287,373,851
Receivables	2,960,895	1,727,832	25,488	1,106,395	5,820,610
Due from other funds	1,656,926	-	-	-	1,656,926
TOTAL ASSETS	<u>\$ 21,093,556</u>	<u>\$ 1,727,832</u>	<u>\$ 268,126,756</u>	<u>\$ 3,903,243</u>	<u>\$ 294,851,387</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts, retainage, payroll and payroll withholding payables	\$ 7,473,363	\$ 22,704	\$ 1,655,553	\$ 41,338	\$ 9,192,958
Due to other funds	-	1,650,138	-	6,788	1,656,926
Unearned revenue	-	54,990	-	176,491	231,481
Total Liabilities	<u>7,473,363</u>	<u>1,727,832</u>	<u>1,655,553</u>	<u>224,617</u>	<u>11,081,365</u>
Deferred Inflows of Resources:					
Unavailable revenue-property taxes	<u>1,764,563</u>	<u>-</u>	<u>-</u>	<u>414,654</u>	<u>2,179,217</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	266,471,203	3,263,972	269,735,175
Committed	-	-	-	-	-
Assigned	-	-	356,493	-	356,493
Unassigned	11,855,630	-	-	-	11,855,630
Total fund balances	<u>11,855,630</u>	<u>-</u>	<u>266,827,696</u>	<u>3,263,972</u>	<u>281,947,298</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 21,093,556</u>	<u>\$ 1,727,832</u>	<u>\$ 268,483,249</u>	<u>\$ 3,903,243</u>	<u>\$ 295,207,880</u>

See notes to basic financial statements.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2017**

TOTAL FUND BALANCES \$ 281,590,805

Capital assets are not financial resources and therefore are not reported in the governmental funds:

Cost	\$ 140,545,248	
Accumulated depreciation	<u>(65,264,559)</u>	75,280,689

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.		2,179,217
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The proportionate share of the net pension liability is not reported as an liability in the governmental funds		(80,413,921)
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Pension liability for the stipend plan is not reported as a liability in the governmental funds.		(2,055,856)
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OPEB liability for insurance is not reported as a liability in the governmental funds.		(10,572,896)
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Deferred inflow/outflow of resources are not reported as deferred in the governmental funds		
Pension related deferred outflow/inflow		38,373,791
Stipend plan related deferred outflow		375,561
OPEB related deferred outflow		1,391,320

Equity interest in the Center for Advanced Learning (CAL) is not reported in the governmental funds.		3,264,318
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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	(2,857,973)	
Capital leases	(253,600)	
Bonds and financing payables	(336,060,959)	
Compensated absences payable	<u>(642,294)</u>	<u>(339,814,826)</u>

TOTAL NET POSITION \$ (30,401,798)

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, 2017**

	General Fund	Federal Grant Fund	Capital Projects Fund	Other Governmental Funds	Total
REVENUES:					
Property taxes	\$ 26,974,261	\$ -	\$ -	\$ 5,914,047	\$ 32,888,308
Other taxes	-	-	550,635	-	550,635
Federal sources	81,165	6,683,605	-	3,373,127	10,137,897
State and local sources	84,941,376	-	293,427	2,016,090	87,250,893
Charges for services	2,255,170	-	24,289	2,498,943	4,778,402
Investment earnings	349,247	-	585,247	53,224	987,718
TOTAL REVENUES	114,601,219	6,683,605	1,453,598	13,855,431	136,593,853
EXPENDITURES:					
Current:					
Instruction	72,182,591	4,558,936	-	2,282,398	79,023,925
Support services	39,650,304	2,091,631	519,588	1,982,337	44,243,860
Community services	266,884	33,038	-	3,933,521	4,233,443
Facilities acquisition and construction	-	-	4,843,684	-	4,843,684
Debt service:					
Principal	-	-	1,755,683	4,905,000	6,660,683
Interest	-	-	71,383	1,255,306	1,326,689
Capital outlay	396,103	-	54,414	-	450,517
TOTAL EXPENDITURES	112,495,882	6,683,605	7,244,752	14,358,562	140,782,801
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,105,337	-	(5,791,154)	(503,131)	(4,188,948)
OTHER FINANCING SOURCES (USES):					
Transfers to other funds	(540,000)	-	-	-	(540,000)
Transfer from other funds	-	-	300,000	240,000	540,000
Proceeds from financing agreement	-	-	270,976,068	-	270,976,068
Sale of capital assets	12,200	-	-	-	12,200
TOTAL OTHER FINANCING SOURCES (USES)	(527,800)	-	271,276,068	240,000	270,988,268
NET CHANGE IN FUND BALANCE	1,577,537	-	265,484,914	(263,131)	266,799,320
FUND BALANCE, July 1, 2016	10,278,093	-	986,289	3,527,103	14,791,485
FUND BALANCE, June 30, 2017	\$ 11,855,630	\$ -	\$ 266,471,203	\$ 3,263,972	\$ 281,590,805

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, 2017**

NET CHANGE IN FUND BALANCE \$ 266,799,320

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	\$ 5,554,888	
Less current year depreciation	<u>(2,909,062)</u>	2,645,826

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: 531,389

In the Statement of Activities, the contributions to the Post Retirement HealthBenefits 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: 437,258

Change in Proportionate Share of Net Pension Liability (49,871,760)

Change in deferred inflows/outflows of resources from net pension liability 39,763,014

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 \$4,630,000 PERS \$1,400,106, FFCO \$125,000, Financing \$138,000)		7,811,248
Proceeds from 2017 sale of obligation bonds		(270,976,068)
Payments on capital lease		249,361

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)	189,047
------------------------------------	---------

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 (2,794,452)

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. 88,020

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. 217,980

CHANGE IN NET POSITION \$ (5,005,261)

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, 2017

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
Property taxes	\$ 26,779,668	\$ 26,779,668	\$ 26,974,261	\$ 194,593
State and local sources	85,957,000	85,957,000	87,196,546	1,239,546
Investment earnings	170,000	170,000	349,247	179,247
Federal sources	42,000	42,000	81,165	39,165
Total revenues	112,948,668	112,948,668	114,601,219	1,652,551
EXPENDITURES:				
Instruction	73,476,653	73,476,653	72,182,591	(1,294,062)
Support services	40,826,446	40,826,446	40,046,407	(780,039)
Community services	251,219	251,219	266,884	15,665
Facilities acquisition and construction	-	-	-	-
Operating contingency	6,963,168	6,963,168	-	(6,963,168)
Total expenditures	121,517,486	121,517,486	112,495,882	9,021,604
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,568,818)	(8,568,818)	2,105,337	10,674,155
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(540,000)	(540,000)	(540,000)	-
Proceeds from sale or loss of capital assets	5,000	5,000	12,200	7,200
	(535,000)	(535,000)	(527,800)	7,200
NET CHANGE IN FUND BALANCE	(9,103,818)	(9,103,818)	1,577,537	10,681,355
FUND BALANCE, July 1, 2016	9,103,818	9,103,818	10,278,093	1,174,275
FUND BALANCE, June 30, 2017	\$ -	\$ -	\$ 11,855,630	\$ 11,855,630

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
YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
Federal sources	\$ 8,273,801	\$ 8,273,801	\$ 6,683,605	\$ (1,590,196)
Total revenues	8,273,801	8,273,801	6,683,605	(1,590,196)
EXPENDITURES:				
Instruction	5,259,526	5,259,526	4,558,936	(700,590)
Support services	2,934,275	2,934,275	2,091,631	(842,644)
Community services	80,000	80,000	33,038	(46,962)
Total expenditures	8,273,801	8,273,801	6,683,605	1,590,196
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, July 1, 2016	-	-	-	-
FUND BALANCE, June 30, 2017	\$ -	\$ -	\$ -	\$ -

See notes to basic financial statements.

FUDICIARY 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, 2017**

	<u>Pension Trust Funds</u>		
	<u>Early Retirement Fund</u>	<u>Post Retirement Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$ 337,420	\$ 1,163,383	\$ 8,836
Receivables	-	-	3,247
TOTAL ASSETS	<u>337,420</u>	<u>1,163,383</u>	<u>12,083</u>
LIABILITIES			
Book overdraft	-	-	3,247
Due to other agencies	-	-	8,836
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>12,083</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 337,420</u>	<u>\$ 1,163,383</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, 2017**

	Pension Trust Funds	
	Early Retirement Fund	Post Retirement Fund
ADDITIONS:		
Contributions:		
Employer	\$ 338,928	\$ 300,000
Investment earnings	3,115	13,288
Total additions	<u>342,043</u>	<u>313,288</u>
DEDUCTIONS:		
Early retirement benefits	318,157	-
Health and welfare benefits	-	115,049
Total deductions	<u>318,157</u>	<u>115,049</u>
CHANGE IN NET POSITION	23,886	198,239
NET POSITION, July 1, 2016	<u>313,534</u>	<u>965,144</u>
NET POSITION, June 30, 2017	<u>\$ 337,420</u>	<u>\$ 1,163,383</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Cash, Cash Equivalents and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, saving deposits, money market deposits, investments in the State of Oregon Treasurer's Local Government Investment Pool (LGIP) and cash with county treasurers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District's investments, according to policy, can consist of time certificates of deposit, bankers' acceptances, commercial paper and U.S. Government Agency securities. Time certificates of deposits are stated at cost which approximates fair value. Investments, other than time certificates of deposit, that have a remaining maturity at the time of purchase of one year or less are stated at amortized cost. All other investments are stated at fair value, or estimated fair value. The LGIP is stated at cost which approximates fair value. Fair value of the LGIP is the same as the District's value in pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP. 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.

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.

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.

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, 2017.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2016/17 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, Capital Projects Fund and State and Other Grants 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.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has unavailable property taxes and a net deferred pension inflow, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. This amount is deferred and recognized as an outflow of resources in the period that the amounts are due.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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. The District has items, which arise only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, these items, unavailable revenue, are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net position flow assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

Cash, deposits and investments are comprised of the following as of June 30, 2017, stated at cost which approximates fair value:

Cash on hand	\$ 2,350
Deposits banks	3,257,778
Time certificates of deposit	136,142
State of Oregon treasurer’s investment pool	18,969,293
US Treasuries	99,706,007
US Agencies	166,293,463
Accrued Interest on Investments	515,210
	<u>\$ 288,880,243</u>

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

Statement of Net Position	
Equity in Cash and Investments	\$ 287,373,851
Statement of Fiduciary Funds Net Assets	
Equity in Cash and Investments	1,509,639
Book overdraft	-3,247
	<u>\$ 288,880,243</u>

Interest rate risk. 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

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

2. CASH, DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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

Investment Type	Fair Value	Investment Maturities (in Months)			% of Portfolio
		Less than 3	3-18	18-59	
Local Government					
Investment Pool	\$ 18,969,293	\$ 18,969,293	\$ -	\$ -	10 %
U.S. Agencies	166,293,463	166,293,463	-	-	90
U.S. Treasuries	99,706,007	99,706,007	-	-	-
	<u>\$ 284,968,763</u>	<u>\$ 284,968,763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>100 %</u>

Credit risk. State law and the District's investment policy limits investments in corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs) and commercial paper to the top rating (top two if issued on Oregon business enterprises). The District's investment in U.S. Agency Securities were rated Aaa by Moody's Investors Service. The State treasurer's investment pool is an open-ended, no-load diversified portfolio. The fund is not registered with the U. S. Securities and Exchange Commission as an investment company and is not rated.

Concentration of Credit Risk. 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 its 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.

Custodial credit risk – deposits. At year-end, the District's net carrying amount of deposits was \$3,393,920 and the bank balance was \$5,073,539. Of these deposits, \$920,621 was covered by federal depository insurance, the remainder is collateralized 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.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments 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; and pre-qualifying the financial institutions, and broker/dealers with which the District will do business.

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, 2017.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has its position in the LGIP as a recurring fair value measurement as of June 30, 2017. The LGIP is valued using quoted market prices (Level 1 inputs).

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

3. RECEIVABLES

Receivables are comprised of the following as of June 30, 2017:

Property taxes	\$ 2,179,217
Grants	2,068,177
Common school fund	775,504
July turnover with county treasurer	190,595
Other	607,117
Total	<u>\$ 5,820,610</u>

4. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	July 1, 2016	Increases	Decreases	June 30, 2017
Capital assets not being depreciated:				
Land	\$ 6,326,123	\$ -	\$ -	\$ 6,326,123
Construction in progress	-	4,799,816	-	4,799,816
Total capital assets not being depreciated	<u>6,326,123</u>	<u>4,799,816</u>	<u>-</u>	<u>11,125,939</u>
Capital assets being depreciated				
Buildings and improvements	121,821,396	321,700	-	122,143,096
Vehicles and equipment	6,842,841	433,372	-	7,276,213
Total capital assets being depreciated	<u>128,664,237</u>	<u>755,072</u>	<u>-</u>	<u>129,419,309</u>
Less accumulated depreciation for:				
Buildings and improvements	(56,693,158)	(2,726,112)	-	(59,419,270)
Vehicles and equipment	(5,662,339)	(182,950)	-	(5,845,289)
Total accumulated depreciation	<u>(62,355,497)</u>	<u>(2,909,062)</u>	<u>-</u>	<u>(65,264,559)</u>
Total capital assets being depreciated, net	<u>66,308,740</u>	<u>(2,153,990)</u>	<u>-</u>	<u>64,154,750</u>
Total capital assets, net	<u>\$ 72,634,863</u>	<u>\$ 2,645,826</u>	<u>\$ -</u>	<u>\$ 75,280,689</u>

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

<u>Program</u>	
Regular programs	\$ 2,617,994
Special programs	32,490
Student support services	973
Instructional programs	661
School administration	3,924
Business support services	184,180
Central activities	7,847
Enterprise and community services	60,993
Total	<u>\$ 2,909,062</u>

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

5. 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, 2017 are refunding issues, which refunded the 1996 and 2000 construction bonds.

On February 28, 2017 the District issued \$241.166 million in general obligation bonds for capital constriction 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. The district refunding series 2005 matures in June of 2021 and refunding series 2012 matured in June 2017.

Changes in general obligation bonds outstanding are as follows:

ISSUE DATE:	Original Issue	Outstanding July 1, 2016	Issued	Matured and Redeemed	Outstanding June 30, 2017	Due Within One Year	Interest Rates
April 18, 2005	\$32,405,000	\$22,785,000	\$ -	\$2,575,000	\$20,210,000	\$4,420,000	5.50%
June 19, 2012	9,430,000	2,330,000	-	2,330,000	-	-	1.37%
February 28, 2017	241,165,714	-	241,165,714	-	241,165,714	-	1.39-5%
		<u>25,115,000</u>	<u>241,165,714</u>	<u>4,905,000</u>	<u>261,375,714</u>	<u>4,420,000</u>	
Unamortized premium		1,156,457	29,810,354	1,224,970	29,741,841	231,291	
Total		<u>\$26,271,457</u>	<u>\$270,976,068</u>	<u>\$6,129,970</u>	<u>\$291,117,555</u>	<u>\$4,651,291</u>	

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.

Changes in pension obligation bonds outstanding are as follows:

ISSUE DATE:	Original Issue	Outstanding July 1, 2016	Issued	Matured and Redeemed	Outstanding June 30, 2017	Due Within One Year	Interest Rates
October 31, 2002	\$35,758,403	\$27,230,644	\$ -	\$728,542	\$26,502,102	\$742,556	5.48-6.1%
April 21, 2003	25,307,539	18,067,697	-	685,706	17,381,991	682,234	5.66-6.34%
January 31, 2012	2,485,000	2,485,000	-	-	2,485,000	-	2.75%
		<u>47,783,341</u>	<u>-</u>	<u>1,414,248</u>	<u>46,369,093</u>	<u>1,424,790</u>	
Unamortized discount		(4,156,807)	-	(1,048,668)	(3,108,139)	(999,945)	
Total		<u>\$ 43,626,534</u>	<u>\$ -</u>	<u>\$365,580</u>	<u>\$43,260,954</u>	<u>\$424,845</u>	

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

5. LONG-TERM DEBT (CONTINUED)

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.

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

ISSUE DATE:	Original Issue	Outstanding July 1, 2016	Issued	Matured and Redeemed	Outstanding June 30, 2017	Due Within One Year	Interest Rates
August 12, 2012	2,185,000	\$ 1,685,000	\$ -	\$ 130,000	\$ 1,555,000	\$ 130,000	3-4%
	Unamortized Premium	140,195	-	12,745	127,450	12,745	
	Total	\$ 1,825,195	\$ -	\$ 142,745	\$ 1,682,450	\$ 142,745	

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.

Changes in the financing agreement outstanding are as follows:

ISSUE DATE:	Original Issue	Outstanding July 1, 2016	Issued	Matured and Redeemed	Outstanding June 30, 2017	Due Within One Year	Interest Rates
July 6, 2015	\$ 1,500,000	\$ 1,362,000	\$ -	\$ 1,362,000	\$ -	\$ -	2.9%

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

Fiscal Year Ending June 30,	Principal	Interest
2018	\$5,974,790	\$16,237,291
2019	9,767,264	13,910,378
2020	10,590,720	14,043,110
2021	12,745,447	12,549,033
2022	12,781,499	12,529,519
2023-2027	96,091,954	43,649,615
2027-2032	90,182,133	26,666,538
2033-2037	71,166,000	58,034,000
Total	\$309,299,807	\$197,619,484

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, 2017, \$20,685,000 of general obligation bonds are considered defeased.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

5. LONG-TERM DEBT (CONTINUED)

Compensated Absences

<u>Outstanding 7/1/16</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 6/30/17</u>	<u>Due with one year</u>
\$860,274	\$642,294	\$860,274	\$642,294	\$513,835

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.

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds at June 30, 2017 are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,656,926	\$ -
Federal Grant Fund	-	1,650,138
Non-major governmental funds	-	6,788
Total interfund receivables and payables	<u>\$ 1,656,926</u>	<u>\$ 1,656,926</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, 2017, the District made the following transfers:

- 1) A transfer of \$300,000 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 \$240,000 from the General Fund to the Other Special Revenue Fund in support of print shop operations.

7. OPERATING LEASES

The District leases equipment, primarily copiers, under non-cancelable lease agreements. Operating lease expenses/expenditures totaled approximately \$200,000 for the year ended June 30, 2017. Future payments associated with operating leases are due as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 313,818
2018	323,094
2019	316,309
2020	112,641
2021	104,722
2022	8,443
	<u>\$ 1,179,027</u>

8. 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.

The future minimum lease obligation and net present value of these lease payments as of June 30, 2017 is as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2018	257,911
Total minimum lease payments	257,911
Less: amount representing interest	<u>(4,311)</u>
Present Value of minimum lease payments	<u>\$253,600</u>

9. 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

9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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.

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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9. **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, 2016	\$ 9,618,834	\$ 965,144	\$ 8,653,690
Service Cost	498,577	-	498,577
Interest on Total Pension Liability	376,179	-	376,179
Effect of changes to benefit terms	-	-	-
Effect of economic /demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	779,110	-	779,110
Contributions - Employer	-	313,288	313,288
Contributions - Employee	-	-	-
Benefit Payments	(699,804)	(115,049)	(584,755)
Administrative Expenses	-	-	-
Balance at June 30, 2017	\$ 10,572,896	\$ 1,163,383	\$ 9,409,513

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 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 OPEB Liability	\$ 11,409,261	\$ 10,572,896
Fiduciary Net Position	-	-	-
Net OPEB Liability	\$ 11,409,261	\$ 10,572,896	\$ 9,793,786

	1% Decrease (4%)	Current Trend Rate (5%)	1% Increase (6%)
	Total OPEB Liability	\$ 9,618,354	\$ 10,572,896
Fiduciary Net Position	-	-	-
Net OPEB Liability	\$ 9,618,354	\$ 10,572,896	\$ 11,671,718

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, 2015, approximately 380 employees were participating in the plan.

10. 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

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

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

10. PENSION PLANS, (CONTINUED)

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.

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

Retirees currently receiving benefits	41
Active program members	<u>212</u>
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, 2016	\$ 2,211,684	\$ 313,534	\$ 1,898,150
Service Cost	46,428	-	46,428
Interest on Total Pension Liability	80,177	-	80,177
Effect of changes to benefit terms	-	-	-
Effect of economic /demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	72,124	-	72,127
Contributions - Employer	-	342,043	(342,043)
Contributions - Employee	-	-	-
Benefit Payments	(354,557)	(318,157)	(36,400)
Administrative Expenses	-	-	-
Balance at June 30, 2017	<u>\$ 2,055,856</u>	<u>\$ 337,420</u>	<u>\$ 1,718,436</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 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	\$ 2,126,350	\$ 2,055,856	\$ 1,983,732
Fiduciary Net Position	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB Liability	<u>\$ 2,126,350</u>	<u>\$ 2,055,856</u>	<u>\$ 1,983,732</u>

10. PENSION PLANS, (CONTINUED)

Oregon Public Employees Retirement System (PERS)

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

- a. PERS Pension (Chapter 238). The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i) Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated either by a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
 - ii) Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii) Disability Benefits. A member with 10 or more years of creditable service who becomes disable from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv) Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b) OPSRP Pension Program (OPSRP DB). The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i) Pension Benefits. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - ii) Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
 - iii) Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
 - iv) Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

10. 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, 2014 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2017 were approximately \$4,219,000, excluding amounts to fund employer specific liabilities. Approximately \$5,231,000 was charged for the year ended June 30, 2017 as PERS benefits expenditures to be used for bond payments as they become due. In addition approximately \$2,343,000 in employee contributions were paid or picked up by the District in fiscal 2017.

At June 30, 2017, the District reported a liability of \$80,413,921 for its proportionate share of the net pension liability. The pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At December 31, 2014, the District's proportion was .54 percent.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 2,660,444	\$ -
Changes in assumptions	17,150,357	-
Net difference between projected and actual earnings on pension plan investments	15,886,417	
Changes in proportionate share	198,908	237,029
Differences between employer contributions and employer's proportionate share of system contributions	-	1,503,564
District contributions subsequent to measurement date	4,218,258	
	<u>40,114,384</u>	<u>1,740,593</u>
Net deferred outflow (inflow) of resources		(38,373,791)

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

Year ending June 30,	Amount
2018	\$ 5,969,844
2019	5,969,844
2020	11,893,416
2021	9,072,734
2022	1,249,695
Thereafter	-
Total	<u>\$ 34,155,533</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated December 1, 2014. Oregon PERS produces an independently audited CAFR which can be found at: <http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

The amount of deferred outflows of resources related to the District's contributions subsequent to measurement date that is recognized as a reduction of the net pension liability will be determined by the actuary in the report on the measurement date for the next fiscal year.

Actuarial Valuations – The employer contribution rates effective July 1, 2015 through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

10. PENSION PLANS, (CONTINUED)

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2014 rolled forward to June 30, 2016 measurement date
Experience Study Report	2014, Published September 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.5 percent (reduced from 2.75 percent)
Investment rate of return	7.5 percent (reduced from 7.75 percent)
Projected salary increase	3.5 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service (reduced from 3.5 percent)
Cost of Living Adjustment	Blend of 2.0 percent COLA and graded COLA (1.25/0.15 percent) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per Scale BB, disabled mortality table.

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

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed Asset Allocation:

<u>Asset Class/Strategy</u>	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

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

10. 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 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	0	1% Increase (8.5%)
District's Proportionate share of the net pension liability	\$ 129,841,670	\$ 80,413,921		\$ 39,100,971

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

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

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not

10. PENSION PLANS, (CONTINUED)

to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

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

11. 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).

12. 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 March 3, 2016 for an additional two years to through the 2017-18 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 2017 were approximately \$5,608,000, 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 June 7, 2017 for the 2017-18 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 2017 were approximately \$3,365,000

In 2017 the District entered into contracts for the design, build and renovation of buildings through out the district. As of June 30, 2017 the district has approximately \$4,980,000 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.

13. 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, 2016 and 2017 was \$3,359,762 and \$3,364,318, 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.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

14. 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, 2017 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.

15. 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
Restricted:				
Student and other activities	\$ -	\$ -	\$ 1,494,949	\$ 1,494,949
Food Services	-	-	1,109,803	1,109,803
Debt Service	-	-	659,220	659,220
School Construction	-	266,114,710	-	266,471,203
	<u>\$ -</u>	<u>\$ 266,114,710</u>	<u>\$ 3,263,972</u>	<u>\$ 269,735,175</u>
Committed to:				
PERS Rate Increase	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assigned to:				
Other Capital Projects	<u>\$ -</u>	<u>\$ 356,493</u>	<u>\$ -</u>	<u>\$ -</u>
Unassigned	<u>\$ 11,855,630</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,855,630</u>
Total Fund Balances	<u><u>\$ 11,855,630</u></u>	<u><u>\$ 266,471,203</u></u>	<u><u>\$ 3,263,972</u></u>	<u><u>\$ 281,590,805</u></u>

16. TAX ABATEMENTS

As of June 30, 2017, Gresham-Barlow School District provides tax abatements through five 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.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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.

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.

Transit Oriented Development – Gresham (ORS 307.600 to 307.637) - This law is in the public's interest to stimulate the construction of transit supportive multiple-unit housing in the core areas of Oregon's urban centers to improve the balance between the residential and commercial nature of those areas, and to ensure full-time use of the areas as places where citizens of the community have an opportunity to live as well as work.

In any city, or in any county with a population of over 300,000, the exemption shall apply only to multiple-unit housing preserved, established, constructed, added to or converted on land within an area designated under ORS 307.606 (Exemption limited to tax levy of city or county that adopts ORS 307.600 to 307.637) (2) or within a designated urban renewal or redevelopment area formed pursuant to ORS chapter 457. This program exempts property taxes for a period of 10 years which doesn't include the land in the exemption.

For the fiscal year ended June 30, 2017, 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	\$ 39,695
Enterprise Zones	237,976
Construction in Process Enterprise Zones	109,415
Strategic Key Investment Zones	333,160
Transit Oriented Development - Gresham	74,839
	<u>\$ 795,085</u>

17. RESTATEMENTS

Net Position (as reported June 30, 2016)	\$ (15,583,075)
Removal of Net Pension Asset 6/30/2016	(287,886)
Net Pension Liability 7/1/2016 (Stipends)	(2,211,684)
Removal of OPEB Obligation 6/30/2016 (GASB 45)	2,304,942
Net OPEB Liability 7/1/2016 (GASB 75)	(9,618,834)
Restated Beginning Net Position	<u>\$ (25,396,537)</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
2017	0.54 %	\$ 80,413,921	\$ 58,294,529	147.4 %	80.5 %
2016	.53	30,542,161	54,561,564	64.2	91.9 %
2015	.55	(12,462,938)	47,561,896	(22.8)	103.6
2014	.55	28,058,317	44,861,963	59.0	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
2017	\$ 4,218,258	\$ 4,218,258	\$ -	\$ 58,294,529	7.2 %
2016	4,601,915	4,601,915	\$ -	\$ 54,561,564	8.4 %
2015	4,088,013	4,088,013	-	54,561,564	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.

**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**

	<u>2017</u>
Total Pension Liability - beginning	\$ 2,211,684
Service cost	46,428
Interest	80,177
Changes of benefit terms	
Differences between expected and actual experience	
Changes in assumptions or other input	72,124
Benefit payments	(354,557)
Net change in total pension liability	(155,828)
Total Pension Liability - end of year	\$ 2,055,856
Fudiciary Net Position - beginning	\$ 313,534
Contributions - Employer	338,928
Contributions - Employee	-
Net investment income	3,115
Benefit payments	(318,157)
Administrative expense	-
Net change in fudiciary net position	23,886
Fudiciary Net Position - end of year	\$ 337,420
Net Pension Liability - end of year	\$ 1,718,436
Fudiciary net position as a percentage of the total pension liability	16%
Covered payroll	12,456,637
Net pension liability as a percentage of covered payroll	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
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>2017</u>
Total OPEB Liability - beginning	\$ 9,618,834
Service cost	498,577
Interest	376,179
Changes of benefit terms	
Differences between expected and actual experience	
Changes in assumptions or other input	779,110
Benefit payments	(699,804)
Net change in total OPEB liability	954,062
Total OPEB Liability - end of year	\$ 10,572,896
Fudiciary Net Position - beginning	\$ 965,144
Contributions - Employer	300,000
Contributions - Employee	-
Net investment income	13,288
Benefit payments	(115,049)
Administrative expense	-
Net change in fudiciary net position	198,239
Fudiciary Net Position - end of year	\$ 1,163,383
Net OPEB Liability - end of year	\$ 9,409,513
Fudiciary net position as a percentage of the total OPEB liability	11%
Covered payroll	59,036,086
Net OPEB liability as a percentage of covered payroll	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

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
2017	\$ -	\$ 300,000	\$ (300,000)	\$ 12,456,637	2.4%

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, 2017**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Over (Under)
REVENUES:				
Construction excise taxes	\$ 150,000	\$ 150,000	\$ 301,865	\$ 151,865
E-Rate	300,000	300,000	248,770	(51,230)
Intermediate Sources	75,000	75,000	75,000	-
Other state and local sources	200,000	200,000	218,427	18,427
Investment earnings	18,900	18,900	585,247	566,347
Miscellaneous	15,000	15,000	24,289	9,289
Total revenues	758,900	758,900	1,453,598	694,698
EXPENDITURES:				
Instruction	-	-	-	-
Support services	1,480,350	1,480,350	544,782	(935,568)
Facilities acquisition and construction	-	-	4,872,904	4,872,904
Debt Service	628,150	628,150	1,827,066	1,198,916 (1)
Total expenditures	2,108,500	2,108,500	7,244,752	5,136,252
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,349,600)	(1,349,600)	(5,791,154)	(4,441,554)
OTHER FINANCING SOURCES (USES):				
Financing Proceeds	-	-	270,976,068	270,976,068
Transfers from other funds	300,000	300,000	300,000	-
	<u>300,000</u>	<u>300,000</u>	<u>271,276,068</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,049,600)	(1,049,600)	265,484,914	(4,441,554)
FUND BALANCE, July 1, 2016	1,079,600	1,079,600	986,289	(93,311)
FUND BALANCE, June 30, 2017	\$ 30,000	\$ 30,000	\$ 266,471,203	\$ (4,534,865)

(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 and 2012.

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017**

	Nutrition Services Fund	State and Other Grant Fund	Other Special Revenue Fund	Debt Service Fund	Total
ASSETS					
Equity in pooled cash and investments	\$ 838,310	\$ -	\$ 1,334,287	\$ 624,251	\$ 2,796,848
Property taxes receivable	-	-	-	414,654	414,654
Accounts and other receivable	308,935	340,345	7,272	35,189	691,741
TOTAL ASSETS	\$ 1,147,245	\$ 340,345	\$ 1,341,559	\$ 1,074,094	\$ 3,903,243
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and retainage payable	\$ 2,254	\$ 12,345	\$ 26,519	\$ 220	\$ 41,338
Matured interest coupons payable	-	-	-	-	-
Unearned revenue	35,188	141,303	-	-	176,491
Due to other funds	-	6,788	-	-	6,788
TOTAL LIABILITIES	37,442	160,436	26,519	220	224,617
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	-	414,654	414,654
Fund Balances:					
Restricted for:					
Food Service	1,109,803	-	-	-	1,109,803
Retirement of long-term debt	-	-	-	659,220	659,220
School activities	-	-	1,274,075	-	1,274,075
Other activities	-	179,909	40,965	-	220,874
TOTAL FUND BALANCES	1,109,803	179,909	1,315,040	659,220	3,263,972
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,147,245	\$ 340,345	\$ 1,341,559	\$ 1,074,094	\$ 3,903,243

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Nutrition Services Fund	State and Other Grant Fund	Other Special Revenue Fund	Debt Service Fund	Total
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ 5,914,047	\$ 5,914,047
Other taxes	-	-	-	-	-
Federal grants	3,373,127	-	-	-	3,373,127
State and local sources	113,522	1,756,310	146,258	-	2,016,090
Charges for services	442,528	-	2,056,415	-	2,498,943
Investment earnings	13,314	-	375	39,535	53,224
TOTAL REVENUES	3,942,491	1,756,310	2,203,048	5,953,582	13,855,431
EXPENDITURES:					
Current:					
Instruction	-	158,095	2,124,303	-	2,282,398
Support services	-	1,569,845	412,492	-	1,982,337
Community services	3,933,408	113	-	-	3,933,521
Capital outlay	-	-	-	-	-
Debt Service:					
Principal	-	-	-	4,905,000	4,905,000
Interest	-	-	-	1,255,306	1,255,306
TOTAL EXPENDITURES	3,933,408	1,728,053	2,536,795	6,160,306	14,358,562
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,083	28,257	(333,747)	(206,724)	(503,131)
OTHER FINANCING SOURCES:					
5100 Financing Proceeds	-	-	-	-	-
5200 Transfers in	-	-	240,000	-	240,000
	-	-	240,000	-	240,000
NET CHANGE IN FUND BALANCE	9,083	28,257	(93,747)	(206,724)	(263,131)
FUND BALANCE, July 1, 2016	1,100,720	151,652	1,408,787	865,944	3,527,103
FUND BALANCE, June 30, 2017	\$ 1,109,803	\$ 179,909	\$ 1,315,040	\$ 659,220	\$ 3,263,972

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, 2017**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
Local Sources:				
Current year taxes	\$ 26,204,668	\$ 26,204,668	\$ 26,459,097	\$ 254,429
Prior year taxes	570,000	570,000	507,016	(62,984)
Other taxes	5,000	5,000	-	(5,000)
Penalties and interest	10,000	10,000	8,148	(1,852)
Tuition and transportation	115,000	115,000	119,570	4,570
Investment earnings	160,000	160,000	349,247	189,247
Co-curricular activities	310,000	310,000	294,635	(15,365)
Community services activities	50,000	50,000	58,476	8,476
Rentals	225,000	225,000	288,354	63,354
Services provided to others	230,000	230,000	225,000	(5,000)
Fees charged to grants	390,000	390,000	674,966	284,966
Medicare Reimbursements	100,000	100,000	131,074	31,074
Miscellaneous	345,000	345,000	463,095	118,095
Total local sources	28,714,668	28,714,668	29,578,678	864,010
Intermediate Sources:				
County School Fund	2,000	2,000	3,578	1,578
Other Intermediate sources	2,050,000	2,050,000	1,825,000	(225,000)
Total intermediate sources	2,052,000	2,052,000	1,828,578	(223,422)
State Sources:				
State school fund	80,420,000	80,420,000	80,848,243	428,243
Common school fund	1,170,000	1,170,000	1,551,007	381,007
Other State Revenue	550,000	550,000	713,548	163,548
Total state sources	82,140,000	82,140,000	83,112,798	972,798
Federal Sources:				
Child care development	30,000	30,000	78,288	48,288
Federal forest fees	12,000	12,000	2,877	(9,123)
Other federal sources	-	-	-	-
Total federal sources	42,000	42,000	81,165	39,165
TOTAL REVENUES	112,948,668	112,948,668	114,601,219	1,652,551
Other Financing Sources:				
Proceeds from sale or loss of capital assets	5,000	5,000	12,200	7,200
Total other financing sources	5,000	5,000	12,200	7,200
TOTAL REVENUES AND OTHER FINANCING SOURCES	112,953,668	112,953,668	114,613,419	1,659,751
FUND BALANCE, July 1, 2016	9,103,818	9,103,818	10,278,093	1,174,275
TOTAL REVENUES, OTHER FINANCING SOURCES AND FUND BALANCE	\$ 122,057,486	\$ 122,057,486	\$ 124,891,512	\$ 2,834,026

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED EXPENDITURES -
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
Instruction:				
1111 Elementary programs	\$ 14,012,945	\$ 7,533,747	\$ 52,437	\$ 995,804
1121 Middle school programs	6,960,845	3,424,195	32,015	127,054
1122 Middle school extracurricular	214,869	56,584	23,236	14,428
1131 High school programs	8,353,912	4,333,603	36,225	478,301
1132 High school extracurricular	932,566	333,266	151,026	31,763
1140 Preschool programs	230,008	169,382	884	2,449
1210 Talented and gifted programs	16,611	7,587	8,085	-
1220 Restrictive programs	1,555,346	898,173	1,100,334	13,742
1250 Resource rooms	4,844,264	2,949,202	2,380	11,459
1271 Remediation	40,645	12,985	72,592	-
1272 Title I	-	-	-	-
1280 Alternative education	225,805	92,591	8,008,956	30,301
1290 Designated programs	2,415,336	1,281,837	30,665	10,077
1400 Summer School	4,176	1,118	13,143	-
	<u>39,807,328</u>	<u>21,094,270</u>	<u>9,531,978</u>	<u>1,715,378</u>
Support services:				
2110 Attendance and social work services	662,358	412,008	201,415	54
2120 Guidance services	1,690,672	821,778	73	4,993
2130 Health services	370,103	173,667	22,958	5,995
2140 Psychological services	430,390	216,719	532	1,611
2150 Speech pathology and audiology services	512,210	238,016	16,585	5,809
2190 Service direction - student support services	320,069	131,437	29,381	5,560
2210 Improvement of instruction services	677,135	285,689	156,741	1,659
2220 Educational media services	645,936	420,634	1,504	51,829
2230 Assessment and testing	190,621	82,847	6,637	1,976
2240 Instructional staff development	380,789	694,993	84,143	5,085
2310 Board of education services	44,867	20,388	228,089	913
2320 Executive administration services	667,243	300,323	64,462	5,888
2410 Office of the principal services	5,009,772	2,560,395	183,765	51,232
2520 Fiscal services	617,715	320,977	58,773	8,293
2540 Operation and maintenance of plant services	2,772,693	1,797,449	3,989,134	660,533
2550 Student transportation services	61,009	36,682	5,853,660	2,287
2570 Internal services	8,189	3,976	338,000	45,768
2620 Planning and development services	-	-	-	-
2630 Information services	107,300	47,058	89,071	8,287
2640 Staff services	415,277	193,332	85,868	10,512
2660 Technology services	1,009,596	487,206	19,714	499,528
2670 Records management	-	-	-	-
2690 Other central support	44,152	18,633	29	4,042
	<u>16,638,096</u>	<u>9,264,207</u>	<u>11,430,534</u>	<u>1,381,854</u>
Total support services				

Capital Outlay (500)	Other Objects (600)	Total	Budget		Variance with Final Budget Over (Under)
			Adopted	Final	
\$ -	\$ -	\$ 22,594,933	\$ 22,220,417	\$ 22,220,417	\$ 374,516
-	11,714	10,555,823	11,214,505	11,214,505	(658,682)
-	-	309,117	370,537	370,537	(61,420)
-	5,306	13,207,347	13,403,705	13,403,705	(196,358)
-	15,933	1,464,554	1,521,941	1,521,941	(57,387)
-	-	402,723	383,807	383,807	18,916
-	-	32,283	67,395	67,395	(35,112)
-	-	3,567,595	3,672,761	3,672,761	(105,166)
-	-	7,807,305	8,249,427	8,249,427	(442,122)
-	-	126,222	131,438	131,438	(5,216)
-	-	-	-	-	-
-	-	8,357,653	8,153,433	8,153,433	204,220
-	684	3,738,599	4,063,110	4,063,110	(324,511)
-	-	18,437	24,177	24,177	(5,740)
-	33,637	72,182,591	73,476,653	73,476,653	(1,294,062)
-	-	1,275,835	1,412,375	1,412,375	(136,540)
-	179	2,517,695	2,653,209	2,653,209	(135,514)
-	-	572,723	703,610	703,610	(130,887)
-	-	649,252	680,221	680,221	(30,969)
-	-	772,620	871,740	871,740	(99,120)
-	2,975	489,422	567,046	567,046	(77,624)
-	1,547	1,122,771	1,188,563	1,188,563	(65,792)
-	-	1,119,903	1,202,829	1,202,829	(82,926)
-	1,380	283,461	369,900	369,900	(86,439)
-	1,040	1,166,050	1,078,679	1,078,679	87,371
-	11,507	305,764	259,016	259,016	46,748
23,134	12,022	1,073,072	1,034,837	1,034,837	38,235
-	23,196	7,828,360	7,723,417	7,723,417	104,943
-	570,072	1,575,830	1,765,762	1,765,762	(189,932)
372,969	2,225	9,595,003	9,346,620	9,346,620	248,383
-	-	5,953,638	6,047,648	6,047,648	(94,010)
-	-	395,933	306,451	306,451	89,482
-	590	590	-	-	590
-	1,879	253,595	236,692	236,692	16,903
-	6,902	711,891	739,601	739,601	(27,710)
-	99	2,016,143	2,239,230	2,239,230	(223,087)
-	-	-	10,825	10,825	(10,825)
-	-	66,856	88,175	88,175	(21,319)
396,103	635,613	39,746,407	40,526,446	40,526,446	(780,039)

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF DETAILED EXPENDITURES -
 BUDGET AND ACTUAL (Continued)
 GENERAL FUND
 YEAR ENDED JUNE 30, 2016**

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
Community services:				
3310 Community services	\$ 111,755	53,035	7,426	9,563
3320 Civic services	66,364	16,016	336	589
Total community services	<u>178,119</u>	<u>69,051</u>	<u>7,762</u>	<u>10,152</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>\$ 56,623,543</u></u>	 <u><u>\$ 30,427,528</u></u>	 <u><u>\$ 20,970,274</u></u>	 <u><u>\$ 3,107,384</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	
-	1,800	183,579	\$ 189,991	189,991	\$ (6,412)
-	-	83,305	61,228	61,228	22,077
-	1,800	266,884	251,219	251,219	15,665
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,963,168	6,963,168	(6,963,168)
<u>\$ 396,103</u>	<u>\$ 671,050</u>	<u>\$ 112,195,882</u>	<u>\$ 121,217,486</u>	<u>\$ 121,217,486</u>	<u>\$ (9,021,604)</u>
		840,000	840,000	840,000	-
		840,000	840,000	840,000	-
		-	-	-	-
		<u>\$ 113,035,882</u>	<u>\$ 122,057,486</u>	<u>\$ 122,057,486</u>	<u>\$ (9,021,604)</u>

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NUTRITION SERVICES FUND
YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final budget Over (Under)
	Adopted	Final		
REVENUES:				
Charges for services:				
1600 Food services sales	\$ 829,630	\$ 829,630	\$ 441,911	\$ (387,719)
1900 Miscellaneous	200	200	617	417
Total local sources	<u>829,830</u>	<u>829,830</u>	<u>442,528</u>	<u>(387,302)</u>
State sources:				
3102 State school fund - school lunch match	43,260	43,260	40,882	(2,378)
3200 Other state sources	103,103	103,103	72,640	(30,463)
Total state sources	<u>146,363</u>	<u>146,363</u>	<u>113,522</u>	<u>(32,841)</u>
Federal sources:				
4505 Received through state agencies	3,500,000	3,500,000	3,372,084	(127,916)
4503 Food distribution	318,000	318,000	1,043	(316,957)
Total federal sources	<u>3,818,000</u>	<u>3,818,000</u>	<u>3,373,127</u>	<u>(444,873)</u>
1500 Investment earnings	<u>5,500</u>	<u>5,500</u>	<u>13,314</u>	<u>7,814</u>
TOTAL REVENUES	<u>4,799,693</u>	<u>4,799,693</u>	<u>3,942,491</u>	<u>(857,202)</u>
EXPENDITURES:				
Community services*:				
3100 Food preparation and dispensing services:				
100 Salaries	-	-	-	-
200 Benefits	-	-	-	-
300 Services	4,462,019	4,462,019	3,447,889	(1,014,130)
400 Materials	594,173	594,173	32,232	(561,941)
500 Capital outlay	200,000	200,000	199,254	(746)
600 Other	333,000	333,000	254,033	(78,967)
TOTAL EXPENDITURES	<u>5,589,192</u>	<u>5,589,192</u>	<u>3,933,408</u>	<u>(1,655,784)</u>
NET CHANGE IN FUND BALANCE	<u>(789,499)</u>	<u>(789,499)</u>	<u>9,083</u>	<u>798,582</u>
FUND BALANCE, July 1, 2016	<u>940,602</u>	<u>940,602</u>	<u>1,100,720</u>	<u>160,118</u>
FUND BALANCE, June 30, 2017	<u>\$ 151,103</u>	<u>\$ 151,103</u>	<u>\$ 1,109,803</u>	<u>\$ 958,700</u>

* Appropriation level

**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, 2017**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
Federal Sources:				
4500 Received through state agencies	\$ 8,273,801	\$ 8,273,801	\$ 6,683,605	\$ (1,590,196)
4900 Received through other sources	-	-	-	-
Total federal sources	8,273,801	8,273,801	6,683,605	(1,590,196)
EXPENDITURES:				
1000 Instruction	5,259,526	5,259,526	4,558,936	(700,590)
2000 Support Services	2,934,275	2,934,275	2,091,631	(842,644)
3000 Community Services	80,000	80,000	33,038	(46,962)
Total expenditures	8,273,801	8,273,801	6,683,605	(1,590,196)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, July 1, 2016	-	-	-	-
FUND BALANCE, June 30, 2017	<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, 2017**

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
INSTRUCTION*:				
1220 Restrictive programs	\$ 61,806	\$ 44,288	\$ -	\$ 4,490
1250 Resource rooms	635,590	350,569	2,205	2,159
1272 Title 1	1,720,871	949,036	484,677	101,139
1280 Alternative education	-	-	-	-
1290 Other programs	-	-	-	-
1460 Summer school - special programs	-	-	-	-
Total instruction	<u>2,418,267</u>	<u>1,343,893</u>	<u>486,882</u>	<u>107,788</u>
SUPPORT SERVICES*:				
2120 Placement services	-	-	-	-
2130 Health services	163,860	85,556	1,402	21
2140 Psychological services	50,123	38,618	102	-
2150 Speech pathology and audiology services	239,210	118,007	-	-
2190 Service direction-student support services	179,220	82,092	3,259	-
2210 Improvement of instruction services	62,069	31,211	690	8,629
2230 Assessment and testing	-	-	-	-
2240 Instructional staff development	501,718	260,678	42,157	4,493
2520 Fiscal services	-	-	-	-
2550 Student transportation	-	-	-	-
2690 Other central support services	-	-	-	-
Total support services	<u>1,196,200</u>	<u>616,162</u>	<u>47,610</u>	<u>13,143</u>
3300 COMMUNITY SERVICES*:	<u>12,015</u>	<u>2,968</u>	<u>7,813</u>	<u>10,242</u>
TOTAL EXPENDITURES	<u><u>\$ 3,626,482</u></u>	<u><u>\$ 1,963,023</u></u>	<u><u>\$ 542,305</u></u>	<u><u>\$ 131,173</u></u>

*Appropriation level

Capital Outlay (500)	Other Objects (600)	Total	Budget		Variance with Final Budget Over (Under)
			Adopted	Final	
\$ -	\$ 1,253	\$ 111,837	\$ 286,033	\$ 286,033	\$ (174,196)
-	-	990,523	975,792	975,792	14,731
-	200,853	3,456,576	3,688,701	3,688,701	(232,125)
-	-	-	-	-	-
-	-	-	300,000	300,000	(300,000)
-	-	-	9,000	9,000	(9,000)
-	202,106	4,558,936	5,259,526	5,259,526	(700,590)
-	-	-	-	-	-
-	-	250,839	248,988	248,988	1,851
-	26,101	114,944	188,079	188,079	(73,135)
-	-	357,217	356,132	356,132	1,085
-	22,869	287,440	285,909	285,909	1,531
-	497	103,096	443,745	443,745	(340,649)
-	-	-	-	-	-
-	55,617	864,663	1,174,042	1,174,042	(309,379)
-	113,432	113,432	237,380	237,380	(123,948)
-	-	-	-	-	-
-	-	-	-	-	-
-	218,516	2,091,631	2,934,275	2,934,275	(842,644)
-	-	33,038	80,000	80,000	(46,962)
\$ -	\$ 420,622	\$ 6,683,605	\$ 8,273,801	\$ 8,273,801	\$ (1,590,196)

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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, 2017**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
Revenues from local sources:				
1920 Private donations	\$ 37,372	\$ 37,372	\$ 58,627	\$ 21,255
1990 Miscellaneous	-	-	7,513	7,513
Total local sources	37,372	37,372	66,140	28,768
Revenues from intermediate sources:				
2102 ESD apportionment	100,000	100,000	100,000	-
2900 Other intermediate sources	495,000	495,000	813,609	318,609
Total intermediate sources	595,000	595,000	913,609	318,609
Revenues from state sources:				
3199 Other restricted grants	150,000	150,000	7,200	
3299 Other restricted grants	1,005,000	1,005,000	769,361	
	1,155,000	1,155,000	776,561	(378,439)
TOTAL REVENUES	1,787,372	1,787,372	1,756,310	(31,062)
EXPENDITURES:				
1000 Instruction	99,372	99,372	158,095	58,723
2000 Support services	1,768,000	1,768,000	1,569,845	(198,155)
3000 Community services	-	-	113	113 +
Total expenditures	1,867,372	1,867,372	1,728,053	(139,319)
NET CHANGE IN FUND BALANCE	(80,000)	(80,000)	28,257	108,257
FUND BALANCE, July 1, 2016	80,000	80,000	151,652	71,652
FUND BALANCE, June 30, 2017	\$ -	\$ -	\$ 179,909	\$ 179,909

+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, 2017**

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
INSTRUCTION*:				
1111 Elementary school programs	\$ 5,660	\$ 1,565	\$ 754	\$ 1,935
1121 Middle school programs	-	-	2,093	4,840
1131 High school programs	8,079	2,607	9,836	59,434
1140 Pre-kindergarten programs	11,935	12,355	-	886
1220 Restrictive programs for students with disabilities	-	-	-	2,050
1271 Remediation	5,894	1,734	-	-
1272 Title I	3,835	1,115	-	-
1290 Other Programs	1,229	344	9	1,906
Total instruction	<u>36,632</u>	<u>19,720</u>	<u>12,692</u>	<u>71,051</u>
SUPPORT SERVICES*:				
2113 Social Work	31,926	12,620	-	433
2130 Health services	-	-	-	-
2190 Service direction-student support services	-	-	-	-
2210 Improvement of instruction services	7,363	1,443	65	14,091
2220 Education media services	-	-	-	51
2230 Assessment and testing	1,228	158	6,000	1,096
2240 Instructional staff development	492,320	192,221	156,486	34,071
2320 Executive administration services	37,650	19,099	115	-
2540 Operation and maintenance of plant services	-	-	-	-
2550 Student transportation	-	-	-	-
2620 Planning and development services	-	-	-	-
2640 Staff services	-	-	-	-
2660 Technology services	42,586	31,618	6,997	423,703
Total support services	<u>613,073</u>	<u>257,159</u>	<u>169,663</u>	<u>473,445</u>
3100 COMMUNITY SERVICES*:	<u>-</u>	<u>-</u>	<u>-</u>	<u>113</u>
TOTAL EXPENDITURES	<u>\$ 649,705</u>	<u>\$ 276,879</u>	<u>\$ 182,355</u>	<u>\$ 544,609</u>
7000 UNAPPROPRIATED ENDING FUND BALANCE*:				
TOTAL EXPENDITURES AND UNAPPROPRIATED ENDING FUND BALANCE				

Capital Outlay (500)	Other Objects (600)	Total	Budget		Variance with Final Budget Over (Under)
			Adopted	Final	
\$ -	\$ -	\$ 9,914	\$ -	\$ -	\$ 9,914
-	-	6,933	-	-	6,933
18,000	-	97,956	6,500	6,500	91,456
-	-	25,176	-	-	25,176
-	-	2,050	-	-	2,050
-	-	7,628	17,872	17,872	(10,244)
-	-	4,950	-	-	4,950
-	-	3,488	75,000	75,000	(71,512)
<u>18,000</u>	<u>-</u>	<u>158,095</u>	<u>99,372</u>	<u>99,372</u>	<u>58,723</u>
-	-	44,979	55,000	55,000	(10,021)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	22,962	93,000	93,000	(70,038)
-	-	51	-	-	51
-	-	8,482	-	-	8,482
-	9,505	884,603	1,180,000	1,180,000	(295,397)
-	-	56,864	-	-	56,864
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
47,000	-	551,904	440,000	440,000	111,904
<u>47,000</u>	<u>9,505</u>	<u>1,569,845</u>	<u>1,768,000</u>	<u>1,768,000</u>	<u>(198,155)</u>
<u>-</u>	<u>-</u>	<u>113</u>	<u>-</u>	<u>-</u>	<u>113 +</u>
<u>\$ 65,000</u>	<u>\$ 9,505</u>	<u>\$ 1,728,053</u>	<u>\$ 1,867,372</u>	<u>\$ 1,867,372</u>	<u>\$ (139,319)</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 1,728,053</u>	<u>\$ 1,867,372</u>	<u>\$ 1,867,372</u>	<u>\$ (139,319)</u>

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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, 2017**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
Local sources:				
1311 Tuition from individuals	\$ 180,000	\$ 180,000	\$ 102,573	\$ (77,427)
1330 Summer school tuition	-	-	-	-
1410 Transportation from individuals	2,500	2,500	1,962	(538)
1700 Extracurricular Activities	1,931,550	1,931,550	1,758,027	(173,523)
1920 Contributions	131,500	131,500	146,258	14,758
1940 Services provided others	71,000	71,000	35,099	(35,901)
1950 Textbook sales and rentals	16,300	16,300	9,838	(6,462)
1990 Miscellaneous	59,950	59,950	148,916	88,966
Total local sources	2,392,800	2,392,800	2,202,673	(190,127)
1500 Investment earnings	500	500	375	(125)
			-	
TOTAL REVENUES	2,393,300	2,393,300	2,203,048	(190,252)
EXPENDITURES:				
1000 Instruction	3,419,550	3,419,550	2,124,303	(1,295,247)
2000 Support services	492,491	492,491	412,492	(79,999)
Total expenditures	3,912,041	3,912,041	2,536,795	(1,375,246)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,518,741)	(1,518,741)	(333,747)	1,184,994
OTHER FINANCING SOURCES:				
5200 Transfers in	240,000	240,000	240,000	-
NET CHANGE IN FUND BALANCE	(1,278,741)	(1,278,741)	(93,747)	1,184,994
FUND BALANCE, July 1, 2016	1,333,750	1,333,750	1,408,787	75,037
FUND BALANCE, June 30, 2017	\$ 55,009	\$ 55,009	\$ 1,315,040	\$ 1,260,031

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF DETAILED EXPENDITURES -
 BUDGET AND ACTUAL
 OTHER SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2017**

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
INSTRUCTION*:				
1113 Elementary school extracurricular	\$ -	\$ -	\$ 27,810	\$ 185,600
1122 Middle school extracurricular	-	-	79,353	215,562
1131 High school programs	-	-	-	-
1132 High school extracurricular	-	-	538,473	523,764
1400 Summer school programs.	-	-	-	-
Total instruction	-	-	645,636	924,926
SUPPORT SERVICES*:				
2410 Office of the Principal	-	-	974	17,756
2550 Student transportation	-	-	56,789	-
2570 Internal services	108,002	38,376	79,560	86,341
Total support services	108,002	38,376	137,323	104,097
TOTAL EXPENDITURES	\$ 108,002	\$ 38,376	\$ 782,959	\$ 1,029,023

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	
\$ -	\$ 64,751	\$ 278,161	\$ 412,050	\$ 412,050	\$ (133,889)
\$ -	\$ 57,182	352,097	642,000	642,000	(289,903)
\$ -	\$ -	-	25,000	25,000	(25,000)
\$ -	\$ 431,808	1,494,045	2,340,500	2,340,500	(846,455)
\$ -	\$ -	-	-	-	-
-	553,741	2,124,303	3,419,550	3,419,550	(1,295,247)
\$ -	\$ -	18,730	38,000	38,000	(19,270)
\$ -	\$ -	56,789	103,500	103,500	(46,711)
\$ 24,694	\$ -	336,973	350,991	350,991	(14,018)
24,694	-	412,492	492,491	492,491	(79,999)
<u>\$ 24,694</u>	<u>\$ 553,741</u>	<u>\$ 2,536,795</u>	<u>\$ 3,912,041</u>	<u>\$ 3,912,041</u>	<u>\$ (1,375,246)</u>
		-	55,009	55,009	(55,009)
		<u>\$ 2,536,795</u>	<u>\$ 3,967,050</u>	<u>\$ 3,967,050</u>	<u>\$ (1,430,255)</u>

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
1100 Property taxes	\$ 5,929,640	\$ 5,929,640	\$ 5,914,047	\$ (15,593)
1500 Investment earnings	20,000	20,000	39,535	19,535
TOTAL REVENUES	<u>5,949,640</u>	<u>5,949,640</u>	<u>5,953,582</u>	<u>3,942</u>
EXPENDITURES:				
5100 Debt service:*				
610 Principal	4,905,000	4,630,000	4,905,000	275,000
620 Interest	1,255,421	1,406,438	1,255,306	(151,132)
	<u>6,160,421</u>	<u>6,036,438</u>	<u>6,160,306</u>	<u>123,868 (1)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(210,781)	(86,798)	(206,724)	(119,926)
FUND BALANCE, July 1, 2016	<u>755,000</u>	<u>755,000</u>	<u>865,944</u>	<u>110,944</u>
FUND BALANCE, June 30, 2017	<u>\$ 544,219</u>	<u>\$ 668,202</u>	<u>\$ 659,220</u>	<u>\$ (8,982)</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, 2017**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
1130 Construction Excise Tax	\$ 150,000	\$ 150,000	\$ 301,865	\$ 151,865
2190 Intermediate Sources	75,000	75,000	75,000	-
3290 Other State Sources	200,000	200,000	218,427	18,427
1500 Investment earnings	18,900	18,900	585,247	566,347
1960 E-Rate and recovery of prior year	300,000	300,000	248,770	(51,230)
1920 Contributions	-	-	1,386	1,386
1910 Rentals	15,000	15,000	22,903	7,903
TOTAL REVENUES	758,900	758,900	1,453,598	694,698
EXPENDITURES:				
1000 Instruction	-	-	-	-
2000 Support services	1,480,350	1,480,350	544,782	(935,568)
4000 Facilities Acquisition and construction	-	-	4,872,904	4,872,904
5110 Debt services	628,150	628,150	1,827,066	1,198,916
Total expenditures	2,108,500	2,108,500	7,244,752	5,136,252
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,349,600)	(1,349,600)	(5,791,154)	(4,441,554)
OTHER FINANCING SOURCES:				
5100 Financing Proceeds	-	-	270,976,068	270,976,068
5200 Transfers in	300,000	300,000	300,000	-
	<u>300,000</u>	<u>300,000</u>	<u>271,276,068</u>	<u>270,976,068</u>
NET CHANGE IN FUND BALANCE	(1,049,600)	(1,049,600)	265,484,914	266,534,514
FUND BALANCE, July 1, 2016	1,079,600	1,079,600	986,289	(93,311)
FUND BALANCE, June 30, 2017	\$ 30,000	\$ 30,000	\$ 266,471,203	\$ 266,441,203

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED EXPENDITURES -
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2017**

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
INSTRUCTION*:				
1111 Elementary, K-5	\$ -	-	-	-
SUPPORT SERVICES*:				
2520 Fiscal services	-	-	36,632	70,866
2540 Operation and maintenance of plant services	5,000	1,063	1,085	-
2630 Information services	-	-	-	-
2660 Technology services	-	-	-	404,942
Total support services	<u>5,000</u>	<u>1,063</u>	<u>37,717</u>	<u>475,808</u>
FACILITIES ACQUISITION AND CONSTRUCTION*:				
4110 Facilities acquisition and construction direction	-	-	1,359,556	180
4120 Site acquisition and development	-	-	-	-
4150 Building acquisition, construction and improvement	17,291	2,914	3,438,273	8,640
4180 Other Capital Items	-	-	-	10,349
Total facilities acquisition and construction	<u>17,291</u>	<u>2,914</u>	<u>4,797,829</u>	<u>19,169</u>
DEBT SERVICES*:				
5110 Long-Term Debt				
Principal	-	-	-	-
Interest	-	-	-	-
Lease				
Total debt services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 22,291</u>	<u>\$ 3,977</u>	<u>\$ 4,835,546</u>	<u>\$ 494,977</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	
-	-	-	\$ -	\$ -	\$ -
-	-	107,498	180,000	180,000	(72,502)
25,194	-	32,342	938,850	938,850	(906,508)
-	-	-	-	-	-
-	-	404,942	361,500	361,500	43,442
<u>25,194</u>	<u>-</u>	<u>544,782</u>	<u>1,480,350</u>	<u>1,480,350</u>	<u>(935,568)</u>
-	200	1,359,936	-	-	1,359,936
-	-	-	-	-	-
29,220	6,281	3,502,619	-	-	3,502,619
-	-	10,349	-	-	10,349
<u>29,220</u>	<u>6,481</u>	<u>4,872,904</u>	<u>-</u>	<u>-</u>	<u>4,872,904</u>
-	1,755,683	1,755,683	539,000	539,000	1,216,683
-	71,383	71,383	89,150	89,150	(17,767)
-	-	-	-	-	-
<u>-</u>	<u>1,827,066</u>	<u>1,827,066</u>	<u>628,150</u>	<u>628,150</u>	<u>1,198,916</u>
<u>\$ 54,414</u>	<u>\$ 1,833,547</u>	<u>\$ 7,244,752</u>	<u>\$ 2,108,500</u>	<u>\$ 2,108,500</u>	<u>\$ 5,136,252</u>
-	-	-	30,000	30,000	(30,000)
-	-	<u>\$ 7,244,752</u>	<u>\$ 2,138,500</u>	<u>\$ 2,138,500</u>	<u>\$ 5,106,252</u>

**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, 2017**

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
5200 Contributions	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
1970 Charges for Services	320,000	320,000	338,927	18,927
1500 Investment earnings	8,000	8,000	16,403	8,403
TOTAL REVENUES	628,000	628,000	655,330	27,330
EXPENDITURES:				
Support services:*				
2700 Supplemental retirement program:				
100 Salaries	577,335	577,335	304,232	(273,103)
200 Benefits	1,350,665	1,350,665	128,973	(1,221,692)
Total support services	1,928,000	1,928,000	433,205	(1,494,795)
NET CHANGE IN FUND BALANCE	(1,300,000)	(1,300,000)	222,125	1,522,125
FUND BALANCE, July 1, 2016	1,300,000	1,300,000	1,278,678	(21,322)
FUND BALANCE, June 30, 2017	\$ -	\$ -	\$ 1,500,803	\$ 1,500,803

*Appropriation level

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED JUNE 30, 2017**

	<u>BALANCES</u> <u>JULY 1, 2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCES</u> <u>JUNE 30, 2017</u>
ASSETS				
Cash and investments	\$ 7,758	\$ 289,799	\$ 288,721	\$ 8,836
Accounts receivable	<u>3,247</u>	<u>\$ 3,247</u>	<u>3,247</u>	<u>3,247</u>
Total Assets	<u>\$ 11,005</u>	<u>\$ 293,046</u>	<u>\$ 291,968</u>	<u>\$ 12,083</u>
LIABILITIES				
Book overdraft	\$ 3,247	\$ 3,247	\$ 3,247	\$ 3,247
Due to agencies	<u>7,758</u>	<u>289,799</u>	<u>288,721</u>	<u>8,836</u>
Total Liabilities	<u>\$ 11,005</u>	<u>\$ 293,046</u>	<u>\$ 291,968</u>	<u>\$ 12,083</u>

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF BOND AND FINANCING REDEMPTION AND INTEREST REQUIREMENTS
June 30, 2017

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
2017-18	4,420,000	1,088,438	130,000	53,250	-	10,833,914
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 \$ 20,210,000 \$ 2,862,225 \$ 1,555,000 \$ 290,800 \$ 241,165,714 164,863,499

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
2017-18	742,557	2,454,318	682,234	1,739,035	-	68,337	5,974,791	16,237,292
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 \$ 26,502,102 \$ 14,720,134 \$ 17,381,992 \$ 14,609,478 \$ 2,485,000 \$ 273,348 309,299,808 \$ 197,619,484

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF PROPERTY TAX TRANSACTIONS
For the Year Ended June 30, 2017**

General Fund:	TAXES UNCOLLECTED JUNE 30, 2016	ADD LEVY AS EXTENDED BY ASSESSOR	DEDUCT DISCOUNTS ALLOWED	ADD INTEREST	ADD (DEDUCT) CANCELLATION AND ADJUSTMENTS	DEDUCT COLLECTIONS	TAXES UNCOLLECTED JUNE 30, 2017
Total General Fund Levies							
2015-2016		\$ 27,794,199	\$ 723,760	\$ 9,199	\$ (84,608)	\$ 26,459,097	\$ 535,933
2014-2015	\$ 591,975	-	(492)	19,497	(21,813)	256,050	334,101
2013-2014	332,009	-	(69)	17,645	(3,680)	100,098	245,945
2012-2013	245,682	-	(32)	22,143	(2,046)	88,267	177,544
2011-2012	170,065	-	-	13,315	(409)	46,402	136,569
2010-2011 & Prior	347,850	-	(1)	7,887	(5,069)	16,198	334,471
Total Prior	1,687,581	-	(594)	80,487	(33,017)	507,015	1,228,630
Total	\$ 1,687,581	\$ 27,794,199	\$ 723,166	\$ 89,686	\$ (117,625)	\$ 26,966,112	\$ 1,764,563
Multnomah County							
2015-2016		\$ 23,189,773	604,430	8,614	(75,911)	22,070,143	\$ 447,903
2014-2015	\$ 494,659	-	(492)	15,660	(20,668)	207,795	282,348
2013-2014	279,675	-	(69)	14,317	(3,219)	81,393	209,449
2012-2013	211,215	-	(32)	18,548	(1,441)	74,364	153,990
2011-2012	147,890	-	-	11,554	(343)	40,335	118,766
2010-2011 & Prior	299,623	-	(1)	5,866	(3,759)	12,788	288,943
Total Prior	1,433,062	-	(594)	65,945	(29,430)	416,675	1,053,496
Total	\$ 1,433,062	\$ 23,189,773	\$ 603,836	\$ 74,559	\$ (105,341)	\$ 22,486,818	\$ 1,501,399
Clackamas County							
2015-2016		\$ 4,604,426	119,330	585	(8,697)	4,388,954	\$ 88,030
2014-2015	\$ 97,316	-	-	3,837	(1,145)	48,255	51,753
2013-2014	52,334	-	-	3,328	(461)	18,705	36,496
2012-2013	34,467	-	-	3,595	(605)	13,903	23,554
2011-2012	22,175	-	-	1,761	(66)	6,067	17,803
2010-2011 & Prior	48,227	-	-	2,021	(1,310)	3,410	45,528
Total Prior	254,519	-	-	14,542	(3,587)	90,340	175,134
Total	\$ 254,519	\$ 4,604,426	\$ 119,330	\$ 15,127	\$ (12,284)	\$ 4,479,294	\$ 263,164
Debt Service Fund:							
Total Debt Service Levies							
2015-2016		\$ 6,086,599	\$ 158,496	\$ 2,016	\$ (18,815)	\$ 5,794,216	\$ 117,088
2014-2015	\$ 135,397	-	(113)	4,458	(5,032)	58,545	76,391
2013-2014	77,247	-	(16)	4,106	(855)	23,296	57,218
2012-2013	58,354	-	(8)	5,256	(487)	20,952	42,179
2011-2012	41,204	-	-	3,227	(98)	11,244	33,089
2010-2011 & Prior	92,058	-	-	2,122	(1,155)	4,337	88,688
Total Prior	404,260	-	(137)	19,169	(7,627)	118,374	297,565
Total	\$ 404,260	\$ 6,086,599	\$ 158,359	\$ 21,185	\$ (26,442)	\$ 5,912,590	\$ 414,653

(Continued on next page)

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF PROPERTY TAX TRANSACTIONS (Continued)
For the Year Ended June 30, 2017**

Debt Service Fund (Continued):

	TAXES UNCOLLECTED JUNE 30, 2016	ADD LEVY AS EXTENDED BY ASSESSOR	DEDUCT DISCOUNTS ALLOWED	ADD INTEREST	ADD (DEDUCT) CANCELLATION AND ADJUSTMENTS	DEDUCT COLLECTIONS	TAXES UNCOLLECTED JUNE 30, 2017
Multnomah County							
2016-2017		\$ 5,086,145	132,568	\$ 1,889	\$ (16,925)	\$ 4,840,580	\$ 97,961
2015-2016	\$ 113,391	-	(113)	3,590	(4,773)	47,633	64,688
2014-2015	64,977	-	(16)	3,326	(747)	18,910	48,662
2013-2014	50,225	-	(8)	4,411	(345)	17,683	36,616
2012-2013	35,642	-	-	2,785	(82)	9,723	28,622
2011-2012 & Prior	74,503	-	-	1,603	(725)	3,477	71,904
			-				
Total Prior	338,738	-	(137)	15,715	(6,672)	97,426	250,492
Total	<u>\$ 338,738</u>	<u>\$ 5,086,145</u>	<u>\$ 132,431</u>	<u>\$ 17,604</u>	<u>\$ (23,597)</u>	<u>\$ 4,938,006</u>	<u>\$ 348,453</u>
Clackamas County							
2015-2016		\$ 1,000,454	\$ 25,928	\$ 127	\$ (1,890)	\$ 953,636	\$ 19,127
2014-2015	\$ 22,006	-	-	868	(259)	10,912	11,703
2013-2014	12,270	-	-	780	(108)	4,386	8,556
2012-2013	8,129	-	-	845	(142)	3,269	5,563
2011-2012	5,562	-	-	442	(16)	1,521	4,467
2010-2011 & Prior	17,555	-	-	519	(430)	860	16,784
Total Prior	65,522	-	-	3,454	(955)	20,948	47,073
Total	<u>\$ 65,522</u>	<u>\$ 1,000,454</u>	<u>\$ 25,928</u>	<u>\$ 3,581</u>	<u>\$ (2,845)</u>	<u>\$ 974,584</u>	<u>\$ 66,200</u>
						General Fund	Debt Service Fund
Total Property Taxes						\$ 26,966,112	\$ 5,912,590
Other taxes							
County sales tax						-	-
Tax offsets						-	-
Total other taxes						-	-
Total Taxes						<u>\$ 26,966,112</u>	<u>\$ 5,912,590</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, 2017 and 2016**

	2017	2016
Gresham Union High School:		
Cash and investments	\$ 289,172	\$ 322,336
Sam Barlow High School:		
Cash and investments	491,068	503,188
Springwater Trail High School		
Cash and investments	34,996	35,587
Clear Creek Middle School:		
Cash and investments	45,439	49,108
Damascus Middle School:		
Cash and investments	71,366	62,708
Dexter McCarty Middle School:		
Cash and investments	45,744	47,547
Gorden Russell Middle School:		
Cash and investments	82,359	85,194
West Orient Middle School:		
Cash and investments	69,174	51,464
Deep Creek Elementary School:		
Cash and investments	-	-
East Gresham Elementary School		
Cash and investments	3,460	7,323
East Orient Grade School:		
Cash and investments	23,249	18,757
Hall Elementary School:		
Cash and investments	9,309	7,183
Highland Elementary School:		
Cash and investments	8,255	7,606
Hogan Cedars Elementary School		
Cash and investments	25,811	41,913
Hollydale Elementary School:		
Cash and investments	10,560	10,721
Kelly Creek Elementary School:		
Cash and investments	32,898	29,797
North Gresham Grade School:		
Cash and investments	12,920	9,381
Powell Valley Grade School:		
Cash and investments	9,834	7,878
West Gresham Grade School		
Cash and investments	8,461	8,261
Total	\$ 1,274,075	\$ 1,305,949

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SUPPLEMENTAL INFORMATION AS REQUIRED
 BY THE OREGON STATE DEPARTMENT OF EDUCATION
 YEAR ENDED JUNE 30, 2017**

A. Energy bills for heating - all funds:			<u>Objects 325 and 326</u>
Please enter your expenditures for electricity			Function 2540
& heating fuel for these Functions & Objects.			Function 2550
			\$ 1,473,689
			-
 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
1140	Pre-kindergarten	2550	Pupil transportation
1300	Continuing education	3100	Food service
1400	Summer school	3300	Community services
			\$ 155,291

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SUPPLEMENTAL INFORMATION AS REQUIRED
 BY THE OREGON STATE DEPARTMENT OF EDUCATION
 SCHEDULE OF REVENUES
 YEAR ENDED JUNE 30, 2017**

	Fund 100	Fund 200	Fund 300
REVENUES:			
REVENUES FROM LOCAL SOURCES:			
1110 Ad valorem taxes levied by district	\$ 26,966,113	\$ -	\$ 5,912,590
1190 Penalties and interest on taxes	8,148	-	1,457
1130 Construction excise tax	-	-	-
1310 Tuition from individuals	-	102,573	-
1330 Summer school tuition	30,860	-	-
1410 Transportation fees from individuals	88,710	1,962	-
1500 Earnings on investments	349,247	13,689	39,535
1600 Food service	-	441,911	-
1700 Extracurricular activities	294,635	1,758,027	-
1800 Community services activities	58,476	-	-
1910 Rentals	288,354	-	-
1920 Contributions and donations	22,739	204,885	-
1940 Services provided to other LEA	225,000	35,099	-
1950 Textbook sales and rentals	-	9,838	-
1960 Recovery of prior year's expenditures	136,753	-	-
1970 Services provided other funds	-	-	-
1980 Fees charged to grants	674,966	-	-
1990 Miscellaneous	434,677	157,046	-
Total revenue from local sources	<u>29,578,678</u>	<u>2,725,030</u>	<u>5,953,582</u>
REVENUES FROM INTERMEDIATE SOURCES:			
2101 County school fund	3,578	-	-
2102 General education service district funds	1,825,000	-	-
2190 Other revenue from intermediate sources	-	913,609	-
Total revenue from intermediate sources	<u>1,828,578</u>	<u>913,609</u>	<u>-</u>
REVENUES FROM STATE SOURCES:			
3101 State school fund	80,848,243	-	-
3102 State school lunch match	-	40,882	-
3103 Common school fund	1,551,007	-	-
3199 Other unrestricted state revenue	685,488	7,200	-
3204 Driver education	-	-	-
3299 Other restricted state revenue	28,060	842,001	-
Total revenue from state sources	<u>83,112,798</u>	<u>890,083</u>	<u>-</u>
REVENUES FROM FEDERAL SOURCES:			
4500 Restricted revenue from federal government through the state	-	10,056,732	-
4700 Restricted revenue from federal government through the intermediate sources	78,288	-	-
4801 Forest Fees	2,877	-	-
Total revenue from federal sources	<u>81,165</u>	<u>10,056,732</u>	<u>-</u>
REVENUES FROM OTHER SOURCES:			
5160 Lease purchase receipts	-	-	-
5200 Transfers	-	240,000	-
5300 Sale or compensation for loss of fixed assets	12,200	-	-
5400 Resources - beginning fund balance	10,278,093	2,661,158	865,944
Total revenue from other sources	<u>10,290,293</u>	<u>2,901,158</u>	<u>865,944</u>
TOTAL REVENUES	<u>\$ 124,891,512</u>	<u>\$ 17,486,612</u>	<u>\$ 6,819,526</u>

Fund 400	Fund 500	Fund 600	Fund 700	Total
\$ -	\$ -	\$ -	\$ -	\$ 32,878,703
-	-	-	-	9,605
301,865	-	-	-	301,865
-	-	-	-	102,573
-	-	-	-	30,860
-	-	-	-	90,672
585,247	-	-	16,403	1,004,121
-	-	-	-	441,911
-	-	-	-	2,052,662
-	-	-	-	58,476
22,903	-	-	-	311,257
1,386	-	-	10,805	239,815
-	-	-	240,034	500,133
-	-	-	-	9,838
248,770	-	-	-	385,523
-	-	-	338,928	338,928
-	-	-	-	674,966
-	-	-	38,960	630,683
<u>1,160,171</u>	<u>-</u>	<u>-</u>	<u>645,130</u>	<u>40,062,591</u>
-	-	-	-	3,578
-	-	-	-	1,825,000
75,000	-	-	-	988,609
<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,817,187</u>
-	-	-	-	80,848,243
-	-	-	-	40,882
-	-	-	-	1,551,007
-	-	-	-	692,688
-	-	-	-	-
218,427	-	-	-	1,088,488
<u>218,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,221,308</u>
-	-	-	-	10,056,732
-	-	-	-	78,288
-	-	-	-	2,877
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,137,897</u>
270,976,068	-	-	-	270,976,068
300,000	-	-	300,000	840,000
-	-	-	-	12,200
986,288	-	-	1,286,436	16,077,919
<u>1,286,288</u>	<u>-</u>	<u>-</u>	<u>1,586,436</u>	<u>287,906,187</u>
<u>\$ 2,739,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,231,566</u>	<u>\$ 425,145,170</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, 2017**

	100 Objects	200 Objects	300 Objects
EXPENDITURES:			
INSTRUCTION:			
1111 Primary programs K-5	\$ 5,660	1,565	754
1113 Elementary extracurricular	-	-	27,810
1121 Middle school programs	-	-	2,093
1122 Middle school extracurricular	-	-	79,353
1131 High school programs	8,079	2,607	9,836
1132 High school extracurricular	-	-	538,473
1140 Pre-kindergarten programs	11,935	12,355	-
1220 Restrictive programs for students with disabilities	61,806	44,288	-
1250 Resource rooms	635,590	350,569	2,205
1271 Remediation	5,894	1,734	-
1272 Title I	1,724,706	950,151	484,677
1299 Other programs	1,229	344	9
1400 Summer school programs	-	-	-
Total instruction	<u>2,454,899</u>	<u>1,363,613</u>	<u>1,145,210</u>
SUPPORT SERVICES:			
2110 Attendance and social work	31,926	12,620	-
2120 Guidance services	-	-	-
2130 Health services	163,860	85,556	1,402
2140 Psychological testing services	50,123	38,618	102
2150 Speech pathology and audiology	239,210	118,007	-
2190 Service direction - student support services	179,220	82,092	3,259
2210 Improvement of instruction services	69,432	32,654	755
2220 Educational media services	-	-	-
2230 Assessment and testing	1,228	158	6,000
2240 Instructional staff development	994,038	452,899	198,643
2320 Executive administration services	37,650	19,099	115
2410 Office of the principal	-	-	974
2520 Fical services	-	-	-
2550 Student transportation	-	-	56,789
2570 Internal services	108,002	38,376	79,560
2620 Planning and development services	-	-	-
2660 Technology services	42,586	31,618	6,997
2690 Other central support	-	-	-
Total support services	<u>1,917,275</u>	<u>911,697</u>	<u>354,596</u>
COMMUNITY SERVICES:			
3100 Food services	-	-	3,447,889
3300 Community services	12,015	2,968	7,813
Total community services	<u>12,015</u>	<u>2,968</u>	<u>3,455,702</u>
TOTAL EXPENDITURES	<u>\$ 4,384,189</u>	<u>\$ 2,278,278</u>	<u>\$ 4,955,508</u>

400 Objects	500 Objects	600 Objects	Total
1,935	-	-	\$ 9,914
185,600	-	64,751	278,161
4,840	-	-	6,933
215,562	-	57,182	352,097
59,434	18,000	-	97,956
523,764	-	431,808	1,494,045
886	-	-	25,176
6,540	-	1,253	113,887
2,159	-	-	990,523
-	-	-	7,628
101,139	-	200,853	3,461,526
1,906	-	-	3,488
-	-	-	-
<u>1,103,765</u>	<u>18,000</u>	<u>755,847</u>	<u>6,841,334</u>
433	-	-	44,979
-	-	-	-
21	-	-	250,839
-	-	26,101	114,944
-	-	-	357,217
-	-	22,869	287,440
22,720	-	497	126,058
51	-	-	51
1,096	-	-	8,482
38,564	-	65,122	1,749,266
-	-	-	56,864
17,756	-	-	18,730
-	-	113,432	113,432
-	-	-	56,789
86,341	24,694	-	336,973
-	-	-	-
423,703	47,000	-	551,904
-	-	-	-
<u>590,685</u>	<u>71,694</u>	<u>228,021</u>	<u>4,073,968</u>
32,232	199,254	254,033	3,933,408
10,355	-	-	33,151
<u>42,587</u>	<u>199,254</u>	<u>254,033</u>	<u>3,966,559</u>
<u>\$ 1,737,037</u>	<u>\$ 288,948</u>	<u>\$ 1,237,901</u>	<u>\$ 14,881,861</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	71
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	75
These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax.	
Debt Capacity	79
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	81
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	82
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)

	2016-17	2015-16	2014-15	2013-14*	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 12,850,499
Restricted	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	7,588,096
Unrestricted	(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	23,107,608
Total primary government net position	<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>	<u>\$ 43,546,203</u>

*as restated for GASB 68

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

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

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Expenses										
Governmental activities:										
Instruction:										
Regular programs	\$ 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	\$ 49,823,751
Special programs	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	13,805,383
Adult/Continuing programs	-	-	-	-	-	-	-	-	-	-
Summer school programs	20,370	40,928	31,756	23,617	27,907	29,639	37,316	35,779	53,740	60,793
Total instruction	<u>85,565,840</u>	<u>96,407,656</u>	<u>62,039,055</u>	<u>69,165,261</u>	<u>64,075,904</u>	<u>65,493,473</u>	<u>64,285,112</u>	<u>63,483,206</u>	<u>65,332,917</u>	<u>63,689,927</u>
Support services:										
Student support services	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	6,745,334
Instructional staff support	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	4,195,903
General administration	1,553,901	1,503,735	873,881	1,078,227	1,016,157	600,724	1,096,149	860,098	868,546	665,759
School administration	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	7,057,092
Business support services	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	14,935,319
Central activities	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	6,276,653
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	<u>48,640,316</u>	<u>50,825,172</u>	<u>38,871,202</u>	<u>43,300,663</u>	<u>44,476,142</u>	<u>40,113,395</u>	<u>39,808,453</u>	<u>38,304,644</u>	<u>40,843,908</u>	<u>40,176,060</u>
Enterprise and community services	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	3,664,382
Facilities and construction	-	-	-	146,963	-	-	-	-	-	-
Interest on long-term debt	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	5,151,722
Total primary government expenses	<u>\$ 141,699,334</u>	<u>\$ 152,709,044</u>	<u>\$ 109,862,264</u>	<u>\$ 121,343,044</u>	<u>\$ 117,399,293</u>	<u>\$ 114,685,548</u>	<u>\$ 112,803,652</u>	<u>\$ 110,760,505</u>	<u>\$ 115,049,697</u>	<u>\$ 112,682,091</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Regular programs	\$ 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	\$ 2,859,102
Other instruction activities	170,033	125,047	84,280	175,515	173,701	171,181	175,652	166,175	100,568	181,743
Support services	1,095,766	911,172	927,334	865,374	514,453	448,729	789,508	897,504	603,320	752,460
Enterprise and community services	780,786	741,698	705,118	922,338	953,220	1,039,824	1,123,322	1,241,200	1,337,930	1,571,961
Operating grants and contributions	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	7,656,704
Capital grants and contributions	316,330	694,825	867,493	554,778	1,733,518	1,202,499	936,071	403,907	227,399	18,429
Total primary government program revenues	<u>\$ 16,973,364</u>	<u>\$ 15,722,349</u>	<u>\$ 16,347,389</u>	<u>\$ 15,150,855</u>	<u>\$ 16,903,058</u>	<u>\$ 15,864,469</u>	<u>\$ 17,920,990</u>	<u>\$ 17,283,704</u>	<u>\$ 13,746,256</u>	<u>\$ 13,040,399</u>
Net (Expense)/Revenue										
Total primary government net expense	<u>\$ (124,725,970)</u>	<u>\$ (136,986,695)</u>	<u>\$ (93,514,875)</u>	<u>\$ (106,192,189)</u>	<u>\$ (100,496,235)</u>	<u>\$ (98,821,079)</u>	<u>\$ (94,882,662)</u>	<u>\$ (93,476,801)</u>	<u>\$ (101,303,441)</u>	<u>\$ (99,641,692)</u>

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

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2008-09	2007-08	2006-07
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 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	\$ 20,494,301
Property taxes levied for debt service	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	8,865,489
State school fund - general support	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	64,716,534
State school fund - school improvement fund	-	-	-	-	-	-	-	-	2,512,333	2,538,558
Common school fund	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	1,300,412
Multnomah county income taxes	3,578	1,882	-	-	-	-	85,995	59,254	-	693,052
Unrestricted state and local sources	3,161,123	2,765,807	2,548,419	2,276,194	449,916	2,651,937	367,976	26,328	1,066,638	33,029
Federal forest fees	2,877	12,093	12,662	13,289	13,282	6,747	22,283	26,376	30,291	34,823
Other federal sources	-	-	-	-	-	35,578	3,734,680	3,229,489	2,337,828	-
Earnings on investments	987,718	232,192	168,950	170,315	198,678	241,170	237,566	304,554	1,031,904	1,970,692
Miscellaneous	148,953	190,048	-	-	142,662	175,540	241,308	263,843	136,794	115,813
Proceeds from refunding bonds	-	-	-	-	-	142	-	-	-	-
Total primary government	<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>	<u>\$ 100,762,703</u>
Change in Net Position										
Total primary government	<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>	<u>\$ 1,121,011</u>

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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)

	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	2007-08
General Fund (1)										
Unassigned	\$ 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	\$ 13,085,912
Total general fund	<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>	<u>\$ 13,085,912</u>
All Other Governmental Funds(1)										
Restricted for:										
Student activity groups	\$ 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	659,220	865,944	853,530	893,146	1,069,912	1,164,286	1,450,341	-	-	-
Food service	1,109,803	1,100,720	943,319	933,926	788,221	672,758	475,903	-	-	-
School construction	356,493	59,751	121,494	231,001	706,896	607,767	451,362	-	-	-
Planning activities	179,909	151,652	81,715	46,286	16,718	-	-	-	-	-
Other activities	40,965	102,839	94,542	-	-	-	-	-	-	-
Committed to:										
PERS litigation	-	-	-	-	-	-	3,352,000	-	-	-
Assigned to:										
Capital expenditures(2)	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	1,086,687
Retirement of long-term debt								1,770,506	1,863,037	1,812,245
Capital expenditures(2)								948,887	941,317	1,327,472
PERS litigation								3,336,190	3,312,047	3,244,703
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	327,906	343,578	477,741
Total all other governmental funds	<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>	<u>\$ 7,948,848</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:	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Local sources:										
Taxes(1)	\$ 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	\$ 29,229,085
Earnings on investments	987,718	232,192	168,950	170,315	199,253	241,170	237,566	304,554	1,031,904	1,970,692
Other Local Sources	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	5,697,896
Intermediate Sources(3)	3,029,585	2,025,930	2,399,201	2,299,495	1,248,936	657,635	514,209	528,565	458,145	1,223,071
State Sources(2)	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	68,631,628
Federal Sources	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	6,889,976
Total Revenues	<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>	<u>113,642,348</u>
EXPENDITURES:										
Current:										
Instruction	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	63,750,979
Support Services	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	37,496,402
Enterprise and Community Services	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	3,644,970
Facilities Acquisition & Construction	4,843,684	-	-	148,444	102,336	47,369	-	154,673	1,500	1,164,900
Other Capital Oulay	450,517	2,052,751	1,181,480	1,251,059	2,836,840	1,818,164	707,685	400,043	319,680	111,490
Debt Service:										
Principal	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	5,920,000
Interest	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	3,020,764
Total Expenditures	<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>	<u>115,109,505</u>
Excess of revenues over (under) expenditures	(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)	(1,467,157)
Other Financing Sources (uses):										
General long-term debt issued	270,976,068	1,500,000	-	-	2,185,000	11,915,000				
Premium/(discount) on debt issued	-	-	-	-	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	50
Transfers in	540,000	500,000	510,000	250,000	250,000	3,616,205				
Transfers out	(540,000)	(500,000)	(510,000)	(250,000)	(250,000)	(3,616,205)				
Total other financing sources (uses)	<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>	<u>50</u>
Net change in fund balances	<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>	<u>\$ (1,467,107)</u>
Debt services as a percentage of noncapital expendit	5.90%	5.21%	4.97%	4.98%	5.19%	5.41%	5.54%	5.59%	5.38%	7.85%

(1) Revenues are recognized when susceptible to accrual.

(2) Includes state replacement/transportation reimbursement and basic school support.

(3) Addition of PERS Litigation fund for 2003-04 to 2005-06.

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

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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	
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
2007-08	4,430,421,338	119,211,440	127,900,970	4,677,533,748	6.53	7,374,288,255	119,903,109	129,713,058	7,623,904,422	61.4

(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**

	2017		2008	
	ASSESSED VALUATION	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION	ASSESSED VALUATION	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION
<u>PRIVATE ENTERPRISES</u>				
Microchip Technology Inc	\$ 142,576,040	2.34 %	\$ 112,550,880	2.41 %
Semiconductor Components	134,818,460	2.22	83,421,340	1.78
Comcast Corporation	99,916,700	1.64		
Westlake Gresham Center LLC	29,502,340	0.49	23,154,840	0.50
Holly Ridge Associates	27,348,560	0.45	21,589,290	0.46
PKI Gresham Town Fair LLC	23,938,410	0.39	18,789,560	0.40
SHP IV Courtyard Fountains LLC	21,240,220	0.35		
ROC II or Vista at 23 LLC	19,810,050	0.33		
Fred Meyer Stores Inc	19,628,990	0.32	16,682,635	0.36
Timberline Partners LLC/Columbia Trails	18,754,140	0.31	14,804,790	0.32
Westlake Gresham North LLC			14,508,830	0.31
EQR Oregon LLC			15,566,540	0.33
GE Capital			34,128,390	0.73
<u>PUBLIC UTILITIES</u>				
Portland General Electric Co.	53,874,190	0.89	45,052,000	0.96
Frontier/Verizon Communications	23,630,000	0.39	38,615,900	0.83
Northwest Natural Gas	11,025,400	0.18		
SUB TOTAL	626,063,500	10.30	438,864,995	9.38
ALL OTHER TAXPAYERS	5,454,504,887	89.70	4,238,668,753	90.62
TOTAL	<u>\$ 6,080,568,387</u>	<u>100.00 %</u>	<u>\$ 4,677,533,748</u>	<u>100.00 %</u>

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									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
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	0.98	1.02	1.03	1.03	1.08	1.04	1.06	1.09	1.14	1.18
Gresham Grade School #4 Bond	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.82
Weighted Average Direct (1)	\$ 5.51	\$ 5.55	\$ 5.56	\$ 5.56	\$ 5.61	\$ 5.57	\$ 5.59	\$ 5.62	\$ 5.69	\$ 6.53
Orient School district #6 Bond (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.34	0.53	0.55
Damascus Union School District #26 Bond (2)	0.00	0.00	0.00	0.00	0.00	0.72	0.73	0.77	0.73	0.75
Overlapping:										
Tri-Met Service District	0.00	0.00	0.00	0.00	0.00	0.06	0.09	0.09	0.08	0.09
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	0.44	0.46	0.46	0.46	0.46	0.46
Mt. Hood Community College	0.49	0.49	0.49	0.49	0.48	0.49	0.49	0.49	0.49	0.49
Clackamas Community College	0.74	0.75	0.71	0.71	0.72	0.70	0.70	0.72	0.74	0.74
City of Gresham	3.61	3.61	3.61	3.61	3.51	3.61	3.61	3.61	3.61	3.69
City of Damascus	2.40	2.80	2.80	3.10	3.10	3.30	3.30	3.30	3.30	3.30
Metropolitan Service District	0.40	0.39	0.46	0.47	0.40	0.32	0.41	0.44	0.40	0.43
Multnomah County	4.34	5.67	5.67	5.69	5.42	5.44	5.38	5.40	5.39	5.42
East Multnomah County Water & Soil	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.09	0.07
Clackamas County Rural	3.22	3.22	3.22	3.22	3.22	3.22	2.86	2.86	2.79	2.86
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>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>	<u>20.03</u>
Totals*	\$ 23.76	\$ 25.52	\$ 25.56	\$ 25.89	\$ 25.48	\$ 25.75	\$ 25.47	\$ 25.57	\$ 25.52	\$ 26.56

*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**

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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
2016-17	\$ 27,770,373	\$ 6,086,989	\$ 33,857,362	\$ 32,253,312	95.3 %	\$ -	\$ 32,253,312	95.3 %
2015-16	27,063,772	6,196,842	33,260,614	32,533,242	97.8	316,881	32,850,123	98.8
2014-15	25,773,207	5,996,922	31,770,129	31,023,586	97.7	443,379	31,466,965	99.0
2013-14	24,087,065	5,717,058	29,804,123	29,033,266	97.4	551,134	29,584,400	99.3
2012-13	24,240,352	5,880,813	30,121,165	29,287,073	97.2	664,436	29,951,509	99.4
2011-12	23,670,264	5,999,667	29,669,931	28,740,137	96.9	752,511	29,492,648	99.4
2010-11	23,437,991	5,939,102	29,377,093	28,539,902	97.2	719,997	29,259,899	99.6
2009-10	22,864,871	6,095,480	28,960,351	28,019,394	96.8	831,726	28,851,120	99.6
2008-09	21,975,158	6,264,837	28,239,995	27,196,140	96.3	1,039,198	28,235,338	100.0
2007-08	21,046,857	9,103,905	30,150,762	29,242,468	97.0	905,016	30,147,484	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)	
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%
2007-08	59,450,209	43,295,245	102,745,454	1,812,245	100,933,209		2.16%

Legal Debt Margin Calculation for Fiscal Year 2017:

Real Market Value	\$ 7,860,073,540
Debt Limit (7.95%)(1)	624,875,846
Amount of Debt Applicable to Debt Limit	(333,719,289)
Legal Debt Margin	\$ 290,497,337

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
2016-17	4.25%	N/A	4,269	\$ 4,260	\$ 624,875,846	\$ 290,497,337	46.49%
2015-16	0.89%	1.92%	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%
2007-08	1.32%	3.21%	1,316	1,293	606,100,402	503,354,948	83.05%

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, 2017**

GOVERNMENTAL UNIT	2016-2017	GROSS (1)	NET (2)	PERCENT	OVERLAPPING	
	REAL MARKET VALUATION				BONDED DEBT	DIRECT DEBT
<u>DIRECT DEBT</u>						
Gresham-Barlow School District	\$ 7,732,636,316	\$ 865,944	\$ 865,944	100.00%	\$ 865,944	\$ 865,944
<u>OVERLAPPING GOVERNMENT</u>						
City of Troutdale	1,878,614,291	7,813,000	7,813,000	2.36	184,145	184,145
Clackamas County	65,630,370,446	156,730,136	155,330,136	2.67	4,187,986	4,150,577
Clackamas Community College	48,076,385,758	128,273,913	102,608,913	0.00	3,976	3,181
Multnomah County	142,277,325,018	238,006,610	143,743,241	5.21	12,393,242	7,484,854
Multnomah County RFPD 10	947,046,711	3,560,538	3,560,538	64.95	2,312,459	2,312,459
Metropolitan Service District	271,838,567,528	202,735,000	183,510,000	3.21	6,511,037	5,893,607
Multnomah ESD	144,277,058,360	28,200,000	-	6.35	1,790,841	-
Mt. Hood Community College	38,866,583,659	57,756,704	23,235,000	23.57	13,613,197	5,476,466
Port of Portland	294,759,596,278	62,108,214	-	3.11	1,930,572	-
Lusted Water Authority	238,057,349	730,000	730,000	100.00	730,000	730,000
Rockwood Water PUD	5,528,149,253	5,175,000	-	14.06	727,491	-
Pleasant Home Water District	213,753,005	1,575,000	1,575,000	94.73	1,492,001	1,492,001
City of Gresham	11,275,361,387	72,666,373	31,469,373	59.86	43,496,637	18,836,937
TOTAL OVERLAPPING	1,025,806,869,043	965,330,488	653,575,201		89,373,584	46,564,227
TOTAL	\$ 1,033,539,505,359	\$ 966,196,432	\$ 654,441,145		\$ 90,239,528	\$ 47,430,171

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>
2016-2017	78,335	\$ N/A	\$ N/A	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
2007-2008	78,054	3,198,263	40,975	6.1

(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**

<u>EMPLOYER</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total employment(1)</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total employment(1)</u>
Mt. Hood Community College	1,283	1	2.34 %	1,350	1	2.76 %
Gresham-Barlow School District	1,095	2	1.99	1,218	2	2.49
ON Semiconductor	807	3	1.47	475	5	0.97
Legacy Mt. Hood Medical Center	601	4	1.09	605	3	1.24
City of Gresham	580	5	1.06	574	4	1.17
Microchip Technology	545	6	0.99	349	6	0.71
Fred Meyer Inc	279	7	0.51			
Winco Foods	165	8	0.30			
First Student	137	9	0.25	-		
Safeway	136	10	0.25			
Regency Gresham Nursing	116	11	0.21			
Fairlawn Health Center	106	12	0.19	127	10	0.26
Moore Excavation				150	9	0.31
Gresham Toyota				167	8	0.34
Kaiser Permanente				210	7	0.43
Total	<u><u>5,850</u></u>		<u><u>10.65 %</u></u>	<u><u>5,225</u></u>		<u><u>10.67 %</u></u>

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

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14(1)</u>	<u>2012-13(1)</u>	<u>2011-12(1)</u>	<u>2010-11(2)</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
Instruction:										
Primary programs	233.0	226.9	201.3	199.3	202.8	199.1	149.9	152.6	171.0	174.6
Intermediate programs(4)	-	-	-	-	-	-	78.6	75.8	87.4	86.9
Middle school programs	97.5	95.4	101.8	98.1	112.5	110.7	125.2	124.8	132.1	130.5
High school programs	120.9	119.3	120.5	117.7	136.2	132.5	149.4	148.7	159.9	163.6
Preschool programs	5.7	5.7	5.7	5.7	6.6	6.1	6.1	6.5	6.5	6.5
Talented and gifted programs	0.2	0.2	0.1	0.1	0.2	0.2	0.3	-	-	-
Restrictive programs	39.4	37.8	35.6	50.6	28.7	30.4	15.1	50.5	58.6	59.8
Resource rooms	124.2	114.2	113.5	103.2	104.2	107.0	118.9	82.4	67.7	68.8
Remediation	-	-	-	-	-	-	-	-	1.2	1.2
Title I	35.2	32.5	38.4	33.5	25.8	29.0	46.8	39.0	39.5	27.9
Alternative education	3.0	3.1	0.8	2.2	2.2	3.1	3.8	5.4	6.0	6.5
Designated programs	44.0	44.4	44.6	39.8	39.4	39.5	40.4	39.5	44.0	42.6
Total instruction	703.1	679.5	662.3	650.3	658.6	657.6	734.5	725.2	773.9	768.9
Support services:										
Attendance and social work services	19.0	17.5	18.3	17.5	18.0	17.8	17.3	16.5	17.3	13.3
Guidance services	26.9	27.3	26.9	27.5	29.5	31.1	31.7	34.9	44.0	45.5
Health services	9.5	9.8	8.8	7.3	7.3	5.2	6.2	4.6	3.6	3.6
Psychological services	7.0	6.5	6.5	7.5	7.5	7.1	7.1	7.1	7.3	7.4
Speech pathology and audiology services	12.0	12.0	11.7	11.7	11.7	14.5	13.9	14.0	17.2	16.3
Service direction - student support services	5.7	5.7	5.7	3.8	4.3	4.2	4.2	4.2	4.2	4.2
Improvement of instruction services	6.3	6.3	5.8	5.8	5.6	9.3	7.6	7.4	10.3	8.1
Educational media services	18.6	18.4	18.5	18.9	18.9	19.5	20.7	19.8	21.7	22.5
Assessment and testing	2.4	2.4	2.4	2.4	2.4	1.9	2.5	2.2	3.0	3.0
Instructional staff development	9.6	9.9	7.9	8.3	8.0	7.5	16.1	1.3	2.3	2.3
Executive administration services	6.0	6.0	6.0	6.0	6.0	3.0	4.0	4.0	4.5	4.3
Office of the principal services	74.9	74.7	78.1	76.3	77.5	78.2	77.8	71.6	87.7	86.7
Fiscal services	8.9	8.7	8.6	8.8	8.9	9.9	8.9	8.8	9.9	9.9
Operations and maintenance of plant services	58.0	58.0	58.0	57.0	57.0	57.0	59.0	59.0	68.5	70.5
Student transportation services	1.0	1.0	0.9	0.9	0.9	0.9	0.9	4.0	0.5	0.5
Internal services	2.3	2.3	2.2	1.2	1.0	1.0	1.0	1.0	1.0	1.0
Planning and development services	-	-	-	-	-	-	-	-	-	-
Information services	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.0	2.0
Staff services	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0
Technology services	18.8	18.8	18.8	18.4	18.3	18.3	18.1	19.1	26.0	25.4
Other central support	1.0	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total support services	295.4	293.9	293.6	287.8	291.3	294.9	307.0	289.5	339.0	334.5
Community services:										
Food preparation and dispensing	-	0.2	0.2	0.2	-	-	-	0.1	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	-	-	-	-	-	-	-	-	-	0.6
Other community services										
Total community services	2.0	2.2	2.2	2.2	2.0	2.0	2.0	2.1	2.1	2.7
Total FTE	1,000.5	975.6	958.1	940.3	951.9	954.5	1,043.5	1,016.8	1,115.0	1,106.1

(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, 2017**

<u>LEVEL</u>	<u>BACHELORS*</u>	<u>BACHELORS +45*</u>	<u>BACHELORS +75* MASTERS*</u>	<u>BACHELORS +105* MASTERS +23*</u>
1	38,599	42,400	43,773	47,671
2	40,501	44,223	45,686	49,620
3	42,496	46,214	47,685	51,646
4	44,590	48,107	49,769	53,755
5	46,785	50,176	51,946	55,947
6	49,089	52,334	54,218	58,232
7	51,507	54,584	58,254	62,393
8	54,044	56,332	59,064	63,086
9	56,705	59,381	61,646	65,663
10	59,500	61,932	64,342	68,343
11		64,594	67,156	71,133
12		67,374	70,092	74,040
13			73,158	77,062

*Based on 187 day contract

LICENCED STAFF PER LEVEL AND EDUCATION IN FULL-TIME EQUIVALENT EMPLOYEES-JUNE 2015

<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	0.00	11.00	4.00	28.00
2	5.00	0.00	10.00	3.00	18.00
3	10.00	4.00	18.00	11.00	43.00
4	5.00	1.00	10.00	11.00	27.00
5	2.00	3.00	9.00	5.00	19.00
6	3.00	1.00	14.00	9.00	27.00
7	2.00	0.00	14.00	3.00	19.00
8	0.00	1.00	3.00	6.00	10.00
9	1.00	2.00	23.00	10.00	36.00
10	12.00	3.00	14.00	17.00	46.00
11		0.00	11.00	14.00	25.00
12		20.00	19.00	17.00	56.00
13			111.00	299.00	410.00
Total	53.00	35.00	267.00	409.00	764.00

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
2016-2017	10,981	11,921	\$ 9,785	\$ 10,367	\$ 10,467	410.0	26.78	342	389	39
2015-2016	11,144	11,993	9,063	9,227	9,607	764.0	14.59	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
2007-2008	12,116	11,590	8,145	8,216	8,177	660.7	18.34	388	339	26

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FISCAL YEAR	NUMBER OF TYPE A LUNCES SERVED		
	PAID	FREE	REDUCED PRICE
2016-2017	126,353	709,047	51,334
2015-2016	134,229	788,452	46,470
2014-2015	131,919	723,820	38,787
2013-2014	180,825	562,725	73,555
2012-2013	234,133	612,662	72,010
2011-2012	266,606	595,317	78,625
2010-2011	305,294	550,631	88,862
2009-2010	364,163	536,262	103,422
2008-2009	424,169	465,425	101,554
2007-2008	457,480	423,957	110,027

FISCAL YEAR	NUMBER OF BREAKFASTS SERVED		
	PAID	FREE	REDUCED PRICE
2016-2017	18,232	307,943	13,666
2015-2016	21,035	372,462	11,469
2014-2015	17,866	325,204	7,884
2013-2014	54,116	271,047	31,274
2012-2013	61,002	304,513	28,870
2011-2012	49,147	247,628	27,323
2010-2011	69,760	209,919	33,264
2009-2010	79,085	210,632	38,105
2008-2009	74,188	188,178	26,921
2007-2008	76,481	177,323	30,149

(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>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>	<u>2008</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	651,268	651,268	649,635	649,667	649,667
CAPACITY	5,611	5,611	5,611	5,611	5,611	5,838	5,838	5,353	5,353	5,353
ENROLLMENT	4,914	4,914	4,914	4,914	4,914	4,925	4,925	5,081	5,132	5,240
MIDDLE										
BUILDINGS	5	5	5	5	5	5	5	5	5	5
SQUARE FEET	460,285	460,285	460,285	460,285	460,285	472,199	472,199	470,257	470,257	470,257
CAPACITY	3,328	3,328	3,328	3,328	3,328	3,280	3,280	2,943	2,943	2,943
ENROLLMENT	2,741	2,741	2,741	2,741	2,741	2,887	2,887	2,946	2,950	2,989
HIGH										
BUILDINGS	3	3	3	3	3	3	3	3	3	3
SQUARE FEET	561,876	561,876	561,876	561,876	561,876	537,134	537,134	537,134	537,134	537,134
CAPACITY	3,630	3,630	3,630	3,630	3,630	3,627	3,627	3,170	3,170	3,170
ENROLLMENT(2)	3,664	3,664	3,664	3,664	3,664	3,389	3,389	3,769	3,892	3,864
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	12,000	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	6,000	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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Independent Auditor's 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, 2017, and have issued our report thereon dated October 11, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the Gresham-Barlow School District's financial statements are free of material misstatement, we performed tests of its 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 noted on page 27 with regarding to exceeding appropriations in certain funds.

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 opinion 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, management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



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

SINGLE AUDIT SECTION

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**Gresham-Barlow School District 10JT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017**

<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	35982	07/01/15-09/30/16	\$ 335,183
	84.010	41066	07/01/16-09/30/17	2,735,141
	84.010	41200	07/01/16-09/30/17	7,326
	84.010	41879	07/01/16-09/30/17	36,365
	84.010	41884	07/01/16-09/30/17	20,200
				<u>3,134,215</u>
English Language Acquisition	84.365	41763	07/01/16-09/30/17	156,881
	84.365	36327	07/01/15-09/30/16	25,322
	84.365	32328	07/01/14-09/30/16	2,605
				<u>184,808</u>
Support Effective Instruction State Grant	84.367	36179	07/01/15-09/30/16	26,754
	84.367	41321	07/01/16-09/30/17	172,419
				<u>199,173</u>
Special Education - Grants to States	84.027	40834	07/01/16-09/30/17	6,568
	84.027	42653	07/01/16-09/30/17	12,731
	84.027	41963	07/01/16-09/30/17	1,899
	84.027	41518	07/01/16-09/30/17	1,821,427
	84.027	36862	07/01/15-09/30/17	357,206
				<u>2,199,831</u>
Special Education Preschool Grant	84.173	37171	07/01/15-09/30/17	8,216
	84.173	40597	07/01/16-09/30/17	11,355
				<u>19,571</u>
Special Education Cluster				2,219,402 (1)
21st Century Community Learning	84.287	36383	07/01/15- 09/30/17	340,749
	84.287	40521	07/01/16-09/30/17	61,426
				<u>402,175</u>
School Improvement Grants	84.377	37420	07/01/15-09/30/16	138,911
	84.377	42123	07/01/16-09/30/17	404,921
				<u>543,832</u>
				<u>6,683,605</u>
Total U.S. Department of Education				
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 - 06/30/15	78,288
				<u>78,288</u>
Total U.S. Department of Health & Human Services				
				<u>78,288</u>

(1) Indicates major programs

(2) There were no funds passed through to subrecipients

Gresham-Barlow School District 10JT
 Schedule of Expenditures of Federal Awards (Continued)
 Year Ended June 30, 2017

<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		07/01/15-06/30/16	-
School Breakfast Program	10.553		07/01/15-06/30/16	667,488
National School Lunch Program	10.555		07/01/15-06/30/16	2,528,963
Child and Adult Care Food Program	10.558		07/01/15-06/30/16	130,883
Summer Food Service Program for Children	10.559		07/01/15-06/30/16	78,892
				<u>3,406,226</u>
Passed through Clackamas and Multnomah Counties Oregon				
Forest Service - Schools and Roads	10.665		07/01/15-06/30/16	<u>2,877</u>
Total U.S. Department of Agriculture				<u>3,409,104</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 10,170,997</u>

(1) Indicates major programs

(2) There were no funds passed through to subrecipients

REPORTS ON LEGAL AND OTHER REGULATORY COMPLIANCE

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October 11, 2017

To the Board of Directors
Gresham-Barlow School District
Multnomah County, Oregon

**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gresham-Barlow School District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated October 11, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

GRANT COMPLIANCE REVIEW

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October 11, 2017

To the Board of Directors
Gresham-Barlow School District
Multnomah County, Oregon

Independent Auditors' Report on Compliance with Requirements Applicable to 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, 2017. The major federal programs are identified in the summary of auditor's 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.

Auditor's 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, 2017.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



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

GRESHAM-BARLOW SCHOOL DISTRICT
MULTNOMAH COUNTY, OREGON

SCHEDULE FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency(s) identified that are not considered to be material weaknesses?

yes none reported

Noncompliance material to financial statements noted?

yes no

Any GAGAS audit findings disclosed that are required to be reported in accordance with 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 the Uniform Guidance?

yes no

GRESHAM-BARLOW SCHOOL DISTRICT
MULTNOMAH COUNTY, OREGON

SCHEDULE FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2017

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
84.027 and 84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee? Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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