

School District No. 1J, Multnomah County, Oregon

# PORTLAND PUBLIC SCHOOLS



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended June 30, 2021



Portland Public Schools

# **Annual Comprehensive Financial Report**

**For the year ended June 30, 2021**

School District No. 1J, Multnomah County, Oregon

Portland, Oregon

Prepared by the Finance Department

# SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021

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**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**

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# Introductory

## Introductory



Bus Meal Delivery, Grant High School



Coats for Kids



**Nolberto Delgadillo**  
**Chief Financial Officer**

**PORTLAND PUBLIC SCHOOLS**  
501 N. Dixon, Portland, OR 97227  
Phone: (503) 916-3115 • Fax: (503) 916-2125

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December 3, 2021

To the Community of School District No. 1J, Multnomah County, Oregon, and to the Members of the Board of Education:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of School District No.1J, Multnomah County, Oregon (Portland Public Schools or the District or PPS) for the fiscal year ended June 30, 2021, together with the audit opinions of our auditors as required by Oregon Revised Statutes. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with District management. We believe the financial statements and related information reflecting the financial position and results of the operations of the District are stated fairly in all material aspects. All disclosures necessary to enable the reader to gain understanding of the District's financial affairs have been included.

To provide a reasonable basis for making these representations, District management has established and maintains an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Our internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal control structure is subject to periodic evaluation by management. We believe our internal control structure adequately safeguards the assets and provides reasonable assurance of proper recording of all financial transactions. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

### **Financial Report Presentation**

The financial statements of the District are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the governing body and establishes governmental accounting and financial reporting principles. The more significant of the District's accounting policies are discussed in Note 1 of these financial statements.

Designed to meet the needs of a broad spectrum of financial statement readers, this Annual Comprehensive Financial Report (ACFR) is divided into four major sections:

The **Introductory Section** includes the table of contents, this transmittal letter, the District's organizational chart, and copies of certificates awarded for Portland Public Schools' 2020 ACFR.

The **Financial Section** includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the basic financial statements including notes to the basic financial statements, required supplementary information (RSI), and supplementary information including major fund financial statements.

The **Statistical Section** includes selected financial and demographic information, generally presented on a multi-year basis. These schedules are designed to improve the understandability and usefulness of the information presented in the financial section.

The **Audit Comments and Disclosures Section** includes disclosures required by the Minimum Standards for Audits of Oregon Municipal Corporations.

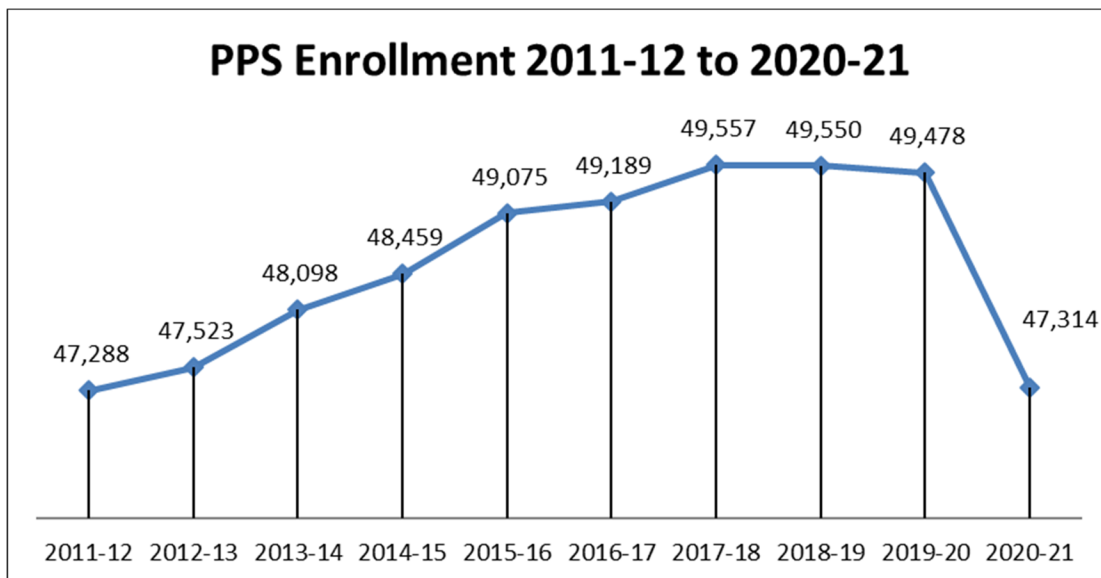
GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District’s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

**Profile of the District**

Portland Public Schools, founded in 1851, is a PK-12 urban school district in Portland, Oregon. The District has no component units and is not a component unit of any other government. With more than 47,000 students in 112 schools and other programs, it is one of the largest school districts in the Pacific Northwest, and the largest and oldest school district in Oregon. With highly trained teachers and staff, an engaged parent community, strong partnerships, and a focus on closing the racial educational achievement gap, the PPS graduation rate has consistently improved since 2009-10. Thanks to the state Legislature, school funding is improving and thanks to Portland voters, a PPS School Building Improvement Bond is now fueling the modernization of our aging school buildings for 21st century learning.

The District covers an area over 152 square miles, including portions of the cities of Portland (total population 656,751), Lake Oswego (total population 39,821), and Milwaukie (total population 21,046), based on 2020 estimates by the U.S. Census Bureau Population Estimates Program (PEP). The District maintains over 100 campuses with more than 300 buildings and a total floor area of more than 9 million square feet. The median age of PPS school buildings is 78 years for elementary schools, 93 years for middle schools, and 95 years for high schools. Please see Schedule 17 of the Statistical Section for additional details of each building’s size, age and enrollment.

Student enrollment as of October 2020 was 47,314. Enrollment counts are compiled annually on or about the first of October as required by the State of Oregon. An enrolled student is defined as a student who attends one or more schools or programs within the District. Regardless of the number of schools or programs attended, each student is counted only once; the counts are not duplicated.



Source: Enrollment by Program Type, Grade, and Race/Ethnicity Reports - <https://www.pps.net/Page/942>



<b>October 2020 Portland Public Schools Student Enrollment (by Program Type)</b>				
<b>Program Type</b>	<b>Number of</b>			
	<b>Schools/Programs</b>	<b>Enrollment</b>	<b>Distribution</b>	
Regular Schools and Programs				
Elementary Schools	57	23,265	49.17%	
Middle Schools	13	7,416	15.67%	
High Schools	9	12,667	26.77%	
<b>Subtotal - Regular Schools</b>	<b>79</b>	<b>43,348</b>	<b>91.62%</b>	
PPS Alternative Programs	5	1,243	2.63%	
<b>Subtotal - Schools and Alternative Programs</b>	<b>84</b>	<b>44,591</b>	<b>94.24%</b>	
Community-Based Programs	8	872	1.84%	
Special Education Programs	14	408	0.86%	
Public Charter Programs	6	1,443	3.05%	
<b>Grand Total</b>	<b>112</b>	<b>47,314</b>	<b>100.00%</b>	

Source: Enrollment by Program Type, Grade, and Race/Ethnicity Reports - <https://www.pps.net/Page/942>

Beginning in 2009, the District experienced increases in enrollment every year until 2018-19. Enrollment counts from October 2020 show that total enrollment decreased by 2,164 students from the previous year. Demographic studies conducted by Portland State University project enrollment levels decreasing to a low of 45,518 in 2029-30 and then increasing to 46,869 students over the following six years in the PSU “Middle Series Forecast” scenario. Overall enrollment impacts due to the COVID-19 pandemic are only just beginning to be seen and the long-term implications are yet to be fully understood. Additional detail regarding enrollment projections may be found at: <https://www.pps.net/Page/1834>.

### The Board of Education

An elected seven-member board establishes and oversees the District’s policies. The Board of Education is the chief governing body and is exclusively responsible for its public decisions. A list of board members can be found on page 9 of this report. The chief administrative officer of the District is the Superintendent, who is appointed by the Board. The Board of Education is accountable for all fiscal matters that significantly affect operations. Guadalupe Guerrero is the Superintendent of Portland Public Schools. Mr. Guerrero served as the chief administrative officer of the district for all of 2020-21.

### Budgetary Controls

Under Oregon Revised Statutes (33.710), school districts are municipal corporations empowered to provide elementary and secondary educational services for the children residing within their boundaries. Portland Public Schools fulfills this responsibility by building, operating, and maintaining school facilities, developing and maintaining approved educational programs and courses of study (including career/technical educational programs and programs for English language learners and special-needs students), and providing for transportation and feeding of students in accordance with District, State and Federal program guidelines. This report includes all funds of the District.

The District is required by the State of Oregon to adopt an annual budget for all funds subject to the requirements of Municipal Audit Law as outlined in the 2017 Oregon Revised Statutes 297.405 to 297.555 and 297.990. The budget for each individual fund is a plan for the financial operations to be conducted during the coming fiscal year and is adopted annually, prior to July 1, by the Board of Education after certification by the Multnomah County Tax Supervising and Conservation Commission. The level of budgetary control, that is the level at which expenditure cannot legally exceed the

appropriated amount, is established by major function category: Instruction, Support Services, Enterprise & Community Services, Facilities Acquisition & Construction, Debt Service, Transfers Out, Contingency and Ending Fund Balance. After adoption, the budget may be amended through procedures specified in State statute and Board policy.

### **District Budget Principles**

The District's governing body adopted budget principles, by way of resolution number 5229 at its March 8, 2016 meeting. These principles remain in effect today. Exhibit A to that resolution provides detail for each of the principles, but for the sake of brevity, only the principles are presented below. These principles, along with the District's Vision, System shifts and the Board adopted goals, shape the financial planning and analysis activities for the district.

- Providing Students with an Exceptional Educational Experience and Ensuring their Academic Success Should Drive the Budget Process
- Decisions Should Be Driven by Data
- Base Resourcing Decisions on Cost-Effectiveness
- Prioritize the Core Program in All Schools
- Critically Re-Examine Patterns of Spending
- Provide Every Student with Equitable Access
- Take a Long-Term Perspective
- Be Transparent

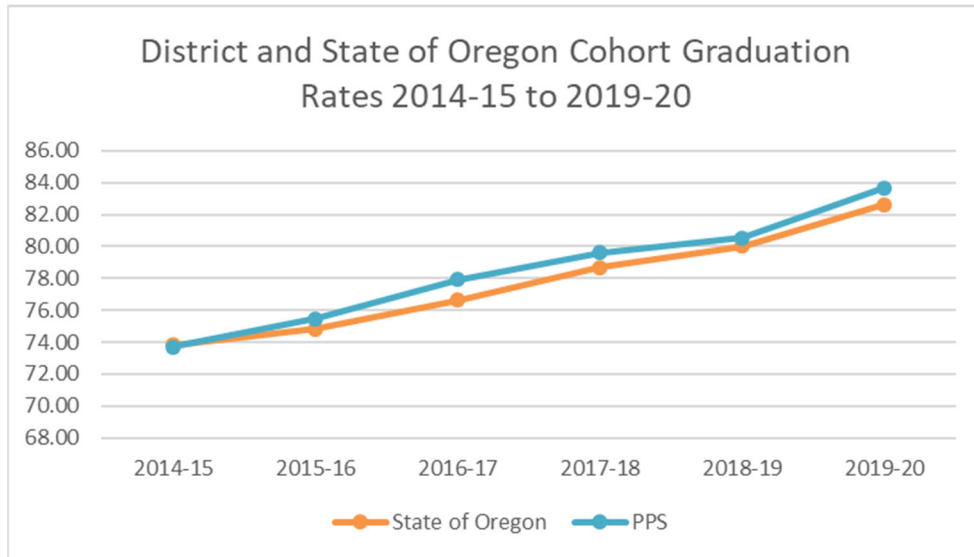
### **Service Efforts and Accomplishments**

On June 25, 2019, the Board of Education passed Resolution 5909, Portland Public Schools reimagined: Preparing Our Students to Lead Change and Improve the World as the District's Vision. This Vision focuses on what we want to be true for our graduates and includes four main areas: a Graduate Portrait, Educator Essentials, System Shifts and Core Values.

On October 15, 2019, the Board adopted by Resolution 5984, Portland Public Schools Board Goals for 2019-22. These include the following academic goals for our students that align with the community and District vision of the Graduate Portrait:

- Third Grade Reading
- Fifth Grade Mathematics
- Eighth Grade Graduate Portrait
- Post-Secondary Readiness/Ready for College & Career

The Vision, accountability metrics and the theory of action will continue to shape and define the financial planning and decision making as well as serve as the District's roadmap.



Source: ODE Cohort Graduation Rates - <https://www.oregon.gov/ode/reports-and-data/students/Pages/Cohort-Graduation-Rate.aspx>

The PPS four-year graduation rate has improved from 73.7 percent for the Class of 2015 to 83.7 percent for the Class of 2020 (most recent year available from Oregon Department of Education). This rate exceeds the average graduation rate for the State of Oregon.

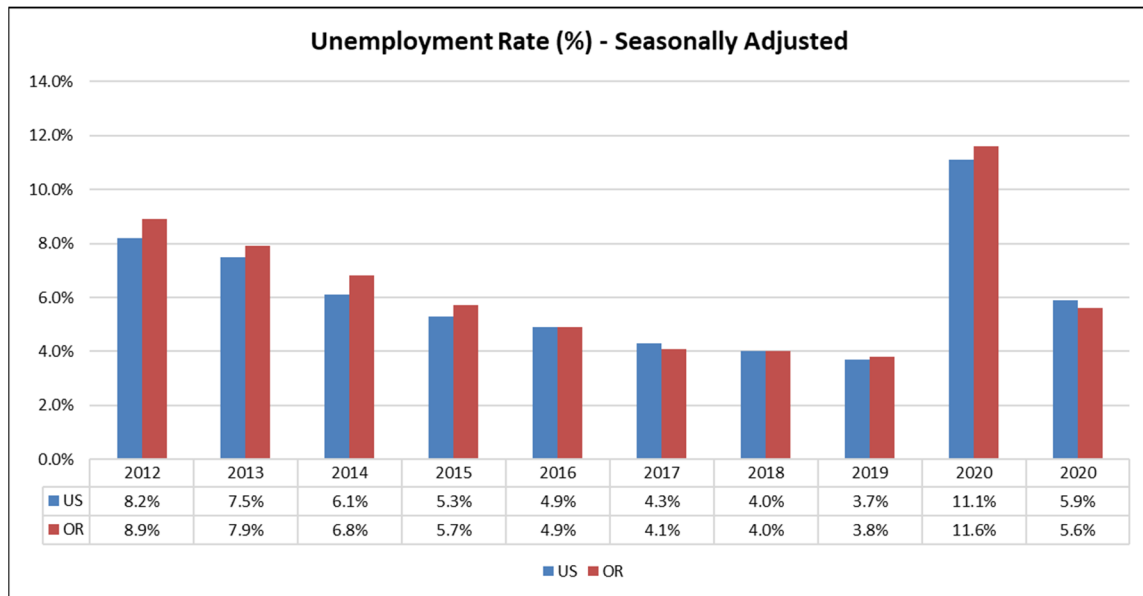
### Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered in the broader perspective of the specific environment within which the District operates.

PPS derives about 80 percent of its General Fund revenues from the State School Fund and the associated funding distribution formula. Roughly half of the State School Fund money comes via the appropriation made by the state legislature, while the other half is the aggregate of the local permanent rate property taxes from school districts across the state. The state budget and the legislative appropriation are highly dependent upon state revenues through income taxes. The outlook for the state economy is a leading indicator for the health of this revenue stream and is, therefore, of great importance for PPS.

The second largest revenue item for PPS - roughly 15 percent of General Fund revenues - is its local option levy which is a property tax based upon assessed values of property in the PPS taxing district, and which is also significantly influenced by real market values of homes within the PPS taxing district.

**Oregon State Economy** – In June of 2021, Oregon’s unemployment rate fell to 5.6 percent from April 2020’s high of 13.2 percent. It is the lowest unemployment rate since the COVID-19 pandemic began.



Source: Bureau of Labor Statistics, Unemployment Data

Approximately 81 thousand jobs were gained over the past year, contributing to a total workforce increase of 4.5 percent from June 2020 to June 2021. The Leisure & Hospitality sector experienced the greatest percentage gains, with 17 thousand jobs gained, representing 11.5 percent of the total year-over-year job increases.

<b>Oregon Employment by Industry (number of jobs, in thousands)</b>				
<b>Industry</b>	<b>June 2020</b>	<b>June 2021</b>	<b>Year-over-Year Change (#)</b>	<b>Year-over-Year Change (%)</b>
Government	276.5	279.4	2.9	1.0%
Other Services	60.3	60.9	0.6	1.0%
Leisure & Hospitality	146.9	163.8	16.9	11.5%
Education & Health Services	286.2	299.0	12.8	4.5%
Professional & Business Services	237.1	253.1	16.0	6.7%
Financial Activities	98.5	104.8	6.3	6.4%
Information	32.2	33.3	1.1	3.4%
Trade, Transportation, and Utilities	342.0	362.4	20.4	6.0%
Manufacturing	181.8	183.2	1.4	0.8%
Construction	105.4	107.9	2.5	2.4%
Mining and Logging	6.0	6.4	0.4	6.7%
<b>Total Nonfarm</b>	<b>1,772.9</b>	<b>1,854.2</b>	<b>81.3</b>	<b>4.59%</b>

Source: Oregon Economy at a Glance - <https://www.bls.gov/regions/west/oregon.htm#eag>

**Local Economy** – Portland and the surrounding metropolitan area have a widely diversified economy. Its centralized location and excellent transportation facilities have established the area as a major distribution point on the West Coast for wholesale trade and high-tech exports. During 2020-21, Education, Health Services, and Hospitality accounted for 25.0 percent of the city’s economy while the Trades, Transportation and Utilities made up another 19.5 percent.

**Long Term Financial Planning and Major Initiatives** - For many years, the District did not have adequate funds for capital improvements. In 2012, PPS updated its long-range facilities plan with the assistance of an advisory committee of more than 30 community members that brought a variety of professional perspectives as well as that of teachers, parents, and other interested participants. This committee held a series of community meetings, reaffirmed the need for a capital bond, and laid the foundation for the Board's deliberation on a bond proposal and the criteria for definition of projects to be financed.

In November of 2012, the voters of the district authorized Portland Public Schools to issue up to \$482 million of general obligation bonds to improve school buildings, with 67 percent of voters supporting this capital investment program. This was a landmark accomplishment for PPS after many years of work and we are enormously grateful to the voters in this district for their continued support of PPS and for public education in our district.

The major projects at Roosevelt, Franklin and Faubion schools were completed in the fall of 2017. Grant High School was completed in time for the start of the 2019-20 school year.

A second \$790 million capital bond was passed by voters in May 2017. This bond funds renovations and additions at Benson and Leodis V. McDaniel (formerly known as Madison) High Schools, and full rebuilds of Lincoln High School and Kellogg Middle School. Approximately 30 percent of the budgets for these projects comprehensively address health and safety issues.

Leodis V. McDaniel and Kellogg both opened for the school year starting in 2021. Construction is progressing at Lincoln and is scheduled to be complete in 2023. Modernization work at Benson will began in the summer of 2021. Design and work continue with health and safety projects that improve accessibility, upgrade fire alarms and fire sprinklers, reduce hazardous materials, repair or replace deteriorating school roofs, upgrade school safety and security and strengthen schools against earthquakes.

A third \$1.2 Billion capital bond was passed by voters in November 2020. This bond funds additional health and safety projects across the district, replaces curriculum materials and technology equipment districtwide, modernizes Jefferson High School, completes Benson Polytechnic High School, plans additional neighborhood school projects and continues design and planning to modernize Cleveland and Ida B. Wells-Barnett (formerly known as Wilson) High Schools. PPS remains committed to deliver robust high school and middle school projects as envisioned by the voters, steward bond resources prudently and efficiently, and build and maintain the trust of voters in our community.

### **Charter Schools**

Oregon statute provides state funding for charter schools that flow through the District for schools that local school boards of education have granted a charter. The District had six charter schools in operation during the 2020-21 fiscal year consistent with the previous year. Because of their size relative to the District, the charter schools do not fall under the component unit reporting requirements set forth by GASB Statement No. 39.

### **Independent Audits**

The provisions of Oregon Revised Statutes require an independent audit of the financial records and fiscal affairs of the District. The auditors selected by the Board of Education, Talbot, Korvola & Warwick, LLP, have completed their audit of the basic financial statements and, accordingly, have included their unmodified Independent Auditor's Report in the financial section of this report.

Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) require state and local governments that expend \$750,000 or more in federal assistance in a year have a special form of audit conducted for that year. Since 1989, Portland Public Schools has issued a separate report on these requirements. Talbot, Korvola & Warwick, LLP have also provided various required reports. Contained in the separately issued Report on

Audit Requirements for Federal Awards is the Schedule of Expenditures of Federal Awards, and the required reports on internal controls and compliance with laws and regulations.

**Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the 41<sup>st</sup> consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized ACFR that satisfies both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for this coveted Certificate.

The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the 41<sup>st</sup> consecutive year that the District earned this significant award. Receiving the 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 this 2021 ACFR, which will be submitted to ASBO for review, will also conform to these standards.

We wish to express our appreciation to the staff of the Finance Department and members of other District departments who assisted in the preparation of this Annual Comprehensive Financial Report. We further extend our appreciation to the members of the Board of Education, employees of the District, and all of the Portland community whose continued cooperation, support, and assistance have contributed greatly to the achievements of Portland Public Schools.

Respectfully submitted,

*Nolberto Delgadillo*  
\_\_\_\_\_  
Nolberto Delgadillo, CFO

**SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON**  
**Principal Officials**  
**At June 30, 2021**

**SCHOOL BOARD**

<u>Member</u>	<u>Zone</u>	<u>Term Expiration</u>	<u>Phone</u>
Andrew Scott	1	June 30, 2023	503-916-3741
Michelle DePass	2	June 30, 2023	503-916-3741
Amy Kohnstamm	3	June 30, 2023	503-916-3741
Rita Moore	4	June 30, 2021	503-916-3741
Scott Bailey	5	June 30, 2021	503-916-3741
Julia Brim-Edwards	6	June 30, 2021	503-916-3741
Eilidh Lowery	7	June 30, 2023	503-916-3741

**ADMINISTRATIVE STAFF**

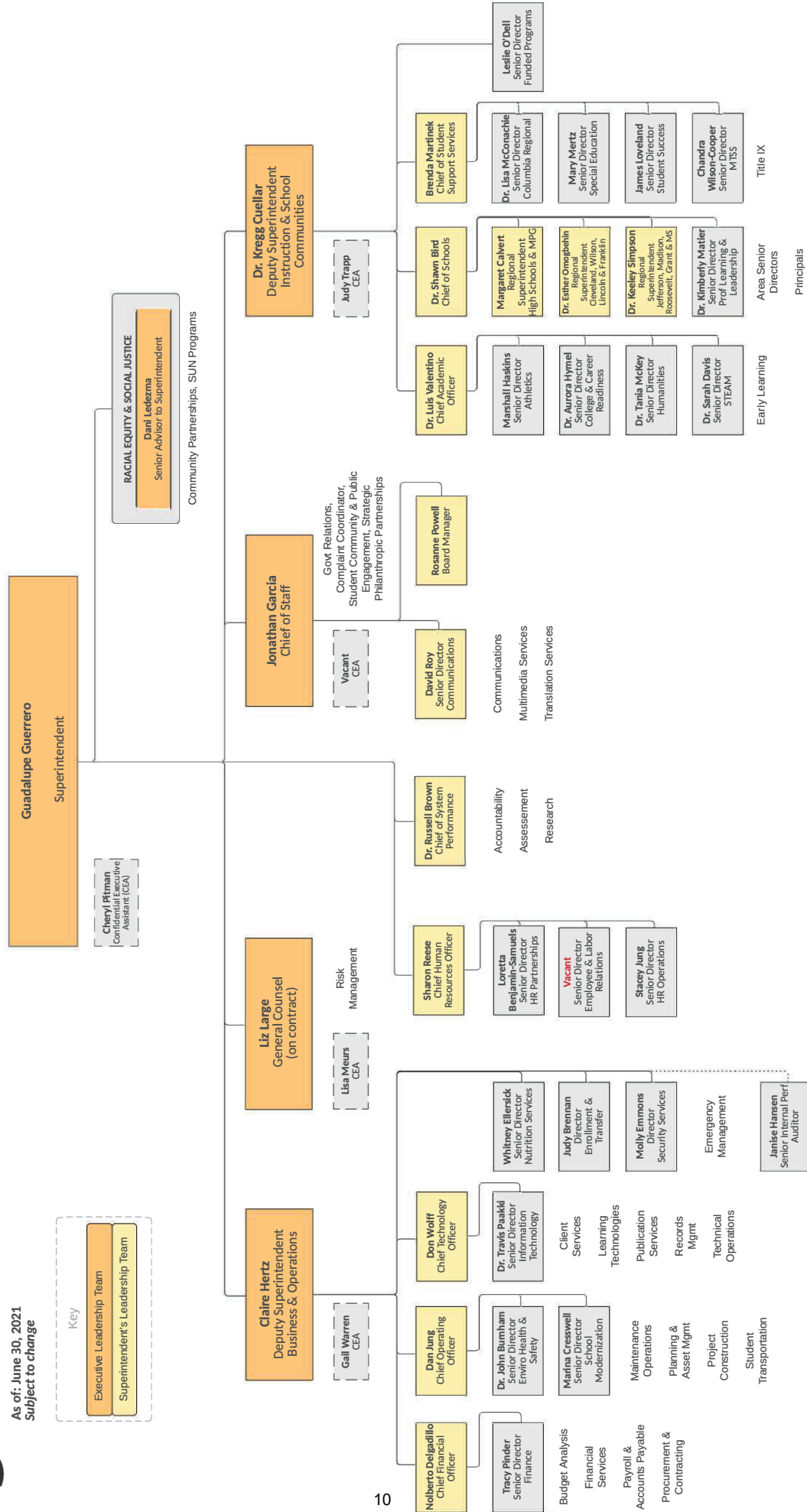
Guadalupe Guerrero	Superintendent
Dr. Kregg Cuellar	Deputy Superintendent, Instruction and School Communities
Claire Hertz	Deputy Superintendent, Business and Operations
Liz Large	Contracted General Counsel
Jonathan Garcia	Chief of Staff
Brenda Martinek	Chief of Student Support Services
Dan Jung	Chief Operating Officer
David Roy	Senior Director Communications
Don Wolff	Chief Technology Officer
Dr. Luis Valentino	Chief Academic Officer
Nolberto Delgadillo	Chief Financial Officer
Rosanne Powell	Board Manager
Sharon Reese	Chief Human Resources Officer
Dr. Shawn Bird	Chief of Schools
Dr. Russell Brown	Chief of System Performance



PORTLAND PUBLIC SCHOOLS

2020-21 PPS Leadership

As of: June 30, 2021  
Subject to change







ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**School District 1J, Multnomah County,  
Oregon**

**for its Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2020.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence.



*W. Edward Chabal*

W. Edward Chabal  
President

*David J. Lewis*

David J. Lewis  
Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**School District No. 1J, Multnomah County  
Oregon**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

# Financial

# Financial



Harriet Tubman, School Supply Pickup



Kellogg Middle School



**INDEPENDENT AUDITOR’S REPORT**

Board of Education  
School District 1J, Multnomah County, Oregon  
Portland, Oregon

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District No. 1J, Multnomah County, Oregon (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District’s 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.

**AUDITOR’S 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 District’s 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 District’s 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.



RSM US Alliance is a premier affiliation of independent accounting and consulting firms. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit [rsmus.com/about-us](http://rsmus.com/about-us) for more information regarding RSM US LLP and RSM International. RSM US®, the RSM US Alliance logo and the RSM US Alliance signatures are proprietary to RSM US LLP, while RSM™ is used under license by RSM US LLP.

## **INDEPENDENT AUDITOR'S REPORT (Continued)**

### **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 the District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **OTHER MATTERS**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information, such as Management's Discussion and Analysis, Schedule of Changes in the District's Total OPEB Liability and Related Ratios-RHIS, Schedule of the District's Proportionate Share of Net OPEB Liability (Asset) and District Contributions-RHIA, Schedule of the District's Proportionate Share of Net Pension Liability (Asset) and District Contributions, Schedule of Changes in the District's Total Pension Liability and Related Ratios-Stipend, and Notes to 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the General Fund and Special Revenue Fund listed in the Table of Contents as Required Supplementary Information, 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. The budgetary comparison information is the responsibility of management and was derived from and relates 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 budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements as a whole.

**INDEPENDENT AUDITOR'S REPORT (Continued)**

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules and combining statements, listed in the Table of Contents as Supplementary Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supplementary Information is the responsibility of management and was derived from and relates 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying Introductory and Statistical sections, as listed in the Table of Contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its 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 the effectiveness of the District's 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 the District's internal control over financial reporting and compliance.

***Other Reporting Required by Oregon Minimum Standards***

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 3, 2021, on our consideration of the District's 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.

By   
Timothy R. Gillette, Partner

Portland, Oregon  
December 3, 2021





## SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON Management's Discussion and Analysis

As management of School District No.1J, Multnomah County, Oregon (Portland Public Schools or the District or PPS), we offer readers this narrative overview and analysis of the financial activities of Portland Public Schools for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-8 of this report.

### FINANCIAL AND BUDGETARY HIGHLIGHTS

#### Budget

On June 11, 2020 the Board of Education (the Board) adopted the fiscal year 2020-21 budget by way of Board Resolution No. 6135. At the time of budget adoption, the Governor announced a special legislative session to adjust the State of Oregon budget including allocations to K-12 education. With an unknown timeframe for the session and an uncertain economic outlook due to the pandemic, the District brought forward an Adopted budget built on the estimated funding levels for the 2019-21 biennial budget issued by the Oregon Department of Education on February 26, 2020, that included a State School Fund allocation of \$9.0 billion, full funding for the Student Investment Account (SIA), and full funding for Measure 98 High School Success (M98).

With the uncertain outcomes at the time of budget adoption, the District conservatively adjusted staffing levels and operational budget allocations to schools and departments. The District continued to focus available resources on the PPS Strategic Plan and Vision: PPS Reimagined, which included targeted investments in Professional Development (PD), Student Success, and Safety and Modernization. These were reflected in expanded learning opportunities in Racial Equity and Social Justice (RESJ) aligned to the PD framework, targeted investments in recruitment and retention of our staff, enhanced arts and Career and Technical Education (CTE) pathway opportunities, additional teachers and instructional specialists, increases in counselors, social workers, and psychologists, as well as wrap-around supports for our students and families.

On September 22, 2020, the Board voted to amend the 2020-21 budget, by way of Board Resolution No. 6178. This first amendment to the budget updated and aligned resources and requirements with the changes brought forward from the State of Oregon August 10, 2020 special session, the largest being the reduction to the SIA allocations for the year.

- **General Fund:** \$17.8 million was allocated across Instruction and Support Services. The changes included shifting expenditures originally supported by the SIA over to the General Fund as well as investments in Comprehensive Distance Learning (CDL) and Hybrid education models and other COVID-related supports (personal protective equipment (PPE), technology, cleaning supplies, software, and facility changes.)
- **Special Revenue Fund:** \$8.0 million was reduced across Instruction and Support Services appropriations to reflect the reduced SIA allocation of \$27.8 million offset by the new pandemic funding of \$18.7 million that included additional appropriations for Emergency Relief Funds (ESSER), Federal Emergency Management Agency (FEMA), and CDL.

On June 15, 2021, the Board voted to amend the 2020-21 budget a second time, by way of Board Resolution No. 6324.

- **General Fund:** Included appropriation adjustments across Support Services and Enterprise and Community Services. These adjustments aligned appropriation to the spending plan for the General Fund Student Investment Account investments within our RESJ department.
- **Special Revenue Fund:** \$12.2 million was allocated across appropriation to recognize new resources and spending for Summer School Learning Grants (SSL) as well as adjust spending plans related to ESSER I, SIA, and FEMA.
- **Other:** Appropriation adjustments in Debt Service and Capital Projects Funds to reflect updated spending and guidance.

### Other Highlights

In November 2012, District voters passed an eight-year, \$482.0 million capital bond measure. With that bond measure, Portland Public Schools began a 30-year effort to modernize every school in the District. The 2012 authorization included modernizations for Franklin, Roosevelt, and Grant High schools and Faubion PK-8 as well as seismic upgrades, roof replacements and accessibility improvements.

At June 30, 2021, the 2012 authorization had a remaining balance of \$6.8 million, comprised of proceeds and related investment earnings.

#### Summary of Bond Resources as of June 30, 2021 (in thousands)

Authorization		Issued		Unspent Balance
Year	Amount	Par	Premium	
2012	\$ 482,000	\$ 482,000	\$ 56,937	\$ 6,842
2017	790,000	790,000	69,408	371,304
2020	1,208,000	365,465	29,574	370,364
	<u>\$ 2,480,000</u>	<u>\$ 1,637,465</u>	<u>\$ 155,919</u>	<u>\$ 748,510</u>

In May 2017, District voters passed an eight-year, \$790.0 million capital bond measure. The 2017 authorization includes the modernization of Leodis V. McDaniel (formerly known as Madison) and Benson High schools, the replacement of Lincoln High school and Kellogg Middle school. The measure also included funding to address District-wide health and safety projects.

The health and safety projects include work to:

- Reduce or eliminate exposure to hazardous materials;
- Upgrade fire alarm and fire sprinkler systems;
- Improve accessibility for people with disabilities;
- Repair or replace leaking or deteriorating school roofs;
- Upgrade school safety and security; and
- Strengthen schools against earthquakes.

McDaniel and Kellogg opened for the school year starting in 2021. Construction is progressing at Lincoln and is scheduled to be complete in 2023. Modernization work at Benson began in the summer of 2021.

Construction and/or design started or progressed regarding:

- Roof replacement and seismic upgrades at ten schools;
- Fire alarm and sprinkler upgrades at nineteen schools;
- Improved disability access at ten schools;
- Hazardous materials reduction or elimination at 92 schools;
- School safety and security upgrades at 87 schools;
- Water quality improvement at 65 schools;
- Replacement of Kellogg school;
- Replacement of Lincoln High school;
- McDaniel High school modernization; and
- Benson High school modernization.

At June 30, 2021, the 2017 authorization had a remaining balance of \$371.3 million for design and construction of the projects covered by the measure.

In November 2020, District voters passed a \$1.208 billion capital bond measure. The measure included authorization to renovate Jefferson and Benson High schools and add a facility for alternative school programs. Additionally, the measure authorized updates to curriculum materials and technology improvements, master planning for Cleveland and Ida B. Wells-Barnett (formerly known as Wilson) High schools and for planning/adding additional capacity. The measure also provided for the development of a culturally responsive community plan and to make targeted investments in neighborhood school facilities in North and Northeast Portland.

Continuing health and safety projects include:

- Removal of barriers to accessibility in schools across the District;
- Repair/replacement of leaking or deteriorating school roofs;
- Seismic retrofit at up to three schools;
- Repair/replacement of high priority mechanical systems (heating, cooling and ventilation);
- Strengthening security measures in schools.

In December 2020, the District issued \$365.4 million of the \$1.208 billion authorized. A premium of \$29.6 million was realized on the sale. At June 30, 2021, \$370.4 million of the \$395.0 million remained unspent.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This management’s discussion and analysis is intended to serve as an introduction to Portland Public Schools’ basic financial statements. The basic financial statements are comprised of three components: (1) government- wide financial statements; (2) fund financial statements; and (3) notes to the basic financial statements. In addition to the basic financial statements, this report also contains required and other supplementary information.

**Government-Wide Financial Statements** are designed to provide readers with a broad overview of the District’s finances in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 31-33 of this report.

**Fund Financial Statements** are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. Portland Public Schools’ funds can be divided into two categories: governmental funds and proprietary funds. Reports by fund are shown in the Financial Section of the report beginning on page 35.

**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 more narrowly on near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District’s near-term financial decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Portland Public Schools designates four major governmental funds. Information is presented separately for the General Fund, Special Revenue Fund, Debt Service Fund, and the Capital Projects Fund in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances.

Portland Public Schools adopts an annual appropriated budget for each of its funds. A budgetary comparison statement has been provided for each fund individually in either required or supplementary information to demonstrate compliance with the fund level budgets. The basic governmental fund financial statements can be found on pages 35-41 of this report.

**Proprietary funds** are used to account for a government's business-type activities. The District maintains only one type of proprietary fund, which is an internal service fund. Internal service funds are accounting devices used to accumulate and allocate costs among various internal functions. The District uses an internal service fund to account for its self-insurance activities related to workers compensation. Because Portland Public Schools has no business-type functions, this service benefits governmental functions and has been included within the governmental activities in the government-wide financial statements.

Internal service funds provide the same type of information as the government-wide financial statements. The internal service fund financial statements provide separate information for the self-insurance fund. The basic internal service fund financial statements can be found on pages 43-45 of this report.

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes can be found on pages 47-87 of this report.

**Required Supplementary Information (RSI)** is located directly after the notes to the basic financial statements on pages 89-96 and represents the required comparison of the budget and actual results on the District's budgetary basis for the General Fund and Special Revenue Fund. In addition, the RSI discloses the District's proportionate share of liabilities/assets and related employer contributions for pension and other post-employment healthcare benefits obligations.

**Supplementary Information (SI)** presented on pages 98-100 includes budgetary comparison schedules for the Debt Service Fund, Capital Projects Fund and the Proprietary Fund.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Analysis of Deferred Outflows and Inflows of Resources**

Deferred outflows and deferred inflows are comprised of pension and other post-employment healthcare related balances. The changes in total deferred outflows and deferred inflows were due to differences between actual and expected earnings, changes in assumptions used by outside actuaries, and other factors impacting these balances.

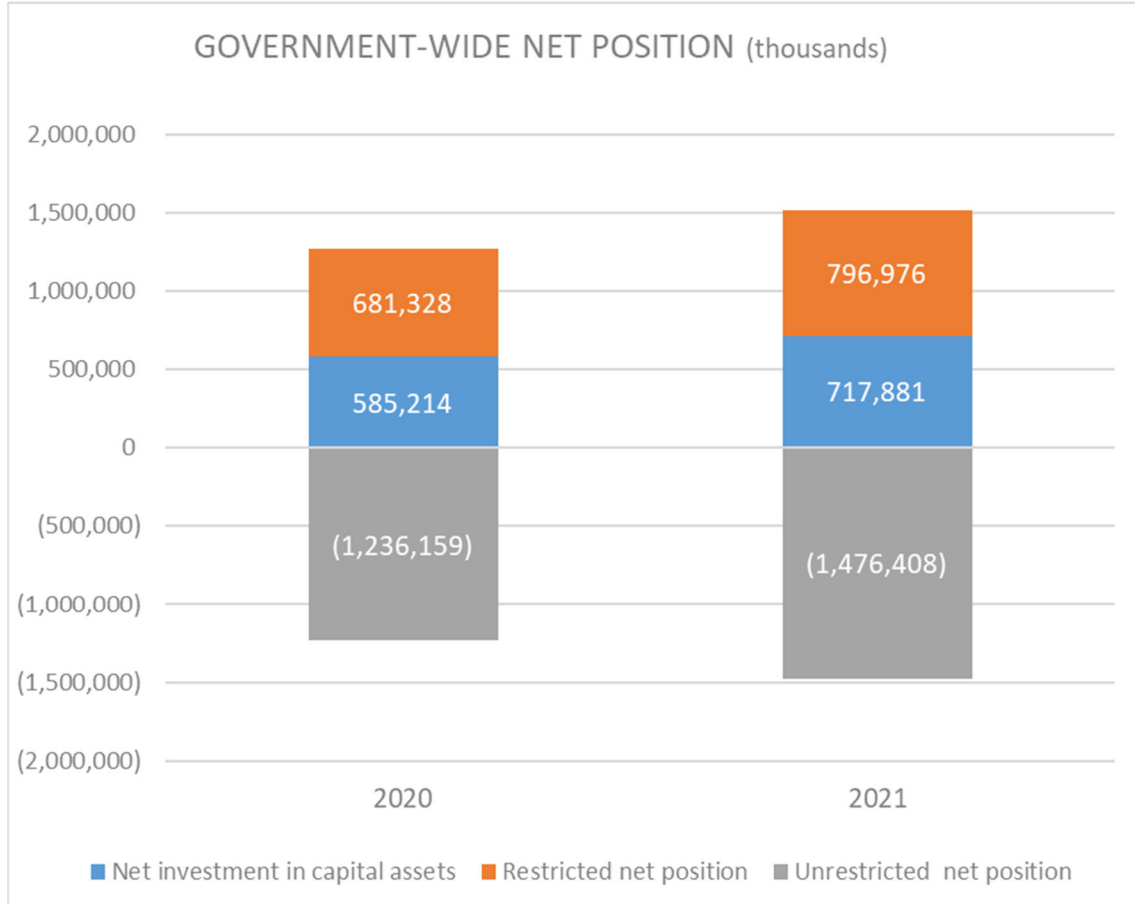
### **Analysis of Net Position**

The Statement of Net Position presents information on the District's assets, liabilities and deferred outflows and inflows. The difference between assets/deferred outflows and liabilities/deferred inflows is reported as net position. Over time, net position may serve as a useful indicator of the District's financial position. Other indicators that can be useful in reviewing the District's financial health include enrollment trends, debt capacity and the condition of facilities.

### **Net Position: 2020 compared to 2021**

**Net Position** is a primary indicator of financial position. The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$38.4 million at June 30, 2021. This represents an increase of \$8.1 million in net position from the prior year and is further discussed below.

Net Position	Government-wide (thousands)			
	2020	2021	\$ Change	% change
<b>Assets</b>				
Current or other assets	\$ 947,919	\$ 1,097,269	\$ 149,350	15.8%
Net capital assets	917,372	1,173,371	255,999	27.9%
Total Assets	1,865,291	2,270,640	405,349	21.7%
<b>Deferred Outflows of Resources</b>	158,473	249,580	91,107	57.5%
<b>Liabilities</b>				
Long-term liabilities outstanding	1,583,895	2,052,014	468,119	29.6%
Other liabilities	298,341	328,566	30,225	10.1%
Total Liabilities	1,882,236	2,380,580	498,344	26.5%
<b>Deferred Inflows of Resources</b>	111,145	101,191	(9,954)	-9.0%
<b>Net Position</b>				
Net investment in capital assets	585,214	717,881	132,667	22.7%
Restricted	681,328	796,976	115,648	17.0%
Unrestricted	(1,236,159)	(1,476,408)	(240,249)	-19.4%
Total Net Position	\$ 30,383	\$ 38,449	\$ 8,066	26.5%



**Net Investment in Capital Assets** has increased to \$717.9 million, a \$132.7 million increase over prior year. The increase is primarily driven by increases in capital assets related to the capital bond work.

**Restricted Net Position** represents the unspent portions of capital project funds, debt service funds, and net assets restricted by grants, donations, and post-employment benefits. Restricted Net Position increased by \$115.6 million to \$797.0 million this year, primarily due to the increase in bond principal as resources are set aside for bond-related construction.

**Unrestricted Net Position** consists of all other amounts not included in categories noted above. Unrestricted Net Position at June 30, 2021 is a negative \$1.48 billion, a decrease of \$240.3 million over prior year.

### Analysis of Activities

The Statement of Activities presents expenses and related revenues by program, summarizing how the District's net position changed during the most recent fiscal year. The statement reports revenues earned and expenses incurred under the accrual basis of accounting, where 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 result in cash flows in future fiscal periods (e.g., uncollected taxes, pension amounts, other post-employment benefits (OPEB), incurred but not reported (IBNR) claims, and earned but unused vacation leave).

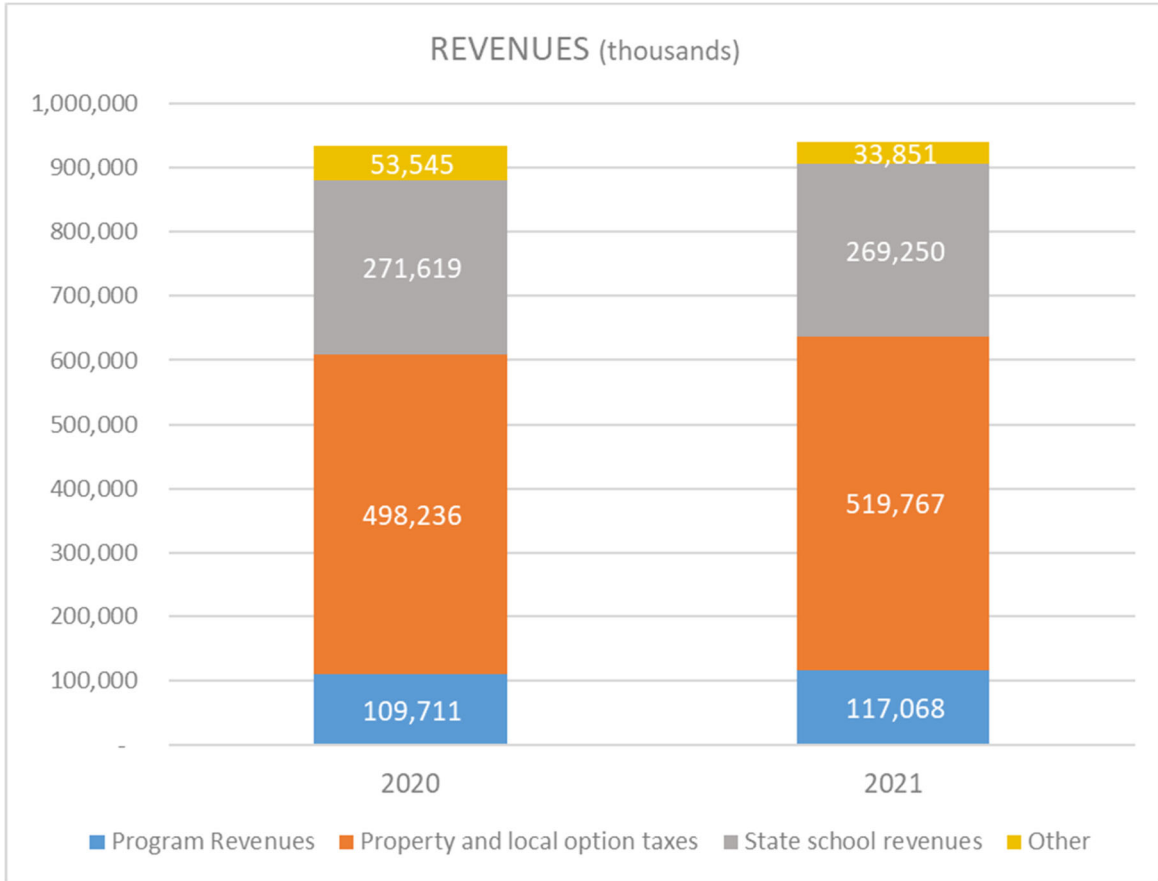
Statement of Activities	Government-wide (thousands)				
	2020	2021	2021- % of Total	\$ Change	% Change
<b>Revenues</b>					
Program Revenues					
Charges for services	\$ 8,271	\$ 1,914	0.2%	\$ (6,357)	-76.9%
Operating grants & contributions	90,072	113,835	12.2%	23,763	26.4%
Capital grants & contributions	11,368	1,319	0.1%	(10,049)	100.0%
Total Program Revenues	109,711	117,068	12.5%	7,357	6.7%
<b>General Revenues</b>					
Property taxes	400,203	418,228	44.4%	18,025	4.5%
Local option taxes	98,033	101,539	10.8%	3,506	3.6%
County & intermediate sources	19,072	17,185	1.8%	(1,887)	-9.9%
Construction excise tax	4,291	3,446	0.4%	(845)	-19.7%
State School Fund	266,607	263,622	28.0%	(2,985)	-1.1%
State Common School Fund	5,012	5,628	0.6%	616	12.3%
Investment earnings	12,534	3,107	0.3%	(9,427)	-75.2%
Other	17,648	10,113	1.1%	(7,535)	-42.7%
Total General Revenues	823,400	822,868	87.5%	(532)	-0.1%
Total Revenues	933,111	939,936	100.0%	6,825	0.7%
<b>Expenses</b>					
Instruction	429,149	465,995	50.0%	36,846	8.6%
Support services	324,513	376,660	40.4%	52,147	16.1%
Enterprise & community services	21,821	23,731	2.5%	1,910	8.8%
Facilities services	3,492	10,844	1.2%	7,352	210.5%
Interest & fees on long-term debt	45,409	54,640	5.9%	9,231	20.3%
Total Expenses	824,384	931,870	100.0%	107,486	13.0%
Change in net position	108,727	8,066	21.0%	(100,661)	-92.6%
Net position - beginning of year	(78,344)	30,383	79.0%	108,727	138.8%
Net position - end of year	\$ 30,383	\$ 38,449	100.0%	\$ 8,066	-26.5%

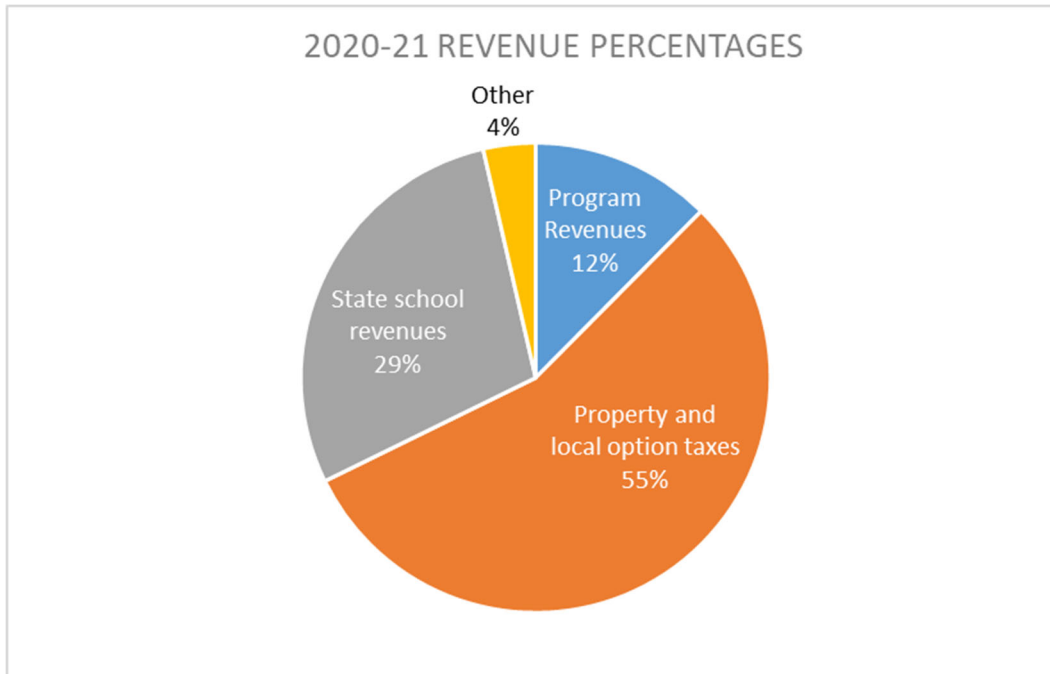
**The Statement of Activities** of the government-wide financial statements distinguishes functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Portland Public Schools currently does not have any business-type or enterprise fund activities. Additional detail regarding revenue and expense changes are presented to provide a better understanding of the District’s operations in fiscal year 2020 to 2021 compared to fiscal year 2019 to 2020.

The District’s mission is to provide a free and appropriate public education for K-12 students within its boundaries. The District may not charge for its core services, but does charge for non- core services such as facilities rentals and activities fees. Per USDA guidance, free meals were available to all students during the 2020-21 school year. Therefore, general revenues, primarily property taxes and State School Funds, provide most of the funding required for governmental programs.

**Revenue and Expenses: 2020 compared to 2021**

**Revenues** for 2021 were \$939.9 million, an increase of \$6.8 million, or 0.7 percent, from prior year revenues of \$933.1 million. Operating grants and contributions revenues increased by \$23.8 million due to increased funding.





**Expenses** for the District’s program activities include Instruction, Support Services, Enterprise and Community Services, Facilities Services, and Interest and Fees on Long-term Debt. The District’s activities mirror its chart of accounts which is mandated by the Oregon Department of Education for all Oregon public schools.

Current year total expenses were \$931.9 million, which is a 13.0 percent, or \$107.5 million, increase over the prior year. Instruction expenses increased \$36.8 million, or 8.6 percent, compared to 2019-20, which was primarily driven by increases in wages due to step and COLA increases. Support Services expenses increased \$52.1 million, or 16.1 percent, over the prior year, which was primarily driven by increases in costs related to CDL supports including investments in technology and software and other COVID-related supports. Instruction and support services together accounted for 90.4 percent of the District’s total expenses in fiscal year 2020-21, compared to 91.5 percent spent in fiscal year 2019-20 on these same categories.

**FINANCIAL ANALYSIS OF THE DISTRICT’S MAJOR FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance- related legal requirements. The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District’s financial requirements. In particular, unassigned fund balance may serve as a useful measure of the District’s net resources available for spending at the end of the fiscal year.

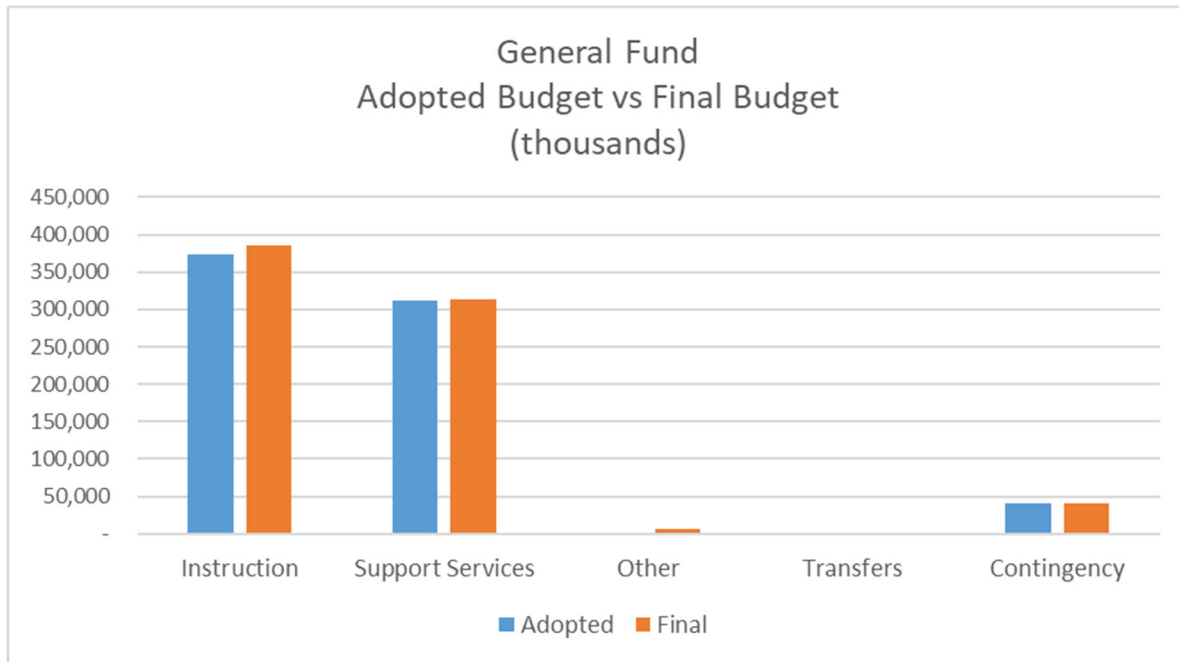
**General Fund.** The General Fund is the major operating fund of the District. The fund’s ending fund balance increased by \$24.2 million to \$88.7 million for fiscal year 2020-21. The General Fund saw an increase of \$10.8 million in revenue, largely due to an increase in property taxes offset by a reduction in investment income. Instructional expenditures and support services costs remained relatively flat year-over-year.



**Special Revenue Fund.** Special Revenue Fund revenue increased by \$19.7 million, or 19.7%, for fiscal year 2020-21. This increase was driven by an increase of \$28.3 million in federal and state support. There was roughly a \$1 million increase in revenue for Nutrition expenses related to the Summer Meals Program extending through the FY. There was roughly a \$11 million increase in Education Stabilization Funds (ESSER) revenue expenses related to increased costs due to the COVID-19 pandemic. With the added State funding for the Student Investment Account we had an increase of revenue of about \$11.5 million. In addition, we had an increase of local revenue in the Dedicated Resource Fund, a subfund of the Special Revenue Fund, of roughly \$1.1 million. These revenue increases were offset by reductions in the School Fund of about \$3.7 million and the PERS Rate Stabilization Reserve of \$300k. Expenditures across the fund increased by \$26.2 million that were largely related to Wages and Benefits as well as increases in Materials and Services.

**BUDGETARY HIGHLIGHTS FOR THE GENERAL FUND**

**Adopted budget compared to final budget.** There were two amendments to the 2020-21 budget. The amendments allocated funds across Instruction and Support Services, reduced funding across Instruction and Support Services to reflect a reduction in SIA allocation, allocated additional funding across appropriations to recognize new Special Revenue Fund resources, and adjusted appropriations across Support Services and Enterprise and Community Services to align the budget with intended expenditures of additional resources.



**Final budget compared to actual results.** In fiscal year 2020-21 the District underspent the final General Fund budget by \$50.6 million before contingency, or roughly 7.2%. Salaries and associated payroll costs across Instruction and Support Services accounted for \$9.7 million of the underspend, while non-personnel expenditures made up the other \$40.1 million. PPS remained closed for almost a year following the Governor’s order on March 12, 2020 directing public schools to remain closed state-wide due to the health threat posed by the novel infectious coronavirus (COVID-19). The Governor issued an executive order on March 12, 2021 requiring public elementary schools to reopen no later than March 29, 2021 for hybrid or full-time in-person instruction. The order also required public schools to open for grades 6-12 by April 19, 2021. PPS participated in a CDL model followed by a hybrid instructional model for the 2020-21 school year in accordance with the Governor’s order and is back to in-person instruction for the 2021-22 school year.

<b>Final Budget vs Actual Expenditures (thousands)</b>				
	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>\$ Change</u>	<u>% of Budget</u>
Instruction	\$ 386,098	\$ 363,865	\$ (22,234)	94.2%
Support Services	313,406	285,719	(27,687)	91.2%
Other Objects	5,814	5,115	(699)	88.0%
Transfers	1,234	1,198	(36)	0.0%
	<u>706,552</u>	<u>655,897</u>	<u>(50,655)</u>	<u>92.8%</u>
Operating Contingency	40,946	-	(40,946)	0.0%
	<u>\$ 747,498</u>	<u>\$ 655,897</u>	<u>\$ (91,601)</u>	<u>87.7%</u>

Spending changes associated with the CDL and hybrid education models are reflected in the difference between the final budget and actual expenditures for 2020-21.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The District's investment in capital assets includes land, building and improvements, vehicles and equipment, and construction in progress. As of June 30, 2021, the District had invested \$1.17 billion in capital assets, net of depreciation and amortization, as shown in the following table:

<b>Capital assets</b>	<b>Government-wide (thousands)</b>			
	<u>2020</u>	<u>2021</u>	<u>\$ Change</u>	<u>% change</u>
Land	\$ 9,174	\$ 9,174	\$ -	0.0%
Buildings and site improvements	881,218	933,782	52,564	6.0%
Vehicles and equipment	39,376	39,946	570	1.4%
Construction in progress	272,766	498,505	225,739	82.8%
	<u>1,202,534</u>	<u>1,481,407</u>	<u>278,873</u>	<u>23.2%</u>
less accumulated depreciation	<u>(285,162)</u>	<u>(308,036)</u>	<u>(22,874)</u>	<u>8.0%</u>
Capital assets, net of depreciation	<u>\$ 917,372</u>	<u>\$ 1,173,371</u>	<u>\$ 255,999</u>	<u>27.9%</u>

District-wide, capital assets increased by \$256.0 million in fiscal year 2020-21, and the District recognized \$22.9 million of depreciation and amortization. Capital construction accounted for the majority of the increase. Further discussion of capital assets can be found in Note 7 of the financial statements.

**Debt Administration.** At the end of the current fiscal year, the District had total debt outstanding of \$1.43 billion (excluding premiums and discounts), which is comprised of limited tax pension and refunding bonds (\$314.2 million) and debt backed by the full faith and credit of the District (\$1,113.9 million). During fiscal year 2020-21, the District reduced debt by making scheduled debt service payments of \$170.2 million and issued the \$419.4 million in series 2020 GO Bonds. Further explanation of debt is shown in Note 10 of the Financial Statements.

Outstanding Debt	Government-wide (thousands)				
	2020	Increases	Decreases	2021	% change
Limited tax pension and refunding bonds	\$ 336,062	\$ -	\$ (21,903)	\$ 314,159	-6.5%
Other debt	842,779	419,430	(148,266)	1,113,943	32.2%
Total Long Term Debt	1,178,841	419,430	(170,169)	1,428,102	
Unamortized Bond Premium/(Discount)	105,909	31,205	(11,483)	125,631	18.6%
Total Long Term Debt, net of Premium (Discount)	<u>\$ 1,284,750</u>	<u>\$ 450,635</u>	<u>\$ (181,652)</u>	<u>\$ 1,553,733</u>	20.9%

State statutes limit the amount of general obligation debt a school district may issue based on a formula for determining the percentage of the Real Market Value of all taxable properties within the District. The District's general obligation bond debt capacity is 7.95 percent of Real Market Value or \$11.1 billion.

OPERS is Oregon's public pension system. Under the pension plan, the actuarial liability is the present value of the plan's current and expected benefits payments (plus administrative expenses). If the fund's actuarial liability exceeds its assets, then the fund has a shortfall that is known as a Net Pension Liability ("NPL"). OPERS requires that school Districts pay (or "amortize") this NPL over a period of 20 years (Tier One / Tier Two portion) and 10 years (Retiree Health Insurance Account portion). Since interest rates had been at historic lows, an opportunity to benefit from lowered interest was created.

The District participated in the Oregon School Board Association ("OSBA") sponsored pooled pension obligation bond program, in which the proceeds from bond issues were put into a PERS "side account" and used to offset a portion of the OPERS Net Pension Liability (NPL). The reduced contribution rate charged for the NPL that has resulted from the District's decision to borrow, has saved an estimated \$40.1 million in the current year; savings that the District has used to provide more instruction and support services. Over time, this reduction in rates could dampen the effects of future increases in the District's NPL. As long as OPERS' investment returns exceed the costs of servicing the bonds, the benefits of this program will exceed the costs. The District's NPL was reduced but was not eliminated by these borrowing transactions. Statutes, legislation, regulations, and rules regarding OPERS can change at any time.

## NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The 2021-22 school year will see our students and staff returning after a year of distance learning and remote working due to the COVID pandemic. The budget will continue to support the Strategic Plan and Vision: PPS Reimagined as well as the goals set by the Board. The budget coincides with the Oregon Legislature's biennial budget cycle for 2021-23, which includes a \$9.3 billion State School Fund, and full funding for SIA and M98. The biggest unknown within the budget is enrollment, the 2020-21 school year saw a stark decline in enrollment. The State School Fund formula for revenue is based on the higher of two years (current or the previous year). This factor allowed PPS to maintain funding for the 2020-21 school year without a drastic decrease in resources. The 2021-22 budget was built on an enrollment projection pre-pandemic and will be monitored closely throughout the year for alignment and possible adjustments that will need to be made.

The 2021-22 investments include pandemic response, continued focus on racial equity, and strategic and priority investments. The budget supports additional FTE for Learning Acceleration and support for the return to school, expansion or enhancement of Saturday School, Summer Programming, Summer Scholars, Virtual Scholars, Evening Scholars, Online Learning Academy, and wrap-around services for our students and families. Additionally, investments are being made in curriculum, technology, staffing levels, and class sizes as well as Title I, Comprehensive Support & Improvement (CSI), and Targeted Support & Improvement (TSI) schools.

Population and enrollment trends in Portland show increases in the overall population within the PPS boundary, from 505,000 in 2017 to a mid-range forecast of 598,000 by 2040. However, declining fertility rates among the fastest-growing cohort of the population, young adults (20 to 34-year-olds) suggest that the population of school-aged children will stay relatively flat, not keeping pace with the overall population growth.

Enrollment for the District as of October 1, 2020, was 47,314 students, down significantly from 49,478 in 2019-20. Nearly all of the K-12 enrollment decline was attributable to choices that families made in response to distance learning during the pandemic. The greatest impact of the pandemic was seen in kindergarten where PPS enrolled 629 fewer students as compared to the fall of 2019.

The 2021-22 budget uses the mid-range PSU forecast, which projects K-12 enrollment to rebound to 48,649 in 2021-22, returning to pre-pandemic assumptions. However, after this recovery enrollment is projected to decline over the next several years reaching a low in 2029-30 of 45,518. There is a risk that enrollment in 2021-22 will fall short of projections if some families are hesitant to return due to COVID, or if they continue to choose other schooling options.

The Oregon state economy and labor market has steadily increased during the past year. Oregon's unemployment rate has decreased from 11.6% in June of 2020 to 5.6% in June of 2021. Overall, Oregon's labor market is expected to return to full health during the upcoming 2021-23 biennium. Total employment in Oregon is expected to surpass pre-pandemic levels in late 2022 with the unemployment rate returning to near 4.0 percent in 2023.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Portland Public Schools' finances for all those with an interest in the District's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Finance Department, Portland Public Schools, 501 N Dixon, Portland, OR, 97227. An electronic copy of this and other prior- year financial reports is available at the District website: <http://www.pps.net/Page/2184>.



## **BASIC FINANCIAL STATEMENTS**

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**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Statement of Net Position**  
**June 30, 2021**  
**(amounts expressed in thousands)**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents-unrestricted	\$ 357,945
Cash and cash equivalents held by fiscal agents	5,121
Investments	662,435
Accounts and other receivables	45,172
Property taxes and other taxes receivable	13,721
Inventories	1,811
Prepaid items	5,098
Total current assets	1,091,303
Noncurrent assets:	
Net OPEB asset-RHIA	5,966
Capital assets, not depreciated:	
Land	9,174
Construction in progress	498,505
Capital assets, net of accumulated depreciation:	
Buildings and capital improvements	656,573
Vehicles and equipment	9,119
Total assets	2,270,640
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
OPEB contributions subsequent to measurement date	7,797
OPEB differences between expected and actual experience	2,510
OPEB differences between actual and expected earnings	663
OPEB differences due to changes in assumptions	7,630
OPEB changes in employer proportion	392
Pension changes in employer proportion	99,561
Pension differences between expected and actual experience	23,083
Pension differences due to changes in assumptions	28,020
Pension differences between actual and expected earnings	61,301
Pension contributions subsequent to measurement date	18,623
Total deferred outflows of resources	249,580

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Statement of Net Position (continued)**  
**June 30, 2021**  
**(amounts expressed in thousands)**

**LIABILITIES**

Accounts payable	\$	63,356
Accrued wages and benefits payable		104,361
Unearned revenues		2,044
Claims payable		5,574
Non-current liabilities:		
Due within one year		
Accrued compensated absences		3,578
Bonds		126,601
Accrued bond interest payable		23,052
Due in more than one year		
Accrued compensated absences		3,248
Bonds		1,427,132
Accrued bond interest payable		15,634
Net pension liability- PERS		521,329
Total pension liability-stipend		6,090
Total OPEB liability-RHIS		78,581
Total liabilities		2,380,580

**DEFERRED INFLOWS OF RESOURCES**

OPEB differences between expected and actual experience		2,978
OPEB differences due to changes in assumptions		1,759
OPEB changes in employer proportion		34
Pension differences due to changes in assumptions		1,053
Pension differences between employer contribution and proportionate share of contributions		57,952
Pension changes in employer proportion		37,415
Total deferred inflows of resources		101,191

**NET POSITION**

Net investment in capital assets		717,881
Restricted for:		
Capital projects		757,216
Grants		12,879
Student body activities		5,074
Nutrition services		2,488
Debt service		13,353
Net OPEB asset-RHIA		5,966
Unrestricted (deficit)		(1,476,408)
Total net position		\$ 38,449

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



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Statement of Activities**  
**For the year ended June 30, 2021**  
**(amounts expressed in thousands)**

<b>Functions/Programs</b>	<b>EXPENSES</b>		<b>PROGRAM REVENUES</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
<b>GOVERNMENTAL ACTIVITIES</b>					
Instruction	\$ 465,995	\$ 288	\$ 56,627	\$ -	\$ (409,080)
Support services	376,660	1,472	52,678	-	(322,510)
Enterprise and Community Services	23,731	154	4,530	-	(19,047)
Facilities Services	10,844	-	-	1,319	(9,525)
Interest and fees on long-term debt	54,640	-	-	-	(54,640)
Total governmental activities	<u>\$ 931,870</u>	<u>\$ 1,914</u>	<u>\$ 113,835</u>	<u>\$ 1,319</u>	<u>(814,802)</u>

**GENERAL REVENUES**

Property taxes levied for general purposes	286,437
Property taxes levied for debt service	131,791
Construction excise tax	3,446
Local option taxes levied for general purposes	101,539
State School Fund - general support	263,622
State Common School Fund - general support	5,628
County and intermediate sources - general support	17,185
Investment earnings	3,107
Other	10,113
Total general revenues	<u>822,868</u>
Change in net position	8,066
Net position - beginning of year	30,383
Net position - end of year	<u>\$ 38,449</u>

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



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2021**  
(amounts expressed in thousands)

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents-unrestricted	\$ 158,611	\$ 33,475
Cash and cash equivalents held by fiscal agents	4,664	-
Investments	-	4,570
Prepaid items	628	-
Accounts receivable	1,519	40,495
Property taxes and other taxes receivable	10,509	-
Due from other funds	40,975	744
Inventories	317	1,494
Total assets	<u>\$ 217,223</u>	<u>\$ 80,778</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 20,567	\$ 3,538
Accrued wages and benefits	98,076	5,998
Due to other funds	744	40,975
Unearned revenues	-	2,044
Total liabilities	<u>119,387</u>	<u>52,555</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable property tax revenue	9,145	-
Total deferred inflows of resources	<u>9,145</u>	<u>-</u>
<b>FUND BALANCES</b>		
Nonspendable	945	1,494
Restricted	-	20,441
Committed	-	19,056
Assigned	-	-
Unassigned	87,746	(12,768)
Total fund balances	<u>88,691</u>	<u>28,223</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 217,223</u>	<u>\$ 80,778</u>

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

<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
\$ 10,874	\$ 145,617	\$ 348,577
457	-	5,121
-	657,865	662,435
-	4,170	4,798
-	3,158	45,172
3,212	-	13,721
-	-	41,719
-	-	1,811
<u>\$ 14,543</u>	<u>\$ 810,810</u>	<u>\$ 1,123,354</u>
\$ -	\$ 38,996	\$ 63,101
-	224	104,298
-	-	41,719
-	-	2,044
<u>-</u>	<u>39,220</u>	<u>211,162</u>
2,871	-	12,016
<u>2,871</u>	<u>-</u>	<u>12,016</u>
-	4,170	6,609
10,482	757,216	788,139
1,190	-	20,246
-	10,204	10,204
-	-	74,978
<u>11,672</u>	<u>771,590</u>	<u>900,176</u>
<u>\$ 14,543</u>	<u>\$ 810,810</u>	<u>\$ 1,123,354</u>

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Reconciliation of the Balance Sheet to the Statement of Net Position**  
**June 30, 2021**  
**(amounts expressed in thousands)**

Fund balances - governmental funds (page 36)	\$	900,176
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are not financial resources and are not reported in governmental funds.		1,173,371
Long-term taxes and other receivables are not available to pay for current-period expenditures and therefore are a deferred inflow of resources in the governmental funds.		12,016
Assets, deferred outflows, liabilities and deferred inflows of the internal service funds are included in activities in the Statement of Net Position.		6,281
Bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		(1,553,733)
Actuarially determined pension activity is not reported in the governmental funds.		(393,060)
Accrued compensated absences are reported when earned as a liability in the Statement of Net Position while in the governmental funds only the unpaid balance of reimbursable unused vacation is reported as a liability.		(6,826)
Accrued property and liability insurance claims incurred but not reported are not due and payable in the current period and therefore are not reported in the governmental funds.		(2,724)
Accrued interest payable is not recognized as a liability in the governmental funds.		(38,686)
Actuarially determined OPEB activity is not reported in the governmental funds.		(58,366)
Net position of governmental activities (page 33)	<u>\$</u>	<u>38,449</u>

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



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2021**  
**(amounts expressed in thousands)**

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>REVENUES</b>		
Property and other taxes	\$ 286,029	\$ 309
State School Fund	263,622	-
State Common School Fund	5,628	-
Federal and state support	18	107,293
Local option taxes	102,417	-
County and intermediate sources	14,381	2,804
Charges for services	1,642	256
Extracurricular activities	-	1,237
Investment earnings	544	81
Other	5,681	7,446
Total revenues	679,962	119,426
<b>EXPENDITURES</b>		
Current:		
Instruction	363,865	53,247
Support services	285,719	54,985
Enterprise and community services	5,115	18,799
Facilities acquisition and construction	-	27
Debt Service:		
Principal	-	-
Interest and fiscal charges	-	-
Total expenditures	654,699	127,058
Excess (deficit) of revenues over expenditures	25,263	(7,632)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	716
Transfers out	(1,198)	(651)
Proceeds from the sale of capital assets	152	-
Issuance of bonds	-	-
Issuance of refunding bonds	-	-
Premium on issuance of debt	-	-
Payment to refunded bond escrow agent	-	-
Total other financing sources (uses)	(1,046)	65
Net change in fund balances	24,217	(7,567)
Fund balances - beginning of year	64,474	35,790
Fund balances - end of year	\$ 88,691	\$ 28,223

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

<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
\$ 131,818	\$ 3,446	\$ 421,602
-	-	263,622
-	-	5,628
53	1,319	108,683
-	-	102,417
-	-	17,185
55,146	15	57,059
-	-	1,237
292	2,101	3,018
-	1,501	14,628
<u>187,309</u>	<u>8,382</u>	<u>995,079</u>
-	-	417,112
-	6,710	347,414
-	-	23,914
-	287,511	287,538
119,759	-	119,759
72,016	-	72,016
<u>191,775</u>	<u>294,221</u>	<u>1,267,753</u>
<u>(4,466)</u>	<u>(285,839)</u>	<u>(272,674)</u>
1,750	-	2,466
-	(617)	(2,466)
-	-	152
-	365,465	365,465
53,965	-	53,965
1,631	29,574	31,205
(55,031)	-	(55,031)
<u>2,315</u>	<u>394,422</u>	<u>395,756</u>
(2,151)	108,583	123,082
13,823	663,007	777,094
<u>\$ 11,672</u>	<u>\$ 771,590</u>	<u>\$ 900,176</u>

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



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances to the Statement of Activities**  
**For the year ended June 30, 2021**  
**(amounts expressed in thousands)**

Net change in fund balances - total governmental funds (page 40)	\$ 123,082
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report all capital outlay as expenditures. However, in the Statement of Activities the cost of certain assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays in the current period of \$286,397 exceeded depreciation and disposals of \$30,398.	255,999
Property tax revenues that do not provide current financial resources are not reported as revenues in the governmental funds. This is the change in deferred inflow of resources related to property taxes.	(402)
The Internal Service Fund is used to account for all costs incurred for claims arising from workers' compensation losses. The primary funding sources are charges to other funds. This amount is the change in net position for the year.	650
Incurred but not reported property and liability insurance claims expenses are reported in the Statement of Activities but they are not reported as expenditures in the governmental funds.	419
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued. Premium amounts are deferred and amortized in the Statement of Activities.	(268,983)
Pension actuarial liability activity is reported in the Statement of Activities but not in the governmental funds.	(112,459)
Other Post Employment Benefits actuarial liability activity is reported in the Statement of Activities but not in the governmental funds.	786
Change in compensated absences	(1,540)
Change in bond interest payable	10,514
Change in net position of governmental activities (page 33)	\$ 8,066

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



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Proprietary Fund - Internal Service Fund**  
**Statement of Net Position**  
**June 30, 2021**  
**(amounts expressed in thousands)**

**ASSETS**

Current Assets		
Cash and cash equivalents	\$	9,368
Prepaid items		300
Total current assets		<u>9,668</u>
Noncurrent Assets		
Net OPEB asset-RHIA		3
Total assets		<u>9,671</u>

**DEFERRED OUTFLOWS OF RESOURCES**

OPEB contributions after measurement date	4
OPEB differences due to changes in assumptions	4
OPEB differences between expected and actual experience	1
Pension contributions after measurement date	9
Pension changes in employer proportion	48
Pension differences between expected and actual experience	11
Pension differences between actual and expected earnings	29
Pension differences due to changes in assumptions	14
Total deferred outflows of resources	<u>120</u>
 Total assets and deferred outflows	 <u>9,791</u>

**LIABILITIES**

Current Liabilities	
Accounts payable	255
Accrued wages and benefits	63
Claims payable	2,850
Total current liabilities	<u>3,168</u>
Long-term Liabilities	
Total OPEB liability- RHIS	38
Net pension liability- PERS	252
Total pension liability-stipend	3
Total long term liabilities	<u>293</u>
 Total liabilities	 <u>3,461</u>

**DEFERRED INFLOWS OF RESOURCES**

OPEB differences due to changes in assumptions	1
OPEB differences between expected and actual experience	1
Pension differences due to changes in assumptions	1
Pension changes in employer proportion	18
Pension differences between employer contribution and proportionate share of contributions	28
Total deferred inflows of resources	<u>49</u>
 Total liabilities and deferred inflows of resources	 <u>3,510</u>

**NET POSITION**

Restricted for Net OPEB asset-RHIA	3
Unrestricted	6,278
Total net position	<u>\$ 6,281</u>

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Proprietary Fund - Internal Service Fund**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the year ended June 30, 2021**  
**(amounts expressed in thousands)**

<b>OPERATING REVENUES</b>	
Charges for services	\$ 1,534
Insurance recoveries	4
Total operating revenues	<u>1,538</u>
<b>OPERATING EXPENSES</b>	
Salaries and benefits	330
Materials and services	276
Claims expense	559
Total operating expenses	<u>1,165</u>
Operating income	<u>373</u>
<b>NON-OPERATING REVENUES</b>	
Federal and state support	188
Investment earnings	89
Total non-operating revenues	<u>277</u>
Change in net position	650
Net position - beginning of year	5,631
Net position - end of year	<u>\$ 6,281</u>

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Proprietary Fund - Internal Service Fund**  
**Statement of Cash Flows**  
**For the year ended June 30, 2021**  
**(amounts expressed in thousands)**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from interfund services provided and used	\$	1,534
Cash received from insurance recoveries		4
Cash payments for salaries and benefits		(283)
Cash payments for goods and services		(281)
Cash payments for claims		(1,420)
Net cash provided by (used for) operating activities		(446)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Cash subsidy from state return to work reimbursements		188
Net cash provided by (used for) noncapital financing activities		188

**CASH FLOWS FROM INVESTING ACTIVITIES**

Sale of investments		5,035
Investment earnings		89
Net cash provided by investing activities		5,124

Net increase in cash and cash equivalents 4,866

Cash and cash equivalents at beginning of year		4,502
Cash and cash equivalents at end of year	\$	9,368

**RECONCILIATION OF OPERATING INCOME TO  
CASH FROM OPERATING ACTIVITIES**

Operating income	\$	373
Adjustments to reconcile operating income to net cash from operating activities:		
Decrease in accounts and other payables		(5)
Decrease in claims payable		(861)
Increase in accrued wages and benefits		13
Increase in pension related deferred outflows		(35)
Increase in pension liability and pension related deferred inflows		73
Decrease in OPEB asset and OPEB related deferred outflows		2
Decrease in OPEB liability and OPEB related deferred inflows		(6)
Total adjustments		(819)
Net cash provided by operating activities	\$	(446)

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



**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

School District No. 1J, Multnomah County, Oregon, known as Portland Public Schools or the District, is governed by a seven-member elected board. The District is the special-purpose primary government exercising financial accountability for all public K-12 education within its boundaries. As required by accounting principles generally accepted in the United States of America, the accompanying 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, and specifically has no relationship or connection with Multnomah County, Oregon.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the governing body and establishes governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements except that interfund services provided and used are not eliminated in the process of consolidation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase or use goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Certain functional expenses contain an element of indirect cost.

Separate financial statements are provided for Governmental Funds and the Self-Insurance Fund, which is an internal service fund (proprietary fund). The Self-Insurance Fund is included in the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. In the internal service fund, all revenues and expenses except interest earnings, transfers, and federal and state support are considered to be related to operations.

***Measurement focus, basis of accounting, and financial statement presentation***

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service and expenditures related to compensated absences are recorded only when payment is due.

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**A. Government-wide and fund financial statements - continued**

***Measurement focus, basis of accounting, and financial statement presentation – continued***

Property taxes and grant reimbursements are considered to be susceptible to accrual, if received in cash by the District or a county collecting such taxes within 60 days after year-end. All other revenue items are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current fiscal year or soon thereafter.

The District reports the following major governmental funds:

**General Fund** – Accounts for the general operations of the District. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund's resources are available to the District for any purpose provided they are expended or transferred according to a resolution or policy of the District and/or the laws of Oregon.

**Special Revenue Fund** – Accounts for revenues and expenditures that are restricted and committed for specific projects. Principal revenue sources are federal, state and local funding.

**Debt Service Fund** – Accounts for the accumulation of financial resources for the payment of long-term debt principal, interest and related costs. Current debt instruments include General Obligation (GO) bonds, Limited Tax Pension Obligations and Full Faith and Credit Obligations.

**Capital Projects Fund** – Accounts for financial resources to be used for the acquisition of property, technology, construction or renovation of facilities.

Additionally, the District reports the following internal service fund:

**Self-Insurance Fund** – Accounts for all workers' compensation activities. The activity and balances of this fund are included in the governmental activities in the government-wide financial statements. The primary resources are charges to other funds, investment earnings and federal and state support. All revenues except for investment revenues and transfers in are considered operating revenue. Operating expenses include salaries, benefits, materials, premium costs, claims, and other related costs.

**B. Appropriations and Budgetary Controls**

The District prepares a budget for all funds in accordance with the modified accrual basis of accounting, with certain adjustments, and legal requirements set forth in Local Budget Law.

Consistent with Local Budget Law, expenditures are appropriated by fund for each legally adopted annual operating budget at the following levels of control, as appropriate:

- Instruction
- Support Services
- Enterprise and Community Services
- Facilities Acquisition and Construction
- Debt Service
- Contingency
- Fund Transfers



**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Capital outlay expenditures are appropriated within the service levels for Instruction, Support Services, Enterprise and Community Services, and Facilities Acquisition and Construction. Debt service expenditures in the General Fund are generally appropriated within the Support Services level of control. For reporting purposes all other debt service expenditures are segregated from the supporting services budgetary control levels and are presented in the debt service expenditures category.

After the original budget is adopted, the Board of Education may approve appropriation transfers between the levels of control without limitation. Supplemental appropriations may be approved by the Board of Education if any occurrence, condition, or need exists which had not been anticipated at the time the budget was adopted. An appropriations transfer that alters estimated total expenditures by less than 10.00 percent of any individual fund may be adopted at the regular meeting of the Board of Education. For conditions that require either supplemental appropriations or an increase in expenditures greater than 10.00 percent of an individual fund, a supplemental budget must be adopted, requiring public hearings, publications in newspapers and approval by the Board of Education. Supplemental budgets are submitted, reviewed and certified, similar to the original budget, by the Multnomah County Tax Supervising and Conservation Commission subsequent to approval by the Board of Education. Appropriations lapse at the end of each fiscal year. The District had two supplemental budgets during budget year 2021.

**C. Encumbrances**

During the year encumbrances are recorded in the accounting records when purchase orders are issued. The use of encumbrances indicates to District employees that appropriations are committed. All encumbrances expire at year-end.

**D. Cash and Cash Equivalents and Investments**

For the purpose of the Statement of Cash Flows, the Statement of Net Position and the Balance Sheet, the District's monies in the Oregon Local Government Investment Pool, savings deposits, demand deposits and cash with fiscal agents are considered to be cash and cash equivalents. Investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Other investments are stated at amortized cost, which approximates fair value.

**E. Property Taxes**

Uncollected real and personal property taxes are reflected on the Statement of Net Position and the Balance Sheet as receivables. Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

**F. Inventories and Prepaid Items**

Inventories of school operating supplies, maintenance supplies, and food and other cafeteria supplies are stated at cost using the weighted average method. A portion of the inventory consists of commodities purchased from the United States Department of Agriculture (USDA). The commodities are recorded at wholesale market value as provided by the USDA. The District accounts for inventory based on the consumption method. Under the consumption method, inventory is recorded when purchased and expenditures are recorded when inventory items are used. Donated foods consumed during the year are reported as revenues and expenditures. The amount of unused donated food at year-end is immaterial.

**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Prepaid insurance is related to capital bond construction activity. Prepaid assets are recognized as expenses/expenditures based on the consumption method when their use benefits the District.

**G. Capital Assets**

Expenditures for capital assets, which include land, buildings and site improvements, construction in progress, and vehicles and equipment are reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance by function. The District defines capital assets as assets with an initial cost exceeding the threshold amounts shown in the schedule below, and an estimated useful life in excess of one year. District capital assets are recorded at historical cost, or estimated historical cost if purchased or constructed, and depreciated or amortized, where appropriate, using the straight-line method. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are recorded as construction in progress and capitalized as projects are completed. When the District determines that an asset has been impaired as defined by GASB Statement No. 42 it adjusts the asset value. Under the pronouncements of GASB Statement No. 51 the District capitalizes intangible asset costs, such as costs relating to internally developed computer software. The intangible asset costs are classified as equipment.

Major asset classifications, useful lives and capitalization thresholds are as follows:

Asset	Capitalization threshold	Useful lives, years
Buildings	\$ 25	100
Land & site improvements	25	5 to 25
Equipment	5	5 to 15
Vehicles	5	5 to 8

**H. Grant Accounting**

Unreimbursed expenditures due from grantor agencies are recorded in the financial statements as accounts receivable and revenues. Cash received from grantor agencies in excess of related grant expenditures is reflected as unearned revenue on the Statement of Net Position and the Balance Sheet.

**I. Insurance**

The District operates the Self-Insurance Fund to account for the costs of workers' compensation related costs and resources. Charges to other funds are recognized as revenues and as expenditures in the fund incurring the charges. The District accounts for all other insurance related resources and costs, such as general liability claims, property and fire loss claims, and the payment of premiums through the General Fund.

The District recognizes the liabilities for estimated losses to be incurred from pending claims and for claims incurred but not reported (IBNR). The IBNR claims are estimates of claims that are incurred through the end of the fiscal year but have not yet been reported. These liabilities are based on actuarial valuations.

The District's insurance deductibles and policy limits are as follows:

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

	Deductibles	Excess Coverage per Occurrence
General and Automobile Claims	\$ 1,000	\$ 10,000
Property and Fire Claims	1,000	250,000
Earthquake Claims	1,000	75,000
Flood Claims	1,000	75,000
Workers' Compensation Claims	1,000	25,000

The District has not exceeded the claims limitation on its insurance policies for the last five years.

**J. Compensated Absences**

Depending on years of service and union membership, employees can earn annual vacation leave between 10 days and 22 days per year. Administrators earn 22 days of annual vacation leave. Employees are allowed to carry over twice their maximum yearly earned balances from one fiscal year to another. All outstanding vacation leave is payable upon resignation, retirement, or death. Compensated absences are recognized as liabilities in the District's proprietary fund. Compensated absences are not reported as liabilities in the governmental funds because they have not "matured," meaning they are not yet payable to the employee.

Sick leave accumulates each month without a limit on the total hours that can be accumulated. Accumulated sick leave does not vest and is forfeited at resignation, retirement or death. Sick leave is recorded as an expense/expenditure when leave is taken and no liability is recorded.

**K. Receivables and Payables**

Receivables expected to be collected within sixty days following year-end are considered measurable and available and are recognized as revenues in the governmental fund financial statements. Other receivables are offset by unearned revenues and, accordingly, have not been recorded as revenue. Receivables, net of any allowance for doubtful accounts, are recorded on the Statement of Net Position/Balance Sheet.

Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements, and are eliminated in the government-wide statements.

**L. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations including accrued compensation and claims are reported as liabilities. 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 applicable bond premium or discount. Bond issuance costs are reported as outflows of resources (expenses) in the period incurred.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs as incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**M. Retirement Plans**

Most District employees participate in Oregon’s Public Employees Retirement System (OPERS). Contributions are made as required by the plan and are recorded as expense/expenditures. Pension benefits are explained in Note 11.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of OPERS and additions to/deductions from OPERS’s fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized by OPERS when due and payable in accordance with the benefit terms. OPERS investments are reported at fair value.

The District provides tax-deferred annuity contracts established under Section 403(b) of the Internal Revenue Code. Participation in the program is voluntary. Contributions are made from salary deductions from participating employees within the limits specified in the Code. This plan is accounted for under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension Plans*.

The District also provides a single-employer defined benefit early retirement program (Note 11-B). The stipend benefit is actuarially determined, is reflected as a long-term liability in the government-wide financial statements, and reflects the present value of expected future payments. This plan is accounted for under the provisions of GASB Statement No. 73.

**N. Other Post-Employment Benefits**

The District is mandated to contribute to Retirement Health Insurance Accounts (RHIA) for eligible District employees who are members of OPERS, and were plan members before January 1, 2004. The plan was established by the Oregon Legislature.

The Retirement Health Insurance Subsidy (RHIS) is a health and welfare program the District provides for retirees. The plan is actuarially determined, is reflected as a long-term liability in the government-wide financial statements, and reflects the present value of expected future payments. The net other post-employment benefits liability and expenditure in the governmental fund financial statements are limited to amounts that become due and payable as of the end of the fiscal year, and are reported on the pay-as-you-go basis.

Certificated employees who have met the requirements for age and years of service with the District are eligible for early retirement benefits (Note 11-B), which includes early retirement benefits and other post-employment benefits as explained in Note 12.

Both plans are accounted for under the provisions of GASB Statement No. 75.

**O. Net Position**

Net position represents the difference between the District’s total assets and deferred outflows and total liabilities and deferred inflows. District net position currently has three components:

*Net investment in capital assets* represents capital assets plus unspent bond proceeds less accumulated depreciation and outstanding principal of capital asset related debt.

*Restricted net position* represents net position upon which constraints have been placed, either externally by creditors, grantors, contributors or others, or legally constrained by law.

*Unrestricted net position* represents net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**P. Deferred Inflows and Outflows of Resources**

In addition to assets, the Statement of Net Position reports a separate section for Deferred Outflows of Resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position reports a separate section for Deferred Inflows of Resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

**Q. Management Estimates**

The preparation of basic financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 expenses during the reporting period. Actual results could differ from those estimates.

**R. Fund Balance Definitions**

In the governmental financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance definitions, from most to least restrictive are:

1. *Non-spendable fund balances* – Amounts that are not in spendable form or due to legal or contractual requirements. Examples of resources in this category are prepaid amounts, inventory or notes receivable.
2. *Restricted fund balances* – Amounts constrained to specific purposes by their providers (such as grantors or bond holders), through constitutional provisions or by enabling legislation. These are primarily amounts subject to externally enforceable legal restrictions.
3. *Committed fund balances* – Amounts constrained to specific purposes by resolution of the District's Board. The District's Board can modify or rescind a commitment at any time through passage of a new resolution. In order to commit fund balances the District must take formal action prior to the close of the fiscal year.
4. *Assigned fund balances* – Amounts the District intends to use for a specific purpose that are neither restricted nor committed are reported as assigned fund balance. Intent can be expressed by the Board or delegated authority to an official. An example of assignment is when the District's Board adopts the annual budget which includes funds identified as reserved for a specific purpose.
5. *Unassigned fund balance* – Amounts not included in other classifications above. The amount represents spendable fund balance that is not restricted, committed or assigned in the General Fund. This classification is also used to report any deficit fund balance amounts in other governmental funds.

**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**R. Fund Balance Definitions - continued**

The District's Board has passed resolution number 4461 titled: *Compliance with Governmental Accounting Standards Board Statement No. 54 (GASB 54): Fund Balance Reporting and Governmental Fund Type Definitions*. The resolution reads as follows:

- The Board affirms that it is the highest level decision authority for the District.
- The Board hereby delegates the authority to classify portions of ending fund balance as "Assigned" to the Superintendent.
- The Board adopts GASB 54 definitions for Non-spendable, Restricted, Committed, Assigned and Unassigned fund balances.
- In conjunction with the adoption of GASB 54 fund balance classifications, the Board declares its budgeting practices and budget allocations for restricted and unrestricted fund balance amounts will be consistent with the fund balance classification hierarchy.
- The Board hereby adopts GASB 54 definitions of fund types for the General Fund, special revenue funds, debt services funds, capital projects funds, and permanent funds.

**S. Use of Restricted Resources**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District first applies the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District first applies the expenditure toward restricted fund balance and then to other, less-restrictive classifications, committed and then assigned fund balances, before using unassigned fund balances.

**T. Fund Balance Policy**

Per District board policy 8.10.025P, updated in June 2019, the Board has established a goal to fund and maintain a reserve in the General Fund that shall range from 5.00 percent to 10.00 percent of annual General Fund revenues. The goals for the reserve will be set as part of the District's long-range financial plan, with an expectation that the District will achieve and sustain a 10.00 percent reserve. The Board shall establish an annual operating contingency each fiscal year during the budget process.

**U. Stabilization Arrangements**

The District established a PERS Rate Stabilization Reserve Fund by Board Resolutions 2679, adopted on June 16, 2003, and 4471, adopted on June 27, 2011. The purpose of the Fund is to minimize effects of large fluctuations in the PERS rate assessed against District salaries and wages, and to repay the 2002 and 2003 PERS UAL borrowings. This Fund resides within the Special Revenue Fund, and the primary revenue source is 0.11 percent of Current Year Permanent Rate and GAP Property Taxes. Use of the resources must be authorized through formal Board resolution. In any given year, funds may be transferred to the General Fund not to exceed either 1) the increase in PERS rate over rates in effect at June 30, 2011; or 2) the increase in the internally charged PERS UAL fringe rate over the fringe rate in effect at June 30, 2011, multiplied by the PERS eligible budgeted salary base for that year. The ending fund balance in the PERS Rate Stabilization Reserve Fund at June 30, 2021 is \$19,056.

**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 2 – BUDGETARY BASIS OF ACCOUNTING**

The District reports financial position, results of operations, and changes in fund balance / net position on the basis of accounting principles generally accepted in the United States (GAAP). The budgetary statements provided as part of required or other supplementary information are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**NOTE 3 – STATE CONSTITUTIONAL PROPERTY TAX LIMITS**

The State of Oregon has a constitutional limit on property taxes for schools and non-school government operations. Under the provisions of the limitation, tax revenues are separated into those for the public school system and those for local government operations other than the public school system. Property taxes levied for the payment of bonded indebtedness are exempt from the limitation, provided such bonds are either authorized by a specific provision of the Oregon Constitution or approved by the voters of the District for capital construction or improvements.

The District's tax rates for the year ended June 30, 2021 are as follows:

Permanent rate	\$ 5.2781 per \$1 thousand of assessed value
Local option rate	\$ 1.9900 per \$1 thousand of assessed value
GO Bond Levy amount	\$ 136,000,000 (unrounded dollars)

**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

Deposits with financial institutions include bank demand deposits, deposits in the Local Government Investment Pool, time certificates of deposit and savings account deposits, as authorized by Oregon statutes.

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 to measure the fair value of the 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. At June 30, 2021, the District's cash, cash equivalents, and investments were comprised of the following:

	June 30, 2021	Measurements Using
Oregon Local Government Investment Pool	\$ 70,637	N/A
Cash in demand deposits	287,297	N/A
Petty cash	11	N/A
Total cash and cash equivalents	<u>357,945</u>	
Cash and cash equivalents held by fiscal agents	5,121	N/A
U.S. Government agency securities	306,508	Level 1
Commercial Paper	317,051	Level 1
Municipal Bonds	38,876	Level 1
Total investments	<u>662,435</u>	
Total cash, cash equivalents and investments	<u>\$ 1,025,501</u>	

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**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS – continued**

**A. Investments**

Accounting principles generally accepted in the United States of America require investments with a remaining maturity of more than one year at the time of purchase to be stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. Investments with maturities of less than one year are carried at amortized cost.

Investments in the Oregon Local Government Investment Pool (LGIP) are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn. The LGIP does not report all investments at fair value in accordance with the provisions of GASB Statement No. 31. The LGIP is required by Oregon Revised Statutes (ORS) to compute the fair value of all investments maturing more than 270 days from the date the computation is made. If the fair value totals more than one percent of the balance of the LGIP in terms of unrealized gain or loss, the amount is required to be distributed to the pool participants. Fifty percent of the LGIP portfolio must mature within 93 days. Up to twenty-five percent of the LGIP portfolio may mature in over one year and no investment may mature in over three years.

The District requires all securities to be purchased in the District's name and held in third party safekeeping.

The Oregon Local Government Investment Pool is unrated. Other investments held at June 30, 2021 are categorized by Moody's and Standard and Poor's ratings as follows:

<b>Moody's Rating</b>	U.S. Government & Agency Obligations	Corporate Notes	Municipal Bonds	Total
Aaa	\$ 253,454	\$ 80,498	\$ -	\$ 333,952
Aa1	-	15,373	7,215	22,588
Aa2	-	52,640	8,821	61,461
Aa3	-	7,740	-	7,740
A1	-	114,924	-	114,924
A2	-	45,876	-	45,876
NR	53,054	-	22,840	75,894
	\$ 306,508	\$ 317,051	\$ 38,876	\$ 662,435
Weighted Average Maturity (Yrs)	0.42	0.49	0.33	0.45

<b>S &amp; P Rating</b>	U.S. Government & Agency Obligations	Corporate Notes	Municipal Bonds	Total
AAA	\$ -	\$ 80,498	\$ -	\$ 80,498
AA+	253,454	-	-	253,454
AA	-	-	6,934	6,934
AA-	-	25,371	4,929	30,300
A+	-	105,341	-	105,341
A	-	75,293	-	75,293
A-	-	21,036	-	21,036
BBB+	-	9,512	-	9,512
SP-1+	-	-	12,705	12,705
NR	53,054	-	14,308	67,362
	\$ 306,508	\$ 317,051	\$ 38,876	\$ 662,435
Weighted Average Maturity (Yrs)	0.42	0.49	0.33	0.45



**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS – continued**

**A. Investments – continued**

***Interest rate risk***

In accordance with its investment policy, the District manages its exposure to declines in fair value of its investments by structuring the investment portfolio so that securities mature to meet ongoing operations.

***Credit risk***

Oregon Revised Statutes authorize school districts to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States, commercial paper, bankers' acceptances guaranteed by a qualified financial institution, repurchase agreements, interest bearing bonds of any city, county, port or school district in Oregon, Washington, Idaho, and California (subject to specific standards), and the LGIP, among others. The Board of Education has adopted a policy which complies with state statutes.

***Concentration of credit risk-investments***

In accordance with GASB 40, the District is required to report all individual non-federal investments which exceed 5.00 percent of total invested funds. As of June 30, 2021 the District held the following individual non-federal assets that exceeded 5.00 percent of total invested funds:

	Value	Percentage of Total Investments
Lloyds Bank	\$ 39,972	6.0%
Asian Development Bank	35,756	5.4%
Natixis Bank	34,975	5.3%

***Custodial risk-deposits***

The District's deposits with financial institutions are insured by the Federal Depository Insurance Corporation (FDIC); interest and non-interest bearing accounts are insured up to \$250 thousand. To provide additional security required and authorized by Oregon Revised Statutes, Chapter 295, deposits above insurance limits are covered by collateral held in a multiple financial institution collateral pool administered by the State of Oregon. At June 30, 2021, bank balances of \$1,250 were insured by the FDIC. Funds not covered by FDIC insurance are covered by the Oregon State Treasury Collateral Pool. At June 30, 2021, the carrying amount of the District's balance was \$287,297 and the bank balance was \$291,227.

***Custodial credit risk-investments***

For an investment, this is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The District's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP 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, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. Investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to LGIP investments.

**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 5 – RECEIVABLES**

Receivables at June 30, 2021 are summarized as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Accounts and other receivables:					
Interest Receivable	\$ -	\$ 4	\$ -	\$ 1,123	\$ 1,127
Accounts receivable	1,519	6,456	-	2,035	10,010
Federal, state and local grants	-	34,035	-	-	34,035
Total accounts and other receivables	1,519	40,495	-	3,158	45,172
Property and other taxes receivable	10,509	-	3,212	-	13,721
Total receivables	<u>\$ 12,028</u>	<u>\$ 40,495</u>	<u>\$ 3,212</u>	<u>\$ 3,158</u>	<u>\$ 58,893</u>

**NOTE 6 – PREPAID ITEMS**

A summary of changes in prepaid items for the year ended June 30, 2021 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Postage	\$ 190	\$ 165	\$ (150)	\$ 205
Insurance	5,648	-	(1,478)	4,170
Workers Compensation Prefund	300	-	-	300
Other	62	423	(62)	423
Total Prepaid Assets	<u>\$ 6,200</u>	<u>\$ 588</u>	<u>\$ (1,690)</u>	<u>\$ 5,098</u>

Prepaid insurance consists of Owner Controlled Insurance Program (OCIP), which provides liability coverage for major construction contracts, and builders risk insurance for high school rebuilds. The District has two OCIP policies being amortized over five years. OCIP I is being amortized April 2019 to April 2024. OCIP II is being amortized June 2020 to June 2025. The District has one builder's risk policy for Lincoln High School, being amortized over 28 months, April 2020 to July 2022.

The District is self-insured for workers' compensation claims. The Workers Compensation Prefund is an escrow account held by the District's third-party administrator for monthly payment of claims.

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**NOTE 7 – CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2021 is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Capital assets not being depreciated or amortized</b>					
Land	\$ 9,174	\$ -	\$ -	\$ -	\$ 9,174
Construction in progress	272,766	285,906	(7,040)	(53,127)	498,505
Total capital assets not being depreciated or amortized	<u>281,940</u>	<u>285,906</u>	<u>(7,040)</u>	<u>(53,127)</u>	<u>507,679</u>
<b>Capital assets being depreciated or amortized</b>					
Buildings and site improvements	881,218	-	-	52,564	933,782
Vehicles and equipment	39,376	491	(484)	563	39,946
Total capital assets being depreciated or amortized	<u>920,594</u>	<u>491</u>	<u>(484)</u>	<u>53,127</u>	<u>973,728</u>
Total general capital assets	<u>1,202,534</u>	<u>286,397</u>	<u>(7,524)</u>	<u>-</u>	<u>1,481,407</u>
<b>Less accumulated depreciation and amortization</b>					
Buildings and site improvements	(256,073)	(21,136)	-	-	(277,209)
Vehicles and equipment	(29,089)	(2,173)	435	-	(30,827)
Total accumulated depreciation and amortization	<u>(285,162)</u>	<u>(23,309)</u>	<u>435</u>	<u>-</u>	<u>(308,036)</u>
Total capital assets, net of accumulated depreciation	<u>\$ 917,372</u>	<u>\$ 263,088</u>	<u>\$ (7,089)</u>	<u>\$ -</u>	<u>\$ 1,173,371</u>

Depreciation expense for governmental activities is charged to functions as follows:

Instruction	\$ 20,615
Supporting services	2,514
Enterprise and Community Services	180
	<u>\$ 23,309</u>

As of June 30, 2021 the District has one school that was closed and idle: Smith elementary school. As of June 30, 2021 the carrying value of this school is \$472 and is included in the capital assets summary above.

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**NOTE 8 – INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS**

Interfund balances represent cash owed by one fund to another. Interfund receivables and payables at June 30, 2021 are as follows:

	Due To	Due From
General Fund	\$ 40,975	\$ 744
Special Revenue Fund	744	40,975
Capital Projects Fund	-	-
	\$ 41,719	\$ 41,719

There is a \$744 interfund balance between the General Fund and the Special Revenue Fund for monies invested on behalf of Student Body Fund accounts. The Special Revenue Fund was advanced \$40,975, by the General Fund to cover unbilled expenditures.

The composition of interfund transfers as of June 30, 2021, is as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 1,198
Special Revenue Fund	716	651
Debt Service Fund	1,750	-
Capital Projects Fund	-	617
	\$ 2,466	\$ 2,466

The District's General Fund made debt service transfers totaling \$1,133 to the Debt Service Fund for principal and interest payments on the District's Full Faith & Credit obligations. The District's General Fund also made transfers totaling \$65 to the Special Revenue Fund to cover write-offs. The District's Special Revenue Fund made transfers of \$651 between funds to reclassify Medicaid funding. The Capital Projects Fund made transfers of \$617 to the Debt Service Fund for principal and interest payments on the District's Full Faith & Credit and QZAB obligations.

**NOTE 9 – ACCRUED COMPENSATED ABSENCES**

The General Fund and Special Revenue Fund are the primary funds from which the compensated absences balance liability is liquidated.

The change in the balance of accrued compensated absences for the year was as follows:

Outstanding June 30, 2020	Increases	Payments	Outstanding June 30, 2021	Due Within One Year
\$ 5,286	\$ 4,742	\$ (3,201)	\$ 6,826	\$ 3,578

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**NOTE 10 – BONDED AND OTHER DEBT**

Changes in District long-term debt during fiscal year 2021 were as follows:

	Original Amount	Beginning Balance	Additions	Matured and Redeemed	Ending Balance	Due Within One Year
<b>Pension debt:</b>						
Limited tax pension bonds						
Series 2002	\$ 210,104	\$ 142,580	\$ -	\$ -	\$ 142,580	\$ 15,900
Series 2003	281,170	179,082	-	(7,503)	171,579	7,673
Series 2012	14,400	14,400	-	(14,400)	-	-
Total pension debt (See Note 11)	<u>505,674</u>	<u>336,062</u>	<u>-</u>	<u>(21,903)</u>	<u>314,159</u>	<u>23,573</u>
<b>Other Debt:</b>						
Recovery Zone Economic Development Bonds	11,000	2,761	-	(1,061)	1,700	1,093
General Obligation Bonds Series 2013B	68,575	59,020	-	(52,995)	6,025	2,865
General Obligation Bonds Series 2015B	244,700	152,400	-	(36,255)	116,145	5,735
QZAB Series 2016	4,000	3,400	-	(200)	3,200	200
Full Faith and Credit Obligations Series 2016	5,048	4,213	-	(295)	3,918	305
General Obligation Bonds Series 2017B	241,890	179,665	-	(1,970)	177,695	2,315
General Obligation Bonds Series 2020	441,320	441,320	-	(54,930)	386,390	41,625
General Obligation Bonds Series 2020B	365,465	-	365,465	-	365,465	40,240
General Obligation Bonds Series 2020C	53,965	-	53,965	(560)	53,405	885
Total other debt	<u>1,435,963</u>	<u>842,779</u>	<u>419,430</u>	<u>(148,266)</u>	<u>1,113,943</u>	<u>95,263</u>
Total long-term debt	<u>\$ 1,941,637</u>	<u>1,178,841</u>	<u>419,430</u>	<u>(170,169)</u>	<u>1,428,102</u>	<u>118,836</u>
Unamortized bond premium (discount)		<u>105,909</u>	<u>31,205</u>	<u>(11,483)</u>	<u>125,631</u>	<u>7,765</u>
Total long-term debt, net of premiums (discounts)		<u>\$ 1,284,750</u>	<u>\$ 450,635</u>	<u>\$ (181,652)</u>	<u>\$ 1,553,733</u>	<u>\$ 126,601</u>

Changes in District accrued interest during fiscal year 2021 were as follows:

	Beginning Balance	Additions	Payments and Reductions	Ending Balance
Accrued Interest:				
Current Portion	\$ 20,486	\$ 74,021	\$ (71,455)	\$ 23,052
Long Term Portion	28,713	-	(13,079)	15,634
Total Accrued Interest	<u>\$ 49,199</u>	<u>\$ 74,021</u>	<u>\$ (84,534)</u>	<u>\$ 38,686</u>

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**NOTE 10 – BONDED AND OTHER DEBT – continued**

**A. Limited Tax Pension Bonds**

In October 2002 Portland Public Schools participated as one of forty-one Oregon school districts and education service districts in issuing limited tax pension bonds. The proceeds were used to finance a portion of the estimated unfunded actuarial liability of each participating school district with the Oregon Public Employees Retirement System (“OPERS”). The Oregon School Boards Association (“OSBA”) sponsored this pooled limited tax pension bond program. The OSBA does not have a financial obligation in connection with the bonds issued under the program. Except for the payment of its pension bond payments and additional charges when due, each participating school district has no obligation or liability to any other participating school district’s pension bonds or liabilities to OPERS. In April 2003, OSBA sponsored another pooled limited tax pension bond program with thirty school districts and education service districts. Payments of yearly principal and interest are recorded as financial statement expenditures in instruction and in support services. The District anticipates the total costs of financing the District’s actuarial obligation in this manner will result in a significant savings to the District when compared to paying for such costs as additional contribution rates to OPERS.

The District issued \$210,104 Limited Tax Pension Bonds, Series 2002 (Federally Taxable), of which \$53,524 are Series 2002A (deferred interest bonds) and \$156,580 are Series 2002B (current interest bonds). The 2002 series Limited Tax Pension Bonds were issued on October 31, 2002, and are payable annually through June 2028. Interest on the deferred interest bonds is accreted semiannually at a yield of 6.10 percent. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.48 to 5.55 percent. The Series 2002A Bonds are not subject to optional prepayment prior to maturity. The Series 2002B Bonds maturing June 30, 2021, shall be subject to prepayment from pension prepayments on or after June 30, 2009, and those due June 30, 2028 are subject to mandatory prepayment prior to its stated maturity, in whole or part, on any June 30 on or after June 30, 2024. During 2012 \$14,200 of Series 2002 Pension Bonds were refinanced. See the description of the Limited Tax Pension Bonds, Series 2012 below.

The District issued \$281,170 Limited Tax Pension Bonds, Series 2003 (Federally Taxable), of which \$124,800 are Series 2003A (deferred interest bonds) and \$156,370 are Series 2003B (current interest bonds). The Series 2003 series Limited Tax Pensions Bonds were issued on April 30, 2003, and are payable annually through June 2028. Interest on the deferred interest bonds is accreted payable semiannually at yields rates ranging from 5.45 to 6.27 percent. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.45 to 6.27 percent. The bonds are federally taxable and are not subject to optional prepayment prior to their stated maturities.

On January 31, 2012 the District issued \$14,400 in Limited Tax Pension Refunding Bonds, Series 2012. The interest rate was fixed at 2.75 percent and interest payments on the bonds were payable semiannually in June and December. The bonds matured on June 30, 2021. The total amount of interest savings (economic gain) as a result of the refinancing was \$3,200 dollars. The bond proceeds, \$14,200, were used to pay on the Limited Tax Pension Bonds, Series 2002. Under the terms of the borrowing agreements for the 2002, 2003 and 2012 Limited Tax Pension Bonds, the District is bound by an intercept agreement whereby Wells Fargo Bank Northwest NA, as the trustee, directly receives specified amounts that have been withheld from the District’s State School Fund support payments that are deposited in trust with LGIP. Wells Fargo Bank Northwest NA then makes the scheduled semi-annual debt service payments from the LGIP trust account.

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**NOTE 10 – BONDED AND OTHER DEBT – continued**

**B. General Obligation Bonds**

As part of a \$482 million capital bond measure passed by District voters in 2012, the District issued the following General Obligation debt to finance school renovation and replacement:

On May 1, 2013 the District issued \$68,575 in General Obligation Bonds, Series 2013B. The interest rate is fixed at rates ranging from 3.50 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2013. The bonds mature on June 15, 2033 with principal payments due annually on June 15. The bonds were issued at a premium of \$7,923 which is being amortized over the life of the bonds.

On April 30, 2015 the District issued \$244,700 in General Obligation Bonds, Series 2015B. The interest rate is fixed at rates ranging from 3.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2015. The Series 2015B Bonds maturing on or after 2026 are subject to redemption, at the option of the District, in whole or part, on or after June 15, 2025. The bonds mature on June 15, 2033 with principal payments due annually on June 15. The bonds were issued at a premium of \$33,178 which is being amortized over the life of the bonds.

On August 10, 2017 the District issued \$62,160 in General Obligation Bonds, Series 2017B. The interest rate is fixed at 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2017. The Series 2017B Bonds are not subject to early redemption prior to maturity. The bonds mature on June 15, 2030, with principal payments due annually on June 15. The bonds were issued at a premium of \$9,854 which is being amortized over the life of the bonds.

On December 30, 2020 the District issued \$53,965 in General Obligation Advance Refunding Bonds, Series 2020C. The bond proceeds were deposited into an escrow account, invested in State and Local Government Securities, and will be used to retire \$50,410 of General Obligation Bonds, Series 2013B at the maturity date of June 30, 2023. The interest rate is fixed at rates ranging from 1.05 to 2.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning June 15, 2021. As a result of the advance refunding, debt service has been reduced by \$6,200, with a Net Present Value savings of \$5,454. The Series 2020C Bonds maturing on June 15, 2031 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2030 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2033 with principal payments due annually on June 15. The bonds were issued at a premium of \$1,631 which is being amortized over the life of the bonds.

As part of a \$790 million capital bond measure passed by District voters in 2017, the District has issued the following General Obligation debt to finance school renovation and replacement:

On August 10, 2017, the District issued \$168,950 in General Obligation Bonds, Series 2017A. The interest rate was fixed at 1.65 percent. Interest payments on the bonds were payable semiannually in June and December, beginning December 15, 2017. The bonds matured on June 15, 2020. The bonds were issued at a premium of \$155 which was being amortized over the life of the bonds. On August 10, 2017 the District issued \$179,730 in General Obligation Bonds, Series 2017B. The interest rate is fixed at rates ranging from 3.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2017. The Series 2017B Bonds maturing on June 15, 2028 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2027 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2044 with principal payments due annually on June 15. The bonds were issued at a premium of \$1,051 which is being amortized over the life of the bonds.

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**NOTE 10 – BONDED AND OTHER DEBT – continued**

On April 14, 2020 the District issued \$441,320 in General Obligation Bonds, Series 2020. The interest rate is fixed at rates ranging from 3.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2020. The Series 2020 Bonds maturing on June 15, 2031 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2030 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2037 with principal payments due annually on June 15. The bonds were issued at a premium of \$68,202 which is being amortized over the life of the bonds.

As part of a \$1,208 million capital bond measure passed by District voters in 2020, the District has issued the following General Obligation debt to finance school renovation and replacement:

On December 30, 2020 the District issued \$365,465 in General Obligation Bonds, Series 2020B. The interest rate is fixed at rates ranging from 1.50 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2021. The Series 2020B Bonds maturing on June 15, 2031 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2030 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2046 with principal payments due annually on June 15. The bonds were issued at a premium of \$29,574 which is being amortized over the life of the bonds.

Pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), the City of Portland was awarded \$13,500 in Recovery Zone Economic Development Bonds (RZEDBs). In July 2010, the City sub-awarded \$11,000 of the RZED bonds to Portland Public Schools, which are being used to complete energy and water conservation projects that will financially benefit the District in reduced energy and water costs and will yield on-going financial benefit once the bonds are paid off. The District makes semi-annual interest payments and annual principal payments, and the bonds will mature in December 2022. The bond's interest payments of 5.05 percent are 42.2 percent federally subsidized.

On August 4, 2016 the District issued \$4,000 in Qualified Zone Academy Bonds (QZAB), Series 2016. The District pays no interest rate over the 20 year term of the bonds. The bonds carry a 4.39 percent interest rate for structuring purposes, but the purchaser of the bonds receives a Federal tax credit in lieu of interest earnings. The bonds mature on August 4, 2036 with level principal payments due annually on August 4.

On November 9, 2016 the District issued \$5,048 in Full Faith and Credit Obligations, Series 2016. The interest rate is fixed at 2.99 percent. Interest payments on the obligations are payable semiannually in June and December, beginning June 1, 2018. The obligations mature on December 1, 2031, with principal payments due annually on December 1. The obligations carry a prepayment option such that any or all outstanding maturities may be redeemed on or after December 1, 2018. The bonds were issued at par.



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**NOTE 10 – BONDED AND OTHER DEBT - continued**

Article XI-K of the Oregon Constitution allows the state to guarantee the general obligation bonded indebtedness of school districts. For the Series 2013B, 2015B, 2017A and 2017B GO Bonds mentioned immediately above, the District participated in the Oregon School Bond Guaranty program (ORS 328.321 to 328.356), whereby the State of Oregon (State) guarantees all principal and interest payments until maturity will be made to bondholders when due. Should the District fail to make a payment of debt service on these bonds when due, the State will make the payment on behalf of the District, and then will seek recovery from the District. The State may recover funds by means of intercepting any source of operating moneys normally remitted from the State to the District. Since the inception of the bonds, the District has not used the guarantee, and there are no outstanding amounts due to the State of Oregon as of June 30, 2020.

Federal arbitrage restrictions apply to substantially all debt. Any liabilities to the federal government are accrued and paid when due. Long-term debt payments are made from the debt service funds.

Future annual debt service requirements for the District are as follows:

Fiscal year	Limited tax pension bonds	Recovery zone bonds	Other full faith & credit	General Obligation Bonds	QZAB	Total
<b>Principal</b>						
2022	\$ 23,573	\$ 1,093	\$ 305	\$ 93,665	\$ 200	\$ 118,836
2023	25,481	607	315	107,970	200	134,573
2024	48,820	-	325	54,465	200	103,810
2025	54,100	-	335	59,445	200	114,080
2026	61,345	-	345	42,860	200	104,750
2027-2031	100,840	-	1,885	236,550	1,000	340,275
2032-2036	-	-	408	203,720	1,000	205,128
2037-2041	-	-	-	154,670	200	154,870
2042-2046	-	-	-	151,780	-	151,780
Total principal	<u>314,159</u>	<u>1,700</u>	<u>3,918</u>	<u>1,105,125</u>	<u>3,200</u>	<u>1,428,102</u>
<b>Interest</b>						
2022	34,125	72	113	47,161	-	81,471
2023	34,561	15	103	37,083	-	71,762
2024	14,897	-	94	31,711	-	46,702
2025	12,170	-	84	29,110	-	41,364
2026	9,126	-	74	26,267	-	35,467
2027-2031	7,547	-	205	99,773	-	107,525
2032-2036	-	-	5	57,193	-	57,198
2037-2041	-	-	-	30,783	-	30,783
2042-2046	-	-	-	9,945	-	9,945
Total interest	<u>112,426</u>	<u>87</u>	<u>678</u>	<u>369,026</u>	<u>-</u>	<u>482,217</u>
Total debt service	<u>\$ 426,585</u>	<u>\$ 1,787</u>	<u>\$ 4,596</u>	<u>\$ 1,474,151</u>	<u>\$ 3,200</u>	<u>\$ 1,910,319</u>

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**NOTE 11 – PENSION PLANS**

**Pension Plans - Summary**

The District offers a cost-sharing multiple-employer defined benefit plan through the Oregon Public Employees Retirement System (OPERS) and a single-employer defined benefit early retirement stipend (Stipend). The breakdown of the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions are:

	OPERS	Stipend	Net
Total Pension Liability	\$ (521,329)	\$ (6,090)	\$ (527,419)
Total Pension Expense	\$ 112,745	\$ (249)	\$ 112,496
Pension Deferred Outflows of Resources	\$ 229,469	\$ 1,119	\$ 230,588
Pension Deferred Inflows of Resources	\$ (96,347)	\$ (73)	\$ (96,420)

**A. Oregon Public Employees Retirement System (OPERS)**

**General Information about the Pension Plan**

*Name of the pension plan:* The Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple-employer defined benefit plan, administered by the Public Employees Retirement Board with authority granted by the Oregon Legislature.

*Plan description.* Employees of the District are provided with pensions through OPERS. The General Fund and the Special Revenue Fund are the primary funds from which the pension liability is liquidated. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A, and Internal Revenue Code Section 401(a). The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. OPERS issues a publicly available financial report that can be obtained at:

<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

**Benefits provided under Chapter 238 - Tier One / Tier Two Retirement Benefit Plan**

1. *Pension Benefits.* The OPERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.00 percent for Police and Fire employees, 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 under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

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

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**NOTE 11 – PENSION PLANS – continued**

**A. Oregon Public Employees Retirement System (OPERS) – continued**

***Benefits provided under Chapter 238 - Tier One / Tier Two – continued***

2. *Death Benefits.* Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:
  - the member was employed by an OPERS employer at the time of death,
  - the member died within 120 days after termination of OPERS-covered employment,
  - the member died as a result of injury sustained while employed in an OPERS-covered job, or
  - the member was on an official leave of absence from an OPERS-covered job at the time of death.
3. *Disability Benefits.* A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-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.
4. *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 fair value of the underlying equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.00 percent.

***Benefits provided under Chapter 238A - Oregon Public Service Retirement Plan (OPSRP).***

1. *Pension Benefits.* The ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

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

*General Service:* 1.50 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 OPSRP 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.

2. *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.

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**NOTE 11 – PENSION PLANS – continued**

**A. Oregon Public Employees Retirement System (OPERS) – continued**

***Benefits provided under Chapter 238A – Oregon Public Service Retirement Plan (OPSRP) – continued***

3. *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.
4. *Benefit Changes after Retirement.* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA vary based on the amount of the annual benefit.

***Contributions:***

OPERS 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. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments to establish side accounts, and their rates have been reduced.

The District's rates in effect for the fiscal year ended June 30, 2021 were:

Tier One / Tier Two	8.75%
OPSRP General Service	3.36%

The District contributed approximately \$17.7 million for the year ended June 30, 2021.

***Actuarial Valuations:***

The employer contribution rates effective July 1, 2020 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One / Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) 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 20 years.

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution 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.

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**NOTE 11 – PENSION PLANS – continued**

**A. Oregon Public Employees Retirement System (OPERS) – continued**

***Actuarial Valuations - continued***

*Actuarial Methods and Assumptions:*

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study	2018, published July 24, 2019
Actuarial Assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
COLA	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p><b><i>Healthy retirees and beneficiaries:</i></b>  Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation</p> <p><b><i>Active members:</i></b>  Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation</p> <p><b><i>Disabled retirees:</i></b>  Pub-2010 Disable Retiree sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation</p>

*Source: OPERS Comprehensive Annual Financial Report, For the Fiscal Year Ended June 30, 2020*

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits 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 methods and assumptions shown above are based on the 2018 Experience Study.

*Discount Rate:*

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from 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.

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**NOTE 11 – PENSION PLANS – continued**

**A. Oregon Public Employees Retirement System (OPERS) – continued**

***Actuarial Valuations - continued***

*Depletion Date Projection:*

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is OPERS’ independent actuary’s opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

*Assumed Asset Allocation:*

<u>Asset Class/Strategy</u>	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target Allocation</u>
Debt Securities	15.0 %	25.0 %	20.0 %
Public Equity	27.5	37.5	32.5
Real Estate	9.5	15.5	12.5
Private Equity	14.0	21.0	17.5
Alternatives Portfolio	7.5	17.5	15.0
Opportunity Portfolio	0.0	3.0	0.0
Risk Parity	0.0	2.5	2.5
Total			100.0 %

*Source: OPERS Comprehensive Annual Financial Report, For the Fiscal Year Ended June 30, 2020*

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**NOTE 11 – PENSION PLANS – continued**

**A. Oregon Public Employees Retirement System (OPERS) – continued**

***Actuarial Valuations - 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 May 2019 the OPERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Core Fixed Income	9.60 %	4.07 %
Short-Term Bonds	9.60	3.68
Bank/Leveraged Loans	3.60	5.19
High Yield Bonds	1.20	5.74
Large/Mid Cap US Equities	16.17	6.30
Small Cap US Equities	1.35	6.68
Micro Cap US Equities	1.35	6.79
Developed Foreign Equities	13.48	6.91
Emerging Market Equities	4.24	7.69
Non-US Small Cap Equities	1.93	7.25
Private Equity	17.50	8.33
Real Estate (Property)	10.00	5.55
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds - Diversified	1.50	4.06
Hedge Fund - Event-driven	0.38	5.59
Timber	1.13	5.61
Farmland	1.13	6.12
Infrastructure	2.25	6.67
Commodities	1.13	3.79
Assumed Inflation – Mean		2.50 %

*Source: OPERS Comprehensive Annual Financial Report, For the Fiscal Year Ended June 30, 2020*

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**NOTE 11 – PENSION PLANS – continued**

**A. Oregon Public Employees Retirement System (OPERS) – continued**

***Actuarial Valuations - continued***

*Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate:*

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.20 percent) or one percentage point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension liability	\$774,130	\$521,329	\$309,343

*Pension plan fiduciary net position:*

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS financial report available at: <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:*

At June 30, 2021, the District reported a liability of \$531,329 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The District’s proportion of the net pension liability was based on the District’s projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers. At June 30, 2021, the District’s proportion was 2.39 percent, which is an increase of 0.62 from the District’s proportion of 1.77 percent for the year ended June 30, 2020.

For the year ended June 30, 2021, the District recognized pension expense of \$112.7 million for the defined benefit portion of the pension plan. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources	Net
Pension changes in employer proportion	\$ 99,561	\$ (37,415)	\$ 62,146
Pension differences between employer contribution and proportionate share of contributions	-	(57,952)	(57,952)
Pension differences between expected and actual experience	22,945	-	22,945
Pension differences due to changes in assumptions	27,978	(980)	26,998
Pension differences between expected and actual earnings	61,301	-	61,301
Total (prior to post-measurement date contributions)	211,785	(96,347)	115,438
Pension contributions subsequent to measurement date	17,684	-	17,684
Net Deferred Outflow/(Inflow) of Resources	\$ 229,469	\$ (96,347)	\$ 133,122

*Source: OPERS Schedule of Pension Amounts under GASB 68, June 30, 2020*



**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 11 – PENSION PLANS – continued**

**A. Oregon Public Employees Retirement System (OPERS) – continued**

***Actuarial Valuations - continued***

The deferred outflow of resources of \$17.7 million resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2022	\$ 28,435
Fiscal Year 2023	28,091
Fiscal Year 2024	25,550
Fiscal Year 2025	29,544
Fiscal Year 2026	3,818
Total	\$ 115,438

*Source: OPERS Schedule of Pension Amounts under GASB 68, June 30, 2020*

***Defined Contribution Plan***

**OPSRP Individual Account Program (OPSRP IAP)**

*Plan Description:*

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Beginning January 1, 2004, OPERS active Tier One and Tier Two members became members of the IAP of OPSRP. OPERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member’s IAP account. OPSRP is a part of OPERS and is administered by the OPERS Board.

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**NOTE 11 – PENSION PLANS – continued**

**A. Oregon Public Employees Retirement System (OPERS) – continued**

***Defined Contribution Plan- continued***

*Pension Benefits:*

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

*Death Benefits:*

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

*Contributions:*

Employees of the District contribute 6.0 percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2021. Included in accrued liabilities at June 30, 2021 are \$2.1 million for employee contributions owed to the plan.

**B. District Plan - Stipend**

***Plan Description***

The District provides a single-employer defined benefit early retirement program for members of the Portland Association of Teachers (PAT), physical therapists, occupational therapists and licensed administrators. Certificated employees with 15 consecutive years of at least half time service with the District, and who are eligible to retire under OPERS, and who retired before age 62 are eligible for the early retirement benefits. Eligible employees are entitled to a monthly benefit of \$425 dollars commencing on the first month after the retirement. Benefits are payable up to the earlier of attaining age 62 or receiving 60 monthly payments. The General Fund and the Special Revenue Fund are the primary funds from which the stipend liability is liquidated. The District does not issue a separate stand-alone financial report for this plan. The District pays for the benefits without any cost to employees. The contributions are financed on a pay-as-you-go basis, and there are no assets accumulated in a trust. The program was established under separate bargaining agreements and may be amended by the District under new collective bargaining agreements.

***Total Stipend Liability***

The District's total stipend liability of \$6.1 million was measured as of June 30, 2020, rolled forward to June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

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**NOTE 11 – PENSION PLANS – continued**  
**B. District Plan - Stipend – continued**

***Actuarial Assumptions and Other Inputs***

The total Stipend liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2020
Measurement Date	June 30, 2020
Inflation	2.50%
Projected salary growth	3.50%
Discount rate	2.21%
Withdrawal, retirement, and mortality rates	December 31, 2018 Oregon PERS valuation
Lapse rates	5% annual lapse rate
Actuarial cost method	Entry Age Normal Level Percent of Pay
Demographic Assumptions	
Mortality	Pub-2010 sex-distinct base tables, as specified below. <b>Male retiree:</b> Teachers, no set back <b>Male spouse:</b> General Employees, set back 12 months <b>Female retiree:</b> Teachers, no set back <b>Female spouse:</b> General Employees, no set back
Withdrawal	Based on Oregon PERS assumptions. Annual rates are based on gender and duration from hire date.
Retirement	Based on Oregon PERS assumption. Annual rates are based on age, Tier/OPSRP, and duration of service

**Discount Rate** – Under GASB 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The discount rate in effect for the June 30, 2021 reporting date is 2.21 percent, reflecting the Bond Buyer 20-Year General Obligation Bond Index.

***Changes in the Total Stipend Liability***

	<u>Total Stipend Liability</u>
Balance at 6/30/2020	\$ 6,209
Changes for the year:	
Service cost	207
Interest	209
Effect of plan changes	264
Effect of economic/demographic gains or losses	145
Effect of assumptions changes or inputs	(69)
Benefit payments	(875)
Net changes	<u>(119)</u>
Balance at 6/30/2021	<u>\$ 6,090</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% in 2020 to 2.21% in 2021.

**School District No. 1J, Multnomah County, Oregon**

Notes to the Basic Financial Statements

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**NOTE 11 – PENSION PLANS – continued**

**B. District Plan - Stipend – continued**

*Sensitivity of the total stipend liability to changes in the discount rate.* The following presents the total stipend liability of the District, as well as what the District’s total stipend liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease <u>(1.21%)</u>	Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
Total Stipend Liability	\$ 6,280	\$ 6,090	\$ 5,893

***Stipend Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Stipend***

For the year ended June 30, 2021, the District recognized stipend benefit of \$249. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to the stipend from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Pension differences between expected and actual experience	\$ 138	\$ -	\$ 138
Pension differences due to changes in assumptions	42	(73)	(31)
Total (prior to post-measurement date contributions)	180	(73)	107
Pension contributions subsequent to measurement date	939	-	939
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 1,119</u>	<u>\$ (73)</u>	<u>\$ 1,046</u>

Deferred outflows of resources related to the stipend of \$939 resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the stipend will be recognized in the stipend expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2022	\$ 43
Fiscal Year 2023	38
Fiscal Year 2024	24
Fiscal Year 2025	2
Total	<u>\$ 107</u>

**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS**

**Other Post-Employment Benefits (OPEB) - Summary**

The District offers a retirement health insurance subsidy (RHIS) and contributes to a retirement health insurance account (RHIA) through OPERS. The breakdown of the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB are:

	<u>RHIS</u>	<u>RHIA</u>	<u>Net</u>
Total OPEB Liability	\$ (78,581)	\$ -	\$ (78,581)
Net OPEB Asset	\$ -	\$ 5,966	\$ 5,966
Total OPEB Expense	\$ 51	\$ (841)	\$ (790)
OPEB Deferred Outflows of Resources	\$ 17,866	\$ 1,126	\$ 18,992
OPEB Deferred Inflows of Resources	\$ (3,810)	\$ (961)	\$ (4,771)

**A. Retirement Health Insurance Subsidy (RHIS)**

***Plan Description***

The District provides a single-employer defined benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses for employees who have retired from the District with a minimum of fifteen accumulated years of service and are eligible to retire from the Oregon retirement system. There are 5,820 active and 484 retired members or beneficiaries currently receiving benefit payments in the plan. Covered employees under the plan are eligible to receive full or part District-paid medical and pharmacy benefits for up to 60 months, or until reaching age 65, whichever comes first. The District also pays a portion of the spouse/domestic partner medical and pharmacy costs during the benefit period. The program was established under separate collective bargaining agreements with the certificated and classified employees and by precedent for all other District employees. The Portland Teachers Association (PAT) group terminated this benefit after September 30, 2019. All other bargaining units and employee groups, except the District Council Unions (DCU), agreed to terminate this benefit after June 30, 2014. The DCU agreed to terminate this benefit after December 31, 2014. Under Oregon Revised Statute (ORS) 243.303 any OPERS qualifying public employee is allowed to pay the full cost for continued coverage under the District group health plans until they become Medicare eligible. The plan does not issue a separate financial report, and there are no assets accumulated in a trust. The plan may be amended by the District under new collective bargaining agreements.

***Benefits Provided***

The District pays for the benefits. The contributions are financed on a pay-as-you-go basis. The General Fund and the Special Revenue Fund are the primary funds from which the Other Post Employment Benefit liability is liquidated.

***Employees covered by benefit terms***

As of June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	355
Inactive employees entitled to but not yet receiving benefit payments	129
Active employees	<u>5,820</u>
	<u><u>6,304</u></u>

**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS - continued**

**A. Retirement Health Insurance Subsidy (RHIS) – continued**

***Total RHIS Liability***

The District’s total RHIS liability of \$78.6 million was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2020, rolled forward to June 30, 2021.

***Actuarial Methods and Assumptions***

Actuarial methods and assumptions, with the exception of the Health Care Cost Trend, are consistent with those disclosed for the District Stipend. See Footnote 11 – Pension Plans, part B. District Plan - Stipend for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate.

**Health Care Cost Trend** – The actuarial calculations used an assumption that medical costs will increase to 5.75 percent in the first year and reach an eventual ultimate rate of 4.00 percent. These trends are based on a long-term medical trend model published and updated by the Society of Actuaries. Known as the “Getzen model”, it produces long-range trend assumptions built on assumed long-term relationships between certain key economic factors. It also assumes that dental and vision costs will increase by the lesser of the medical cost trend previously described and 4.00 percent per year.

***Changes in the Total RHIS Liability***

	Increase (Decrease) in Total RHIS Liability
Balance at 6/30/2020	\$ 81,319
Changes for the year:	
Service cost	3,141
Interest	2,818
Effect of changes to benefit terms	722
Effect of economic/demographic gains or losses	(2,676)
Effect of assumptions changes or inputs	1,151
Benefit payments	(7,894)
Net changes	(2,738)
Balance at 6/30/2021	\$ 78,581

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% in 2020 to 2.21% in 2021.

*Sensitivity of the total RHIS liability to changes in the discount rate.* The following presents the total RHIS liability of the District, as well as what the District’s total RHIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total RHIS Liability	\$ 83,013	\$ 78,581	\$ 74,295

**School District No. 1J, Multnomah County, Oregon**

Notes to the Basic Financial Statements

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**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS - continued**

**A. Retirement Health Insurance Subsidy (RHIS) – continued**

*Sensitivity of the total RHIS liability to changes in the healthcare cost trend rates.* The following presents the total RHIS liability of the District, as well as what the District’s total RHIS liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total RHIS Liability	\$ 72,330	\$ 78,581	\$ 85,740

***RHIS Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to RHIS***

For the year ended June 30, 2021, the District recognized RHIS expense of \$51. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to RHIS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
OPEB differences between expected and actual experience	\$ 2,510	\$ (2,368)	\$ 142
OPEB differences due to changes in assumptions	7,630	(1,442)	6,188
Total (prior to post-measurement date contributions)	10,140	(3,810)	6,330
OPEB contributions subsequent to measurement date	7,726	-	7,726
Total as of June 30, 2020	<u>\$ 17,866</u>	<u>\$ (3,810)</u>	<u>\$ 14,056</u>

Deferred outflows of resources related to RHIS of \$7.7 million resulting from the District’s contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIS will be recognized in RHIS expense as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
Fiscal Year 2022	\$ 1,094
Fiscal Year 2023	1,094
Fiscal Year 2024	1,094
Fiscal Year 2025	1,094
Fiscal Year 2026	1,411
Thereafter	543
Total	<u>\$ 6,330</u>

**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS – continued**

**B. Retirement Health Insurance Account (RHIA)**

***Plan Description***

As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information and is available at: <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

***Benefits***

RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees.

***Contributions***

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

The District's rates in effect for the fiscal year ended June 30, 2021 were:

Tier One / Tier Two	0.06%
OPSRP General Service	0.00%

District contributions for the year ended June 30, 2021 were \$71.

***RHIA Liabilities, RHIA Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to RHIA***

At June 30, 2021, the District reported an asset of \$6.0 million for its proportionate share of the OPERS net RHIA asset. The net RHIA asset was measured as of June 30, 2020, and the total RHIA liability used to calculate the net RHIA asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The District's proportion of the net RHIA asset was based on the District's actual, legally required contributions made to the RHIA program during the measurement period relative to total actual contributions from all participating employers. At June 30, 2021, the District's proportionate share was 2.93%, which is a decrease of 0.38% from its proportion of 3.31% as of June 30, 2020.



**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS – Continued**

**B. Retirement Health Insurance Account (RHIA) - Continued**

For the year ended June 30, 2021, the District recognized RHIA benefit from this plan of \$841. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to this RHIA plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
RHIA differences between expected and actual experience	\$ -	\$ (610)	\$ (610)
RHIA differences due to changes in assumptions	-	(317)	(317)
RHIA net difference between projected and actual earnings on investments	663	-	663
RHIA changes in employer proportion	392	(34)	358
	<u>1,055</u>	<u>(961)</u>	<u>94</u>
RHIA contributions subsequent to measurement date	71	-	71
Total	<u>\$ 1,126</u>	<u>\$ (961)</u>	<u>\$ 165</u>

Source: OPERS Schedule of OPEB Amounts under GASB 75, June 30, 2020

Deferred outflows of resources related to RHIA of \$71 resulting from the District’s contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIA will be recognized in RHIA expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2022	\$ (420)
Fiscal Year 2023	59
Fiscal Year 2024	245
Fiscal Year 2025	210
Total	<u>\$ 94</u>

Source: OPERS Schedule of OPEB Amounts under GASB 75, June 30, 2020

**Actuarial Methods and Assumptions**

All actuarial methods and assumptions are consistent with those disclosed for the OPERS Pension Plan. See Footnote 11 – Pension Plans, part A. Oregon Public Employees Retirement System (OPERS) for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate.

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS – Continued**  
**B. Retirement Health Insurance Account (RHIA) - Continued**

***Sensitivity of the District’s proportionate share of the net RHIA liability (asset) to changes in the discount rate***

The following presents the District’s proportionate share of the net RHIA liability (asset), as well as what the District’s proportionate share of the net RHIA liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current discount rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Net RHIA liability (asset)	\$ (4,816)	\$ (5,966)	\$ (6,949)

***RHIA Plan Fiduciary Net Position***

Detailed information about the RHIA plan’s fiduciary net position is available in the separately issued OPERS financial report.

**NOTE 13 - RISK MANAGEMENT**

The Internal Service (Self-Insurance) Fund charges other funds for the costs incurred for workers’ compensation claims. Charges to other funds by the Self-Insurance Fund are recognized as revenues in the Self-Insurance Fund and as expenditures in the fund incurring the charges. The Self-Insurance Fund recognized approximately \$1.5 million of revenues from other governmental funds for the year ended June 30, 2021.

The District is exposed to various risks of loss related to injuries; torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters. The District is self-insured up to \$1 million and carries commercial excess insurance. Settlements have not exceeded insurance coverage for the years ended June 30, 2019 through 2021. There have been no reductions to the District’s insurance coverage during the year ended June 30, 2021. The District anticipates that all accrued claims losses will be paid within twelve months.

The total claims payable at June 30, 2021 of \$5.6 million was made up of approximately \$2.9 million in worker’s compensation claims (recorded in the Internal Service Fund) and \$2.7 million in property and general liability claims (accounted for in the General Fund and not accrued on the fund financial statements). Changes in the balances of claims liabilities during the years ended June 30, 2019, through June 30, 2021, were as follows:

Fiscal Year	Beginning Balance	New Claims	Payments on Claims	Ending Balance
2019	\$ 5,894	\$ 2,317	\$ (1,368)	\$ 6,843
2020	6,843	3,905	(3,895)	6,853
2021	6,853	2,516	(3,795)	5,574

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

**NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES**

***Operating leases***

The District has operating leases for various equipment. Future minimum required payments under these operating leases are:

2022	\$ 1,019
2023	857
2024	502
2025	323
2026	108
Total minimum payments	<u>\$ 2,809</u>

***Contracts***

Under Oregon Revised Statute No. 279, should funding not be available, the following contracts may be cancelled without penalty. Estimated future District service commitments in excess of \$3.0 million are listed as follows:

Supplier	Commitments
Hoffman Construction Company of Oregon	\$ 112,166
First Student Inc	71,850
Andersen Construction Co of Oregon LLC	27,085
Fortis Construction Inc	9,108
Bassetti Architects PS	7,891
2KG Contractors Inc	5,239
	<u>\$ 233,339</u>

Future District service commitments by fund are as follows:

	Commitments
General Fund	\$ 71,850
Capital Projects Fund	161,489
	<u>\$ 233,339</u>

***Blanchard Educational Service Center (BESC)***

In June 2000, Multnomah County leased a portion of the BESC facility from the District for \$3.5 million under a 99-year agreement. In December 2008, Portland Public Schools reacquired a portion of that space for \$800 thousand, which was fully paid as of June 30, 2014. This lease agreement stipulates that a portion of the initial lease payment received from Multnomah County be set aside to be applied toward the County's share of major repairs. Any unused balance earns interest at the monthly interest rate earned from the Local Government Investment Pool. As of June 30, 2021 the Multnomah County Reserve balance held in the Facilities Capital Fund, a sub-fund of the Capital Projects Fund, was \$541.

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

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**NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES - continued**

***Equipment Leases***

In July 2012, the District entered into a 5-year lease for copier equipment from Copytronix, commencing August 2012. This lease was extended for an additional 5 years, through July 2022, for \$14 thousand per month.

In October 2017, the District entered into a multi-year lease for IT equipment (laptops, Chromebooks, etc.) from Insight Investments, LLC, commencing November 2017. The District has subsequently extended and amended this lease to include additional IT equipment and CISCO telephone hardware with varying terms (3 to 5 years in duration) and commencement dates (November 2017 to June 2020).

In August 2020, the District entered into a 5-year lease for facilities equipment from JPMorgan Chase Bank, commencing October 2020.

***Pending Legal Actions***

The District is a defendant in certain pending legal actions. Although the outcome cannot be determined, the District believes that settlement of these matters will not have a material effect on the District's financial position and results of operations.

***Grantor Agencies***

Amounts received or receivable from grantor agencies are subject to audit and adjustment by these agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the district. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although district management expects such amounts, if any, to be immaterial.

***School Support Fund***

A substantial portion of the District's funding consists of an apportionment of funds from the State Basic School Support Fund. This apportionment is determined by a formula taking into account the District's weighted average daily student membership and revenue derived from local District sources. Local District sources may vary from year to year and may be revised retroactively or prospectively changing the amount of State Basic School Support received or to be received.

**School District No. 1J, Multnomah County, Oregon**

Notes to the Basic Financial Statements

For the Year Ended June 30, 2021

(Dollar amounts, unless otherwise indicated, are expressed in thousands)

**NOTE 15 – FUND BALANCES**

Fund balances by classification for the year ended June 30, 2021 are as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>Nonspendable</b>					
Prepaid items	\$ 628	\$ -	\$ -	\$ 4,170	\$ 4,798
Inventories	317	1,494	-	-	1,811
	<u>945</u>	<u>1,494</u>	<u>-</u>	<u>4,170</u>	<u>6,609</u>
<b>Restricted</b>					
Special Revenue Fund	-	20,441	-	-	20,441
Debt Service Fund	-	-	10,482	-	10,482
Capital Projects Funds	-	-	-	757,216	757,216
	<u>-</u>	<u>20,441</u>	<u>10,482</u>	<u>757,216</u>	<u>788,139</u>
<b>Committed</b>					
Special Revenue Fund	-	19,056	-	-	19,056
Debt Service Fund	-	-	1,190	-	1,190
	<u>-</u>	<u>19,056</u>	<u>1,190</u>	<u>-</u>	<u>20,246</u>
<b>Assigned</b>					
Capital Projects Fund	-	-	-	10,204	10,204
<b>Unassigned</b>					
	87,746	(12,768)	-	-	74,978
Total fund balances	<u>\$ 88,691</u>	<u>\$ 28,223</u>	<u>\$ 11,672</u>	<u>\$ 771,590</u>	<u>\$ 900,176</u>

**NOTE 16 – RELATED ORGANIZATIONS**

The District includes six charter schools that are legally separate, tax-exempt organizations. The most recent data available indicates charter school total students were 1,443 (representing 3.0% of the District’s total enrollment); and that charter schools’ Net Position was \$363. Because of their size relative to the District, the charter schools do not fall under the component unit reporting requirements set forth by GASB Statement No. 39.

**NOTE 17 – ARTS TAX**

In November, 2012, voters in the City of Portland passed Ballot Measure 26-146 to restore school arts and music education, funded through an income tax of \$35 per person per year. In December of 2012, the District entered into an intergovernmental agreement IGA/R 59656 with the City of Portland to receive a portion of this tax, to be used to provide arts and music education, through certified arts and music teachers, to all K-5 students, including charter schools within the District. Revenues and expenditures for the year ended June 30, 2021 are recorded in the General Fund as follows:

	Arts Tax Revenues	Arts Tax Expenditures <sup>1</sup>	FTE Funded	Number of Schools Funded
Non-Charter Schools	\$ 4,676	\$ 5,545	66.85	60
Charter Schools	164	160	2.81	6
District Total	<u>\$ 4,839</u>	<u>\$ 5,706</u>	<u>69.66</u>	<u>66</u>

<sup>1</sup> Includes amounts for unexpended revenues carried forward from prior years.

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

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**NOTE 18 – TAX ABATEMENTS**

The District is subject to tax abatements (exemptions) granted by Multnomah, Washington and Clackamas counties of Oregon. Counties are allowed to grant abatements due to numerous Oregon Revised Statutes (ORS). Washington and Clackamas counties had no tax abatements affecting the District. Multnomah county has numerous abatement programs which affected District revenue as described below.

***Historic Property (ORS 358.475 to 545)***

The Special Assessment for Historic Property program is a state-sponsored incentive program instituted in 1975 to encourage the preservation and appropriate rehabilitation of properties listed in the National Register of Historic Places. Under this program a property is specially assessed for a period of 10-15 years. This allows the owner to restore or improve the condition of the property and not pay additional taxes on the resulting increase in the property's value until the ten-year benefit period has expired.

***Day Care Centers, Student Housing and Religious Schools (ORS 307.145)***

The child care facilities, schools, academies and student housing accommodations, owned or being purchased by incorporated eleemosynary institutions or by incorporated religious organizations, used exclusively by such institutions or organizations for or in immediate connection with educational purposes, are exempt from taxation.

***Transit Oriented Development (ORS 307.600 to 307.637)***

Cities and counties may grant a property tax exemption for multiple unit rental housing (excluding land) in areas designated as core areas, light rail station areas and transit oriented areas for up to 10 successive years. Housing that can qualify for this exemption includes newly constructed housing and property converted to housing use.

***City of Portland Low Income Rental Housing (ORS 307.540 to 307.548)***

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

***Enterprise Zone (ORS 285C.050 to 285C.255)***

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.

***Housing Authority Partnership (ORS 456.225)***

The property of a housing authority is declared to be public property used for essential public and governmental purposes. The property and the housing authority are exempt from all taxes and special assessments of the city, the county, the state or any political subdivision of the city, county or state.

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2021  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

**NOTE 18 – TAX ABATEMENTS – continued**

The Following schedule represents the District’s portion of tax abatements granted by Multnomah County for 2020-21. Programs with exemptions totaling more than \$500 thousand were listed separately; all other programs were grouped together:

Exemption Program	Amount
City of Portland Low Income Rental Housing	\$ 4,088
Historic Property	3,560
Day Care Centers, Student Housing & Religious Schools	2,692
Transit Oriented Development, Portland	1,671
Enterprise Zone	1,256
Housing Authority Partnership	593
All other exemption programs	615
Total Abatements	\$ 14,475

**NOTE 19 – SUBSEQUENT EVENTS**

The date to which events occurring after June 30, 2020, the date of the most recent statement of net position, has been evaluated for possible adjustment to the financial statements or disclosure is December 3, 2021, which is the date on which the financial statements were available to be issued.

In July 2021 the District issued \$399,390 of Full Faith and Credit Pension Obligation Bonds, Series 2021, at interest rates ranging from 0.30 to 2.50 percent, and a final maturity date of June 30, 2040. The bond proceeds were used to reduce the District’s allocated portion of pension obligation related to the estimated unfunded actuarial liability (UAL) of the Oregon Public Employees Retirement System (“OPERS”). The total costs of financing the District’s actuarial obligation in this manner is anticipated to result in a significant savings to the District when compared to paying higher OPERS contribution rates. In August 2021, the District’s OPERS rates were reduced as a direct result of this debt issuance as follows:

	<u>July 1 2021</u>	<u>August 1 2021</u>
Tier One / Tier Two	6.42%	0.00%
OPSRP General Service	3.36%	0.00%

## **REQUIRED SUPPLEMENTARY INFORMATION**

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The information in this section compares budget to actual for the District's General and major special revenue funds.

The budgetary basis of accounting for all funds is modified accrual, which is the same as that required by accounting principles generally accepted in the United States of America. Unless otherwise noted, a reconciliation of budgetary to generally accepted accounting principles activity is not required.

Under the provisions of GASB Statement No. 68, a Schedule of the District's Proportion of Net Pension Liability and District Contributions is included in the Required Supplementary Information.

Under the provisions of GASB Statement No. 73, a Schedule of the District's Proportion of Net Pension Liability and District Contributions is included in the Required Supplementary Information.

Under the provisions of GASB Statement No. 75, a Schedule of the District's Proportionate Share of the Net OPEB Liability and District Contributions for RHIA and RHIS, and a Schedule of Changes in the District's Total OPEB Liability and Related Ratios for OPEB is included in the Required Supplementary Information.



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Required Supplementary Information**  
**Schedule of Changes in the District's Total OPEB Liability and Related Ratios- RHIS**  
**Last 10 Fiscal Years <sup>1</sup>**  
**(amounts expressed in thousands)**

**Total OPEB Liability**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Service cost	N/A	\$ 2,549	\$ 2,319	\$ 2,842	\$ 3,141
Interest	N/A	2,160	2,475	3,128	2,818
Change in benefit terms	N/A	-	2,711	-	722
Differences between expected and actual experience	N/A	-	3,880	-	(2,676)
Changes of assumptions or other inputs	N/A	(2,848)	8,157	1,744	1,151
Benefit payments	N/A	(8,575)	(8,024)	(8,697)	(7,894)
<b>Net change in total OPEB liability</b>	N/A	(6,714)	11,518	(983)	(2,738)
<b>Total OPEB liability - beginning</b>	N/A	77,498	70,784	82,302	81,319
<b>Total OPEB liability - ending</b>	<u>\$ 77,498</u>	<u>\$ 70,784</u>	<u>\$ 82,302</u>	<u>\$ 81,319</u>	<u>\$ 78,581</u>
<b>Covered-employee payroll</b>	\$ 327,668	\$ 344,646	\$ 356,540	\$ 375,041	\$ 386,877
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	23.65%	20.54%	23.08%	21.68%	20.31%

<sup>1</sup> Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

**Requests for Information:**

Copies of the District's most recent *Actuarial Valuation of GASB 45, GASB 75, and GASB 73 Postemployment Benefits* are available. Please direct requests to the Finance Department; Portland Public Schools; 501 N. Dixon Street; Portland, OR 97227.

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of Net OPEB Liability (Asset) and District Contributions - RHIA**  
**Last 10 Fiscal Years <sup>1</sup>**  
**(amounts expressed in thousands)**

**District's Proportionate Share of Net OPEB Liability (Asset)**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net OPEB liability/(asset)	3.284%	3.164%	3.194%	3.312%	2.928%
District's proportionate share of the net OPEB liability (asset)	\$ 892	\$ (1,321)	\$ (3,566)	\$ (6,400)	\$ (5,966)
District's covered-employee payroll <sup>2</sup>	\$ 316,998	\$ 327,668	\$ 344,646	\$ 356,540	\$ 375,041
District's proportionate share of net OPEB liability (asset) as a percentage of covered-employee payroll	0.3%	-0.4%	-1.0%	-1.8%	-1.6%
Plan fiduciary net position as a percentage of the total OPEB liability	94.14%	108.89%	124.01%	144.34%	150.05%
OPEB Measurement Date	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020

<sup>1</sup> Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

<sup>2</sup> Amounts for covered payroll use the prior year's data to match the measurement date used by the pension plan (OPERS) for each fiscal year presented above.

**Schedule of District Contributions**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 1,575	\$ 1,547	\$ 1,641	\$ 209	\$ 71
Contributions in relation to the contractually required contribution	1,575	1,547	1,641	209	71
Contribution deficiency(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 327,668	\$ 344,646	\$ 356,540	\$ 375,041	\$ 386,877
Contributions as a percentage of covered-employee payroll	0.48%	0.45%	0.46%	0.06%	0.02%

Copies of OPERS' most recent actuarial report of its Pension Plan are available at:  
<http://www.oregon.gov/PERS/Pages/Financials/Previous-Years.aspx>

**Notes to Required Supplementary Information**

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the annual letter from Oregon Public Employees Retirement System's actuary, which can be found at:  
[https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB\\_75\\_Actuary\\_Letter.pdf](https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_75_Actuary_Letter.pdf)

Changes of Assumptions

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the System, which was published on July 24, 2019, and can be found at:  
[https://www.oregon.gov/pers/Documents/Exp\\_Study\\_2018.pdf](https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf)

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of Net Pension Liability (Asset) and District Contributions**  
**Last 10 Fiscal Years <sup>1</sup>**  
**(amounts expressed in thousands)**

**District's Proportionate Share of Net Pension Liability (Asset)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
District's proportion of the net pension liability/asset	0.254%	0.254%	0.299%	1.380%	2.102%	2.286%	1.770%	2.389%
District's proportionate share of the net pension liability (asset)	\$ 12,953	\$ (5,754)	\$ 17,185	\$ 207,203	\$ 283,305	\$ 346,266	\$ 306,140	\$ 521,329
District's covered payroll <sup>2</sup>	\$ 256,741	\$ 264,386	\$ 283,935	\$ 316,998	\$ 327,668	\$ 344,646	\$ 356,540	\$ 375,041
District's proportionate share of net pension liability (asset) as a percent of covered payroll	5.0%	(2.2%)	6.1%	65.4%	86.5%	100.5%	85.9%	139.0%
Plan fiduciary net position as a percentage of the total pension liability	92.0%	103.6%	91.9%	80.5%	83.12%	82.07%	80.23%	75.79%
OPERS Measurement Date	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020

<sup>1</sup> Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

<sup>2</sup> Amounts for covered payroll use the prior year's data to match the measurement date used by the pension plan (OPERS) for each fiscal year presented above.

**Schedule of District Contributions**

	<b>2014</b>	<b>2015</b>	<b>2016 <sup>3</sup></b>	<b>2017 <sup>3</sup></b>	<b>2018 <sup>4</sup></b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Contractually required contribution	\$ 4,785	\$ 4,895	\$ -	\$ -	\$ -	\$ 8,351	\$ 24,834	\$ 17,684
Contributions in relation to the contractually required contribution	4,785	4,895	-	-	-	8,351	24,834	17,684
Contribution deficiency(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 264,386	\$ 283,935	\$ 316,998	\$ 327,668	\$ 344,646	\$ 356,540	\$ 375,041	\$ 386,877
Contributions as a percentage of covered payroll	1.81%	1.72%	0.00%	0.00%	0.00%	2.34%	6.62%	4.57%

<sup>3</sup> Contribution rates were zero due to the rate offset provided by the District's OPERS side account funded by the district's Limited Tax Pension Bonds.

<sup>4</sup> OPERS side account resources were used to satisfy all contribution requirements.

Copies of OPERS' most recent actuarial report of its Pension Plan are available at:  
<http://www.oregon.gov/PERS/Pages/Financials/Previous-Years.aspx>

**Notes to Required Supplementary Information**

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the annual letter from Oregon Public Employees Retirement System's actuary, which can be found at:  
<https://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

Changes of Assumptions

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the System, which was published on July 24, 2019, and can be found at:  
[https://www.oregon.gov/pers/Documents/Exp\\_Study\\_2018.pdf](https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf)

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Required Supplementary Information**  
**Schedule of Changes in the District's Total Pension Liability and Related Ratios-Stipend**  
**Last 10 Fiscal Years <sup>1</sup>**  
**(amounts expressed in thousands)**

**Total Pension Liability**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Service cost	N/A	\$ 174	\$ 212	\$ 194	\$ 188	\$ 207
Interest	N/A	304	211	228	250	209
Change in benefit terms	N/A	-	-	797	-	264
Differences between expected and actual experience	N/A	-	-	94	-	145
Changes of assumptions or other inputs	N/A	235	(158)	(68)	79	(69)
Benefit payments	N/A	(1,301)	(1,389)	(1,174)	(1,132)	(875)
<b>Net change in total pension liability</b>	N/A	(587)	(1,124)	71	(615)	(119)
<b>Total pension liability - beginning</b>	N/A	8,465	7,877	6,753	6,824	6,209
<b>Total pension liability - ending</b>	<u>\$ 8,465</u>	<u>\$ 7,877</u>	<u>\$ 6,753</u>	<u>\$ 6,824</u>	<u>\$ 6,209</u>	<u>\$ 6,090</u>
<b>Covered-employee payroll</b>	N/A	70,988	68,838	63,301	58,067	68,456
<b>Total pension liability as a percentage of covered-employee payroll</b>	N/A	11.10%	9.81%	10.78%	10.69%	8.90%

<sup>1</sup> Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

<sup>2</sup> Assets are not accumulated in a trust. Contributions are financed on a pay-as-you-go basis.

**Requests for Information:**

Copies of the District's most recent *Actuarial Valuation of GASB 45, GASB 75, and GASB 73 Postemployment Benefits* are available. Please direct requests to the Finance Department; Portland Public Schools; 501 N. Dixon Street; Portland, OR 97227.

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**

**General Fund**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**For the year ended June 30, 2021**

**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property and other taxes	\$ 282,627	\$ 282,627	\$ 286,029	\$ 3,402
State School Fund	267,735	267,735	263,622	(4,113)
Local option taxes	101,898	101,898	102,417	519
County and intermediate sources	14,027	14,027	14,381	354
Federal and state support	-	-	18	18
State Common School Fund	4,744	4,744	5,628	884
Charges for services	3,961	3,961	1,642	(2,319)
Investment earnings	2,338	2,338	544	(1,794)
Other	5,644	5,644	5,681	37
<b>Total revenues</b>	<b>682,974</b>	<b>682,974</b>	<b>679,962</b>	<b>(3,012)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs:				
Salaries and benefits	257,018	262,003	263,656	(1,653)
Materials and services	12,501	19,331	878	18,453
<b>Total regular programs</b>	<b>269,519</b>	<b>281,334</b>	<b>264,534</b>	<b>16,800</b>
Special programs:				
Salaries and benefits	75,107	74,682	71,823	2,859
Materials and services	27,594	28,078	27,094	984
<b>Total special programs</b>	<b>102,701</b>	<b>102,760</b>	<b>98,917</b>	<b>3,843</b>
Summer school programs:				
Salaries and benefits	90	384	406	(22)
Materials and services	1,620	1,620	8	1,612
<b>Total summer school programs</b>	<b>1,710</b>	<b>2,004</b>	<b>414</b>	<b>1,590</b>
<b>Total instruction</b>	<b>373,930</b>	<b>386,098</b>	<b>363,865</b>	<b>22,233</b>
Support services:				
Students:				
Salaries and benefits	66,770	66,196	65,143	1,053
Materials and services	7,692	6,959	7,337	(378)
<b>Total students</b>	<b>74,462</b>	<b>73,155</b>	<b>72,480</b>	<b>675</b>
Instructional staff:				
Salaries and benefits	35,484	36,747	37,507	(760)
Materials and services	3,484	4,225	1,761	2,464
<b>Total instructional staff</b>	<b>38,968</b>	<b>40,972</b>	<b>39,268</b>	<b>1,704</b>
General administration:				
Salaries and benefits	9,424	8,153	7,261	892
Materials and services	7,054	6,313	4,892	1,421
<b>Total general administration</b>	<b>16,478</b>	<b>14,466</b>	<b>12,153</b>	<b>2,313</b>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual (continued)**  
**For the year ended June 30, 2021**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Support services (continued):				
School administration:				
Salaries and benefits	\$ 48,447	\$ 46,015	\$ 48,149	\$ (2,134)
Materials and services	1,115	2,754	446	2,308
Total school administration	49,562	48,769	48,595	174
Business:				
Salaries and benefits	54,713	54,322	48,088	6,234
Materials and services	49,043	51,128	37,947	13,181
Total business	103,756	105,450	86,035	19,415
Central:				
Salaries and benefits	20,863	21,914	18,650	3,264
Materials and services	7,742	8,680	8,538	142
Total central	28,605	30,594	27,188	3,406
<b>Total support services</b>	<b>311,831</b>	<b>313,406</b>	<b>285,719</b>	<b>27,687</b>
Enterprise and community services:				
Food Service:				
Salaries and benefits	91	91	16	75
Materials and services	74	74	4	70
Total Food Services	165	165	20	145
Community Services:				
Salaries and benefits	560	560	541	19
Materials and services	1,089	5,089	4,554	535
Total Community Services	1,649	5,649	5,095	554
<b>Total enterprise and community services</b>	<b>1,814</b>	<b>5,814</b>	<b>5,115</b>	<b>699</b>
Total current expenditures	687,575	705,318	654,699	50,619
<b>Operating contingency</b>	<b>40,946</b>	<b>40,946</b>	-	<b>40,946</b>
Total expenditures	728,521	746,264	654,699	91,565
Excess (deficit) of revenues over expenditures	(45,547)	(63,290)	25,263	88,553
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers out</b>	<b>(1,134)</b>	<b>(1,234)</b>	<b>(1,198)</b>	<b>36</b>
Proceeds from the sale of capital assets	50	50	152	102
Total other financing sources and (uses)	(1,084)	(1,184)	(1,046)	138
Net change in fund balance	(46,631)	(64,474)	24,217	88,691
Fund balance - beginning of year	46,631	64,474	64,474	-
Fund balance - end of year	\$ -	\$ -	\$ 88,691	\$ 88,691

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2021**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance from</u> <u>Final Budget</u> <u>Positive/</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property and other taxes	\$ 305	\$ 305	\$ 309	\$ 4
Federal and state support	131,707	134,790	107,293	(27,497)
County and intermediate sources	3,669	4,121	2,804	(1,317)
Charges for services	4,448	4,348	256	(4,092)
Investment earnings	143	143	81	(62)
Extracurricular activities	8,600	8,600	1,237	(7,363)
Other	6,193	6,193	7,446	1,253
<b>Total revenues</b>	<b>155,065</b>	<b>158,500</b>	<b>119,426</b>	<b>(39,074)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs:				
Salaries and benefits	33,874	22,346	21,645	701
Materials and services	15,021	22,304	6,181	16,123
<b>Total regular programs</b>	<b>48,895</b>	<b>44,650</b>	<b>27,826</b>	<b>16,824</b>
Special programs:				
Salaries and benefits	20,438	19,484	17,092	2,392
Materials and services	14,014	10,363	7,663	2,700
<b>Total special programs</b>	<b>34,452</b>	<b>29,847</b>	<b>24,755</b>	<b>5,092</b>
Summer school programs:				
Salaries and benefits	758	758	233	525
Materials and services	463	1,360	433	927
<b>Total summer school programs</b>	<b>1,221</b>	<b>2,118</b>	<b>666</b>	<b>1,452</b>
<b>Total instruction</b>	<b>84,568</b>	<b>76,615</b>	<b>53,247</b>	<b>23,368</b>
Support services:				
Students:				
Salaries and benefits	20,472	23,324	18,847	4,477
Materials and services	7,326	14,467	4,626	9,841
<b>Total students</b>	<b>27,798</b>	<b>37,791</b>	<b>23,473</b>	<b>14,318</b>
Instructional staff:				
Salaries and benefits	12,089	8,627	9,905	(1,278)
Materials and services	4,765	3,834	4,183	(349)
<b>Total instructional staff</b>	<b>16,854</b>	<b>12,461</b>	<b>14,088</b>	<b>(1,627)</b>
General administration:				
Salaries and benefits	208	210	21	189
Materials and services	31	55	61	(6)
<b>Total general administration</b>	<b>239</b>	<b>265</b>	<b>82</b>	<b>183</b>
School administration:				
Salaries and benefits	1,256	1,682	2,212	(530)
Materials and services	357	357	61	296
<b>Total school administration</b>	<b>1,613</b>	<b>2,039</b>	<b>2,273</b>	<b>(234)</b>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual (continued)**  
**For the year ended June 30, 2021**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Support services (continued):				
Business:				
Salaries and benefits	\$ -	\$ 25	\$ 1,257	\$ (1,232)
Materials and services	5,020	7,053	12,188	(5,135)
Total business	<u>5,020</u>	<u>7,078</u>	<u>13,445</u>	<u>(6,367)</u>
Central:				
Salaries and benefits	28	62	856	(794)
Materials and services	3,197	4,292	768	3,524
Total central	<u>3,225</u>	<u>4,354</u>	<u>1,624</u>	<u>2,730</u>
<b>Total support services</b>	<b><u>54,749</u></b>	<b><u>63,988</u></b>	<b><u>54,985</u></b>	<b><u>9,003</u></b>
Enterprise and community services:				
Food Services:				
Salaries and benefits	10,006	10,031	8,540	1,491
Materials and services	11,362	11,437	7,147	4,290
Total food services	<u>21,368</u>	<u>21,468</u>	<u>15,687</u>	<u>5,781</u>
Community services:				
Salaries and benefits	2,153	2,173	2,083	90
Materials and services	340	2,449	1,029	1,420
Total community services	<u>2,493</u>	<u>4,622</u>	<u>3,112</u>	<u>1,510</u>
<b>Total enterprise and community services</b>	<b><u>23,861</u></b>	<b><u>26,090</u></b>	<b><u>18,799</u></b>	<b><u>7,291</u></b>
Facilities acquisition & construction:				
Materials and services	14	34	27	7
<b>Total facilities acquisition and construction</b>	<b><u>14</u></b>	<b><u>34</u></b>	<b><u>27</u></b>	<b><u>7</u></b>
Total current expenditures	<u>163,192</u>	<u>166,727</u>	<u>127,058</u>	<u>39,669</u>
Total expenditures	<u>163,192</u>	<u>166,727</u>	<u>127,058</u>	<u>39,669</u>
Excess (deficit) of revenues over expenditures	<u>(8,127)</u>	<u>(8,227)</u>	<u>(7,632)</u>	<u>595</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	760	716	(44)
Transfers out	-	(660)	(651)	9
Proceeds from the sale of capital assets	34	34	-	(34)
Total other financing sources (uses)	<u>34</u>	<u>134</u>	<u>65</u>	<u>(69)</u>
Net change in fund balance	(8,093)	(8,093)	(7,567)	526
Fund balance - beginning of year	36,735	36,735	35,790	(945)
Fund balance - end of year	<u>\$ 28,642</u>	<u>\$ 28,642</u>	<u>\$ 28,223</u>	<u>\$ (419)</u>

Note: Bolded lines indicate legally required appropriation budget levels of control



## **SUPPLEMENTARY INFORMATION**

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**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2021**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property and other taxes	\$ 130,464	\$ 130,464	\$ 131,818	\$ 1,354
Federal and state support	54	54	53	(1)
Charges for services	50,374	50,375	55,146	4,771
Investment earnings	1,221	1,221	292	(929)
Other	3,559	3,559	-	(3,559)
Total revenues	<u>185,672</u>	<u>185,673</u>	<u>187,309</u>	<u>1,636</u>
<b>EXPENDITURES</b>				
Current:				
Debt service:				
Principal	124,039	124,040	119,759	4,281
Interest and fiscal charges	67,405	67,405	72,016	(4,611)
<b>Total debt service</b>	<b>191,444</b>	<b>191,445</b>	<b>191,775</b>	<b>(330)</b> <sup>1</sup>
Total current expenditures	<u>191,444</u>	<u>191,445</u>	<u>191,775</u>	<u>(330)</u>
Total expenditures	<u>191,444</u>	<u>191,445</u>	<u>191,775</u>	<u>(330)</u>
Excess (deficit) of revenues over expenditures	<u>(5,772)</u>	<u>(5,772)</u>	<u>(4,466)</u>	<u>1,306</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,751	1,751	1,750	(1)
Issuance of refunding bonds	-	-	53,965	53,965
Premium on issuance of debt	-	-	1,631	1,631
Payment to refunded bond escrow agent	-	-	(55,031)	(55,031)
Total other financing sources (uses)	<u>1,751</u>	<u>1,751</u>	<u>2,315</u>	<u>564</u>
Net change in fund balance	(4,021)	(4,021)	(2,151)	1,870
Fund balance - beginning of year	14,250	14,250	13,823	(427)
Fund balance - end of year	<u>\$ 10,229</u>	<u>\$ 10,229</u>	<u>\$ 11,672</u>	<u>\$ 1,443</u>

<sup>1</sup> The budget variance meets an exception to ORS 294.338(1) as described in ORS 294.338(4)(c); issuance costs relate to refunded debt in 2020-21.

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2021**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property and other taxes	\$ 6,001	\$ 6,001	\$ 3,446	\$ (2,555)
Federal and state support	3,500	3,500	1,319	(2,181)
Charges for services	600	600	15	(585)
Investment earnings	5,090	5,090	2,101	(2,989)
Other	1,075	1,075	1,501	426
<b>Total revenues</b>	<b>16,266</b>	<b>16,266</b>	<b>8,382</b>	<b>(7,884)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs:				
Materials and services	29,644	-	-	-
Total regular programs	29,644	-	-	-
<b>Total instruction</b>	<b>29,644</b>	<b>-</b>	<b>-</b>	<b>-</b>
Support services:				
Business:				
Salaries and benefits	138	138	128	10
Materials and services	7,314	7,804	6,582	1,222
Total business	7,452	7,942	6,710	1,232
Central:				
Materials and services	52,500	52,500	-	52,500
Total central	52,500	52,500	-	52,500
<b>Total support services</b>	<b>59,952</b>	<b>60,442</b>	<b>6,710</b>	<b>53,732</b>
Facilities acquisition & construction:				
Salaries and benefits	5,263	5,263	4,369	894
Materials and services	1,326,328	1,355,482	283,142	1,072,340
<b>Total facilities acquisition and construction</b>	<b>1,331,591</b>	<b>1,360,745</b>	<b>287,511</b>	<b>1,073,234</b>
Total current expenditures	1,421,187	1,421,187	294,221	1,126,966
<b>Operating Contingencies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total expenditures	1,421,187	1,421,187	294,221	1,126,966
Excess (deficit) of revenues over expenditures	(1,404,921)	(1,404,921)	(285,839)	1,119,082
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(617)	(617)	(617)	-
Issuance of bonds	1,000,000	1,000,000	365,465	(634,535)
Premium on issuance of debt	-	-	29,574	29,574
Total other financing sources (uses)	999,383	999,383	394,422	(604,961)
Net change in fund balance	(405,538)	(405,538)	108,583	514,121
Fund balance - beginning of year	577,819	577,819	663,007	85,189
Fund balance - end of year	<b>\$ 172,281</b>	<b>\$ 172,281</b>	<b>\$ 771,590</b>	<b>\$ 599,310</b>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Self-Insurance Fund**  
**Schedule of Revenues, Expenses, and**  
**Changes in Net Position - Budget and Actual**  
**For the year ended June 30, 2021**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,094	\$ 2,094	\$ 1,534	\$ (560)
Insurance recoveries	6	6	4	(2)
Total operating revenues	<u>2,100</u>	<u>2,100</u>	<u>1,538</u>	<u>(562)</u>
<b>OPERATING EXPENSES</b>				
Support services:				
Salaries and benefits	411	411	288	123
Materials and services	516	516	276	240
Claims expense	2,836	2,836	559	2,277
<b>Total support services</b>	<b>3,763</b>	<b>3,763</b>	<b>1,123</b>	<b>2,640</b>
<b>Operating contingency</b>	<b>4,769</b>	<b>4,769</b>	<b>-</b>	<b>4,769</b>
Total operating expenses	<u>8,532</u>	<u>8,532</u>	<u>1,123</u>	<u>7,409</u>
Operating income (loss)	<u>(6,432)</u>	<u>(6,432)</u>	<u>415</u>	<u>6,847</u>
<b>NON OPERATING REVENUES</b>				
Investment income	55	55	89	34
Federal and state support	191	191	188	(3)
Total non-operating revenues	<u>246</u>	<u>246</u>	<u>277</u>	<u>31</u>
Change in net position	(6,186)	(6,186)	692	6,878
Beginning net position - budgetary basis	6,186	6,186	5,857	(329)
Ending net position - budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>6,549</u>	<u>\$ 6,549</u>
Reconciliation:				
Net OPEB liability, deferred inflows, and deferred outflows			(28)	
Accrued compensated absences			(49)	
Net pension liability, deferred inflows, and deferred outflows			(191)	
Net position - GAAP basis			<u>\$ 6,281</u>	

Note: Bolded lines indicate legally required appropriation budget levels of control

# Statistical

# Statistical



Oregon Symphony Cellists at Lee



First Day of Hybrid at Scott



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## Statistical Section

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This part of the District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
<b><i>Financial Trends (Schedules 1-4)</i></b>	103
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<b><i>Revenue Capacity (Schedules 5-9)</i></b>	111
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
<b><i>Debt Capacity (Schedules 10-12)</i></b>	117
District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b><i>Demographic and Economic Information (Schedules 13-14)</i></b>	121
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
<b><i>Operating Information (Schedules 15-17)</i></b>	123
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources:

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



**Schedule 1**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Condensed Statement of Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(dollars in thousands)**

	<b>Government-wide Activities</b>			
	<u>2012</u>	<u>2013</u>	<u>2014- restated</u>	<u>2015</u>
<b>Assets</b>				
Current and other assets	\$ 180,957	\$ 298,246	\$ 304,224	\$ 579,805
Prepaid pension & other prepaid items	425,421	414,407	2,149	5,754
Net capital assets	<u>199,058</u>	<u>213,944</u>	<u>233,265</u>	<u>273,957</u>
<b>Total assets</b>	<u><b>805,436</b></u>	<u><b>926,597</b></u>	<u><b>539,638</b></u>	<u><b>859,516</b></u>
<b>Deferred Outflows of Resources</b>				
Pension & OPEB			<u>4,785</u>	<u>6,801</u>
<b>Liabilities</b>				
Other current liabilities	83,977	87,185	90,983	105,763
Other long-term liabilities	57,972	182,759	244,301	495,290
Limited tax pension bonds payable	430,058	419,034	407,499	395,958
Pension	-	-	-	-
Other post employment benefits	<u>33,595</u>	<u>36,263</u>	<u>35,579</u>	<u>32,900</u>
<b>Total liabilities</b>	<u><b>605,602</b></u>	<u><b>725,241</b></u>	<u><b>778,362</b></u>	<u><b>1,029,911</b></u>
<b>Deferred Inflows of Resources</b>				
Insurance recovery		819	-	-
Pension & OPEB		-	-	<u>11,102</u>
		<u>819</u>	<u>-</u>	<u>11,102</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	157,209			
Restricted	21,577			
Unrestricted	<u>21,048</u>			
<b>Total Net Assets</b>	<u><b>\$ 199,834</b></u>			
<b>Net Position</b>				
Net investment in capital assets		146,148	183,584	230,251
Restricted		131,060	119,224	394,845
Unrestricted		<u>(76,671)</u>	<u>(536,747)</u>	<u>(799,792)</u>
<b>Total Net Position</b>		<u><b>\$ 200,537</b></u>	<u><b>\$ (233,939)</b></u>	<u><b>\$ (174,696)</b></u>

Note: The District Implemented GASB 65 beginning in 2013. As a result, Net Assets format is presented for years prior to 2013, and Net Position format is presented for 2013 and subsequent years.

**Government-wide Activities**

<u>2016</u>	<u>2017-restated</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 487,394	\$ 364,732	\$ 715,738	\$ 590,288	\$ 941,719	\$ 1,092,171
1,628	1,080	884	3,377	6,200	5,098
<u>382,401</u>	<u>506,612</u>	<u>594,103</u>	<u>735,002</u>	<u>917,372</u>	<u>1,173,371</u>
<u>871,423</u>	<u>872,424</u>	<u>1,310,725</u>	<u>1,328,667</u>	<u>1,865,291</u>	<u>2,270,640</u>
<u>3,200</u>	<u>163,562</u>	<u>173,727</u>	<u>207,186</u>	<u>158,473</u>	<u>249,580</u>
121,321	181,480	278,587	298,417	298,341	328,566
453,679	359,702	591,262	467,836	854,165	1,131,855
384,075	372,249	360,172	348,223	336,062	314,159
17,185	215,080	290,058	353,090	312,349	527,419
29,933	78,390	70,784	82,302	81,319	78,581
<u>1,006,193</u>	<u>1,206,901</u>	<u>1,590,863</u>	<u>1,549,868</u>	<u>1,882,236</u>	<u>2,380,580</u>
-	-	-	-	-	-
<u>6,062</u>	<u>12,845</u>	<u>30,419</u>	<u>64,329</u>	<u>111,145</u>	<u>101,191</u>
<u>6,062</u>	<u>12,845</u>	<u>30,419</u>	<u>64,329</u>	<u>111,145</u>	<u>101,191</u>
260,146	297,914	379,871	477,058	585,214	717,881
283,176	172,880	486,336	353,527	681,328	796,976
<u>(680,955)</u>	<u>(654,554)</u>	<u>(1,003,037)</u>	<u>(908,929)</u>	<u>(1,236,159)</u>	<u>(1,476,408)</u>
<u>\$ (137,633)</u>	<u>\$ (183,760)</u>	<u>\$ (136,830)</u>	<u>\$ (78,344)</u>	<u>\$ 30,383</u>	<u>\$ 38,449</u>

**Schedule 2**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(dollars in thousands)**

	<b>Government-wide Activities</b>			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Expenses</b>				
Instruction	\$ 287,424	\$ 267,192	\$ 308,652	\$ 326,935
Support services	206,856	194,270	200,750	212,213
Enterprise and community services	19,108	18,923	19,164	20,445
Facilities services	10,697	31,635	1,470	2,617
Interest and fees on long-term debt	25,748	26,813	33,546	31,600
Total expenses	<u>549,833</u>	<u>538,833</u>	<u>563,582</u>	<u>593,810</u>
<b>Program Revenues</b>				
Charges for services:				
Instruction	5,046	5,958	5,989	6,457
Support services	2,109	2,852	2,857	2,916
Enterprise and community services	4,422	4,123	4,420	4,214
Operating grants and contributions:				
Instruction	71,319	62,006	58,418	65,409
Support services	25,447	23,437	17,693	21,638
Enterprise and community services	2,863	2,623	2,240	2,704
Capital grants and contributions:				
Facilities services	-	-	-	-
Total program revenues	<u>111,206</u>	<u>100,999</u>	<u>91,617</u>	<u>103,338</u>
<b>Net Expenses</b>	<u>(438,627)</u>	<u>(437,834)</u>	<u>(471,965)</u>	<u>(490,472)</u>
<b>General Revenues:</b>				
Property taxes levied for general purposes	200,906	205,177	213,115	222,872
Property taxes levied for debt service	-	-	44,765	46,568
Construction excise tax	2,108	3,619	4,889	6,076
Local option taxes levied for general purposes	53,622	51,357	55,709	62,923
State School Fund - general support	149,031	151,369	184,690	179,505
State Common School Fund - general support	4,138	4,608	4,427	4,721
County and intermediate sources - general support	9,588	14,560	15,736	15,202
Federal Stimulus	595	6	-	-
Investment earnings	403	644	774	1,285
Other	13,535	10,518	11,253	10,563
Total general revenues	<u>433,926</u>	<u>441,858</u>	<u>535,358</u>	<u>549,715</u>
<b>Change in Net Assets</b>	<u>\$ (4,701)</u>			
<b>Change in Net Position</b>		<u>\$ 4,024</u>	<u>\$ 63,393</u>	<u>\$ 59,243</u>

Note: The District Implemented GASB 65 beginning in 2013. As a result, Net Assets format is presented for years prior to 2013, and Net Position format is presented for 2013 and subsequent years.

**Government-wide Activities**

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 364,964	\$ 380,939	\$ 421,311	\$ 428,454	\$ 429,149	\$ 465,995
241,016	272,816	283,984	310,546	324,513	376,660
21,326	20,712	24,218	22,785	21,821	23,731
1,230	12,672	8,531	6,030	3,492	10,844
40,116	39,094	46,416	44,166	45,409	54,640
<u>668,652</u>	<u>726,233</u>	<u>784,460</u>	<u>811,981</u>	<u>824,384</u>	<u>931,870</u>
996	533	406	749	251	288
3,157	4,424	4,741	4,818	4,095	1,472
4,521	3,471	4,006	4,239	3,925	154
58,619	57,608	57,116	56,796	57,806	56,627
22,356	22,758	22,871	30,196	29,504	52,678
3,085	2,934	3,019	2,969	2,762	4,530
-	-	-	4,500	11,368	1,319
<u>92,734</u>	<u>91,728</u>	<u>92,159</u>	<u>104,267</u>	<u>109,711</u>	<u>117,068</u>
<u>(575,918)</u>	<u>(634,505)</u>	<u>(692,301)</u>	<u>(707,714)</u>	<u>(714,673)</u>	<u>(814,802)</u>
233,548	242,899	248,281	262,657	273,860	286,437
48,985	49,384	116,468	125,486	126,343	131,791
5,886	7,542	8,201	5,991	4,291	3,446
76,467	83,853	88,163	95,173	98,033	101,539
211,253	207,182	239,804	225,135	266,607	263,622
5,810	6,191	5,155	5,493	5,012	5,628
15,772	17,270	17,662	17,362	19,072	17,185
-	-	-	-	-	-
3,140	4,007	3,473	20,229	12,534	3,107
12,120	17,501	12,024	8,674	17,648	10,113
<u>612,981</u>	<u>635,829</u>	<u>739,231</u>	<u>766,200</u>	<u>823,400</u>	<u>822,868</u>
<u>\$ 37,063</u>	<u>\$ 1,324</u>	<u>\$ 46,930</u>	<u>\$ 58,486</u>	<u>\$ 108,727</u>	<u>\$ 8,066</u>

**Schedule 3**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(dollars in thousands)**

	<b>Governmental Activities</b>			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Fund</b>				
Nonspendable	\$ 452	\$ 139	\$ 200	\$ 247
Restricted	-	-	560	-
Committed	1,583	-	-	-
Assigned	-	-	-	-
Unassigned	28,890	37,318	50,914	34,195
Total general fund	<u>30,925</u>	<u>37,457</u>	<u>51,674</u>	<u>34,442</u>
<b>All Other</b>				
<b>Governmental Funds</b>				
Nonspendable	390	473	2,370	2,452
Restricted	27,471	144,677	127,176	393,179
Committed	20,461	15,486	16,342	17,590
Assigned	-	-	-	5,549
Unassigned	-	-	-	-
Total all other governmental funds	48,322	160,636	145,888	418,770
<b>Total Governmental Fund Balances</b>	<u><u>\$ 79,247</u></u>	<u><u>\$ 198,093</u></u>	<u><u>\$ 197,562</u></u>	<u><u>\$ 453,212</u></u>

**Governmental Activities**

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 386	\$ 360	\$ 343	\$ 570	\$ 511	\$ 945
-	-	-	-	-	-
-	-	-	-	-	-
7,200	7,200	-	-	-	-
<u>30,249</u>	<u>12,544</u>	<u>37,939</u>	<u>39,317</u>	<u>63,963</u>	<u>87,746</u>
<u>37,835</u>	<u>20,104</u>	<u>38,282</u>	<u>39,887</u>	<u>64,474</u>	<u>88,691</u>
2,286	1,417	1,017	3,383	6,940	5,664
281,089	170,614	484,006	347,179	671,974	788,139
16,400	17,454	19,116	18,185	18,921	20,246
6,182	7,164	10,400	10,470	14,785	10,204
-	-	-	(29)	-	(12,768)
305,957	196,649	514,539	379,188	712,620	811,485
<u>\$ 343,792</u>	<u>\$ 216,753</u>	<u>\$ 552,821</u>	<u>\$ 419,075</u>	<u>\$ 777,094</u>	<u>\$ 900,176</u>

**Schedule 4**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(dollars in thousands)**

	<b>Governmental Activities</b>			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues</b>				
Property and other taxes	\$ 200,716	\$ 208,434	\$ 260,872	\$ 274,219
State School Fund	149,031	151,369	184,690	179,505
State Common School Fund	4,138	4,608	4,427	4,721
Federal and state support	84,704	71,942	65,231	75,793
Local option taxes	53,099	51,720	56,013	63,274
County and intermediate sources	9,588	14,560	15,736	15,201
Federal stimulus	4,591	1,920	155	-
Charges for services	45,953	48,674	51,874	54,233
Extracurricular activities	7,355	7,867	8,308	8,276
Investment earnings	579	632	757	1,255
Other	15,127	16,315	13,138	15,414
<b>Total revenues</b>	<u>574,881</u>	<u>578,041</u>	<u>661,201</u>	<u>691,891</u>
<b>Expenditures</b>				
Current:				
Instruction	305,238	303,360	323,921	349,667
Support services	207,691	193,375	202,233	229,254
Enterprise and community services	19,782	19,710	20,059	21,902
Facilities acquisition and construction	10,613	31,575	31,105	54,830
Debt Service:				
Principal	56,963	62,443	51,500	55,033
Interest and fiscal charges	25,608	26,318	34,921	33,811
<b>Total expenditures</b>	<u>625,895</u>	<u>636,781</u>	<u>663,739</u>	<u>744,497</u>
Excess (deficit) of revenues over expenditures	<u>(51,014)</u>	<u>(58,740)</u>	<u>(2,538)</u>	<u>(52,606)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	14,090	55,786	9,013	14,409
Transfers out	(9,680)	(55,786)	(9,013)	(14,409)
Proceeds from the sale of capital assets	102	655	2,007	44
Issuance of debt, including premium/discount	27,250	176,931	-	308,212
Issuance of refunding bonds	14,400	-	-	-
Premium on issuance of debt	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>46,162</u>	<u>177,586</u>	<u>2,007</u>	<u>308,256</u>
<b>Net change in fund balances</b>	<u>\$ (4,852)</u>	<u>\$ 118,846</u>	<u>\$ (531)</u>	<u>\$ 255,650</u>
Debt service as a percentage of noncapital expenditures	13.4%	14.7%	13.7%	12.9%

**Governmental Activities**

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 287,035	\$ 298,114	\$ 377,578	\$ 398,930	\$ 403,864	\$ 421,602
211,253	207,182	239,804	225,135	266,607	263,622
5,810	6,191	5,155	5,493	5,012	5,628
71,024	70,667	69,771	81,482	90,493	108,683
76,593	84,106	89,663	97,188	98,789	102,417
15,771	17,270	17,663	17,362	19,072	17,185
-	-	-	-	-	-
49,312	52,953	56,836	56,311	59,597	57,059
7,904	7,489	7,304	7,191	4,914	1,237
3,096	3,930	3,392	19,954	12,400	3,018
16,215	22,414	15,471	13,074	12,717	14,628
<u>744,013</u>	<u>770,316</u>	<u>882,637</u>	<u>922,120</u>	<u>973,465</u>	<u>995,079</u>
362,126	369,841	386,975	394,080	408,759	417,112
248,377	266,961	278,758	300,421	319,604	347,414
21,925	22,838	22,961	22,830	21,936	23,914
127,491	149,868	113,043	164,764	207,452	287,538
47,020	50,065	109,874	114,537	117,984	119,759
46,610	46,867	57,598	59,304	59,750	72,016
<u>853,549</u>	<u>906,440</u>	<u>969,209</u>	<u>1,055,936</u>	<u>1,135,485</u>	<u>1,267,753</u>
<u>(109,536)</u>	<u>(136,124)</u>	<u>(86,572)</u>	<u>(133,816)</u>	<u>(162,020)</u>	<u>(272,674)</u>
7,407	16,141	6,997	6,125	1,931	2,466
(7,407)	(16,141)	(6,997)	(6,125)	(1,931)	(2,466)
116	37	740	70	10,517	152
-	9,048	421,900	-	509,522	365,465
-	-	-	-	-	53,965
-	-	-	-	-	31,205
-	-	-	-	-	(55,031)
<u>116</u>	<u>9,085</u>	<u>422,640</u>	<u>70</u>	<u>520,039</u>	<u>395,756</u>
<u>\$ (109,420)</u>	<u>\$ (127,039)</u>	<u>\$ 336,068</u>	<u>\$ (133,746)</u>	<u>\$ 358,019</u>	<u>\$ 123,082</u>
12.9%	12.6%	19.7%	19.5%	19.2%	23.8%



**Schedule 5**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Assessed Values of Taxable Property within School District No. 1J Boundaries**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

Fiscal Year Ending June 30,	Assessed Value (not including exempt property)					Total Assessed Value
	Real Property	Personal Property	Manufactured Structures	Public Utility		
2012	\$ 40,421,170	\$ 1,687,236	\$ 41,578	\$ 1,568,907	\$ 43,718,891	
2013	41,725,902	1,691,285	18,523	1,538,735	44,974,445	
2014	43,211,127	1,716,219	17,485	1,613,794	46,558,625	
2015	45,073,153	1,757,198	18,655	1,673,302	48,522,308	
2016	47,216,863	1,838,347	23,782	1,710,931	50,789,923	
2017	49,437,875	1,943,596	23,198	1,799,222	53,203,891	
2018	52,196,539	2,009,538	22,243	1,913,350	56,141,671	
2019	53,550,558	2,212,720	23,701	2,194,854	57,981,833	
2020	56,156,552	2,472,239	22,330	2,177,977	60,829,098	
2021	58,784,786	2,344,506	22,738	2,437,442	63,589,472	

**Notes**

Beginning July 1, 1997 property taxes were based on an assessed value. Assessed value is defined as the lower of "maximum assessed value" or "real market value". For the 1997-1998 tax year, "maximum assessed value" was set at the 1995-1996 real market value less 10 percent. Assessed value for later years is limited to 3 percent annual increases.

The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997.

Source for real market values is Tax Supervising & Conservation Commission and Multnomah County annual reports yearly real market and assessed values by county.

**Sources**

FY 2012-2021: Oregon Property Tax Statistics Supplement for the appropriate fiscal year. Values are the *combined* total for the taxing district, "Portland 1J School", in Multnomah, Clackamas and Washington counties.

<https://www.oregon.gov/DOR/programs/gov-research/Pages/research-property.aspx>

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

Add: Non-Profit Housing	Less: Urban Renewal Excess	<b>Total Net Assessed Value</b>	Total Direct Tax Rate	Amount tax rate will raise	Less: Reduction and Adjustments	<b>Total Taxes Imposed (Net Levy)</b>
\$ 20,328	\$ 4,519,149	\$ <b>39,220,070</b>	7.2681	\$ 285,055	\$ 24,051	\$ <b>261,004</b>
20,938	4,653,499	<b>40,341,884</b>	7.2681	293,209	29,814	<b>263,395</b>
21,566	4,833,326	<b>41,746,865</b>	8.3571	348,883	27,190	<b>321,693</b>
22,213	4,907,733	<b>43,636,788</b>	8.3535	364,520	23,132	<b>341,388</b>
22,880	5,237,111	<b>45,575,692</b>	8.3632	381,159	12,569	<b>368,590</b>
23,566	5,882,588	<b>47,344,869</b>	8.3304	394,402	7,687	<b>386,715</b>
21,662	6,457,719	<b>49,705,614</b>	9.6863	481,463	4,666	<b>476,797</b>
22,055	6,891,397	<b>51,112,491</b>	9.7571	498,710	3,065	<b>495,645</b>
22,459	7,148,348	<b>53,703,209</b>	9.6734	519,493	4,575	<b>514,918</b>
23,246	7,567,172	<b>56,045,546</b>	9.6698	541,949	5,578	<b>536,371</b>

**Schedule 6**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(rate per \$1,000 of assessed value)**

District Direct Rates

Fiscal Year	General Tax Permanent Rate	Local Option	General Obligation Debt Service Bonds	Total Direct Tax Rate
2012	\$ 5.2781	\$ 1.9900	\$ -	\$ 7.2681
2013	5.2781	1.9900	-	7.2681
2014	5.2781	1.9900	1.0890	8.3571
2015	5.2781	1.9900	1.0854	8.3535
2016	5.2781	1.9900	1.0951	8.3632
2017	5.2781	1.9900	1.0623	8.3304
2018	5.2781	1.9900	2.4182	9.6863
2019	5.2781	1.9900	2.4890	9.7571
2020	5.2781	1.9900	2.4053	9.6734
2021	5.2781	1.9900	2.4017	9.6698

Fiscal Year	Multnomah County	Port of Portland	Metro	City of Portland	Portland Community College	Multnomah Education Service District
2012	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2013	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2014	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2015	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2016	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2017	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2018	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2019	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2020	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2021	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576

**Notes**

The permanent and local option tax rates are determined by the State of Oregon Constitution and State Statutes. Existing districts cannot increase their permanent rate authority. Local option levies are limited to five years for operations and ten years for capital projects. Elections for local option levies must meet the double majority election test, except in the November general election in even numbered years. Rates for debt service are set based on each year's requirements.

**Sources**

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

**Schedule 7**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Principal Property Tax Payers for Multnomah County**  
**Prior Year and Nine Years Ago**  
**Taxing District - 311 Portland Public School District**  
**(dollars in thousands)**

Taxpayers with Ten Highest Taxable Assessed Values	2020 <sup>1</sup>			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pacificcorp (PP&L)	\$ 483,934	1	0.90 %	\$ 282,606	1	0.74 %
Portland General Electric Co	454,209	2	0.85	241,239	2	0.63
CenturyLink	299,726	3	0.56			
Weston Investment Co LLC	252,134	4	0.47	219,480	3	0.58
Port of Portland	235,786	5	0.44	210,833	4	0.55
Comcast Corporation	190,456	6	0.35	194,788	5	0.51
AT&T Inc	181,621	7	0.34			
111 SW 5th Avenue Investors LLC	172,979	8	0.32			
Capref Lloyd Center LLC	162,999	9	0.30			
AAT Lloyd District LLC	157,225	10	0.29			
Qwest Wireless				184,976	6	0.49
LC Portland LLC				173,396	7	0.45
Evraz Inc NA				166,299	8	0.44
555 SW Oak LLC				130,945	9	0.34
Fred Meyer Stores Inc				126,979	10	0.33
Subtotal of Ten Largest Taxpayers	2,591,069		4.82	1,931,541		5.06
All Other Taxpayers	51,112,140		95.18	36,189,366		94.94
Total All Taxpayers	<u>\$ 53,703,209</u>		<u>100.00 %</u>	<u>\$ 38,120,907</u>		<u>100.00 %</u>

**Notes**

<sup>1</sup> 2021 information not available at time of distribution

**Sources**

Multnomah County, Division of Assessment and Taxation

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

**Schedule 8**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Principal Property Tax Payers for Multnomah County**  
**Prior Year and Nine Years Ago**  
**Taxing District - 170 Multnomah County**  
**(dollars in thousands)**

Taxpayers with Ten Highest Taxable Assessed Values	2020 <sup>1</sup>			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Portland General Electric Co	\$ 774,111	1	0.90 %	\$ 406,993	2	0.67 %
Port of Portland	678,525	2	0.79	615,232	1	1.01
Pacificorp (PP&L)	550,828	3	0.64	319,636	4	0.52
Alaska Airlines Inc	432,256	4	0.50			
Centurylink	351,537	5	0.41			
Boeing Company	343,713	6	0.40	163,001	10	0.27
Weston Investment Co LLC	290,995	7	0.34	248,199	5	0.41
Comcast Corporation	261,341	8	0.30	351,392	3	0.58
Delta Air Lines Inc	238,960	9	0.28			
Southwest Airlines Co	227,000	10	0.26			
Qwest Wireless				220,328	6	0.36
LC Portland LLC				173,396	7	0.28
Evraz Inc NA				166,299	8	0.27
Fred Meyer Stores Inc				163,369	9	0.27
Subtotal of Ten Largest Taxpayers	<u>4,149,266</u>		<u>4.82</u>	<u>2,827,845</u>		<u>4.64</u>
All Other Taxpayers	<u>81,755,578</u>		<u>95.18</u>	<u>58,199,335</u>		<u>95.36</u>
Total All Taxpayers	<u>\$ 85,904,844</u>		<u>100.00 %</u>	<u>\$ 61,027,180</u>		<u>100.00 %</u>

**Notes**

<sup>1</sup> 2021 information not available at time of distribution

**Sources**

Multnomah County, Division of Assessment and Taxation

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

**Schedule 9**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

Fiscal Year Ending June 30,	Net Taxes Levied for the Fiscal Year <sup>1</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years <sup>2</sup>	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 261,004	\$ 244,408	93.64%	\$ 7,963	\$ 252,371	96.69%
2013	263,395	248,807	94.46	7,589	256,396	97.34
2014	321,693	304,458	94.64	8,421	312,879	97.26
2015	341,388	323,906	94.88	8,227	332,133	97.29
2016	368,590	350,212	95.01	6,934	357,146	96.90
2017	386,715	368,085	95.18	6,472	374,557	96.86
2018	476,797	451,059	94.60	7,044	458,103	96.08
2019	495,645	474,602	95.75	5,899	480,501	96.94
2020	514,918	490,715	95.30	4,467	495,182	96.17
2021	536,371	512,270	95.51	-	512,270	95.51

**Notes**

The net taxes levied are combined for Multnomah, Washington, and Clackamas counties. Responsibility for the collection of all property taxes rests within each County's Department of Assessment and Taxation. Current taxes are assessed as of July 1, become due as of November 15 and become delinquent as of May 15. Assessed taxes become a lien upon real property in the fourth year of delinquency. Proceeds of tax sales are applied to delinquent taxes, interest and other costs attributable to the property sold.

<sup>1</sup> The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997. Additional information can be found on Schedule 5. Note that the Net Taxes Levied in Schedule 5 is based on the Assessed Value, while data for this schedule is based on the actual Net Taxes Levied.

<sup>2</sup> Collections in subsequent years includes current year revenue received for taxes levied in prior years.

**Sources**

Multnomah, Washington and Clackamas Counties, Division of Assessment and Taxation

**Schedule 10**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(dollars in thousands, except per student and per capita)**

General Bonded Debt							
Fiscal Year	General Obligation Bonds	Less Amount Available for Repayment	Net Unamortized Premium (Discount)	Net General Obligation Bonds Outstanding	Percentage of Actual Taxable Value of Property <sup>1</sup>	Per Student <sup>2</sup>	General Obligation Debt Per Capita <sup>4</sup>
2012	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
2013	144,840	-	13,347	158,187	0.39%	3,329	206
2014	108,890	(361)	10,209	118,738	0.28%	2,469	153
2015	343,575	(1,363)	39,974	382,186	0.88%	7,887	484
2016	311,720	(2,698)	37,726	346,748	0.76%	7,066	433
2017	276,870	(3,301)	35,507	309,076	0.65%	6,283	383
2018	593,880	(4,229)	43,937	633,588	1.27%	12,785	780
2019	495,390	(10,552)	41,224	526,062	1.03%	10,617	647
2020	832,405	(13,568)	106,051	924,888	1.72%	18,693	N/A
2021	1,105,125	(10,482)	125,762	1,220,405	2.18%	25,794	N/A

Other Governmental Activities Debt						
Fiscal Year	Limited Tax Pension Bonds <sup>5</sup>	Full Faith & Credit Obligations	Small Scale Energy Loan Programs	Recovery Zone Bond	Qualified Zone Academy Bond (QZAB)	Other Debt
2012	\$ 431,638	\$ 45,877	\$ 325	\$ 10,190	-	-
2013	419,034	14,768	179	9,356	-	471
2014	407,500	12,261	-	8,496	-	-
2015	395,958	9,970	-	7,611	-	-
2016	384,074	7,601	-	6,698	-	-
2017	372,250	10,200	-	5,757	4,000	-
2018	360,172	7,402	-	4,789	3,800	-
2019	348,222	4,503	-	3,790	3,600	-
2020	336,062	4,213	-	2,761	3,400	-
2021	314,159	3,918	-	1,700	3,200	-

**Notes**

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

<sup>1</sup> See Schedule 5 for property value data. The total estimated actual value of taxable property cannot be reasonably estimated.

<sup>2</sup> Student enrollment data can be found in Schedule 17.

<sup>3</sup> Includes net general bonded debt and other governmental activities debt, excluding amounts available for repayment.

<sup>4</sup> Per capita is calculated using the estimated District population from the US Department of Commerce, Bureau of Economic Analysis as reported in Schedule 13. Data for 2020 and 2021 not available at time of printing.

<sup>5</sup> Limited Tax Pension Bonds are not included in the General Bonded Debt schedule above since they are not repaid directly with property tax dollars.

Net Unamortized Premium (Discount)	Total District 3	Per Student 2	Per Capita <sup>4</sup>
(195)	487,835	10,320	643
(202)	601,793	12,663	785
(209)	547,147	11,376	704
(198)	796,890	16,445	1,008
(187)	747,632	15,234	933
(176)	704,408	14,320	872
(165)	1,013,815	20,458	1,249
(153)	896,576	18,094	1,103
(142)	1,284,750	25,966	N/A
(131)	1,553,733	32,839	N/A



**Schedule 11**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2021**  
**(dollars in thousands)**

Overlapping Issuer	Net Property-tax Backed Debt <sup>1</sup>	Percent Overlapping	Overlapping Debt <sup>2</sup>
Burlington Water District	\$ 1,147	100.00 %	\$ 1,147
City of Beaverton	33,174	1.62	538
City of Lake Oswego	85,700	4.59	3,932
City of Milwaukie	34,997	0.70	245
City of Portland	423,864	86.30	365,806
Clackamas County	125,400	0.10	122
Clackamas Cty RFPD 1	26,735	0.10	26
Clackamas Soil & Water Conservation	6,144	0.10	6
Metro	920,585	39.47	363,355
Mt Hood Community College	19,160	0.06	12
Multnomah County	690,661	75.70	522,812
Multnomah Cty RFPD 10	1,423	0.24	3
Portland Community College	545,535	49.69	271,087
Tualatin Hills Park & Rec District	61,464	1.19	730
Tualatin Valley Fire & Rescue District	17,325	1.71	296
Valley View Water District	1,233	100.00	1,233
Washington County	196,818	0.58	1,143
Subtotal, overlapping debt			<u>1,532,493</u>
Direct District debt (PERS) <sup>3</sup>			314,028
Direct District debt (other) <sup>3</sup>			1,239,705
Subtotal, Direct debt			<u>1,553,733</u>
Total direct and overlapping debt			<u><u>\$ 3,086,226</u></u>

**Notes**

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.

<sup>1</sup> Net Property-tax Backed Debt includes all General Obligation (GO) bonds and Limited-tax GO bonds, less self-supporting unlimited tax (GO) and self-supporting limited-tax (GO) debt.

<sup>2</sup> Overlapping Debt is calculated using Net Property-tax Backed Debt times Percent Overlapping that are provided by Oregon State Treasury, Debt Management Division.

<sup>3</sup> Direct District debt is net of unamortized premiums and discounts.

**Sources**

Oregon State Treasury, Debt Management Division: Overlapping Debt Report

**Schedule 12**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

**Legal Debt Margin Calculation for Fiscal Year 2021**

Real Market Value	\$ 140,249,375
Debt Limit (7.95% of Real Market Value) <sup>1</sup>	\$ 11,149,825
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	1,230,887
Less: Amount Available in Debt Service Funds	(10,482)
Amount of Debt Applicable to Debt Limit	1,220,405
Legal Debt Margin	\$ 9,929,420

	Debt Limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2012	\$ 5,680,406	\$ -	\$ 5,680,406	0.00%
2013	5,604,461	158,187	5,446,274	2.82
2014	5,917,214	118,738	5,798,476	2.01
2015	6,517,491	382,186	6,135,305	5.86
2016	7,228,979	346,748	6,882,231	4.80
2017	8,501,342	309,076	8,192,266	3.64
2018	9,670,978	633,588	9,037,390	6.55
2019	10,472,898	526,062	9,946,836	5.02
2020	10,698,745	924,888	9,773,857	8.64
2021	11,149,825	1,220,405	9,929,420	10.95

Allowable Percentage of Real Market Value:

<sup>A</sup> Kindergarten through eighth grade, 9 x .0055	4.95%
<sup>B</sup> Ninth through twelfth, 4 x .0075	3.00%
Allowable Percentage	7.95% <sup>1</sup>

**Notes**

<sup>1</sup> ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values within the District based on the following:

<sup>A</sup> For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value.

<sup>B</sup> For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value.

**Sources**

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year

**Schedule 13**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**  
**Multnomah County**

<b>Year</b>	<b>Population</b>	<b>Personal Income</b> (thousands of dollars)	<b>Per Capita Personal Income</b> (dollars)	<b>Unemployment Rate<sup>2</sup></b>
2012	759,256	\$ 32,715,802	\$ 43,089	8.9 %
2013	766,135	33,376,029	43,564	7.9
2014	776,712	36,588,018	47,106	6.8
2015	790,294	38,906,295	49,230	5.7
2016	801,539	41,735,341	52,069	4.9
2017	807,555	43,873,915	54,329	4.1
2018	811,880	46,966,887	57,850	4.0
2019	812,855	49,399,774	60,773	4.0
2020	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	11.6
2021	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	5.6

**Notes**

<sup>1</sup> Data for 2020 and 2021 not available at time of printing.

<sup>2</sup> Oregon unemployment rates as of June 30 each year.

**Sources**

US Department of Commerce, Bureau of Economic Analysis: population, personal income and per capita information.

US Department of Labor, Bureau of Labor Statistics: unemployment rate information.

**Schedule 14**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Principal Employers for the Portland Metro Area**  
**Current Year and Nine Years Ago**

Employer	2021			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
<b>Ten Largest Employers</b>						
Intel	21,394	1	1.82 %	15,636	2	1.55 %
Providence Health & Services	19,326	2	1.65	14,089	3	1.40
Oregon Health & Science University	17,441	3	1.49	12,000	5	1.19
Legacy Health	12,896	4	1.10	9,732	7	0.96
Nike Inc	12,000	5	1.02	7,000	10	0.69
Kaiser Permanente	11,910	6	1.01	9,039	8	0.90
Fred Meyer Stores	8,163	7	0.70	9,858	6	0.98
City of Portland	7,409	8	0.63	8,876	9	0.88
Portland Public Schools	7,005	9	0.60			
Beaverton School District	5,646	10	0.48			
State of Oregon				18,400	1	1.82
US Federal Government				13,900	4	1.38
<b>Subtotal of Ten Largest Employers</b>	<b>123,190</b>		<b>10.50</b>	<b>118,530</b>		<b>11.75</b>
<b>All Other Employers</b>	<b>1,050,510</b>		<b>89.50</b>	<b>890,670</b>		<b>88.25</b>
<b>Total Portland MSA<sup>1</sup> Employment</b>	<b>1,173,700<sup>2</sup></b>		<b>100.00 %</b>	<b>1,009,200</b>		<b>100.00 %</b>

**Notes**

<sup>1</sup> Portland-Vancouver-Hillsboro MSA includes Clackamas, Columbia, Multnomah, Washington, and Yamhill counties in Oregon, and Clark and Skamania counties in Washington.

<sup>2</sup> As of June 2021, not seasonally adjusted.

**Sources**

Portland Business Journal, Book of Lists, published December 2011 and December 2020

Oregon Employment Department, Workforce and Economic Research

**Schedule 15**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Full-time Equivalent District Employees by Assignment/Function**  
**Last Ten Fiscal Years**

<b>Full-time Equivalent Employees for the Fiscal Year</b>				
<u>Assignment/Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Teachers	2,315.0	2,353.1	2,384.0	2,606.8
Educational Assistants	555.8	520.9	509.8	582.1
School Level Administration	142.9	144.2	142.3	155.0
District Level Administration <sup>1</sup>	13.0	14.0	11.0	17.0
Other Staff	<u>1,850.3</u>	<u>1,798.4</u>	<u>1,720.0</u>	<u>2,056.5</u>
Total FTE	<u><u>4,877.0</u></u>	<u><u>4,830.6</u></u>	<u><u>4,767.1</u></u>	<u><u>5,417.4</u></u>

**Notes**

<sup>1</sup> Beginning in fiscal year 2020, Special Education staff previously shown as District Level Administration were reclassified to School Level Administration

**Sources**

Internal: System Planning and Performance - Analytics

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
2,632.5	2,737.7	2,684.2	2,697.3	2,709.3	2,749.2
667.8	674.3	680.8	647.1	688.5	640.1
151.0	166.5	167.3	165.5	172.5	174.5
22.0	21.0	19.2	16.0	4.0	4.0
<u>1,959.4</u>	<u>2,123.1</u>	<u>2,275.2</u>	<u>2,048.1</u>	<u>2,234.4</u>	<u>2,330.2</u>
<u><u>5,432.7</u></u>	<u><u>5,722.6</u></u>	<u><u>5,826.7</u></u>	<u><u>5,574.0</u></u>	<u><u>5,808.7</u></u>	<u><u>5,898.0</u></u>

**Schedule 16**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Meal and Transportation Services Provided**  
**Last Ten Fiscal Years**

	<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>	
<b>Nutrition Services</b>								
Number of Meals Served <sup>1</sup>								
Paid Meals	1,382,329	25%	1,354,685	25%	1,313,005	25%	1,071,048	19%
Reduced Meals	441,829	8%	434,353	8%	375,796	7%	194,558	4%
Free Meals	3,689,643	67%	3,632,901	67%	3,560,251	68%	4,315,732	77%
Total meals served	<u>5,513,801</u>	<u>100%</u>	<u>5,421,939</u>	<u>100%</u>	<u>5,249,052</u>	<u>100%</u>	<u>5,581,338</u>	<u>100%</u>
Average Daily Breakfast Served	10,400		10,768		10,380		10,846	
Average Daily Lunch Served	19,942		19,059		18,668		19,710	
Student Participation <sup>2</sup>	49.14%		47.00%		45.80%		44.00%	

<b>Transportation</b>								
Number of buses	257		263		254		269	
Total miles traveled	3,019,548		3,392,622		3,156,795		3,127,505	
Cost per mile	\$ 6.24		\$ 5.28		\$ 5.89		\$ 5.97	
Area encompassed by District (sq mi)	160		160		160		160	

	<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>	
<b>Nutrition Services</b>								
Number of Meals Served <sup>1</sup>								
Paid Meals	1,114,504	20%	1,372,455	29%	1,466,345	32%	1,621,312	34%
Reduced Meals	209,753	4%	180,707	4%	261,833	6%	292,962	6%
Free Meals	4,141,824	76%	3,225,700	67%	2,877,750	62%	2,877,464	60%
Total meals served	<u>5,466,081</u>	<u>100%</u>	<u>4,778,862</u>	<u>100%</u>	<u>\$ 4,605,928</u>	<u>100%</u>	<u>\$ 4,791,738</u>	<u>100%</u>
Average Daily Breakfast Served	10,724		9,831		8,985		9,010	
Average Daily Lunch Served	19,083		18,173		17,793		17,356	
Student Participation <sup>2</sup>	44.40%		42.00%		38.67%		37.78%	

<b>Transportation</b>								
Number of buses	245		260		270		270	
Total miles traveled	3,273,739		4,174,150		3,506,305		3,587,525	
Cost per mile	\$ 5.91		\$ 4.88		\$ 6.69		\$ 7.51	
Area encompassed by District (sq mi)	160		160		160		160	

	<u>2020</u>		<u>2021</u>	
<b>Nutrition Services</b>				
Number of Meals Served <sup>1</sup>				
Paid Meals <sup>3</sup>	1,191,926	29%	-	0%
Reduced Meals <sup>3</sup>	199,756	5%	-	0%
Free Meals	2,767,579	66%	4,370,010	100%
Total meals served	<u>4,159,261</u>	<u>100%</u>	<u>4,370,010</u>	<u>100%</u>
Average Daily Breakfast Served	8,192		5,316	
Average Daily Lunch Served	13,830		5,332	
Student Participation <sup>2</sup>	37.36%		12.76%	

<b>Transportation</b>				
Number of buses	257		289	
Total miles traveled <sup>4</sup>	2,993,965		851,568	
Cost per mile	\$ 8.62		\$ 26.57	
Area encompassed by District (sq mi)	160		160	

**Notes**

- <sup>1</sup> Number of meals served includes breakfast, lunch, snack, and supper.
- <sup>2</sup> Student Participation percentage is calculated based on the average daily lunches served at elementary schools, middle schools, and high schools, over the average daily attendance (enrollment adjusted per industry factors) at the schools where nutrition services meals are served.
- <sup>3</sup> Per USDA guidance, free meals were available to all students during the 2021-2022 school year.
- <sup>4</sup> Due to COVID and Comprehensive Distance Learning, fewer students were transported to school sites during the 2021-2022 school year.

**Sources**

Internal: District Nutrition Services and Transportation departments





**Schedule 17**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Building and Student Enrollment Information**  
**Last Ten Fiscal Years**

School or Program Type	BUILDING			2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Year	Age	Square Footage										
Abernethy	1924	97	45,464	455	505	528	511	513	519	516	520	507	451
Ainsworth	1912	109	53,483	568	569	576	582	600	605	638	625	644	594
Alameda	1921	100	72,748	782	769	773	760	730	747	734	730	704	623
Arleta	1929	92	98,245	422	462	476	454	456	457	454	490	526	485
Astor	1949	72	29,472	482	478	500	497	493	455	425	434	416	394
Atkinson	1953	68	53,170	447	440	441	428	435	432	420	419	391	390
Beach	1928	93	82,155	582	613	620	607	631	464	442	428	436	382
Beverly Cleary	1959	62	96,900	674	730	814	834	859	884	897	782	742	692
Boise-Eliot / Humboldt	1926	95	93,629	389	535	506	540	540	532	499	325	343	334
Bridger	1951	70	75,786	396	405	435	415	476	500	531	504	516	514
Bridlemile	1956	65	54,157	472	457	450	442	480	511	535	518	508	437
Buckman	1922	99	99,875	488	460	452	444	481	459	474	450	427	446
Capitol Hill	1917	104	49,621	371	403	405	460	437	448	442	443	416	346
César Chávez	1928	93	104,371	-	473	483	451	522	551	540	550	549	544
Chapman	1923	98	78,102	562	592	646	674	643	584	532	484	484	375
Chief Joseph	1948	73	43,215	481	459	642	627	604	326	363	358	351	305
Creative Science School Program	1955	66	48,651	356	388	425	444	476	492	479	466	468	450
Creston	1948	73	77,144	380	345	350	350	392	356	372	361	375	385
Duniway	1926	95	104,760	425	423	437	505	494	519	499	504	512	468
Faubion	2017	4	133,576	434	454	487	511	479	532	710	767	786	740
Forest Park	1998	23	59,634	491	502	490	486	449	455	443	418	402	348
Glencoe	1923	98	61,457	453	472	502	503	500	492	489	451	449	395
Grout	1927	94	87,080	359	371	377	389	376	384	392	382	370	350
Harrison Park	1955	66	107,735	751	757	742	742	729	676	638	658	637	601
Hayhurst	1954	67	48,918	420	412	415	484	499	552	592	629	640	624
Humboldt				219	-	-	-	-	-	-	-	-	-
Irvington	1932	89	67,340	483	460	478	485	493	446	459	339	325	320
James John	1929	92	67,638	402	439	461	445	429	405	368	347	351	316
Kelly	1952	69	75,233	570	626	622	631	610	604	532	498	476	419
King	1925	96	153,475	292	312	331	370	400	386	389	321	341	324
Laurelhurst	1923	98	56,555	684	665	673	671	691	684	698	692	698	688
Lee	1952	69	61,161	459	497	493	431	456	447	425	276	269	262
Lent	1948	73	73,479	577	573	604	560	564	523	530	507	475	476
Lewis	1952	69	45,745	393	400	414	382	382	412	389	390	410	368
Llewellyn	1928	93	74,326	543	583	570	518	531	517	489	484	509	460
Maplewood	1948	73	37,713	335	327	333	329	359	384	378	383	374	347
Markham	1950	71	76,805	384	383	393	386	377	418	456	445	430	416
Marysville	1921	100	51,553	363	352	416	405	390	381	403	392	383	402
Ockley Green				269	243	-	-	-	-	-	-	-	-
Peninsula	1952	69	59,957	358	368	376	396	374	266	279	267	265	237
Richmond	1908	113	82,254	662	662	687	677	629	649	647	632	627	600
Rieke	1959	62	32,886	416	388	388	388	402	410	386	379	368	329
Rigler	1931	90	78,199	524	449	463	480	451	472	441	308	307	268
Rosa Parks	2006	15	65,697	407	405	405	341	329	298	272	276	280	266
Rose City Park	2018	3	69,082	-	-	-	-	-	-	-	532	538	529
Roseway Heights				589	616	606	668	697	643	661	-	-	-
Sabin	1927	94	66,567	392	420	485	514	568	524	551	452	418	360
Scott	1949	72	65,425	521	504	507	481	473	512	521	459	485	460
Sitton	1949	72	57,289	333	356	376	399	390	401	364	367	374	337
Skyline	1939	82	35,760	276	273	265	309	300	300	293	274	248	181
Stephenson	1964	57	39,652	335	329	320	308	322	340	352	347	371	322
Sunnyside Environmental	1925	96	76,671	608	605	587	586	574	602	604	581	549	522
Vernon	1931	90	88,010	500	440	394	386	407	471	522	545	607	569
Vestal	1929	92	111,481	420	395	402	399	412	381	341	272	249	228
Whitman	1954	67	55,559	361	351	349	316	271	287	283	254	220	185
Winterhaven	1930	91	61,453	346	352	356	346	350	353	354	321	299	291
Woodlawn	1926	95	99,840	443	439	449	443	426	342	346	354	327	315
Woodmere	1954	67	50,130	397	383	371	338	312	303	286	310	273	269
Woodstock	1955	66	63,752	491	508	505	487	496	527	552	548	543	526
<b>Elementary Schools Total</b>			<b>3,960,035</b>	<b>25,992</b>	<b>26,577</b>	<b>27,051</b>	<b>27,015</b>	<b>27,159</b>	<b>26,620</b>	<b>26,627</b>	<b>25,248</b>	<b>24,988</b>	<b>23,265</b>

**Schedule 17**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Building and Student Enrollment Information**  
**Last Ten Fiscal Years (continued)**

School or Program Type	BUILDING			2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Year	Age	Square Footage										
Beaumont	1926	95	81,381	481	583	584	554	571	569	591	571	573	518
César Chávez			453	-	-	-	-	-	-	-	-	-	-
da Vinci	1928	93	72,063	462	470	468	465	458	461	457	456	450	443
George	1950	71	85,038	360	385	373	359	369	360	417	421	438	432
Gray	1951	70	82,744	422	422	464	527	566	546	536	542	566	509
Harriett Tubman	1952	69	83,673	-	-	-	-	-	-	-	491	430	443
Hosford	1925	96	74,964	534	538	576	591	640	631	621	588	651	676
Jackson	1964	57	218,118	533	532	533	548	606	597	659	746	793	803
Lane	1926	95	79,824	441	486	505	471	481	443	454	433	432	416
Mt. Tabor	1952	69	84,785	593	606	628	662	694	730	718	741	724	721
Ockley Green	1925	96	66,338	-	-	-	-	-	626	531	505	487	487
Roseway Heights	1921	100	99,825	-	-	-	-	-	-	-	588	614	617
Sellwood	1913	108	81,470	486	455	483	545	560	583	589	612	588	549
West Sylvan	1953	68	96,171	848	888	945	958	966	911	876	822	833	802
<b>Middle Schools Total</b>			1,206,394	5,613	5,365	5,559	5,680	5,911	6,457	6,449	7,516	7,579	7,416
Benson	1917	104	412,855	889	889	830	879	914	994	1,026	1,035	1,055	1,005
Cleveland	1929	92	346,093	1,520	1,532	1,523	1,516	1,600	1,609	1,586	1,651	1,560	1,581
Franklin	1915	106	285,547	1,480	1,469	1,460	1,552	1,570	1,612	1,745	1,856	1,936	2,010
Grant	1923	98	303,271	1,565	1,536	1,486	1,503	1,481	1,476	1,512	1,638	1,813	1,965
Ida B. Wells-Barnett <sup>3</sup>	1954	67	283,586	1,387	1,236	1,230	1,257	1,324	1,413	1,512	1,535	1,558	1,540
Jefferson	1909	112	299,416	584	441	511	493	524	590	677	656	641	620
Lincoln	1950	71	194,457	1,476	1,513	1,565	1,583	1,696	1,703	1,705	1,698	1,588	1,481
Leodis V McDaniel <sup>2</sup>	1955	66	317,836	1,161	1,107	1,066	1,077	1,134	1,070	1,146	1,157	1,079	1,173
Marshall	1959	62	283,343	-	-	-	-	-	-	-	-	-	-
Roosevelt	1921	100	255,025	748	828	914	947	940	881	859	994	1,195	1,292
<b>High Schools Total</b>			2,981,429	10,810	10,551	10,585	10,807	11,183	11,348	11,768	12,220	12,425	12,667
<b>PPS Alternative Programs Total</b>			302,529	1,689	1,739	1,699	1,716	1,817	1,760	1,659	1,631	1,632	1,243
<b>School and Alternative Programs Total</b>			8,450,387	44,104	44,232	44,894	45,218	46,070	46,185	46,503	46,615	46,624	44,591
<b>Community-Based Alternative Programs Total</b>			-	1,150	1,207	1,055	1,034	964	968	1,035	912	973	872
<b>Special Services Total</b>			89,443	502	457	485	443	451	451	455	529	496	408
<b>Public Charter Schools Total</b>			16,755	1,532	1,627	1,664	1,764	1,590	1,585	1,564	1,494	1,385	1,443
<b>Total All</b>			8,556,585	47,288	47,523	48,098	48,459	49,075	49,189	49,557	49,550	49,478	47,314
<b>Enrollment and Square Footage Summary by Category</b>			Square Footage	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Regular Programs			3,960,035	25,992	26,577	27,051	27,015	27,159	26,620	26,627	25,248	24,988	23,265
Elementary Schools			1,206,394	5,613	5,365	5,559	5,680	5,911	6,457	6,449	7,516	7,579	7,416
Middle Schools			2,981,429	10,810	10,551	10,585	10,807	11,183	11,348	11,768	12,220	12,425	12,667
High Schools			302,529	1,689	1,739	1,699	1,716	1,817	1,760	1,659	1,631	1,632	1,243
PPS Alternative Programs			-	1,150	1,207	1,055	1,034	964	968	1,035	912	973	872
Plus enrollment not normally within PPS facilities:													
Community Based Programs			89,443	502	457	485	443	451	451	455	529	496	408
Special Services			16,755	1,532	1,627	1,664	1,764	1,590	1,585	1,564	1,494	1,385	1,443
Public Charter Programs			1,156,926										
Other or vacant facilities			9,713,511	47,288	47,523	48,098	48,459	49,075	49,189	49,557	49,550	49,478	47,314
<b>ADMw<sup>4</sup></b>				53,250	53,693	54,281	54,986	57,491	57,876	57,779	57,823	57,624	57,825
<b>Age of Buildings</b>			Median										
Elementary Schools			78										
Middle Schools			93										
High Schools			95										
Focus/Alternative Schools			88										
Inactive or Other Facilities			63										

<sup>1</sup> Enrollment counts are compiled on or about the first school day in October. An enrolled student is defined as a student who attends one or more schools or programs within the District. Regardless of the number of schools or programs attended, each student is counted only once; the counts are unduplicated.

<sup>2</sup> Madison was renamed Leodis V. McDaniel in fiscal year 2021

<sup>3</sup> Wilson was renamed Ida B. Wells-Barnett in fiscal year 2021

<sup>4</sup> Weighted Average Daily Membership ("ADMw") is the enrollment figure, adjusted for part-time students and students with special needs, that is used to allocate revenues appropriated by the State to school districts. The most recent two years are preliminary data.

# Audit

# Audit



Governor Brown Visits Sitton



Jefferson Graduation

**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS**



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER  
 FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
 PERFORMED IN ACCORDANCE WITH OREGON STATE REGULATIONS**

Board of Education  
 School District No. 1J, Multnomah County, Oregon  
 Portland, Oregon

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District No. 1J, Multnomah County, Oregon (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2021. 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.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether the 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 162-10-330 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 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.

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.
- Public charter school requirements

In connection with our testing, nothing came to our attention that caused us to believe the 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 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows:



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH OREGON STATE REGULATIONS (Continued)**

Board of Education  
School District No. 1J, Multnomah County, Oregon  
Page 2

**COMPLIANCE (Continued)**

- In our test sample of 60 students with more than 10 absences, there were two students with ten or more consecutive absences who were not withdrawn from ADM as required by State rules.
- In our test sample of 60 teachers, supporting documentation could not be provided for the years of experience prior to the year 2000 for four teachers. In addition, the District misreported years of experience for two other teachers.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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 and therefore material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

**PURPOSE OF THIS REPORT**

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

*Talbot, Kovola & Warwick LLP*

Portland, Oregon  
December 3, 2021

## Portland Public Schools Nondiscrimination Statement

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Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. The District prohibits discrimination and harassment on any basis protected by law, including but not limited to, an individual's perceived or actual race, color, religion, sex, sexual orientation, gender expression or identity, national or ethnic origin, marital status, age, mental or physical disability, pregnancy, familiar status, economic status, veteran's status, or because of the perceived or actual race, color, religion, sex, sexual orientation, national or ethnic origin, marital status, age, mental or physical disability, pregnancy, familiar status, economic status, or veterans' status or any other persons with whom the individual associates.

Board of Education Policy 1.80.020-P

### Contact Information for Civil Rights Matters

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District Title VI: Angie Morrill	Phone: 503-916-6499 x71112
District Title IX: Liane O'Banion	Phone: 503-916-3025
District 504: James Loveland	Phone: 503-916-2000 x71041
American Disabilities Act: Human Resources	Phone: 503-916-3544

### 2020-21 ACFR Preparation

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Claire Hertz, Deputy Superintendent, Business and Operations  
Nolberto Delgadillo, Chief Financial Officer

#### Accounting

Tracy Pinder, Sr. Director Financial Services  
Cheryl Anselone, Sr. Manager  
Ashley Finch, Sr. General Ledger Manager  
Darwin Dittmar, Sr. Bond Accountant  
Premila Kumar, Sr. Accountant/Analyst  
Abdullah Elmadhoun, Accountant/Analyst  
Chad Hepner, Bond Accountant  
Colene Pool, Fiscal Services Associate II

#### Budget & Grant Accounting

Nicole Bassen, Budget Director  
Junho Chang, Budget Systems Manager  
Melissa Ensminger, Sr. Budget & Grant Accounting Manager  
Stacey Hoang, Sr. Budget Analyst  
Kristin Johnson, Sr. Accountant/Analyst  
Michael Johnson, Sr. Accountant/Analyst  
Aaron Musk, Sr. Accountant/Analyst  
Zeb Petterborg, Sr. Accountant/Analyst  
Patrick Rodeman, Sr. Accountant/Analyst  
Abigail Miller, Accountant/Analyst  
David Stone, Fiscal Services Associate III

#### Financial Systems

Kathleen Hiigel, Financial Systems Manager  
Rona Galarza, Sr. Financial Systems Analyst  
Matthew Howe, Financial Systems Analyst

#### Payroll

Ondra Matthews, Sr. Payroll Manager  
Megan Gremer, Payroll System Manager  
Debbie Chan, Accountant/Analyst  
Tori Hilbruner, Financial Services Associate III  
Marisha Reese, Financial Services Associate III  
Marina Vlasenko, Financial Services Associate III  
James Young, Financial Services Associate III  
Deborah Finzo, Fiscal Services Clerk

#### Treasury / Accounts Receivable

Michael Nixon, Sr. Treasury Manager  
Jill Bellone, Accountant/Analyst  
Teresa Eckblad, Finance Clerk

#### Accounts Payable

Rebecca Dingman, Accounts Payable Manager  
Joy Beach, Fiscal Services Associate II  
Jamie Farrington, Fiscal Services Associate II  
Shawna Geer, Fiscal Services Associate II  
Suzanne Rademacher, Fiscal Services Associate II  
Gretta Robert, Fiscal Services Associate II



