School District No. 1J, Multnomah County, Oregon

PORTLAND PUBLIC SCHOOLS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended June 30, 2022



Portland Public Schools

Annual Compehensive Financial Report

For the year ended June 30, 2022

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, 2022

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Financial



Markham Elementary 1st day of School September 2021



Jefferson High School Dancers November 2021

Nolberto Delgadillo
Chief Financial Officer

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

December 13, 2022

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, 2022, 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' fiscal year 2020-21 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.

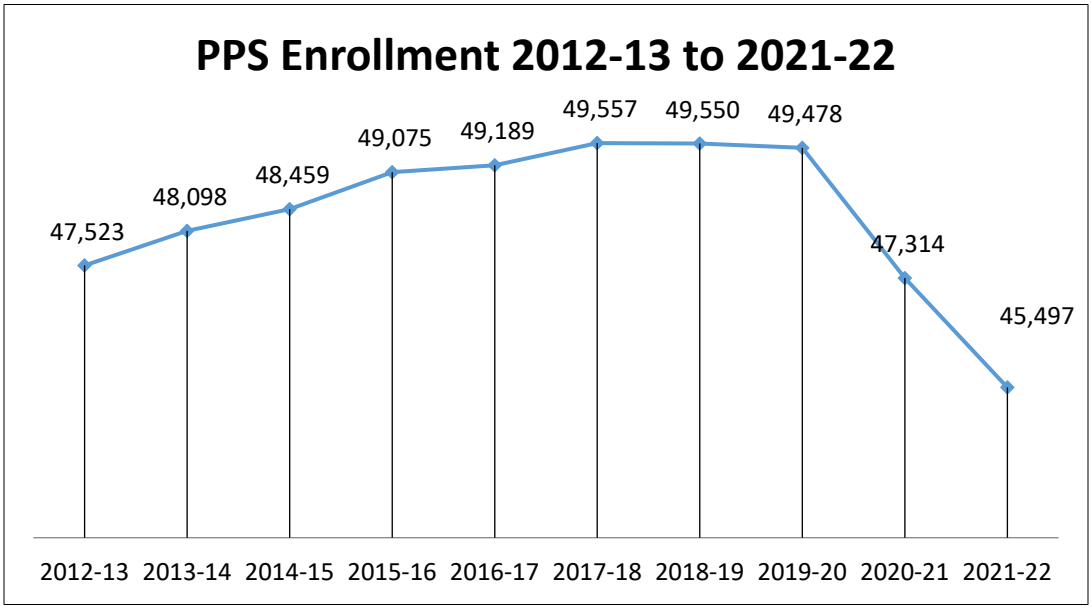
GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's 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 45,000 students in 113 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, school improvement general obligation bonds are 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 641,162), Lake Oswego (total population 40,411), and Milwaukie (total population 20,946), based on 2021 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 nearly 10 million square feet. The median age of PPS school buildings is 83 years for elementary schools, 83 years for middle schools, and 96 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 2021 was 45,497. 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

October 2021 Portland Public Schools Student Enrollment (by Program Type)			
Program Type	**Number of Schools/Programs**	**Enrollment**	**Distribution**
Regular Schools and Programs			
Elementary Schools	57	20,705	45.51%
Middle Schools	14	7,560	16.62%
High Schools	9	13,050	28.68%
Subtotal - Regular Schools	80	41,315	90.81%
PPS Alternative Programs	5	1,795	3.95%
Subtotal - Schools and Alternative Programs	85	43,110	94.75%
Community-Based Programs	8	637	1.40%
Special Education Programs	15	455	1.00%
Public Charter Programs	5	1,295	2.85%
Grand Total	113	45,497	100.00%

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

The District continues to experience enrollment decline from a high of 49,557 in fiscal year 2017-18 to 45,497 in fiscal year 2020-21. Demographic studies conducted by Portland State University (PSU) project enrollment levels to continue to decrease. The PSU "Middle Series Forecast" scenario estimates enrollment reaching a low of 39,123 in fiscal year 2035-36. 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 fiscal year 2021-22.

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

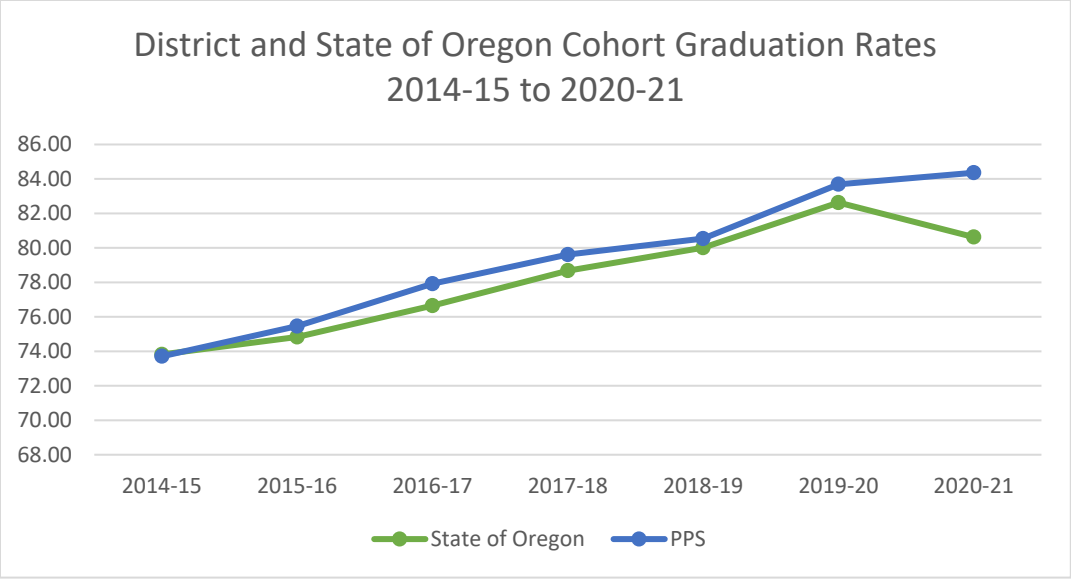
Service Efforts and Accomplishments

On June 25, 2019, the Board of Education passed resolution number 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 number 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 84.4 percent for the Class of 2021 (the most recent year available from Oregon Department of Education). The average graduation rate for the State of Oregon Class of 2021 was 80.6 percent.

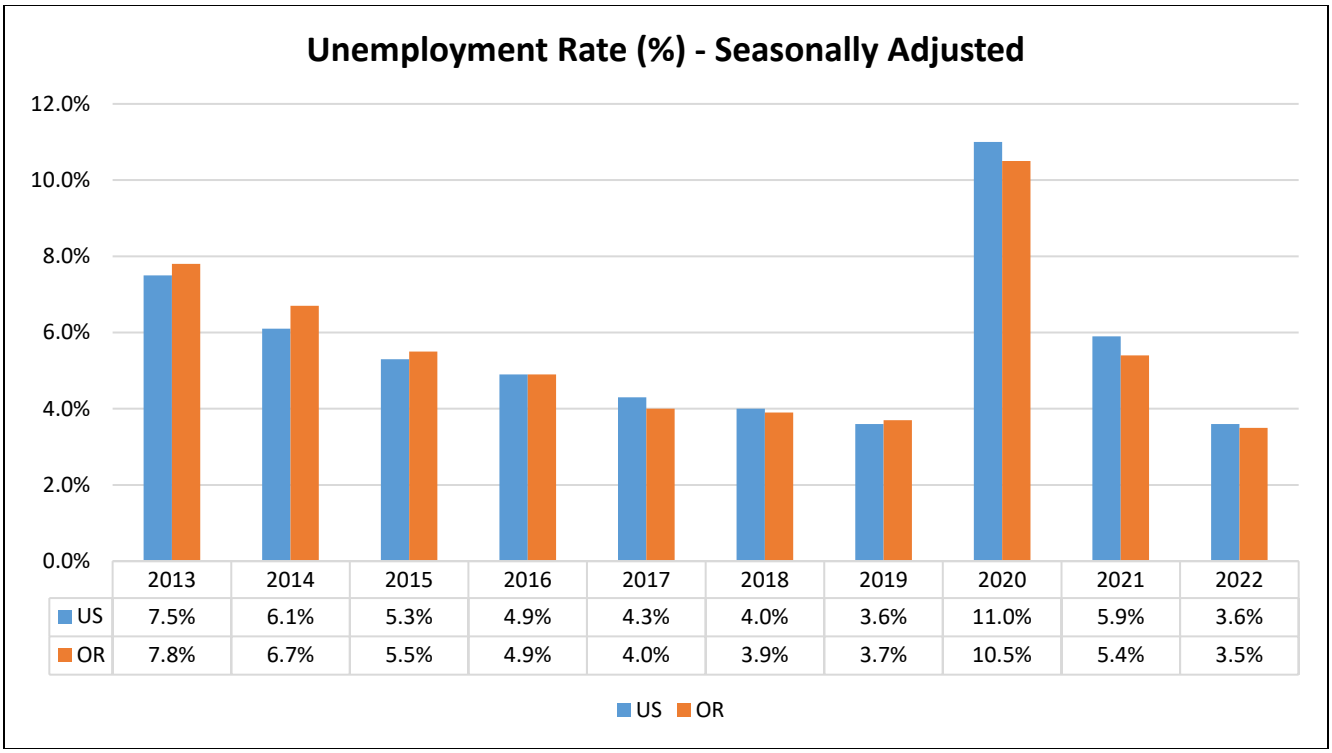
Factors Affecting Financial Condition

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 approximately 81.5 percent of its General Fund revenues from the State School Fund and the allocation of certain property taxes within 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 the District – about 15.2 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. The local option levy revenues are significantly influenced by real market values of homes within the PPS taxing district.

Oregon State Economy – In June 2022, Oregon's unemployment rate fell to 3.5 percent from a high of 13.2 percent in April 2020. This is the lowest unemployment rate since the COVID-19 pandemic began.



Source: Bureau of Labor Statistics, Unemployment Data

Approximately 102 thousand jobs were gained over the past year, contributing to a total workforce increase of 5.5 percent from June 2021 to June 2022. The Leisure & Hospitality sector experienced the greatest percentage gains, with 43 thousand jobs gained, representing a 26.0 percent year-over-year increase.

Oregon Employment by Industry (number of jobs, in thousands)					
Industry	**June 2021**	**June 2022**	**% of Economy**	**Year-over-Year Change (#)**	**Year-over-Year Change (%)**
Government	279.4	287.6	14.7%	8.2	2.9%
Other Services	60.9	61.3	3.1%	0.4	0.7%
Leisure & Hospitality	163.8	206.4	10.6%	42.6	26.0%
Education & Health Services	299.0	307.9	15.7%	8.9	3.0%
Professional & Business Services	253.1	258.4	13.2%	5.3	2.1%
Financial Activities	104.8	106.7	5.5%	1.9	1.8%
Information	33.3	36.2	1.9%	2.9	8.7%
Trade, Transportation, and Utilities	362.4	369.5	18.9%	7.1	2.0%
Manufacturing	183.2	196.5	10.0%	13.3	7.3%
Construction	107.9	119.2	6.1%	11.3	10.5%
Mining and Logging	6.4	6.2	0.3%	(0.2)	-3.1%
Total Nonfarm	1,854.2	1,955.9		101.7	5.48%

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 2021-22, Education, Health Services, and Hospitality accounted for 26.3 percent of the city's economy while the Trades, Transportation and Utilities made up another 18.9 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 began in the summer of 2021. Design and work will 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 five charter schools in operation during the 2021-22 fiscal year. Due to 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, 2021. This was the 42nd 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, 2021. The District was celebrated at ASBO's 2022 Fall Conference for its 50th consecutive year earning this significant award. The Certificate of Excellence is recognition that the District has met the highest standards in school financial reporting as adopted by ASBO. The District believes that this report for fiscal year 2021-22, 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, 2022

SCHOOL BOARD

Member	Zone	Term Expiration	Phone
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
Herman Greene	4	June 30, 2025	503-916-3741
Gary Hollands	5	June 30, 2025	503-916-3741
Julia Brim-Edwards	6	June 30, 2025	503-916-3741
Eilidh Lowery	7	June 30, 2023	503-916-3741

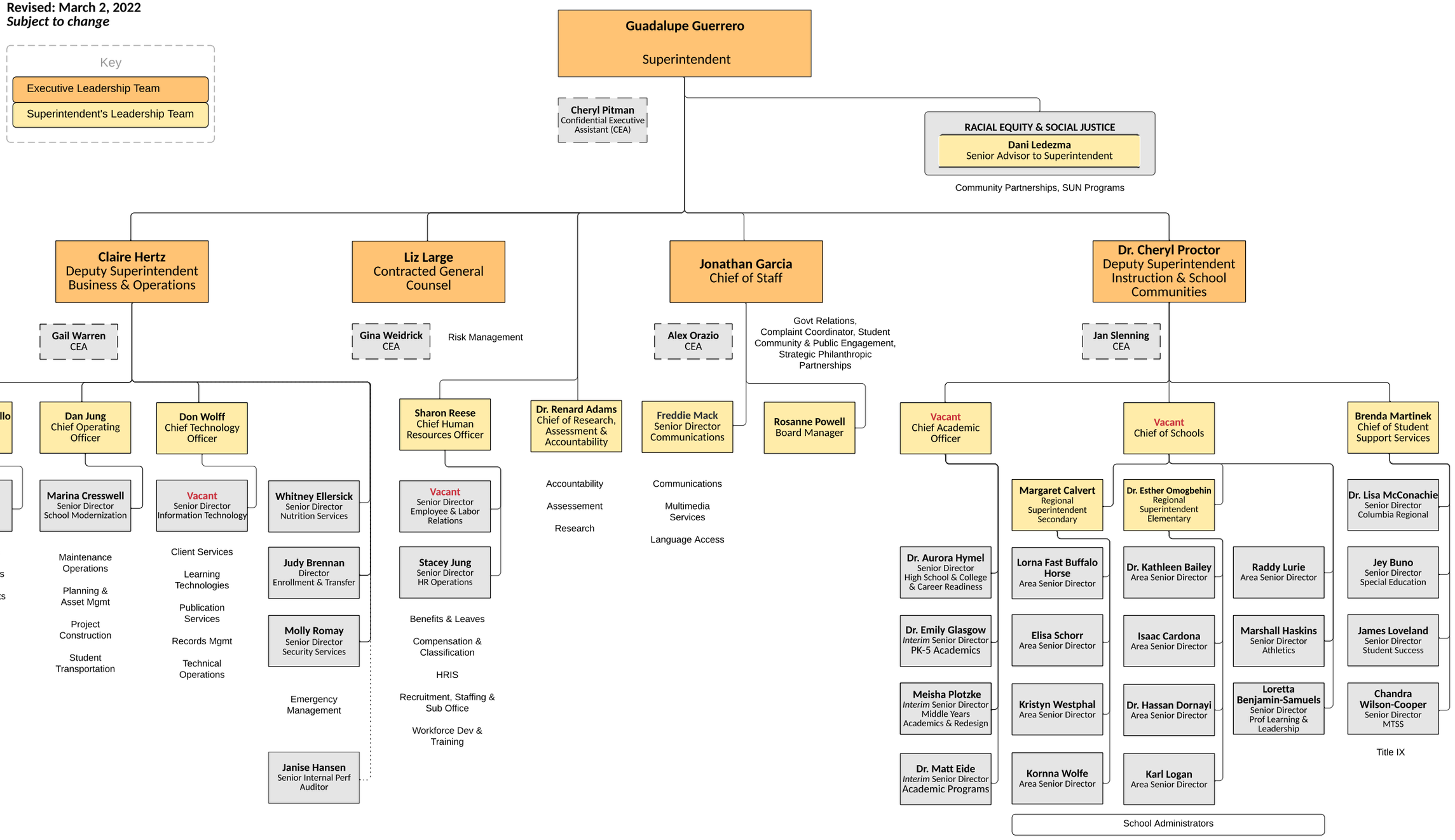
ADMINISTRATIVE STAFF

Guadalupe Guerrero	Superintendent
Dr. Cheryl Proctor	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
Freddie Mack	Senior Director Communications
Don Wolff	Chief Technology Officer
Vacant	Chief Academic Officer
Nolberto Delgadillo	Chief Financial Officer
Rosanne Powell	Board Manager
Sharon Reese	Chief Human Resources Officer
Vacant	Chief of Schools
Dr. Renard Adams	Chief of Research, Assessment, and Accountability

PORTLAND PUBLIC SCHOOLS

2021-22 PPS Leadership Staff

Revised: March 2, 2022
Subject to change



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

School District 1J, Multnomah County, OR

for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

William A. Sutter
President

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, 2021

Christopher P. Morrill

Executive Director/CEO

Introductory



Woodmere Unicycle Assembly June 2022



Roosevelt High School Unity Fest May 2022

Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150 Portland, OR 97224
P 503.274.2849 F 503.274.2853 www.tkw.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District No. 1J, Multnomah County, Oregon (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

An independently owned member
RSM US Alliance

RSM

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/aboutus 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 is the responsibility of management and, 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 GAAS, 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 accompanying budgetary comparison information for the General Fund and Special Revenue Fund, as 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. Such 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. The 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 GAAS. In our opinion, the required budgetary comparison for the General Fund and Special Revenue Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary 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. Such 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. The 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 GAAS. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the Introductory and Statistical Sections, as listed in the Table of Contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2022 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 solely 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 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 9, 2022, 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.



For Talbot, Korvola & Warwick, LLP
Portland, Oregon
December 9, 2022

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, 2022. 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

Financial

At July 15, 2021, authorized by Board Resolution No. 6314, the District issued full faith and credit bonds, Series 2021. The bond proceeds were used to finance a portion of the District's estimated unfunded actuarial liability with the Oregon Public Employees Retirement System (OPERS) and to pay associated issuance costs. The bonds were issued at a par amount of $399.4 million, with a net original issue premium of $1.4 million. After issuance costs, the District transferred $398.7 million to OPERS to be deposited in a "side account" in the PERS fund and used as a prepayment towards the District's annual pension expenses. The District anticipates the total costs of financing the District's actuarial obligation in this manner will result in a significant savings when compared to paying for such costs as additional contribution rates to OPERS.

Budget

On June 15, 2021 the Board of Education (the Board) adopted the fiscal year 2021-22 budget by way of Board Resolution No. 6323. The District's fiscal year 2021-22 budget was based on the Oregon Legislature's biennial budget cycle for 2021-2023 that includes a State School Fund allocation of $9.3 billion, a Student Investment Account (SIA) allocation of $778.8 million, and a High School Success (Measure 98 or M98) allocation of $314.5 million.

The fiscal year 2021-22 budget continued to focus available resources on the PPS Strategic Plan and Vision: PPS Reimagined. Five strategic system shifts will be prioritized through 2025: a connected and transformative school District; racial equity aligned systems and structures; cultivating system-wide learning and a diverse workforce; transformative curriculum and pedagogy; and a culture of physical and emotional safety. Other investments from the fiscal year 2021-22 budget include pandemic-related response and providing equity resources to schools targeting students of color, students on IEPs and emergent bilingual students.

On January 25, 2022, the Board voted to amend the fiscal year 2021-22 budget, by way of Board Resolution No. 6437. This first amendment to the budget revised appropriations and recognized resources to align the budget with updated projections.

- **General Fund:** $404.7 million to true up beginning fund balance to align with fiscal year 2020-21 audited financials and adjust appropriations across Instruction, Support Services and Debt Service (PERS UAL). The most significant adjustment was to recognize resources and adjust appropriations related to the July 2021 issuance of Limited Tax Pension Obligations, Series 2021.
- **Special Revenue Fund:** $11.4 million to true up beginning fund balance to align with fiscal year 2020-21 audited financials and to recognize additional resources from state and Federal grants. Resource appropriations were adjusted across Instruction, Support Services and Enterprise & Community Services to align with updated spending plans.
- **Debt Service Fund:** $18.6 million to true up beginning fund balance to align with fiscal year 2020-21 audited financials and adjust appropriations to account for the July 2021 issuance of the Limited Tax Pension Obligations, Series 2021.
- **Capital Projects Fund:** $21.8 million to true up beginning fund balance to align with fiscal year 2020-21 audited financials and to align with updated spending plans.

- **Internal Service Fund:** $0.7 million to true up beginning fund balance to align with fiscal year 2020-21 audited financials.

On June 14, 2022, the Board voted to amend the fiscal year 2021-22 budget a second time, by way of Board Resolution No. 6521. This second amendment to the budget revised appropriations to align with current spending projections.

- **Special Revenue Fund**: $250 was allocated from Instruction to Facilities Acquisition & Construction to reflect additional anticipated spending.
- **Internal Service Fund:** $622 was allocated from Contingency to Support Services to reflect additional anticipated spending.

Other Highlights

In November 2012, District voters passed an eight-year, $482.0 million capital bond measure. With the 2012 School Building Improvement Bond, Portland Public Schools began a 30-year effort to modernize every school in the District. The 2012 authorization enabled the district to make improvements in more than 51 schools, including seismic, accessibility and science classroom upgrades. In addition, Franklin, Roosevelt and Grant High schools were modernized and Faubion PK-8 was completely rebuilt.

At June 30, 2022, the 2012 authorization had a remaining balance of $507 thousand, comprised of proceeds and related investment earnings.

Summary of Bond Resources as of June 30, 2022
(in thousands)

Authorization		Issued		
Year	Amount	Par	Premium	Unspent Balance
2012	$ 482,000	$ 482,000	$ 56,937	$ 507
2017	790,000	790,000	69,408	202,698
2020	1,208,000	365,465	29,574	297,349
	$ 2,480,000	$ 1,637,465	$ 155,919	$ 500,555

In May 2017, District voters passed an eight-year, $790.0 million capital bond measure. The 2017 Health, Safety and Modernization Bond includes the modernization of Leodis V. McDaniel (formerly known as Madison) and Benson Polytechnic High schools; the construction of a new Kellogg Middle school, a new Lincoln High school and a new Multiple Pathways to Graduation building (on the Benson campus); and district-wide health and safety projects.

The health and safety projects include:

- water quality improvements,
- roof replacements, including roof-level seismic improvements,
- security upgrades at all District schools,
- lead paint, asbestos and radon remediation,
- installation of new fire alarm and sprinkler systems to improve fire safety, and
- ADA upgrades and improvements, including new elevators.

McDaniel High school has been completely modernized and a new Kellogg Middle school has been built. Both schools opened to students in Fall 2021. Construction of a new Lincoln High school began in January 2020. Students will occupy the building in Fall 2022 and the new athletic fields will open in 2023. Construction for the modernization of Benson Polytechnic High school and a new Multiple Pathways to Graduation building on the Benson campus began in summer 2021 and are scheduled to be completed in Fall 2024.

At June 30, 2022, the 2017 authorization had a remaining balance of $202.7 million.

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 at Roosevelt High school. 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 $365.5 million of the $1.208 billion authorized. A premium of $29.6 million was realized on the sale. At June 30, 2022, $297.3 million of the initial bond sale 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 89-100 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 102-104 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 include pension and other post-employment healthcare related balances. The changes in these 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. Additionally, the District implemented GASB No. 87 for the year ended June 30, 2022, recording a deferred inflow related to lease resources.

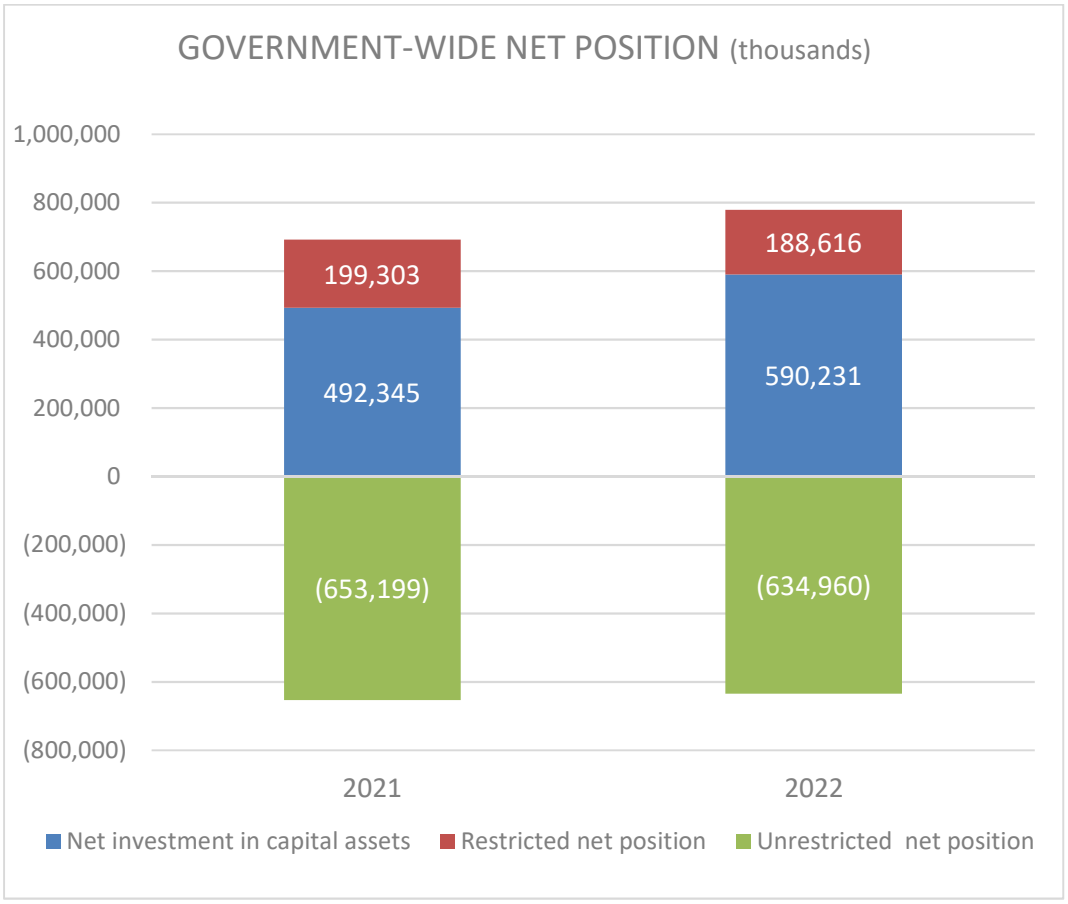
Analysis of Net Position

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: 2021 compared to 2022

Net Position is a primary indicator of financial position. The District's assets and deferred outflows exceeded liabilities and deferred inflows by $143.9 million at June 30, 2022. This represents an increase of $105.4 million in net position from the prior year and is further discussed below. Please note that, based on guidance clarification from the Government Finance Officers Association regarding the calculation of net investment in capital assets, the District has reclassified components of net position and is presenting updated fiscal year 2020-21 amounts for comparison. This reclassification has no effect on total net position.

Net Position	Government-wide (thousands)			
	2021	2022	$ Change	% change
Assets				
Current or other assets	$ 1,097,269	$ 871,350	$ (225,919)	-20.6%
Net capital assets	1,173,371	1,384,060	210,689	18.0%
Total Assets	2,270,640	2,255,410	(15,230)	-0.7%
Deferred Outflows of Resources	249,580	574,645	325,065	130.2%
Liabilities				
Long-term liabilities outstanding	2,052,014	2,013,996	(38,018)	-1.9%
Other liabilities	328,566	351,179	22,613	6.9%
Total Liabilities	2,380,580	2,365,175	(15,405)	-0.6%
Deferred Inflows of Resources	101,191	320,993	219,802	217.2%
Net Position				
Net investment in capital assets	492,345	590,231	97,886	19.9%
Restricted	199,303	188,616	(10,687)	-5.4%
Unrestricted	(653,199)	(634,960)	18,239	2.8%
Total Net Position	$ 38,449	$ 143,887	$ 105,438	274.2%



Net Investment in Capital Assets has increased to $590.2 million, a $97.9 million increase over prior year. The increase is primarily driven by increases in capital assets related to the capital bond work, and payment on related debt.

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 decreased by $10.7 million to $188.6 million this year, primarily due to bond-related expenditures.

Unrestricted Net Position consists of all other amounts not included in categories noted above. Unrestricted Net Position at June 30, 2022 is a negative $635.0 million, an increase of $18.2 million over the 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).

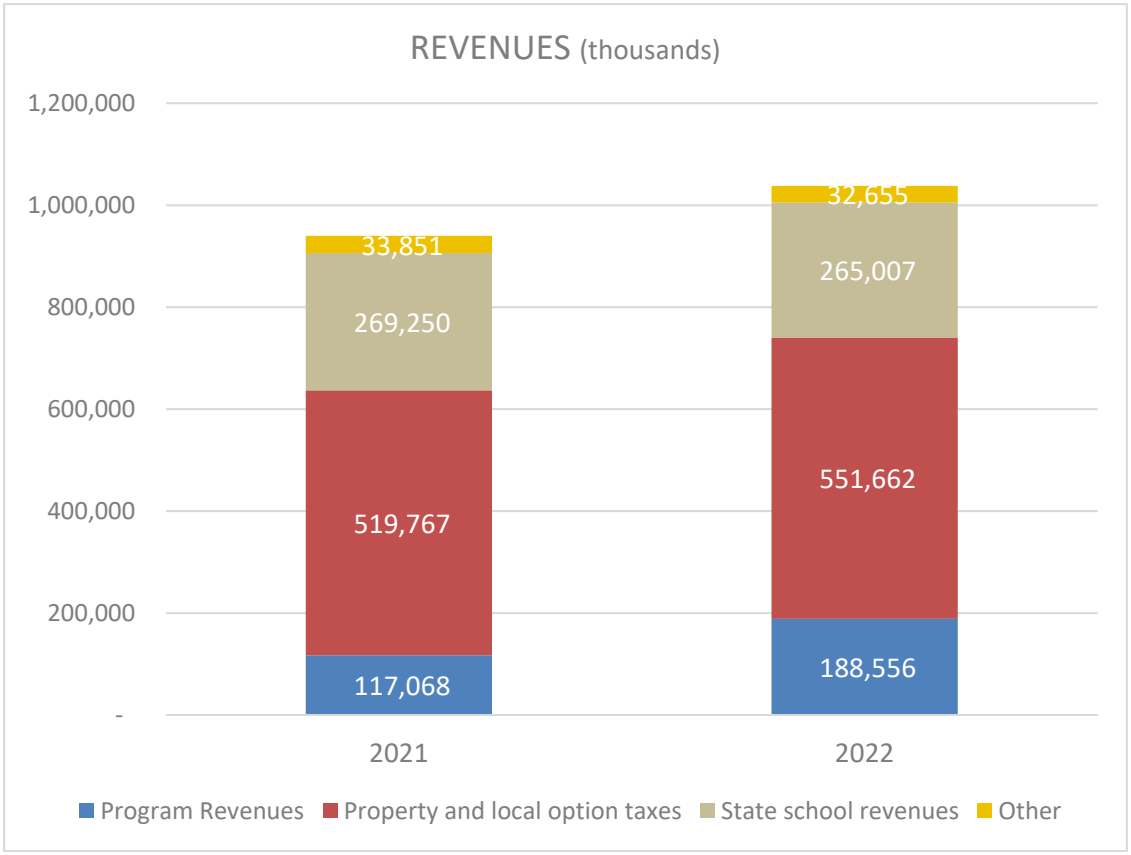
Statement of Activities	**Government-wide (thousands)**				
	2021	2022	2022- % of Total	$ Change	% Change
Revenues					
Program Revenues					
Charges for services	$ 1,914	$ 1,997	0.2%	$ 83	4.3%
Operating grants & contributions	113,835	184,581	17.9%	70,746	62.1%
Capital grants & contributions	1,319	1,978	0.2%	659	100.0%
Total Program Revenues	117,068	188,556	18.3%	71,488	61.1%
General Revenues					
Property taxes	418,228	446,348	42.9%	28,120	6.7%
Local option taxes	101,539	105,314	10.1%	3,775	3.7%
County & intermediate sources	17,185	15,566	1.5%	(1,619)	-9.4%
Construction excise tax	3,446	5,437	0.5%	1,991	57.8%
State School Fund	263,622	259,314	25.0%	(4,308)	-1.6%
State Common School Fund	5,628	5,693	0.5%	65	1.2%
Investment earnings	3,107	984	0.1%	(2,123)	-68.3%
Other	10,113	10,668	1.0%	555	5.5%
Total General Revenues	822,868	849,324	81.8%	26,456	3.2%
Total Revenues	939,936	1,037,880	100.1%	97,944	10.4%
Expenses					
Instruction	465,995	470,945	50.5%	4,950	1.1%
Support services	376,660	359,554	38.6%	(17,106)	-4.5%
Enterprise & community services	23,731	29,283	3.1%	5,552	23.4%
Facilities services	10,844	9,576	1.0%	(1,268)	-11.7%
Interest & fees on long-term debt	54,640	63,084	6.8%	8,444	15.5%
Total Expenses	931,870	932,442	100.0%	572	0.1%
Change in net position	8,066	105,438	73.3%	97,372	1207.2%
Net position - beginning of year	30,383	38,449	26.7%	8,066	-26.5%
Net position - end of year	$ 38,449	$ 143,887	100.0%	$ 105,438	-274.2%

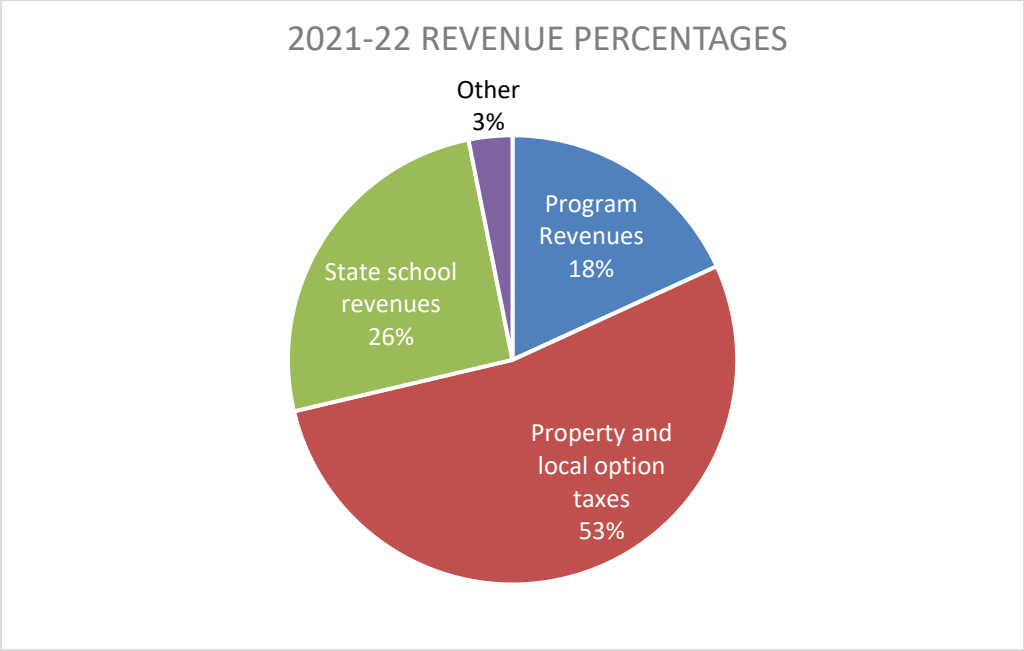
The Statement of Activities of the government-wide financial statements distinguishes functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees 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 2021-22 compared to fiscal year 2020-21.

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 2021-22 school year. General revenues, primarily property taxes and State School Funds, provide most of the funding required for governmental programs.

Revenue and Expenses: 2021 compared to 2022

Revenues for fiscal year 2021-22 were $1,037.9 million, an increase of $97.9 million, or 10.4 percent, from prior year revenues of $939.9 million. Operating grants and contributions revenues increased by $70.7 million. The major increases in federal and state funding were related to the Elementary and Secondary School Emergency Relief Fund (ESSER), Student Investment Account (SIA), Measure 98 (M98), and Student Success Act Summer Learning grants. Property and local option taxes increased $31.9 million over the prior year as assessed values rose and collection rates were consistent with prior years. Construction excise taxes increased $2.0 million because of increased construction activity over the prior year. State School Fund revenues decreased $4.3 million from the prior year due to lower enrollment. Investment revenues decreased $2.1 million from the prior year because of the national decline in interest rates.





Expenses for the District's program activities include Instruction, Support Services, Enterprise & Community Services, Facilities Services, and Interest & 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 $932.4 million, which is a slight increase at 0.1 percent, or $572 thousand, over prior year. Instruction expenses increased $5.0 million, or 1.1 percent, compared to 2020-21. The major components of this change were staffing and other increases due to additional grant funding, plus step and COLA increases, offset by a reduction in benefits costs resulting from the issuance of Series 2021 Pension Bonds. The issuance of Pension Bonds reduced the District's PERS unfunded liability which in turn reduced benefits costs. Support Services expenses decreased $17.1 million, or 4.5 percent, from the prior year. The major components of this change were wage increases due to step and COLA increases, offset by benefits cost reductions due to issuance of Pension Bonds as discussed above. Instruction and support services together accounted for 89.1 percent of the District's total expenses in fiscal year 2021-22, compared to 90.4 percent in fiscal year 2020-21. Interest and fees expense increased $8.4 million due to increased debt service requirements related to the new Series 2021 PERS Bonds.

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

As noted earlier, the District uses fund accounting to demonstrate and ensure 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 $10.1 million to $98.8 million in fiscal year 2021-22. The General Fund saw an increase of $18.7 million in revenue, largely due to an increase in property and local option taxes. Instructional expenditures increased by $9.9 million, or 2.7 percent, in fiscal year 2021-22. Support services increased by $27.0 million, or 7.4 percent, in fiscal year 2021-22. Increases are primarily related to wage and benefit increases; additional staffing for counselors, school administrators, substitutes, and custodians; the opening of a new school (Kellogg) and utilities and transportation increases as schools returned to in-person learning.

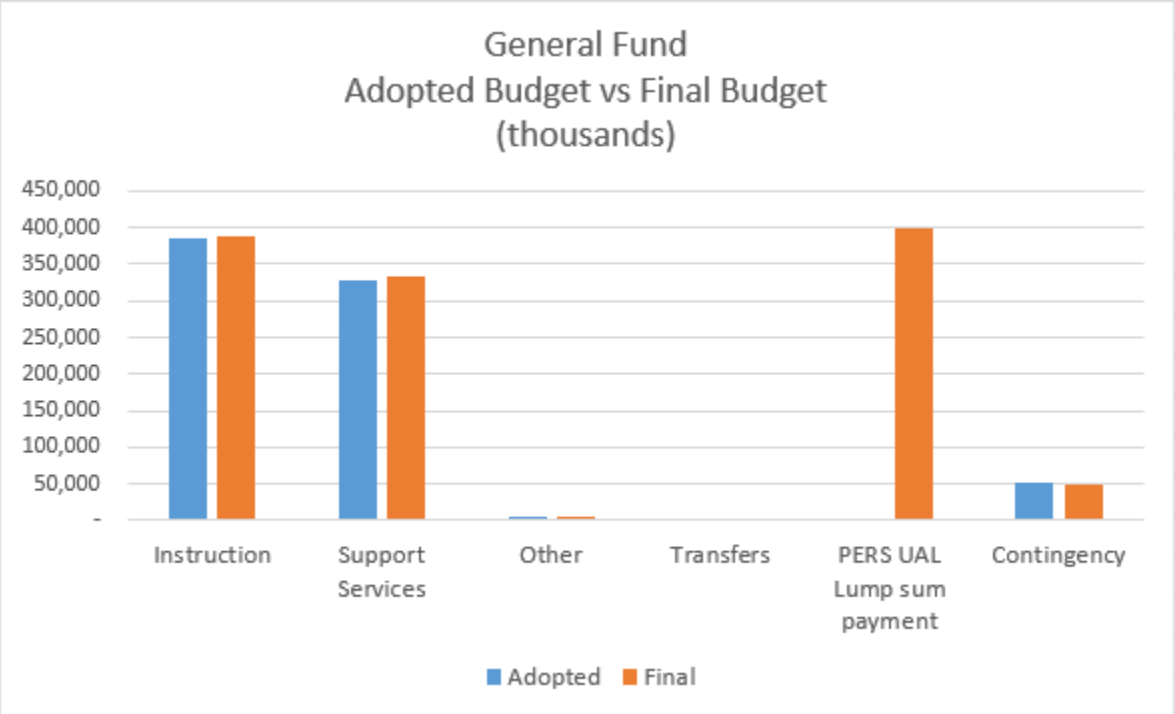
Special Revenue Fund. The Special Revenue Fund ending fund balance increased by $6.8 million, or 24.3 percent, in fiscal year 2021-22. The Special Revenue Fund saw an increase of $69.0 million in revenue, largely driven by increases in federal and state support. Expenditures across the fund increased by $54.6 million due to increased federal and state funding. The major increases in federal and state funding were related to the Elementary and Secondary School Emergency Relief Fund (ESSER), Student Investment Account (SIA), Measure 98 (M98), and Student Success Act Summer Learning grants.

Debt Service Fund. The Debt Service Fund ending fund balance increased $2.0 million to $13.7 million in fiscal year 2021-22, primarily due to property tax collections exceeding GO bond debt service. Debt Service expenditures increased $26.6 million in fiscal year 2021-22, primarily due to the issuance of Limited Tax Pension Bonds.

Capital Projects Fund. The Capital Projects Fund ending fund balance decreased $249.8 million to $521.8 million in fiscal year 2021-22 as spending continued for GO Bond projects. Overall spending on GO Bond projects decreased $36.0 million in fiscal year 2021-22 primarily due to the substantial completion of the McDaniel and Kellogg projects in Fall of 2021, offset by an increase in activity for the Benson modernization. Spending on curriculum and technology modernization projects increased $33.0 million to $50.7 million in fiscal year 2021-22.

BUDGETARY HIGHLIGHTS FOR THE GENERAL FUND

Adopted budget compared to final budget. There were two amendments to the fiscal year 2021-22 budget. The amendments allocated funds across Instruction and Support Services, appropriated funding for the PERS UAL lump sum payment, 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 2021-22 the District underspent the final General Fund budget by $38.6 million before contingency, or roughly 3.4 percent. Salaries and associated payroll costs across Instruction and Support Services accounted for $18.6 million of the underspend, while non-personnel expenditures made up the other $16.6 million. Per the Governor's order, PPS returned to in-person instruction for the 2021-22 school year, after utilizing a comprehensive distance learning model, followed by a hybrid instructional model, during the pandemic.

	Final Budget vs Actual Expenditures (thousands)			
	Final Budget	Actual Expenditures	$ Variance	% of Budget
Instruction	$ 388,858	$ 373,758	$ (15,100)	96.1%
Support Services	332,886	312,766	(20,120)	94.0%
Other Objects	6,389	3,060	(3,329)	47.9%
Transfers	1,236	1,207	(29)	97.7%
PERS UAL Lump sum payment	398,666	398,666	(0)	100.0%
	1,128,035	1,089,457	(38,578)	96.6%
Operating Contingency	48,613	-	(48,613)	0.0%
	$ 1,176,648	$ 1,089,457	$ (87,191)	92.6%

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, 2022, the District had invested $1.38 billion in capital assets, net of depreciation and amortization, as shown in the following table:

Capital assets	Government-wide (thousands)			
	2021	2022	$ Change	% change
Land	$ 9,174	$ 9,174	$ -	0.0%
Buildings and site improvements	933,782	1,267,251	333,469	35.7%
Vehicles and equipment	39,946	98,775	58,829	147.3%
Construction in progress	498,505	343,471	(155,034)	-31.1%
	1,481,407	1,718,671	237,264	16.0%
less accumulated depreciation	(308,036)	(334,611)	(26,575)	8.6%
Capital assets, net of depreciation	$ 1,173,371	$ 1,384,060	$ 210,689	18.0%

District-wide, capital assets increased by $210.7 million in fiscal year 2021-22, and the District recognized $26.6 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 $1.70 billion (excluding premiums and discounts), which is comprised of limited tax pension and refunding bonds ($679.2 million) and debt backed by the full faith and credit of the District ($1,018.7 million). During fiscal year 2021-22, the District reduced debt by making scheduled debt service payments of $129.6 million and issued the $399.4 million in series 2021 limited tax pension bonds. Further explanation of debt is shown in Note 10 of the Financial Statements.

Outstanding Debt	Government-wide (thousands)				
	2021	Increases	Decreases	2022	% change
Limited tax pension and refunding bonds	$ 314,159	$399,390	$ (34,363)	$ 679,186	116.2%
Other debt	1,113,943	-	(95,263)	1,018,680	-8.6%
Total Long Term Debt	1,428,102	399,390	(129,626)	1,697,866	
Unamortized Bond Premium/(Discount)	125,631	1,449	(7,836)	119,244	-5.1%
Total Long Term Debt, net of Premium	$1,553,733	$400,839	$(137,462)	$ 1,817,110	17.0%

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 $11.7 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 has issued limited tax pension obligation bonds, Series 2002, 2003 and 2021. Proceeds from the bond issues were put into PERS "side accounts" 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 $35.2 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 2022-23 budget will continue to support the District's 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 for the District continues to be enrollment. The 2022-23 budget assumes a decline of approximately 3,400 students, or 8.0 percent, from pre-pandemic enrollment levels. Enrollment for the District as of October 1, 2021, was 45,497 students, a decline of 3,981 from October 1, 2019 (pre-pandemic). The enrollment decrease is most significant in PPS Elementary schools, which has been offset somewhat by increases at Middle and High schools, as well as Alternative Programs.

Population and enrollment trends in Portland show increases in the overall population within the PPS boundary. District population has grown steadily, from 374,000 in 1980 to approximately 520,000 in 2020. A mid-range forecast estimates a population of 596,000 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 continue to decline, not keeping pace with the overall population growth.

The 2022-23 budget investments include addressing unfinished learning as a result of the pandemic; increasing learning opportunities for every student; creating time for professional educators to plan, collaborate and prepare; providing high-quality emotional, mental health and wrap-around supports; and making meaningful progress on our community's top priorities as identified in PPS Reimagined.

The Oregon state economy and labor market has increased during the past year. Oregon's unemployment rate has decreased from 5.4 percent in June of 2021 to 3.5 percent in June of 2022. However, the Oregon Economic and Revenue Forecast assumes a mild recession beginning at the end of calendar year 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.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BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Statement of Net Position
June 30, 2022
(amounts expressed in thousands)

	Governmental Activities
ASSETS	
Cash and cash equivalents-unrestricted	$ 164,820
Cash and cash equivalents held by fiscal agents	25,265
Investments	571,766
Accounts and other receivables	73,168
Property taxes and other taxes receivable	12,410
Leases Receivable	7,970
Inventories	1,464
Prepaid items	5,332
Total current assets	862,195
Noncurrent assets:	
Net OPEB asset-RHIA	9,155
Capital assets, not depreciated:	
Land	9,174
Construction in progress	343,471
Capital assets, net of accumulated depreciation:	
Buildings and capital improvements	973,070
Vehicles and equipment	58,345
Total assets	2,255,410
DEFERRED OUTFLOWS OF RESOURCES	
OPEB contributions subsequent to measurement date	7,381
OPEB differences between expected and actual experience	2,054
OPEB differences due to changes in assumptions	6,700
OPEB changes in employer proportion	507
Pension changes in employer proportion	63,594
Pension differences between expected and actual experience	25,152
Pension differences due to changes in assumptions	67,075
Pension contributions subsequent to measurement date	402,182
Total deferred outflows of resources	574,645

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, 2022
(amounts expressed in thousands)

LIABILITIES		
Accounts payable	$	56,786
Accrued wages and benefits payable		99,035
Unearned revenues		10,796
Claims payable		7,129
Non-current liabilities:		
Due within one year		
Accrued compensated absences		3,537
Bonds		155,230
Accrued bond interest payable		18,666
Due in more than one year		
Accrued compensated absences		2,927
Bonds		1,661,880
Net pension liability- PERS		267,828
Total pension liability-stipend		5,468
Total OPEB liability-RHIS		75,893
Total liabilities		2,365,175
DEFERRED INFLOWS OF RESOURCES		
Deferred Lease Resources		7,753
OPEB differences between expected and actual experience		2,316
OPEB differences due to changes in assumptions		1,226
OPEB differences between actual and expected earnings		2,176
OPEB changes in employer proportion		3
Pension differences due to changes in assumptions		745
Pension differences between employer contribution and proportionate share of contributions		61,701
Pension changes in employer proportion		46,802
Pension differences between actual and expected earnings		198,271
Total deferred inflows of resources		320,993
NET POSITION		
Net investment in capital assets		590,231
Restricted for:		
Capital projects		139,609
Grants		14,764
Student body activities		5,135
Nutrition services		5,491
Debt service		14,462
Net OPEB asset-RHIA		9,155
Unrestricted (deficit)		(634,960)
Total net position	$	143,887

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, 2022
(amounts expressed in thousands)

Functions/Programs	EXPENSES	PROGRAM REVENUES			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instruction	$ 470,945	$ 77	$ 112,774	$ -	$ (358,094)
Support services	359,554	1,195	61,135	-	(297,224)
Enterprise and Community Services	29,283	725	10,672	-	(17,886)
Facilities Services	9,576	-	-	1,978	(7,598)
Interest and fees on long-term debt	63,084	-	-	-	(63,084)
Total governmental activities	$ 932,442	$ 1,997	$ 184,581	$ 1,978	(743,886)

GENERAL REVENUES	
Property taxes levied for general purposes	304,451
Property taxes levied for debt service	141,897
Construction excise tax	5,437
Local option taxes levied for general purposes	105,314
State School Fund - general support	259,314
State Common School Fund - general support	5,693
County and intermediate sources - general support	15,566
Investment earnings	984
Other	10,668
Total general revenues	849,324
Change in net position	105,438
Net position - beginning of year	38,449
Net position - end of year	$ 143,887

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


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SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Governmental Funds
Balance Sheet
June 30, 2022
(amounts expressed in thousands)

	General Fund	Special Revenue Fund
ASSETS		
Cash and cash equivalents-unrestricted	$ 24,582	$ 39,037
Cash and cash equivalents held by fiscal agents	4,780	-
Investments	109,824	13,487
Prepaid items	2,216	11
Accounts receivable	6,626	64,825
Leases receivable	7,970	-
Property taxes and other taxes receivable	9,433	-
Due from other funds	60,760	744
Inventories	373	1,091
Total assets	$ 226,564	$ 119,195
LIABILITIES		
Accounts payable	$ 18,772	$ 5,858
Accrued wages and benefits	92,034	6,712
Due to other funds	744	60,760
Unearned revenues	-	10,796
Total liabilities	111,550	84,126
DEFERRED INFLOWS OF RESOURCES		
Unavailable property tax revenue	8,457	-
Unavailable leases revenue	7,753	-
Total deferred inflows of resources	16,210	-
FUND BALANCES		
Nonspendable	2,589	1,102
Restricted	-	25,390
Committed	-	19,389
Assigned	96,215	-
Unassigned	-	(10,812)
Total fund balances	98,804	35,069
Total liabilities, deferred inflows and fund balances	$ 226,564	$ 119,195

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

Debt Service Fund	Capital Projects Fund	Total Governmental Funds
$ 12,913	$ 81,121	$ 157,653
485	20,000	25,265
-	448,455	571,766
-	2,730	4,957
12	1,705	73,168
-	-	7,970
2,977	-	12,410
-	-	61,504
-	-	1,464
$ 16,387	$ 554,011	$ 916,157
$ -	$ 31,947	$ 56,577
-	225	98,971
-	-	61,504
-	-	10,796
-	32,172	227,848
2,682	-	11,139
-	-	7,753
2,682	-	18,892
-	2,730	6,421
11,780	514,393	551,563
1,925	-	21,314
-	4,716	100,931
-	-	(10,812)
13,705	521,839	669,417
$ 16,387	$ 554,011	$ 916,157

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, 2022
(amounts expressed in thousands)

Fund balances - governmental funds (page 36)	$	669,417
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.		1,384,060
Long-term taxes and other receivables are not available to pay for current-period expenditures and therefore are a deferred infow of resources in the governmental funds.		11,139
Assets, deferred outlows, liabilities and deferred inflows of the internal service funds are included in activities in the Statement of Net Position.		3,231
Bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		(1,817,110)
Actuarially determined pension activity is not reported in the governmental funds.		(22,806)
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.		(6,464)
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.		(3,112)
Accrued interest payable is not recognized as a liability in the governmental funds.		(18,666)
Actuarially determined OPEB activity is not reported in the governmental funds.		(55,802)
Net position of governmental activities (page 33)	$	143,887

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


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SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2022
(amounts expressed in thousands)

	General Fund	Special Revenue Fund
REVENUES		
Property and other taxes	$ 304,228	$ 330
State School Fund	259,314	-
State Common School Fund	5,693	-
Federal and state support	21	173,098
Local option taxes	106,124	-
County and intermediate sources	12,793	2,773
Charges for services	1,724	217
Extracurricular activities	-	4,020
Investment earnings	782	4
Other	7,938	7,956
Total revenues	698,617	188,398
EXPENDITURES		
Current:		
Instruction	373,758	87,066
Support services	312,766	64,722
Enterprise and community services	893	29,737
Facilities acquisition and construction	-	100
PERS UAL lump sum payment	398,666	-
Debt Service:		
Principal	-	-
Interest and fiscal charges	2,167	-
Total expenditures	1,088,250	181,625
Excess (deficit) of revenues over expenditures	(389,633)	6,773
OTHER FINANCING SOURCES (USES)		
Transfers in	-	73
Transfers out	(1,207)	-
PERS Bond Proceeds	399,390	-
Premium on issuance of debt	1,449	-
Proceeds from the sale of capital assets	114	-
Total other financing sources (uses)	399,746	73
Net change in fund balances	10,113	6,846
Fund balances - beginning of year	88,691	28,223
Fund balances - end of year	$ 98,804	$ 35,069

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

Debt Service Fund	Capital Projects Fund	Total Governmental Funds
$ 142,032	$ 5,437	$ 452,027
-	-	259,314
-	-	5,693
31	1,978	175,128
-	-	106,124
-	-	15,566
76,346	56	78,343
-	-	4,020
271	(88)	969
-	1,646	17,540
218,680	9,029	1,114,724
-	-	460,824
-	1,574	379,062
-	-	30,630
-	256,588	256,688
-	-	398,666
129,626	-	129,626
88,773	-	90,940
218,399	258,162	1,746,436
281	(249,133)	(631,712)
1,752	-	1,825
-	(618)	(1,825)
-	-	399,390
-	-	1,449
-	-	114
1,752	(618)	400,953
2,033	(249,751)	(230,759)
11,672	771,590	900,176
$ 13,705	$ 521,839	$ 669,417

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, 2022
(amounts expressed in thousands)

Net change in fund balances - total governmental funds (page 40)	$ (230,759)
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 $272,078 exceeded depreciation and disposals of $61,389.	210,689
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.	(877)
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.	(3,154)
Incurred but not reported property and liability insurance claims expenses are reported in the Statement of Activites but they are not reported as expenditures in the governmental funds.	(389)
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.	(263,377)
Pension actuarial liability activity is reported in the Statement of Activities but not in the governmental funds.	370,359
Other Post Employment Benefits actuarial liability activity is reported in the Statement of Activities but not in the governmental funds.	2,564
Change in compensated absences	362
Change in bond interest payable	20,020
Change in net position of governmental activities (page 33)	$ 105,438

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


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SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Proprietary Fund - Internal Service Fund
Statement of Net Position
June 30, 2022
(amounts expressed in thousands)

ASSETS	
Current Assets	
Cash and cash equivalents	$ 7,167
Prepaid items	375
Total current assets	7,542
Noncurrent Assets	
Net OPEB asset-RHIA	2
Total assets	7,544
DEFERRED OUTFLOWS OF RESOURCES	
OPEB contributions after measurement date	2
OPEB differences due to changes in assumptions	2
Pension contributions after measurement date	1
Pension changes in employer proportion	17
Pension differences between expected and actual experience	7
Pension differences due to changes in assumptions	17
Total deferred outflows of resources	46
Total assets and deferred outflows	7,590
LIABILITIES	
Current Liabilities	
Accounts payable	209
Accrued wages and benefits	64
Claims payable	4,017
Total current liabilities	4,290
Long-term Liabilities	
Total OPEB liability- RHIS	20
Net pension liability- PERS	70
Total pension liability-stipend	1
Total long term liabilities	91
Total liabilities	4,381
DEFERRED INFLOWS OF RESOURCES	
OPEB differences between expected and actual experience	1
Pension changes in employer proportion	12
Pension differences between employer contribution and proportionate share of contributions	16
Total deferred inflows of resources	82
Total liabilities and deferred inflows of resources	4,463
NET POSITION	
Restricted for Net OPEB asset-RHIA	2
Unrestricted	3,125
Total net position	$ 3,127

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, 2022
(amounts expressed in thousands)

OPERATING REVENUES	
Charges for services	$ 821
Total operating revenues	821
OPERATING EXPENSES	
Salaries and benefits	75
Materials and services	559
Claims expense	3,664
Total operating expenses	4,298
Operating income (loss)	(3,477)
NON-OPERATING REVENUES	
Federal and state support	308
Investment earnings	15
Total non-operating revenues	323
Change in net position	(3,154)
Net position - beginning of year	6,281
Net position - end of year	$ 3,127

The notes to the basic financial statements are an integtral 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, 2022
(amounts expressed in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund services provided and used	$	821
Cash payments for salaries and benefits		(169)
Cash payments for goods and services		(604)
Cash payments for claims		(2,572)
Net cash provided by (used for) operating activities		(2,524)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash subsidy from state return to work reimbursements		308
Net cash provided by (used for) noncapital financing activities		308
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings		15
Net cash provided by investing activities		15
Net increase in cash and cash equivalents		(2,201)
Cash and cash equivalents at beginning of year		9,368
Cash and cash equivalents at end of year	$	7,167
RECONCILIATION OF OPERATING INCOME TO CASH FROM OPERATING ACTIVITIES		
Operating income	$	(3,477)
Adjustments to reconcile operating income to net cash from operating activities:		
Increase in prepaid items		(75)
Decrease in accounts and other payables		(45)
Increase in claims payable		1,167
Decrease in net pension asset and deferred outflows		69
Decrease in net pension liability and deferred inflows		(149)
Decrease in OPEB asset and OPEB related deferred outflows		5
Decrease in OPEB liability and OPEB related deferred inflows		(19)
Total adjustments		953
Net cash used for operating activities	$	(2,524)

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


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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.

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

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 2022.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

	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.

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 (RHIAs) 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".

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 assets 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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Q. Lease Receivables

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the District, reduced by principal payments received.

R. 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.

S. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

S. 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.

T. 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.

U. 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.

V. 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, 2003 and 2020 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, 2022 is $19,389.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

W. New Accounting Standards Implemented

GASB Statement No. 87. *Leases* requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

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, 2022 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	$ 146,000,000 (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, 2022, the District's cash, cash equivalents, and investments were comprised of the following:

	June 30, 2022	Fair Value Measurements Using
Oregon Local Government Investment Pool	$ 67,428	N/A
Cash in demand deposits	97,385	N/A
Petty cash	7	N/A
Total cash and cash equivalents	164,820	
Cash and cash equivalents held by fiscal agents	25,265	N/A
U.S. Government agency securities	385,260	Level 1
Commercial Paper	163,335	Level 1
Municipal Bonds	23,171	Level 1
Total investments	571,766	
Total cash, cash equivalents and investments	$ 761,851	

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.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS - continued

A. Investments - continued

The Oregon Local Government Investment Pool is unrated. Other investments held at June 30, 2022 are categorized by Moody's and Standard and Poor's ratings as follows:

Moodys Rating	U.S. Government & Agency Obligations	Corporate Notes	Municipal Bonds	Total
Aaa	$ 328,569	$ 55,737	$ 21,476	$ 405,782
Aa2	-	-	1,695	1,695
A1	-	29,939	-	29,939
A2	-	57,680	-	57,680
P1	-	9,991	-	9,991
NR	56,691	9,988	-	66,679
	$ 385,260	$ 163,335	$ 23,171	$ 571,766
Weighted Average Maturity (Yrs)	0.48	0.28	0.46	0.42

S & P Rating	U.S. Government & Agency Obligations	Corporate Notes	Municipal Bonds	Total
AAA	$ -	$ 55,737	$ -	$ 55,737
AA+	328,569	-	21,476	350,045
AA-	-	-	1,695	1,695
A	-	29,939	-	29,939
A-	-	57,680	-	57,680
A-1+	-	19,979	-	19,979
NR	56,691	-	-	56,691
	$ 385,260	$ 163,335	$ 23,171	$ 571,766
Weighted Average Maturity (Yrs)	0.48	0.28	0.46	0.42

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.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS - continued
A. Investments - continued

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, 2022 the District held the following individual non-federal assets that exceeded 5.00 percent of total invested funds:

	Value	Percentage of Total Investments
Bank of America Corp	$ 30,113	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, 2022, 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, 2022, the carrying amount of the District's balance was $97,385 and the bank balance was $96,378.

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.

NOTE 5 – RECEIVABLES

Accounts and other receivables at June 30, 2022 are summarized as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Accounts and other receivables:					
Interest Receivable	$ 26	$ -	$ -	$ 979	$ 1,005
Accounts receivable	6,600	4,789	12	726	12,127
Federal, state and local grants	-	60,036	-	-	60,036
Total accounts and other receivables	6,626	64,825	12	1,705	73,168
Property and other taxes receivable	9,433	-	2,977	-	12,410
Total	$ 16,059	$ 64,825	$ 2,989	$ 1,705	$ 85,578

Lease receivables at June 30, 2022 are summarized as follows:

	Original Amount	Outstanding at June 30, 2021	Additions	Decreases	Outstanding at June 30, 2022
Riverdale Land Lease, interest at 2.583%, principal and interest ranges from $19 to $46 monthly, due 2051	$ 7,328	$ 7,328	$ -	$ (61)	$ 7,267
Trillium Building Lease, interest at 0.972%, principal and interest ranges from $14 to $16 monthly, due 2026	809	-	809	(106)	703
Total	$ 8,137	$ 7,328	$ 809	$ (167)	$ 7,970

NOTE 6 – PREPAID ITEMS

A summary of changes in prepaid items for the year ended June 30, 2022 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Postage	$ 205	$ 238	$ (163)	$ 280
Insurance	4,170	-	(1,440)	2,730
Workers Compensation Prefund	300	75	-	375
Other	423	1,947	(423)	1,947
Total Prepaid Assets	$ 5,098	$ 2,260	$ (2,026)	$ 5,332

NOTE 6 – PREPAID ITEMS - continued

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.

NOTE 7 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2022 is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated or amortized					
Land	$ 9,174	$ -	$ -	$ -	$ 9,174
Construction in progress	498,505	228,319	(21,070)	(362,283)	343,471
Total capital assets not being depreciated or amortized	507,679	228,319	(21,070)	(362,283)	352,645
Capital assets being depreciated or amortized					
Buildings and site improvements	933,782	386	(13,479)	346,562	1,267,251
Vehicles and equipment	39,946	43,373	(265)	15,721	98,775
Total capital assets being depreciated or amortized	973,728	43,759	(13,744)	362,283	1,366,026
Total general capital assets	1,481,407	272,078	(34,814)	-	1,718,671
Less accumulated depreciation and amortization					
Buildings and site improvements	(277,209)	(27,614)	10,642	-	(294,181)
Vehicles and equipment	(30,827)	(9,861)	258	-	(40,430)
Total accumulated depreciation and amortization	(308,036)	(37,475)	10,900	-	(334,611)
Total capital assets, net of accumulated depreciation	$ 1,173,371	$ 234,603	$ (23,914)	$ -	$ 1,384,060

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

Instruction	$ 34,899
Supporting services	2,421
Enterprise and Community Services	155
	$ 37,475

As of June 30, 2022 the District has one school that was closed and idle: Smith elementary school. As of June 30, 2022 the carrying value of this school is $441 and is included in the capital assets summary above.

NOTE 8 – INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

Interfund balances represent cash owed by one fund to another. Interfund receivables and payables at June 30, 2022 are as follows:

	Due To	Due From
General Fund	$ 60,760	$ 744
Special Revenue Fund	744	60,760
	$ 61,504	$ 61,504

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 $60,760, by the General Fund to cover unbilled expenditures.

The composition of interfund transfers as of June 30, 2022, is as follows:

	Transfers In	Transfers Out
General Fund	$ -	$ 1,207
Special Revenue Fund	73	-
Debt Service Fund	1,752	-
Capital Projects Fund	-	618
	$ 1,825	$ 1,825

The District's General Fund made debt service transfers totaling $1,134 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 $73 to the Special Revenue Fund to cover write-offs. The Capital Projects Fund made transfers of $618 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, 2021	Increases	Payments	Outstanding June 30, 2022	Due Within One Year
$ 6,826	$ 4,966	$ (5,328)	$ 6,464	$ 3,537

NOTE 10 – BONDED AND OTHER DEBT

Changes in District long-term debt during fiscal year 2022 were as follows:

	Original Amount	Beginning Balance	Additions	Matured and Redeemed	Ending Balance	Due Within One Year
Pension debt:						
Limited tax pension bonds						
Series 2002	$ 210,104	$ 142,580	$ -	$ (15,900)	$ 126,680	$ 17,945
Series 2003	281,170	171,579	-	(7,673)	163,906	7,536
Series 2021	399,390	-	399,390	(10,790)	388,600	12,815
Total pension debt (See Note 11)	890,664	314,159	399,390	(34,363)	679,186	38,296
Other Debt:						
Recovery Zone Economic Development Bonds	11,000	1,700	-	(1,093)	607	607
General Obligation Bonds Series 2013B	68,575	6,025	-	(2,865)	3,160	3,160
General Obligation Bonds Series 2015B	244,700	116,145	-	(5,735)	110,410	6,340
QZAB Series 2016	4,000	3,200	-	(200)	3,000	200
Full Faith and Credit Obligations Series 2016	5,048	3,918	-	(305)	3,613	315
General Obligation Bonds Series 2017B	241,890	177,695	-	(2,315)	175,380	2,650
General Obligation Bonds Series 2020	441,320	386,390	-	(41,625)	344,765	36,945
General Obligation Bonds Series 2020B	365,465	365,465	-	(40,240)	325,225	57,970
General Obligation Bonds Series 2020C	53,965	53,405	-	(885)	52,520	905
Total other debt	1,435,963	1,113,943	-	(95,263)	1,018,680	109,092
Total long-term debt	$ 2,326,627	1,428,102	399,390	(129,626)	1,697,866	147,388
Unamortized bond premium (discount)		125,631	1,449	(7,836)	119,244	7,842
Total long-term debt, net of premiums (discounts)		$ 1,553,733	$ 400,839	$ (137,462)	$ 1,817,110	$ 155,230

Changes in District accrued interest during fiscal year 2022 were as follows:

Accrued Interest:	Beginning Balance	Additions	Payments and Reductions	Ending Balance
Current Portion	$ 23,052	$ 84,386	$ (88,772)	$ 18,666
Long Term Portion	15,634	-	(15,634)	-
Total Accrued Interest	$ 38,686	$ 84,386	$ (104,406)	$ 18,666

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, 2028 are subject to mandatory prepayment prior to 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 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 July 15, 2021 the District issued $399,390 in Limited Tax Pension Bonds, Series 2021. The interest rate is fixed at rates ranging from 0.30 to 2.50 percent and interest payments on the bonds are payable semiannually in June and December. The bonds mature on June 30, 2040 if not redeemed earlier pursuant to optional early redemption. The Series 2021 bonds maturing in years 2022 through 2031 are not subject to optional redemption. The Series 2021 bonds maturing on or after June 30, 2032 are subject to optional prepayment in whole or in part at the option of the District.

Under the terms of the borrowing agreements for the 2002 and 2003 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. Under the terms of the borrowing agreement for the 2021 Limited Tax Pension Bonds the District is bound by an intercept agreement whereby U.S. Bank NA, as Trustee, directly receives specified amounts that have been withheld from the District's State School Fund support payments that are deposited in trust with U.S. Bank NA. Wells Fargo Bank Northwest NA and U.S. Bank NA then make the scheduled semi-annual debt service payments from the LGIP or U.S. Bank NA trust accounts respectively.

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 on the outstanding Bonds is fixed at 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 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 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.

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 $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.

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

NOTE 10 – BONDED AND OTHER DEBT – continued

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.

On December 30, 2020 the District issued $53,965 in General Obligation Bonds, Series 2020C. 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. 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.

C. Other Debt

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 42.4 percent federally subsidized.

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.

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.

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, 2017B, 2020, 2020B and 2020C 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, 2022.

NOTE 10 – BONDED AND OTHER DEBT – continued

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
Principal						
2023	$ 38,296	$ 607	$ 315	$ 107,970	$ 200	$ 147,388
2024	62,240	-	325	54,465	200	117,230
2025	68,320	-	335	59,445	200	128,300
2026	76,755	-	345	42,860	200	120,160
2027	83,940	-	355	46,735	200	131,230
2028-2032	131,900	-	1,938	236,290	1,000	371,128
2033-2037	134,220	-	-	197,950	1,000	333,170
2038-2042	83,515	-	-	147,085	-	230,600
2043-2047	-	-	-	118,660	-	118,660
Total principal	679,186	607	3,613	1,011,460	3,000	1,697,866
Interest						
2023	42,148	15	103	37,083	-	79,349
2024	22,440	-	94	31,711	-	54,245
2025	19,626	-	84	29,110	-	48,820
2026	16,447	-	74	26,267	-	42,788
2027	12,818	-	63	24,260	-	37,141
2028-2032	33,577	-	147	89,750	-	123,474
2033-2037	19,878	-	-	50,896	-	70,774
2038-2042	3,750	-	-	26,532	-	30,282
2043-2047	-	-	-	6,256	-	6,256
Total interest	170,684	15	565	321,865	-	493,129
Total debt service	$ 849,870	$ 622	$ 4,178	$ 1,333,325	$ 3,000	$ 2,190,995

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	$ (267,828)	$ (5,468)	$ (273,296)
Total Pension Expense	$ 28,666	$ (439)	$ 28,227
Pension Deferred Outflows of Resources	$ 557,100	$ 903	$ 558,003
Pension Deferred Inflows of Resources	$ (307,479)	$ (40)	$ (307,519)

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.

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.

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, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. 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, 2022 were:

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

The District contributed approximately $401.4 million for the year ended June 30, 2022.

Actuarial Valuations:

The employer contribution rates effective July 1, 2021 through June 30, 2022, 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.

NOTE 11 – PENSION PLANS – continued
A. Oregon Public Employees Retirement System (OPERS) – continued
Actuarial Valuations - continued

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study	2018, published July 24, 2019
Actuarial Assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
COLA	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service
Mortality	***Healthy retirees and beneficiaries:*** 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 ***Active members:*** Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation ***Disabled retirees:*** 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

Source: OPERS Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2021

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 6.90 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.

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:

Asset Class/Strategy	Low Range	High Range	OIC Target Allocation
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	5.0	0.0
Risk Parity	0.0	2.5	2.5
Total			100.0 %

Source: OPERS Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2021

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 June 2021 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
Global Equity	30.62 %	5.85 %
Private Equity	25.50	7.71
Core Fixed Income	23.75	2.73
Real Estate	12.25	5.66
Master Limited Partnerships	0.75	5.71
Infrastructure	1.50	6.26
Commodities	0.63	3.10
Hedge Fund of Funds - Diversified	1.25	5.11
Hedge Fund Equity - Hedge	0.63	5.31
Hedge Fund - Macro	5.62	5.06
US Cash	-2.50	1.76
Assumed Inflation – Mean		2.40 %

Source: OPERS Annual Comprehensive Annual Financial Report, For the Fiscal Year Ended June 30, 2021

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 6.90 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 (5.90 percent) or one percentage point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	$525,950	$267,828	$51,873

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, 2022, the District reported a liability of $267,828 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. 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, 2022, the District's proportion was 2.24 percent, which is a decrease of 0.15 from the District's proportion of 2.39 percent for the year ended June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of $31.8 million for the defined benefit portion of the pension plan. At June 30, 2022, 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	$ 63,594	$ (46,802)	$ 16,792
Pension differences between employer contribution and proportionate share of contributions	-	(61,701)	(61,701)
Pension differences between expected and actual experience	25,071	-	25,071
Pension differences due to changes in assumptions	67,045	(705)	66,340
Pension differences between expected and actual earnings	-	(198,271)	(198,271)
Total (prior to post-measurement date contributions)	155,710	(307,479)	(151,769)
Pension contributions subsequent to measurement date	401,390	-	401,390
Net Deferred Outflow/(Inflow) of Resources	$ 557,100	$ (307,479)	$ 249,621

Source: OPERS Schedule of Pension Amounts under GASB 68, June 30, 2021

NOTE 11 – PENSION PLANS – continued
A. Oregon Public Employees Retirement System (OPERS) – continued
Actuarial Valuations - continued

The deferred outflow of resources of $401.4 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, 2023. 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 2023	$	(32,807)
Fiscal Year 2024		(35,200)
Fiscal Year 2025		(30,623)
Fiscal Year 2026		(55,016)
Fiscal Year 2027		1,877
Total	$	(151,769)

Source: OPERS Schedule of Pension Amounts under GASB 68, June 30, 2021

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.

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, 2022. Included in accrued liabilities at June 30, 2022 are $2.4 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 $5.5 million was measured as of June 30, 2021, rolled forward to June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020.

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

Actuarial Assumptions and Other Inputs

The total Stipend liability in the June 30, 2022 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	2.16%
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. **Male retiree:** Teachers, no set back **Male spouse:** General Employees, set back 12 months **Female retiree:** Teachers, no set back **Female spouse:** 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, 2022 reporting date is 2.16 percent, reflecting the Bond Buyer 20-Year General Obligation Bond Index.

Changes in the Total Stipend Liability

	Total Stipend Liability
Balance at 6/30/2021	$ 6,090
Changes for the year:	
Service cost	180
Interest	128
Effect of assumptions changes or inputs	9
Benefit payments	(939)
Net changes	(622)
Balance at 6/30/2022	$ 5,468

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% in 2021 to 2.16% in 2022.

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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total Stipend Liability	$ 5,634	$ 5,468	$ 5,294

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

For the year ended June 30, 2022, the District recognized stipend benefit of $439. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the stipend from the following sources:

	Deferred Ouflows of Resources	Deferred Inflows of Resources	Net
Pension differences between expected and actual experience	$ 81	$ -	$ 81
Pension differences due to changes in assumptions	30	(40)	(10)
Total (prior to post-measurement date contributions)	111	(40)	71
Pension contributions subsequent to measurement date	792	-	792
Net Deferred Outflow/(Inflow) of Resources	$ 903	$ (40)	$ 863

Deferred outflows of resources related to the stipend of $792 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, 2023.

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 2023	$ 41
Fiscal Year 2024	26
Fiscal Year 2025	4
Fiscal Year 2026	-
Total	$ 71

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:

	RHIS	RHIA	Net
Total OPEB Liability	$ (75,893)	$ -	$ (75,893)
Net OPEB Asset	$ -	$ 9,155	$ 9,155
Total OPEB Expense	$ (1,311)	$ 1,267	$ (44)
OPEB Deferred Outflows of Resources	$ 15,829	$ 813	$ 16,642
OPEB Deferred Inflows of Resources	$ (3,151)	$ (2,570)	$ (5,721)

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, 2022, 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	5,820
	6,304

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS - continued
A. Retirement Health Insurance Subsidy (RHIS) – continued

Total RHIS Liability

The District's total RHIS liability of $75.9 million was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020, rolled forward to June 30, 2022.

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 6/30/2021	$ 78,581
Changes for the year:	
Service cost	3,105
Interest	1,720
Effect of assumptions changes or inputs	212
Benefit payments	(7,725)
Net changes	(2,688)
Balance at 6/30/2022	$ 75,893

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% in 2021 to 2.16% in 2022.

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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total RHIS Liability	$ 80,193	$ 75,893	$ 71,723

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:

	1% Decrease	Current Trend Rate	1% Increase
Total RHIS Liability	$ 69,053	$ 75,893	$ 83,758

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

For the year ended June 30, 2022, the District recognized a RHIS benefit of $1,311. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to RHIS from the following sources:

	Deferred Ouflows of Resources	Deferred Inflows of Resources	Net
OPEB differences between expected and actual experience	$ 2,054	$ (2,061)	$ (7)
OPEB differences due to changes in assumptions	6,520	(1,090)	5,430
Total (prior to post-measurement date contributions)	8,574	(3,151)	5,423
OPEB contributions subsequent to measurement date	7,255	-	7,255
Total as of June 30, 2021	$ 15,829	$ (3,151)	$ 12,678

Deferred outflows of resources related to RHIS of $7.2 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIS will be recognized in RHIS expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2023	$ 1,119
Fiscal Year 2024	1,118
Fiscal Year 2025	1,118
Fiscal Year 2026	1,435
Fiscal Year 2027	762
Thereafter	(129)
Total	$ 5,423

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, 2022 were:

Tier One / Tier Two	0.05%
OPSRP General Service	0.00%

District contributions for the year ended June 30, 2022 were $126.

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

At June 30, 2022, the District reported an asset of $9.2 million for its proportionate share of the OPERS net RHIA asset. The net RHIA asset was measured as of June 30, 2021, and the total RHIA liability used to calculate the net RHIA asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. 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, 2022, the District's proportionate share was 2.67%, which is a decrease of 0.26% from its proportion of 2.93% as of June 30, 2021.

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

For the year ended June 30, 2022, the District recognized RHIA expense from this plan of $1,267 At June 30, 2022, 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	$ -	$ (255)	$ (255)
RHIA differences due to changes in assumptions	180	(136)	44
RHIA net difference between projected and actual earnings on investments	-	(2,176)	(2,176)
RHIA changes in employer proportion	507	(3)	504
	687	(2,570)	(1,883)
RHIA contributions subsequent to measurement date	126	-	126
Total	$ 813	$ (2,570)	$ (1,757)

Source: OPERS Schedule of OPEB Amounts under GASB 75, June 30, 2021

Deferred outflows of resources related to RHIA of $126 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, 2023. 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	$ (392)
Fiscal Year 2023	(307)
Fiscal Year 2024	(497)
Fiscal Year 2025	(687)
Total	$ (1,883)

Source: OPERS Schedule of OPEB Amounts under GASB 75, June 30, 2021

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.

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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current discount rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Net RHIA liability (asset)	$ (8,097)	$ (9,155)	$ (10,060)

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 $821 of revenues from other governmental funds for the year ended June 30, 2022.

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, 2020 through 2022. There have been no reductions to the District's insurance coverage during the year ended June 30, 2022. The District anticipates that all accrued claims losses will be paid within twelve months.

The total claims payable at June 30, 2022 of $7.1 million was made up of approximately $4.0 million in worker's compensation claims (recorded in the Internal Service Fund) and $3.1 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, 2020, through June 30, 2022, were as follows:

Fiscal Year	Beginning Balance	New Claims	Payments on Claims	Ending Balance
2020	6,843	3,905	(3,895)	6,853
2021	6,853	2,516	(3,795)	5,574
2022	5,574	5,540	(3,985)	7,129

NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES

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
Andersen Construction Co of Oregon LLC	$ 277,006
First Student Inc	56,006
Hoffman Construction Company of Oregon	42,742
2KG Contractors Inc	4,726
Bassetti Architects PS	4,715
	$ 385,195

Future District service commitments by fund are as follows:

	Commitments
General Fund	$ 56,006
Capital Projects Fund	329,189
	$ 385,195

Dr. Matthew Prophet Educational Service Center (formerly Blanchard Education Service Center)

In June 2000, Multnomah County leased a portion of the District's headquarters 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, 2022 the Multnomah County Reserve balance held in the Facilities Capital Fund, a sub-fund of the Capital Projects Fund, was $544.

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.

NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES - continued

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.

NOTE 15 – FUND BALANCES

Fund balances by classification for the year ended June 30, 2022 are as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Nonspendable					
Prepaid items	$ 2,216	$ 11	$ -	$ 2,730	$ 4,957
Inventories	373	1,091	-	-	1,464
	2,589	1,102	-	2,730	6,421
Restricted					
Special Revenue Fund	-	25,390	-	-	25,390
Debt Service Fund	-	-	11,780	-	11,780
Capital Projects Funds	-	-	-	514,393	514,393
	-	25,390	11,780	514,393	551,563
Committed					
Special Revenue Fund	-	19,389	-	-	19,389
Debt Service Fund	-	-	1,925	-	1,925
	-	19,389	1,925	-	21,314
Assigned					
General Fund	96,215	-	-	-	96,215
Capital Projects Fund	-	-	-	4,716	4,716
	96,215	-	-	4,716	100,931
Unassigned					
Special Revenue Fund	-	(10,812)	-	-	(10,812)
Total fund balances	$ 98,804	$ 35,069	$ 13,705	$ 521,839	$ 669,417

NOTE 16 – RELATED ORGANIZATIONS

The District includes five charter schools that are legally separate, tax-exempt organizations. The most recent data available indicates charter school total students were 1,295 (representing less than 3.0 percent of the District's total enrollment); and that charter schools' Net Position was $2,880. 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.

NOTE 17 – ARTS TAX - continued

Revenues and expenditures for the year ended June 30, 2022 are recorded in the General Fund as follows:

	Arts Tax Revenues	Arts Tax Expenditures[1]	FTE Funded	Number of Schools Funded
Non-Charter Schools	$ 4,580	$ 5,574	70.20	60
Charter Schools	151	230	4.70	5
District Total	$ 4,731	$ 5,804	74.9	65

[1] Includes amounts for unexpended revenues carried forward from prior years.

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.

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.

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.

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.

NOTE 18 – TAX ABATEMENTS - continued

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.

The following schedule represents the District's portion of tax abatements granted by Multnomah County for tax year 2021-22. 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	$ 4,405
Day Care Centers, Student Housing & Religious Schools	2,923
Transit Oriented Development, Portland	1,939
Historic Property	1,721
Enterprise Zone	876
Housing Authority Partnership	705
All other exemption programs	745
Total Abatements	$ 13,314

NOTE 19 – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2022, the date of the most recent statement of net position, has been evaluated for possible adjustment to the financial statements or disclosure is December 9, 2022, which is the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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 [1]
(amounts expressed in thousands)

Total OPEB Liability

	2017	2018	2019
Service cost	N/A	$ 2,549	$ 2,319
Interest	N/A	2,160	2,475
Change in benefit terms	N/A	-	2,711
Differences between expected and actual experience	N/A	-	3,880
Changes of assumptions or other inputs	N/A	(2,848)	8,157
Benefit payments	N/A	(8,575)	(8,024)
Net change in total OPEB liability	N/A	(6,714)	11,518
Total OPEB liability - beginning	N/A	77,498	70,784
Total OPEB liability - ending	$ 77,498	$ 70,784	$ 82,302
Covered-employee payroll	$ 327,668	$ 344,646	$ 356,540
Total OPEB liability as a percentage of covered-employee payroll	23.65%	20.54%	23.08%

[1] 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 Schoools; 501 N. Dixon Street; Portland, OR 97227.

2020	2021	2022
$ 2,842	$ 3,141	$ 3,105
3,128	2,818	1,720
-	722	-
-	(2,676)	-
1,744	1,151	212
(8,697)	(7,894)	(7,725)
(983)	(2,738)	(2,688)
82,302	81,319	78,581
$ 81,319	$ 78,581	$ 75,893
$ 375,041	$ 386,877	$ 435,531
21.68%	20.31%	17.43%

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 [1]
(amounts expressed in thousands)

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

	2017	2018	2019
District's proportion of the net OPEB liability/(asset)	3.284%	3.164%	3.194%
District's proportionate share of the net OPEB liability (asset)	$ 892	$ (1,321)	$ (3,566)
District's covered-employee payroll [2]	$ 316,998	$ 327,668	$ 344,646
District's proportionate share of net OPEB liability (asset) as a percentage of covered-employee payroll	0.3%	-0.4%	-1.0%
Plan fiduciary net position as a percentage of the total OPEB liability	94.14%	108.89%	124.01%
OPEB Measurement Date	6/30/2016	6/30/2017	6/30/2018

[1] Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

[2] 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

	2017	2018	2019
Contractually required contribution	$ 1,575	$ 1,547	$ 1,641
Contributions in relation to the contractually required contribution	1,575	1,547	1,641
Contribution deficiency(excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 327,668	$ 344,646	$ 356,540
Contributions as a percentage of covered-employee payroll	0.48%	0.45%	0.46%

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/2022/2021%20GASB75.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

2020	2021	2022
3.312%	2.928%	2.666%
$ (6,400)	$ (5,966)	$ (9,155)
$ 356,540	$ 375,041	$ 386,877
-1.8%	-1.6%	-2.4%
144.34%	150.05%	183.86%
6/30/2019	6/30/2020	6/30/2021

2020	2021	2022
$ 209	$ 71	$ 126
209	71	126
$ -	$ -	$ -
$ 375,041	$ 386,877	$ 435,531
0.06%	0.02%	0.03%

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

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

	2014	2015	2016	2017
District's proportion of the net pension liability/asset	0.254%	0.254%	0.299%	1.380%
District's proportionate share of the net pension liability (asset)	$ 12,953	$ (5,754)	$ 17,185	$207,203
District's covered payroll [2]	$256,741	$264,386	$283,935	$316,998
District's proportionate share of net pension liability (asset) as a percent of covered payroll	5.0%	(2.2%)	6.1%	65.4%
Plan fiduciary net position as a percentage of the total pension liability	92.0%	103.6%	91.9%	80.5%
OPERS Measurement Date	6/30/2013	6/30/2014	6/30/2015	6/30/2016

[1] Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

[2] 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

	2014	2015	2016 [3]	2017 [3]
Contractually required contribution	$ 4,785	$ 4,895	$ -	$ -
Contributions in relation to the contractually required contribution	4,785	4,895	-	-
Contribution (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$264,386	$283,935	$316,998	$327,668
Contributions as a percentage of covered payroll	1.81%	1.72%	0.00%	0.00%

[3] 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.

[4] OPERS side account resources were used to satisfy all contribuiton requirements.

[5] Contribution excess reflects issuance of PERS pension bonds

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

2018	2019	2020	2021	2022
2.102%	2.286%	1.770%	2.389%	2.238%
$283,305	$346,266	$ 306,140	$ 521,329	$ 267,828
$327,668	$344,646	$ 356,540	$ 375,041	$ 386,877
86.5%	100.5%	85.9%	139.0%	69.2%
83.12%	82.07%	80.23%	75.79%	87.57%
6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021

2018 [4]	2019	2020	2021	2022 [5]
$ -	$ 8,351	$ 24,834	$ 17,684	$ 2,724
-	8,351	24,834	17,684	401,390
$ -	$ -	$ -	$ -	$ 398,666
$344,646	$356,540	$ 375,041	$ 386,877	$ 435,531
0.00%	2.34%	6.62%	4.57%	92.16%

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 [1]
(amounts expressed in thousands)

Total Pension Liability

	2016	2017	2018	2019
Service cost	N/A	$ 174	$ 212	$ 194
Interest	N/A	304	211	228
Change in benefit terms	N/A	-	-	797
Differences between expected and actual experience	N/A	-	-	94
Changes of assumptions or other inputs	N/A	235	(158)	(68)
Benefit payments	N/A	(1,301)	(1,389)	(1,174)
Net change in total pension liability	N/A	(587)	(1,124)	71
Total pension liability - beginning	N/A	8,465	7,877	6,753
Total pension liability - ending	$ 8,465	$ 7,877	$ 6,753	$ 6,824
Covered-employee payroll	N/A	70,988	68,838	63,301
Total pension liability as a percentage of covered-employee payroll	N/A	11.10%	9.81%	10.78%

[1] Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

[2] 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 Schoools; 501 N. Dixon Street; Portland, OR 97227.

2020	2021	2022
$ 188	$ 207	$ 180
250	209	128
-	264	-
-	145	-
79	(69)	9
(1,132)	(875)	(939)
(615)	(119)	(622)
6,824	6,209	6,090
$ 6,209	$ 6,090	$ 5,468
58,067	68,456	28,623
10.69%	8.90%	19.10%

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, 2022
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
	Original	Final	Amounts	(Negative)
REVENUES				
Property and other taxes	$ 298,267	$ 298,267	$ 304,228	$ 5,961
State School Fund	256,417	256,417	259,314	2,897
Local option taxes	105,730	105,730	106,124	394
County and intermediate sources	12,762	12,762	12,793	31
Federal and state support	15	15	21	6
State Common School Fund	5,048	5,048	5,693	645
Charges for services	1,900	1,900	1,724	(176)
Investment earnings	417	417	782	365
Other	5,512	5,512	7,938	2,426
Total revenues	686,068	686,068	698,617	12,549
EXPENDITURES				
Current:				
Instruction:				
Regular programs:				
Salaries and benefits	266,364	267,219	272,208	(4,989)
Materials and services	13,941	13,086	8,443	4,643
Total regular programs	280,305	280,305	280,651	(346)
Special programs:				
Salaries and benefits	76,364	76,364	68,414	7,950
Materials and services	27,993	30,229	24,294	5,935
Total special programs	104,357	106,593	92,708	13,885
Summer school programs:				
Salaries and benefits	340	340	332	8
Materials and services	1,620	1,620	67	1,553
Total summer school programs	1,960	1,960	399	1,561
Total instruction	**386,622**	**388,858**	**373,758**	**15,100**
Support services:				
Students:				
Salaries and benefits	67,750	68,110	67,203	907
Materials and services	6,700	7,823	7,095	728
Total students	74,450	75,933	74,298	1,635
Instructional staff:				
Salaries and benefits	36,217	35,959	33,251	2,708
Materials and services	4,967	5,187	4,506	681
Total instructional staff	41,184	41,146	37,757	3,389
General administration:				
Salaries and benefits	8,475	9,142	7,635	1,507
Materials and services	6,479	6,525	4,384	2,141
Total general administration	14,954	15,667	12,019	3,648

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, 2022
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
Support services (continued):	Original	Final	Amounts	(Negative)
School administration:				
Salaries and benefits	$ 51,014	$ 51,328	$ 50,244	$ 1,084
Materials and services	955	1,783	1,128	655
Total school administration	51,969	53,111	51,372	1,739
Business:				
Salaries and benefits	59,021	59,488	52,729	6,759
Materials and services	51,835	50,657	56,410	(5,753)
Total business	110,856	110,145	109,139	1,006
Central:				
Salaries and benefits	23,391	23,090	20,425	2,665
Materials and services	11,288	13,794	7,756	6,038
Total central	34,679	36,884	28,181	8,703
Total support services	**328,092**	**332,886**	**312,766**	**20,120**
Enterprise and community services:				
Food services:				
Salaries and benefits	118	118	25	93
Materials and services	74	74	9	65
Total food services	192	192	34	158
Community services:				
Salaries and benefits	591	591	435	156
Materials and services	2,210	2,210	424	1,786
Total community services	2,801	2,801	859	1,942
Total enterprise and community services	**2,993**	**2,993**	**893**	**2,100**
Other expenditures:				
Debt Service				
Principal	1,177	1,177	-	1,177
Interest and fiscal charges	47	2,219	2,167	52
PERS UAL lump sum payment	-	398,666	398,666	-
Total debt service	**1,224**	**402,062**	**400,833**	**1,229**
Total current expenditures	718,931	1,126,799	1,088,250	38,549
Operating contingency	**51,896**	**48,613**	**-**	**48,613**
Total expenditures	770,827	1,175,412	1,088,250	87,162
Excess (deficit) of revenues over expenditures	(84,759)	(489,344)	(389,633)	99,711
OTHER FINANCING SOURCES (USES)				
Transfers out	**(1,136)**	**(1,236)**	**(1,207)**	**29**
PERS UAL bond proceeds	-	399,390	399,390	-
Premium on issuance of PERS UAL bonds	-	1,449	1,449	-
Proceeds from the sale of capital assets	50	50	114	64
Proceeds from leases	1,000	1,000	-	(1,000)
Total other financing sources and (uses)	(86)	400,653	399,746	(907)
Net change in fund balance	(84,845)	(88,691)	10,113	98,804
Fund balance - beginning of year	84,845	88,691	88,691	-
Fund balance - end of year	$ -	$ -	$ 98,804	$ 98,804

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, 2022
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
	Original	Final	Amounts	(Negative)
REVENUES				
Property and other taxes	$ 323	$ 323	$ 330	$ 7
Federal and state support	245,538	265,072	173,098	(91,974)
County and intermediate sources	4,036	4,036	2,773	(1,263)
Charges for services	2,578	2,578	217	(2,361)
Investment earnings	95	95	4	(91)
Extracurricular activities	8,000	8,000	4,020	(3,980)
Other	6,086	6,086	7,956	1,870
Total revenues	266,656	286,190	188,398	(97,792)
EXPENDITURES				
Current:				
Instruction:				
Regular programs:				
Salaries and benefits	31,123	31,749	30,633	1,116
Materials and services	45,174	63,495	8,957	54,538
Total regular programs	76,297	95,244	39,590	55,654
Special programs:				
Salaries and benefits	21,701	19,161	28,033	(8,872)
Materials and services	15,833	19,263	11,944	7,319
Total special programs	37,534	38,424	39,977	(1,553)
Summer school programs:				
Salaries and benefits	5,225	5,225	3,825	1,400
Materials and services	2,288	2,288	3,674	(1,386)
Total summer school programs	7,513	7,513	7,499	14
Total instruction	**121,344**	**141,181**	**87,066**	**54,115**
Support services:				
Students:				
Salaries and benefits	24,068	24,387	22,378	2,009
Materials and services	11,649	13,194	10,165	3,029
Total students	35,717	37,581	32,543	5,038
Instructional staff:				
Salaries and benefits	14,046	14,508	11,231	3,277
Materials and services	21,703	18,111	3,794	14,317
Total instructional staff	35,749	32,619	15,025	17,594
General administration:				
Salaries and benefits	-	-	1	(1)
Materials and services	262	262	872	(610)
Total general administration	262	262	873	(611)
School administration:				
Salaries and benefits	3,483	3,483	4,119	(636)
Materials and services	3,801	3,800	107	3,693
Total school administration	7,284	7,283	4,226	3,057

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, 2022
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
	Original	Final	Amounts	(Negative)
Support services (continued):				
Business:				
Salaries and benefits	$ -	$ -	$ 5	$ (5)
Materials and services	7,665	7,817	10,195	(2,378)
Total business	7,665	7,817	10,200	(2,383)
Central:				
Salaries and benefits	865	349	1,296	(947)
Materials and services	3,532	3,597	559	3,038
Total central	4,397	3,946	1,855	2,091
Total support services	**91,074**	**89,508**	**64,722**	**24,786**
Enterprise and community services:				
Food Services:				
Salaries and benefits	10,172	9,844	9,152	692
Materials and services	9,260	13,669	9,947	3,722
Total food services	19,432	23,513	19,099	4,414
Community services:				
Salaries and benefits	3,068	2,739	2,456	283
Materials and services	31,553	23,647	8,182	15,465
Total community services	34,621	26,386	10,638	15,748
Total enterprise and community services	**54,053**	**49,899**	**29,737**	**20,162**
Facilities acquisition & construction:				
Materials and services	69	319	100	219
Total facilities acquisition and construction	**69**	**319**	**100**	**219**
Total current expenditures	266,540	280,907	181,625	99,282
Operating Contingencies	**4,903**	**1,384**	**-**	**1,384**
Total expenditures	271,443	282,291	181,625	100,666
Excess (deficit) of revenues over expenditures	(4,787)	3,899	6,773	2,874
OTHER FINANCING SOURCES (USES)				
Transfers in	-	100	73	(27)
Total other financing sources (uses)	-	100	73	(27)
Net change in fund balance	(4,787)	3,999	6,846	2,847
Fund balance - beginning of year	36,505	28,222	28,223	1
Fund balance - end of year	$ 31,718	$ 32,221	$ 35,069	$ 2,848

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

SUPPLEMENTARY INFORMATION

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, 2022
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
	Original	Final	Amounts	(Negative)
REVENUES				
Property and other taxes	$ 141,000	$ 141,000	$ 142,032	$ 1,032
Federal and state support	30	30	31	1
Charges for services	53,781	74,830	76,346	1,516
Investment earnings	252	252	271	19
Other	3,918	-	-	-
Total revenues	198,981	216,112	218,680	2,568
EXPENDITURES				
Current:				
Debt service:				
Principal	118,836	129,626	129,626	-
Interest and fiscal charges	81,473	88,776	88,773	3
Total debt service	**200,309**	**218,402**	**218,399**	**3**
Total expenditures	200,309	218,402	218,399	3
Excess (deficit) of revenues over expenditures	(1,328)	(2,290)	281	2,571
OTHER FINANCING SOURCES (USES)				
Transfers in	1,754	1,754	1,752	(2)
Total other financing sources (uses)	1,754	1,754	1,752	(2)
Net change in fund balance	426	(536)	2,033	2,569
Fund balance - beginning of year	10,228	11,672	11,672	-
Fund balance - end of year	$ 10,654	$ 11,136	$ 13,705	$ 2,569

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, 2022
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
	Original	Final	Amounts	(Negative)
REVENUES				
Property and other taxes	$ 5,001	$ 5,001	$ 5,437	$ 436
Federal and state support	6,544	6,544	1,978	(4,566)
Charges for services	600	600	56	(544)
Investment earnings	749	749	(88)	(837)
Other	1,075	1,075	1,646	571
Total revenues	13,969	13,969	9,029	(4,940)
EXPENDITURES				
Current:				
Support services:				
Business:				
Salaries and benefits	146	171	142	29
Materials and services	2,167	2,169	1,427	742
Total business	2,313	2,340	1,569	771
Central:				
Salaries and benefits	-	-	5	(5)
Total central	-	-	5	(5)
Total support services	**2,313**	**2,340**	**1,574**	**766**
Facilities acquisition & construction:				
Salaries and benefits	5,549	5,549	6,116	(567)
Materials and services	432,468	454,242	250,472	203,770
Total facilities acquisition and construction	**438,017**	**459,791**	**256,588**	**203,203**
Total expenditures	440,330	462,131	258,162	203,969
Excess (deficit) of revenues over expenditures	(426,361)	(448,162)	(249,133)	199,029
OTHER FINANCING SOURCES (USES)				
Transfers out	(618)	(618)	(618)	-
Total other financing sources (uses)	(618)	(618)	(618)	-
Net change in fund balance	(426,979)	(448,780)	(249,751)	199,029
Fund balance - beginning of year	749,789	771,590	771,590	-
Fund balance - end of year	$ 322,810	$ 322,810	$ 521,839	$ 199,029

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, 2022
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
	Original	Final	Amounts	(Negative)
OPERATING REVENUES				
Charges for services	$ 2,586	$ 2,586	$ 821	$ (1,765)
Insurance recoveries	5	5	-	(5)
Total operating revenues	2,591	2,591	821	(1,770)
OPERATING EXPENSES				
Support services:				
Salaries and benefits	425	425	167	258
Materials and services	517	517	559	(42)
Claims expense	2,836	3,458	3,664	(206)
Total support services	**3,778**	**4,400**	**4,390**	**10**
Operating contingency	**4,787**	**4,856**	**-**	**4,856**
Total operating expenses	8,565	9,256	4,390	4,866
Operating income (loss)	(5,974)	(6,665)	(3,569)	3,096
NON OPERATING REVENUES				
Investment income	16	16	15	(1)
Federal and state support	100	100	308	208
Total non-operating revenues	116	116	323	207
Change in net position	(5,858)	(6,549)	(3,246)	3,303
Beginning net position - budgetary basis	5,858	6,549	6,549	-
Ending net position - budgetary basis	$ -	$ -	3,303	$ 3,303

Reconciliation:	
Net OPEB liability, deferred inflows, and deferred outflows	(15)
Accrued compensated absences	(51)
Net pension liability, deferred inflows, and deferred outflows	(110)
Net position - GAAP basis	$ 3,127

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

Statistical



Rigler Elementary September 2021



Grant High School SpongeBob Musical March 2022


PPS

Statistical Section

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.

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Financial Trends (Schedules 1-4) 107

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

Revenue Capacity (Schedules 5-9) 115

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

Debt Capacity (Schedules 10-12) 121

District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information (Schedules 13-14) 125

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information (Schedules 15-17) 127

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)

	Government-wide Activities			
	2013	2014- restated	2015	2016
Assets				
Current and other assets	$ 298,246	$ 304,224	$ 579,805	$ 487,394
Prepaid pension & other prepaid items	414,407	2,149	5,754	1,628
Net capital assets	213,944	233,265	273,957	382,401
Total assets	926,597	539,638	859,516	871,423
Deferred Outflows of Resources				
Pension & OPEB		4,785	6,801	3,200
Liabilities				
Other current liabilities	87,185	90,983	105,763	121,321
Other long-term liabilities	182,759	244,301	495,290	453,679
Limited tax pension bonds payable	419,034	407,499	395,958	384,075
Pension	-	-	-	17,185
Other post employment benefits	36,263	35,579	32,900	29,933
Total liabilities	725,241	778,362	1,029,911	1,006,193
Deferred Inflows of Resources				
Insurance recovery	819	-	-	-
Pension & OPEB	-	-	11,102	6,062
	819	-	11,102	6,062
Net Position				
Net investment in capital assets	146,148	183,584	230,251	260,146
Restricted	131,060	119,224	394,845	283,176
Unrestricted	(76,671)	(536,747)	(799,792)	(680,955)
Total Net Position	$ 200,537	$ (233,939)	$ (174,696)	$ (137,633)

Government-wide Activities					
2017-restated	2018	2019	2020	2021	2022
$ 364,732	$ 715,738	$ 590,288	$ 941,719	$ 1,092,171	$ 866,018
1,080	884	3,377	6,200	5,098	5,332
506,612	594,103	735,002	917,372	1,173,371	1,384,060
872,424	1,310,725	1,328,667	1,865,291	2,270,640	2,255,410
163,562	173,727	207,186	158,473	249,580	574,645
181,480	278,587	298,417	298,341	328,566	351,179
359,702	591,262	467,836	854,165	1,131,855	985,621
372,249	360,172	348,223	336,062	314,159	679,186
215,080	290,058	353,090	312,349	527,419	273,296
78,390	70,784	82,302	81,319	78,581	75,893
1,206,901	1,590,863	1,549,868	1,882,236	2,380,580	2,365,175
-	-	-	-	-	-
12,845	30,419	64,329	111,145	101,191	320,993
12,845	30,419	64,329	111,145	101,191	320,993
297,914	379,871	477,058	585,214	492,345	590,231
172,880	486,336	353,527	681,328	199,303	188,616
(654,554)	(1,003,037)	(908,929)	(1,236,159)	(653,199)	(634,960)
$ (183,760)	$ (136,830)	$ (78,344)	$ 30,383	$ 38,449	$ 143,887

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

	Government-wide Activities			
	2013	2014	2015	2016
Expenses				
Instruction	$ 267,192	$ 308,652	$ 326,935	$ 364,964
Support services	194,270	200,750	212,213	241,016
Enterprise and community services	18,923	19,164	20,445	21,326
Facilities services	31,635	1,470	2,617	1,230
Interest and fees on long-term debt	26,813	33,546	31,600	40,116
Total expenses	538,833	563,582	593,810	668,652
Program Revenues				
Charges for services:				
Instruction	5,958	5,989	6,457	996
Support services	2,852	2,857	2,916	3,157
Enterprise and community services	4,123	4,420	4,214	4,521
Operating grants and contributions:				
Instruction	62,006	58,418	65,409	58,619
Support services	23,437	17,693	21,638	22,356
Enterprise and community services	2,623	2,240	2,704	3,085
Capital grants and contributions:				
Facilities services	-	-	-	-
Total program revenues	100,999	91,617	103,338	92,734
Net Expenses	(437,834)	(471,965)	(490,472)	(575,918)
General Revenues:				
Property taxes levied for general purposes	205,177	213,115	222,872	233,548
Property taxes levied for debt service	-	44,765	46,568	48,985
Construction excise tax	3,619	4,889	6,076	5,886
Local option taxes levied for general purposes	51,357	55,709	62,923	76,467
State School Fund - general support	151,369	184,690	179,505	211,253
State Common School Fund - general support	4,608	4,427	4,721	5,810
County and intermediate sources - general support	14,560	15,736	15,202	15,772
Federal Stimulus	6	-	-	-
Investment earnings	644	774	1,285	3,140
Other	10,518	11,253	10,563	12,120
Total general revenues	441,858	535,358	549,715	612,981
Change in Net Position	$ 4,024	$ 63,393	$ 59,243	$ 37,063

Government-wide Activities						
2017	2018	2019	2020	2021	2022
$ 380,939	$ 421,311	$ 428,454	$ 429,149	$ 465,995	$ 470,945
272,816	283,984	310,546	324,513	376,660	359,554
20,712	24,218	22,785	21,821	23,731	29,283
12,672	8,531	6,030	3,492	10,844	9,576
39,094	46,416	44,166	45,409	54,640	63,084
726,233	784,460	811,981	824,384	931,870	932,442
533	406	749	251	288	77
4,424	4,741	4,818	4,095	1,472	1,195
3,471	4,006	4,239	3,925	154	725
57,608	57,116	56,796	57,806	56,627	112,774
22,758	22,871	30,196	29,504	52,678	61,135
2,934	3,019	2,969	2,762	4,530	10,672
-	-	4,500	11,368	1,319	1,978
91,728	92,159	104,267	109,711	117,068	188,556
(634,505)	(692,301)	(707,714)	(714,673)	(814,802)	(743,886)
242,899	248,281	262,657	273,860	286,437	304,451
49,384	116,468	125,486	126,343	131,791	141,897
7,542	8,201	5,991	4,291	3,446	5,437
83,853	88,163	95,173	98,033	101,539	105,314
207,182	239,804	225,135	266,607	263,622	259,314
6,191	5,155	5,493	5,012	5,628	5,693
17,270	17,662	17,362	19,072	17,185	15,566
-	-	-	-	-	-
4,007	3,473	20,229	12,534	3,107	984
17,501	12,024	8,674	17,648	10,113	10,668
635,829	739,231	766,200	823,400	822,868	849,324
$ 1,324	$ 46,930	$ 58,486	$ 108,727	$ 8,066	$ 105,438

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)

	Governmental Activities			
	2013	2014	2015	2016
General Fund				
Nonspendable	$ 139	$ 200	$ 247	$ 386
Restricted	-	560	-	-
Assigned	37,318	50,914	34,195	37,449
Total general fund	37,457	51,674	34,442	37,835
All Other Governmental Funds				
Nonspendable	473	2,370	2,452	2,286
Restricted	144,677	127,176	393,179	281,089
Committed	15,486	16,342	17,590	16,400
Assigned	-	-	5,549	6,182
Unassigned	-	-	-	-
Total all other governmental funds	160,636	145,888	418,770	305,957
Total Governmental Fund Balances	$ 198,093	$ 197,562	$ 453,212	$ 343,792

Governmental Activities					
2017	2018	2019	2020	2021	2022
$ 360	$ 343	$ 570	$ 511	$ 945	$ 2,589
-	-	-	-	-	-
19,744	37,939	39,317	63,963	87,746	96,215
20,104	38,282	39,887	64,474	88,691	98,804
1,417	1,017	3,383	6,940	5,664	3,832
170,614	484,006	347,179	671,974	788,139	551,563
17,454	19,116	18,185	18,921	20,246	21,314
7,164	10,400	10,470	14,785	10,204	4,716
-	-	(29)	-	(12,768)	(10,812)
196,649	514,539	379,188	712,620	811,485	570,613
$ 216,753	$ 552,821	$ 419,075	$ 777,094	$ 900,176	$ 669,417

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)

	Governmental Activities			
	2013	2014	2015	2016
Revenues				
Property and other taxes	$ 208,434	$ 260,872	$ 274,219	$ 287,035
State School Fund	151,369	184,690	179,505	211,253
State Common School Fund	4,608	4,427	4,721	5,810
Federal and state support	71,942	65,231	75,793	71,024
Local option taxes	51,720	56,013	63,274	76,593
County and intermediate sources	14,560	15,736	15,201	15,771
Federal stimulus	1,920	155	-	-
Charges for services	48,674	51,874	54,233	49,312
Extracurricular activities	7,867	8,308	8,276	7,904
Investment earnings	632	757	1,255	3,096
Other	16,315	13,138	15,414	16,215
Total revenues	578,041	661,201	691,891	744,013
Expenditures				
Current:				
Instruction	303,360	323,921	349,667	362,126
Support services	193,375	202,233	229,254	248,377
Enterprise and community services	19,710	20,059	21,902	21,925
Facilities acquisition and construction	31,575	31,105	54,830	127,491
PERS UAL lump sum payment	-	-	-	-
Debt Service:				
Principal	62,443	51,500	55,033	47,020
Interest and fiscal charges	26,318	34,921	33,811	46,610
Total expenditures	636,781	663,739	744,497	853,549
Excess (deficit) of revenues over expenditures	(58,740)	(2,538)	(52,606)	(109,536)
Other Financing Sources (Uses)				
Transfers in	55,786	9,013	14,409	7,407
Transfers out	(55,786)	(9,013)	(14,409)	(7,407)
PERS Bond Proceeds				
Proceeds from the sale of capital assets	655	2,007	44	116
Issuance of debt, including premium/discount	176,931	-	308,212	-
Issuance of refunding bonds	-	-	-	-
Premium on issuance of debt	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	177,586	2,007	308,256	116
Net change in fund balances	$ 118,846	$ (531)	$ 255,650	$ (109,420)
Debt service as a percentage of noncapital expenditures	14.7%	13.7%	12.9%	12.9%

Governmental Activities					
2017	2018	2019	2020	2021	2022
$ 298,114	$ 377,578	$ 398,930	$ 403,864	$ 421,602	$ 452,027
207,182	239,804	225,135	266,607	263,622	259,314
6,191	5,155	5,493	5,012	5,628	5,693
70,667	69,771	81,482	90,493	108,683	175,128
84,106	89,663	97,188	98,789	102,417	106,124
17,270	17,663	17,362	19,072	17,185	15,566
-	-	-	-	-	-
52,953	56,836	56,311	59,597	57,059	78,343
7,489	7,304	7,191	4,914	1,237	4,020
3,930	3,392	19,954	12,400	3,018	969
22,414	15,471	13,074	12,717	14,628	17,540
770,316	882,637	922,120	973,465	995,079	1,114,724
369,841	386,975	394,080	408,759	417,112	460,824
266,961	278,758	300,421	319,604	347,414	379,062
22,838	22,961	22,830	21,936	23,914	30,630
149,868	113,043	164,764	207,452	287,538	256,688
-	-	-	-	-	398,666
					-
50,065	109,874	114,537	117,984	119,759	129,626
46,867	57,598	59,304	59,750	72,016	90,940
906,440	969,209	1,055,936	1,135,485	1,267,753	1,746,436
(136,124)	(86,572)	(133,816)	(162,020)	(272,674)	(631,712)
16,141	6,997	6,125	1,931	2,466	1,825
(16,141)	(6,997)	(6,125)	(1,931)	(2,466)	(1,825)
					399,390
37	740	70	10,517	152	114
9,048	421,900	-	509,522	365,465	-
-	-	-	-	53,965	-
-	-	-	-	31,205	1,449
-	-	-	-	(55,031)	-
9,085	422,640	70	520,039	395,756	400,953
$ (127,039)	$ 336,068	$ (133,746)	$ 358,019	$ 123,082	$ (230,759)
12.6%	19.7%	19.5%	19.2%	23.8%	14.8%

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)				
	Real Property	Personal Property	Manufactured Structures	Public Utility	Total Assessed Value
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
2022	60,776,757	2,359,964	24,851	2,485,712	65,647,284

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 Commisssion and Multnomah County annual reports yearly real market and assessed values by county.

Sources

FY 2012-2022: 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	**Total Net Assessed Value**	Total Direct Tax Rate	Amount tax rate will raise	Less: Reduction and Adjustments	**Total Taxes Imposed (Net Levy)**
$ 20,938	$ 4,653,499	**$ 40,341,884**	$ 7.2681	$ 293,209	$ 29,814	**$ 263,395**
21,566	4,833,326	**41,746,865**	8.3571	348,883	27,190	**321,693**
22,213	4,907,733	**43,636,788**	8.3535	364,520	23,132	**341,388**
22,880	5,237,111	**45,575,692**	8.3632	381,159	12,569	**368,590**
23,566	5,882,588	**47,344,869**	8.3304	394,402	7,687	**386,715**
21,662	6,457,719	**49,705,614**	9.6863	481,463	4,666	**476,797**
22,055	6,891,397	**51,112,491**	9.7571	498,710	3,065	**495,645**
22,459	7,148,348	**53,703,209**	9.6734	519,493	4,575	**514,918**
23,246	7,567,172	**56,045,546**	9.6698	541,949	5,578	**536,371**
23,660	6,056,382	**59,614,562**	9.6016	572,395	5,011	**567,384**

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
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
2022	5.2781	1.9900	2.3335	9.6016

Fiscal Year	Multnomah County	Port of Portland	Metro	City of Portland	Portland Community College	Multnomah Education Service District
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
2022	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)

	2021 [1]			2012		
Taxpayers with Ten Highest Taxable Assessed Values	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pacificorp (PP&L)	$ 519,535	1	0.87 %	$ 294,664	1	0.75 %
Portland General Electric Co	452,863	2	0.76	257,794	2	0.66
Lumen Technologies Inc	284,141	3	0.48			
Weston Investment Co LLC	258,364	4	0.43	224,601	3	0.57
Port of Portland	240,149	5	0.40	187,385	6	0.48
Verizon Communications Inc	186,659	6	0.31			
111 SW 5th Avenue Investors LLC	178,169	7	0.30			
Comcast Corporation	172,158	8	0.29	207,912	5	0.53
AAT Lloyd District LLC	160,382	9	0.27			
AT&T Inc	157,790	10	0.26			
Evraz Inc NA				217,361	4	0.55
LC Portland LLC				178,598	7	0.46
CenturyLink				137,293	8	0.35
555 SW Oak LLC				134,475	9	0.34
Fred Meyer Stores Inc				129,285	10	0.33
Subtotal of Ten Largest Taxpayers	2,610,210		4.37	1,969,369		5.02
All Other Taxpayers	57,004,352		95.63	37,250,701		94.98
Total All Taxpayers	$ 59,614,562		100.00 %	$ 39,220,070		100.00 %

Notes
[1] 2022 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)

	2021 [1]			2012		
Taxpayers with Ten Highest Taxable Assessed Values	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Portland General Electric Co	$ 764,205	1	0.85 %	$ 434,898	2	0.69 %
Port of Portland	703,491	2	0.78	538,039	1	0.86
Pacificorp (PP&L)	587,768	3	0.65	332,377	4	0.53
Boeing Company	402,611	4	0.45	178,209	8	0.28
Alaska Airlines Inc	388,290	5	0.43	173,934	9	0.28
Lumen Technologies Inc	333,177	6	0.37			
Weston Investment Co LLC	298,088	7	0.33	251,667	5	0.40
Verizon Communications Inc	248,531	8	0.28			
Comcast Corporation	243,792	9	0.27	375,817	3	0.60
Fred Meyer Stores Inc	205,005	10	0.23	167,173	10	0.27
Evraz Inc NA				217,362	6	0.35
LC Portland LLC				178,598	7	0.28
Subtotal of Ten Largest Taxpayers	4,174,958		4.64	2,848,074		4.54
All Other Taxpayers	85,640,182		95.36	59,844,572		95.46
Total All Taxpayers	$ 89,815,140		100.00 %	$ 62,692,646		100.00 %

Notes

[1] 2022 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 [1]	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years [2]	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	$ 263,395	$ 248,807	94.46%	$ 7,594	$ 256,401	97.34%
2014	321,693	304,458	94.64	8,427	312,885	97.26
2015	341,388	323,906	94.88	8,235	332,141	97.29
2016	368,590	350,212	95.01	6,984	357,196	96.91
2017	386,715	368,085	95.18	6,547	374,632	96.88
2018	476,797	451,059	94.60	7,761	458,820	96.23
2019	495,645	474,602	95.75	7,147	481,749	97.20
2020	514,918	490,715	95.30	6,008	496,723	96.47
2021	536,371	512,270	95.51	4,033	516,303	96.26
2022	567,384	544,882	96.03	-	544,882	96.03

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.

[1] 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.

[2] 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 Assessed Taxable Value of Property [1]	Per Student [2]	General Obligation Debt Per Capita [4]
2013	$ 144,840	$ -	$ 13,347	$ 158,187	-	$ 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	1,134
2021	1,105,125	(10,482)	125,762	1,220,405	2.18%	25,794	N/A
2022	1,011,460	(11,780)	117,985	1,117,665	1.87%	24,566	N/A

	Other Governmental Activities Debt					
Fiscal Year	Limited Tax Pension Bonds [5]	Full Faith & Credit Obligations	Small Scale Energy Loan Programs	Recovery Zone Bond	Qualified Zone Academy Bond (QZAB)	Other Debt
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	-
2022	679,186	3,613	-	607	3,000	-

Notes

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

[1] See Schedule 5 for property value data. The actual value of taxable property cannot be reasonably estimated so assessed value is used here.

[2] Student enrollment data can be found in Schedule 17.

[3] Includes net general bonded debt and other governmental activities debt, excluding amounts available for repayment.

[4] 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 2021 and 2022 not available at time of printing.

[5] 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 [4]
(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	1,575
(131)	1,553,733	32,839	N/A
1,259	1,817,110	39,939	N/A

Schedule 11
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Direct and Overlapping Governmental Activities Debt
June 30, 2022
(dollars in thousands)

Overlapping Issuer	Net Property-tax Backed Debt[1]	Percent Overlapping	Overlapping Debt [2]
Burlington Water District	$ 1,089	100.00 %	$ 1,089
City of Beaverton	31,358	1.62	508
City of Lake Oswego	82,050	4.59	3,765
City of Milwaukie	33,678	0.70	236
City of Portland	407,675	86.30	351,834
Clackamas County	115,525	0.10	112
Clackamas Cty RFPD 1	25,185	0.10	25
Clackamas Soil & Water Conservation	5,785	0.10	6
Metro	873,470	39.47	344,759
Mt Hood Community College	76,545	0.06	49
Multnomah County	627,742	75.70	475,184
Multnomah Cty RFPD 10	1,155	0.24	3
Multnomah ESD	60,233	75.02	45,189
Portland Community College	496,110	49.69	246,526
Tualatin Hills Park & Rec District	54,783	1.19	651
Tualatin Valley Fire & Rescue District	60,075	1.71	1,026
Valley View Water District	1,015	100.00	1,015
Washington County	181,686	0.58	1,055
Subtotal, overlapping debt			1,473,032
Direct District debt (PERS) [3]			680,445
Direct District debt (other) [3]			1,136,665
Subtotal, Direct debt			1,817,110
Total direct and overlapping debt			$ 3,290,142

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.

[1] 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.

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

[3] Direct District debt is net of unamortized premiums and discounts.

Sources

Oregon State Treasury, Debt Mangement 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 2022

Real Market Value	$ 147,263,773
Debt Limit (7.95% of Real Market Value) [1]	$ 11,707,470
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	1,129,445
Less: Amount Available in Debt Service Funds	(11,780)
Amount of Debt Applicable to Debt Limit	1,117,665
Legal Debt Margin	$ 10,589,805

	Debt Limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
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
2022	11,707,470	1,117,665	10,589,805	10.41

Allowable Percentage of Real Market Value:	
[A] Kindergarten through eighth grade, 9 x .0055	4.95%
[B] Ninth through twelfth, 4 x .0075	3.00%
Allowable Percentage	7.95% [1]

Notes

[1] 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:

[A] 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.

[B] 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

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income (dollars)	Unemployment Rate[2]
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	815,637	52,080,033	63,852	11.6
2021	- [1]	- [1]	- [1]	5.6
2022	- [1]	- [1]	- [1]	3.5

Notes

[1] Data for 2021 and 2022 not available at time of printing.

[2] 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

	2022			2013		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Ten Largest Employers						
Intel	21,000	1	1.70 %	16,250	1	1.57 %
Providence Health & Services	21,000	2	1.70	14,389	2	1.39
Oregon Health & Science University	18,048	3	1.46	13,733	4	1.32
Nike Inc	13,964	4	1.13	7,000	10	0.67
Legacy Health	13,120	5	1.06	9,662	6	0.93
Kaiser Permanente	11,163	6	0.90	9,195	7	0.89
Fred Meyer Stores	9,525	7	0.77	10,389	5	1.00
Portland Public Schools	6,847	8	0.55			
City of Portland	6,635	9	0.54	8,951	8	0.86
Multnomah County	5,096	10	0.41			
US Federal Government				13,900	3	1.34
State of Oregon				7,559	9	0.73
Subtotal of Ten Largest Employers	126,398		10.22	111,028		10.70
All Other Employers	1,109,702		89.78	927,272		89.30
Total Portland MSA[1] Employment	1,236,100 [2]		100.00 %	1,038,300		100.00 %

Notes

[1] Portland-Vancouver-Hillsboro MSA includes Clackamas, Columbia, Multnomah, Washington, and Yamhill counties in Oregon, and Clark and Skamania counties in Washington.

[2] As of June 2022, not seasonally adjusted.

Sources

Portland Business Journal, Book of Lists, published December 2012 and December 2021

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

	Full-time Equivalent Employeesfor the Fiscal Year			
Assignment/Function	2013	2014	2015	2016
Teachers	2,353.1	2,384.0	2,606.8	2,632.5
Educational Assistants	520.9	509.8	582.1	667.8
School Level Administration	144.2	142.3	155.0	151.0
District Level Administration [1]	14.0	11.0	17.0	22.0
Other Staff	1,798.4	1,720.0	2,056.5	1,959.4
Total FTE	4,830.6	4,767.1	5,417.4	5,432.7

Notes

[1] 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

2017	2018	2019	2020	2021	2022
2,737.7	2,684.2	2,697.3	2,709.3	2,749.2	2,720.8
674.3	680.8	647.1	688.5	640.1	647.5
166.5	167.3	165.5	172.5	174.5	184.5
21.0	19.2	16.0	4.0	4.0	7.0
2,123.1	2,275.2	2,048.1	2,234.4	2,330.2	2,383.0
5,722.6	5,826.7	5,574.0	5,808.7	5,898.0	5,942.8

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

	2013		2014		2015		2016	
Nutrition Services								
Number of Meals Served[1]								
Paid Meals	1,354,685	25%	1,313,005	25%	1,071,048	19%	1,114,504	20%
Reduced Meals	434,353	8%	375,796	7%	194,558	3%	209,753	4%
Free Meals	3,632,901	67%	3,560,251	68%	4,315,732	77%	4,141,824	76%
Total meals served	5,421,939	100%	5,249,052	100%	5,581,338	100%	5,466,081	100%
Average Daily Breakfast Served	10,768		10,380		10,846		10,724	
Average Daily Lunch Served	19,059		18,668		19,710		19,083	
Student Participation[2]	47.00%		45.80%		44.00%		44.40%	
Transportation								
Number of buses	263		254		269		245	
Total miles traveled	3,392,622		3,156,795		3,127,505		3,273,739	
Cost per mile	$ 5.28		$ 5.89		$ 5.97		$ 5.91	
Area encompased by District (sq mi)	160		160		160		160	

	2017		2018		2019		2020	
Nutrition Services								
Number of Meals Served[1]								
Paid Meals	1,372,455	29%	1,466,345	32%	1,621,312	34%	1,191,926	29%
Reduced Meals	180,707	4%	261,833	6%	292,962	6%	199,756	5%
Free Meals	3,225,700	67%	2,877,750	62%	2,877,464	60%	2,767,579	67%
Total meals served	4,778,862	100%	4,605,928	100%	$ 4,791,738	100%	$ 4,159,261	100%
Average Daily Breakfast Served	9,831		8,985		9,010		8,192	
Average Daily Lunch Served	18,173		17,793		17,356		13,830	
Student Participation[2]	42.00%		38.67%		37.78%		37.36%	
Transportation								
Number of buses	260		270		270		257	
Total miles traveled	4,174,150		3,506,305		3,587,525		2,993,965	
Cost per mile	$ 4.88		$ 6.69		$ 7.51		$ 8.62	
Area encompased by District (sq mi)	160		160		160		160	

	2021		2022	
Nutrition Services				
Number of Meals Served[1]				
Paid Meals [3]	-	0%	-	0%
Reduced Meals [3]	-	0%	-	0%
Free Meals	4,370,010	100%	4,651,199	100%
Total meals served	4,370,010	100%	4,651,199	100%
Average Daily Breakfast Served	5,316		6,712	
Average Daily Lunch Served	5,332		18,437	
Student Participation[2]	12.76%		45.25%	
Transportation				
Number of buses	289		220	
Total miles traveled [4]	851,568		2,744,944	
Cost per mile	$ 26.57		$ 11.68	
Area encompased by District (sq mi)	160		160	

Notes

[1] Number of meals served includes breakfast, lunch, snack, and supper.

[2] 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.

[3] Per USDA guidance, free meals were available to all students during the 2021-2022 school year.

[4] 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


PPS

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

	BUILDING			STUDENT ENROLLMENT									
School or Program Type	Year	Age	Square Footage	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Abernethy	1924	98	45,464	505	528	511	513	519	516	520	507	451	374
Ainsworth	1912	110	53,483	569	576	582	600	605	638	625	644	594	553
Alameda	1921	101	72,748	769	773	760	730	747	734	730	704	623	525
Arleta	1929	93	98,245	462	476	454	456	457	454	490	526	485	269
Astor	1949	73	29,472	478	500	497	493	455	425	434	416	394	393
Atkinson	1953	69	53,170	440	441	428	435	432	420	419	391	390	342
Beach	1928	94	82,155	613	620	607	631	464	442	428	436	382	351
Beverly Cleary	1959	63	96,900	730	814	834	859	884	897	782	742	692	657
Boise-Eliot / Humboldt	1926	96	93,629	535	506	540	540	532	499	325	343	334	340
Bridger	1951	71	75,786	405	435	415	476	500	531	504	516	514	337
Bridlemile	1956	66	54,157	457	450	442	480	511	535	518	508	437	435
Buckman	1922	100	99,875	460	452	444	481	459	474	450	427	446	400
Capitol Hill	1917	105	49,621	403	405	460	437	448	442	443	416	346	324
César Chávez	1928	94	104,371	473	483	451	522	551	540	550	549	544	485
Chapman	1923	99	78,102	592	646	674	643	584	532	484	484	375	341
Chief Joseph	1948	74	43,215	459	642	627	604	326	363	358	351	305	269
Creative Science School Program	1955	67	48,651	388	425	444	476	492	479	466	468	450	419
Creston	1948	74	77,144	345	350	350	392	356	372	361	375	385	250
Duniway	1926	96	104,760	423	437	505	494	519	499	504	512	468	436
East Sylvan (Odyssey)	1932	90	24,875	-	-	-	-	-	-	-	-	244	219
Faubion	2017	5	133,576	454	487	511	479	532	710	767	786	740	703
Forest Park	1998	24	59,634	502	490	486	449	455	443	418	402	348	333
Glencoe	1923	99	61,457	472	502	503	500	492	489	451	449	395	373
Grout	1927	95	87,080	371	377	389	376	384	392	382	370	350	340
Harrison Park	1955	67	107,735	757	742	742	729	676	638	658	637	601	529
Hayhurst	1954	68	48,918	412	415	484	499	552	592	629	640	380	351
Irvington	1932	90	67,340	460	478	485	493	446	459	339	325	320	248
James John	1929	93	67,638	439	461	445	429	405	368	347	351	316	332
Kelly	1952	70	75,233	626	622	631	610	604	532	498	476	419	372
King	1925	97	153,475	312	331	370	400	386	389	321	341	324	315
Laurelhurst	1923	99	56,555	665	673	671	691	684	698	692	698	688	649
Lee	1952	70	61,161	497	493	431	456	447	425	276	269	262	236
Lent	1948	74	73,479	573	604	560	564	523	530	507	475	476	277
Lewis	1952	70	45,745	400	414	382	382	412	389	390	410	368	337
Llewellyn	1928	94	74,326	583	570	518	531	517	489	484	509	460	395
Maplewood	1948	74	37,713	327	333	329	359	384	378	383	374	347	291
Markham	1950	72	76,805	383	393	386	377	418	456	445	430	416	424
Marysville	1921	101	51,553	352	416	405	390	381	403	392	383	402	248
Ockley Green				243	-	-	-	-	-	-	-	-	-
Peninsula	1952	70	59,957	368	376	396	374	266	279	267	265	237	201
Richmond	1908	114	82,254	662	687	677	629	649	647	632	627	600	551
Rieke	1959	63	32,886	388	388	388	402	410	386	379	368	329	313
Rigler	1931	91	78,199	449	463	480	451	472	441	308	307	268	237
Rosa Parks	2006	16	65,697	405	405	341	329	298	272	276	280	266	214
Rose City Park	2018	4	69,082	-	-	-	-	-	-	532	538	529	464
Roseway Heights				616	606	668	697	643	661	-	-	-	-
Sabin	1927	95	66,567	420	485	514	568	524	551	452	418	360	340
Scott	1949	73	65,425	504	507	481	473	512	521	459	485	460	429
Sitton	1949	73	57,289	356	376	399	390	401	364	367	374	337	307
Skyline	1939	83	35,760	273	265	309	300	300	293	274	248	181	205
Stephenson	1964	58	39,652	329	320	308	322	340	352	347	371	322	320
Sunnyside Environmental	1925	97	76,671	605	587	586	574	602	604	581	549	522	469
Vernon	1931	91	88,010	440	394	386	407	471	522	545	607	569	517
Vestal	1929	93	111,481	395	402	399	412	381	341	272	249	228	207
Whitman	1954	68	55,559	351	349	316	271	287	283	254	220	185	152
Winterhaven	1930	92	61,453	352	356	346	350	353	354	321	299	291	292
Woodlawn	1926	96	99,840	439	449	443	426	342	346	354	327	315	283
Woodmere	1954	68	50,130	383	371	338	312	303	286	310	273	269	253
Woodstock	1955	67	63,752	508	505	487	496	527	552	548	543	526	479
Elementary Schools Total			3,984,910	26,577	27,051	27,015	27,159	26,620	26,627	25,248	24,988	23,265	20,705

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

	BUILDING			STUDENT ENROLLMENT									
School or Program Type	Year	Age	Square Footage	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Beaumont	1926	96	81,381	583	584	554	571	569	591	571	573	518	467
da Vinci	1928	94	72,063	470	468	465	458	461	457	456	450	443	415
George	1950	72	85,038	385	373	359	369	360	417	421	438	432	385
Gray	1951	71	82,744	422	464	527	566	546	536	542	566	509	478
Harriett Tubman	1952	70	83,673	-	-	-	-	-	-	491	430	443	388
Hosford	1925	97	74,964	538	576	591	640	631	621	588	651	676	629
Jackson	1964	58	218,118	532	533	548	606	597	659	746	793	803	752
Kellogg [2]	2022	1	108,112	-	-	-	-	-	-	-	-	-	684
Lane	1926	96	79,824	486	505	471	481	443	454	433	432	416	363
Mt. Tabor	1952	70	84,785	606	628	662	694	730	718	741	724	721	645
Ockley Green	1925	97	66,338	-	-	-	-	626	531	505	487	487	485
Roseway Heights	1921	101	99,825	-	-	-	-	-	-	588	614	617	589
Sellwood	1913	109	81,470	455	483	545	560	583	589	612	588	549	553
West Sylvan	1953	69	96,171	888	945	958	966	911	876	822	833	802	727
Middle Schools Total			1,314,506	5,365	5,559	5,680	5,911	6,457	6,449	7,516	7,579	7,416	7,560
Benson	1917	105	412,855	889	830	879	914	994	1,026	1,035	1,055	1,005	895
Cleveland	1929	93	346,093	1,532	1,523	1,516	1,600	1,609	1,586	1,651	1,560	1,581	1,623
Franklin	1915	107	285,547	1,469	1,460	1,552	1,570	1,612	1,745	1,856	1,936	2,010	2,014
Grant	1923	99	303,271	1,536	1,486	1,503	1,481	1,476	1,512	1,638	1,813	1,965	2,126
Ida B. Wells-Barnett	1954	68	283,586	1,236	1,230	1,257	1,324	1,413	1,512	1,535	1,558	1,540	1,597
Jefferson	1909	113	299,416	441	511	493	524	590	677	656	641	620	588
Lincoln	1950	72	194,457	1,513	1,565	1,583	1,696	1,703	1,705	1,698	1,588	1,481	1,462
Leodis V McDaniel	1955	67	317,836	1,107	1,066	1,077	1,134	1,070	1,146	1,157	1,079	1,173	1,369
Marshall	1959	63	283,343	-	-	-	-	-	-	-	-	-	-
Roosevelt	1921	101	255,025	828	914	947	940	881	859	994	1,195	1,292	1,376
High Schools Total			2,981,429	10,551	10,585	10,807	11,183	11,348	11,768	12,220	12,425	12,667	13,050
PPS Alternative Programs Total			302,529	1,739	1,699	1,716	1,817	1,760	1,659	1,631	1,632	1,243	1,795
School and Alternative Programs Total			8,583,374	44,232	44,894	45,218	46,070	46,185	46,503	46,615	46,624	44,591	43,110
Community-Based Alternative Programs Total			-	1,207	1,055	1,034	964	968	1,035	912	973	872	637
Special Services Total			89,443	457	485	443	451	451	455	529	496	408	455
Public Charter Schools Total			16,755	1,627	1,664	1,764	1,590	1,585	1,564	1,494	1,385	1,443	1,295
Total All			8,689,572	47,523	48,098	48,459	49,075	49,189	49,557	49,550	49,478	47,314	45,497

Enrollment and Square Footage Summary by Category	Square Footage	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Regular Programs											
Elementary Schools	3,984,910	26,577	27,051	27,015	27,159	26,620	26,627	25,248	24,988	23,265	20,705
Middle Schools	1,314,506	5,365	5,559	5,680	5,911	6,457	6,449	7,516	7,579	7,416	7,560
High Schools	2,981,429	10,551	10,585	10,807	11,183	11,348	11,768	12,220	12,425	12,667	13,050
PPS Alternative Programs	302,529	1,739	1,699	1,716	1,817	1,760	1,659	1,631	1,632	1,243	1,795
Plus enrollment not normally within PPS facilities:											
Community Based Programs	-	1,207	1,055	1,034	964	968	1,035	912	973	872	637
Special Services	89,443	457	485	443	451	451	455	529	496	408	455
Public Charter Programs	16,755	1,627	1,664	1,764	1,590	1,585	1,564	1,494	1,385	1,443	1,295
Other or vacant facilities	1,156,926										
	9,846,498	47,523	48,098	48,459	49,075	49,189	49,557	49,550	49,478	47,314	45,497

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
ADMw [3]	53,693	54,281	54,986	57,491	57,876	57,779	57,823	57,825	57,825	55,688

Age of Buildings	Median	Newest
Elementary Schools	83	4
Middle Schools	83	1
High Schools	96	63
Focus/Alternative Schools	88	68
Inactive or Other Facilities	63	43

[1] 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.

[2] Kellogg School opened in Fall 2022.

[3] 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



Grant High School Winter Performance December 2021



Creston Tree Planting March 2022

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150 Portland, OR 97224
P 503.274.2849 F 503.274.2853 www.tkw.com

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
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, 2022, 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 9, 2022 . 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:

An independently owned member RSM US Alliance

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/aboutus 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.

- In our test sample of 60 students with more than 10 absences, there was one student with ten or more consecutive absences who was not withdrawn from ADM as required by State rules.
- In our test sample of 60 teachers, the District misreported years of experience for six 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 (internal control) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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, Korvola & Warwick LLP

Portland, Oregon
December 9, 2022

Portland Public Schools Nondiscrimination Statement

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 ethnci 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

District Title VI:	Gillian Murr	Phone: 503-916-6499
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

2021-22 ACFR Preparation

Nolberto Delgadillo, Chief Financial Officer

Accounting
Tracy Pinder, Sr. Director- Financial Services
Cheryl Anselone, Sr. Manager
Melissa Ensminger, Sr. Manager- General Ledger
Jimmy DuSablon, Sr. Bond Accountant
Abdullah Elmadhoun, Accountant/Analyst
Chad Hepner, Bond Accountant
Michael Johnson, Sr. Accountant/Analyst
Premila Kumar, Sr. Accountant/Analyst
Rachel Spires, Accountant/Analyst

Budget & Grant Accounting
Junho Chang, Budget Systems Manager
Stacey Hoang, Sr. Budget Analyst
Kristin Johnson, Sr. Grant Accountant
Abigail Jorgenson, Sr. Budget Analyst
Aaron Musk, Sr. Grant Accountant
Zeb Petterborg, Sr. Grant Accountant
Patrick Rodeman, Sr. Budget Analyst
Gary Stamps, Grant Accountant
David Stone, Fiscal Services Associate III

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

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

Treasury / Accounts Receivable
Michael Nixon, Sr. Treasury Manager
Teresa Eckblad, Finance Clerk

Accounts Payable
Rebecca Dingman, Manager- Accounts Payable
Kristen Barsotti, Fiscal Services Associate II
Shawna DeWitt, Fiscal Services Associate II
Michael DeVeto, Fiscal Services Associate I
Jamie Farrington, Fiscal Services Associate II- Bond
Suzanne Rademacher, Fiscal Services Associate II
Gisela Rodriquez Lopez, Fiscal Services Associate I