

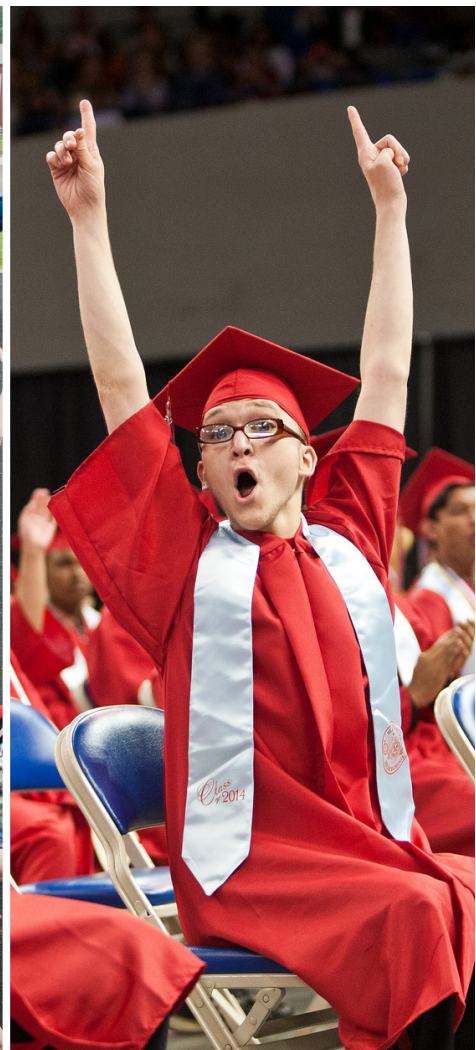
School District No. 1J, Multnomah County, Oregon

PORTLAND PUBLIC SCHOOLS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2014



Founded in 1851, Portland Public Schools is the largest PK-12 school district in Oregon. PPS serves 48,745 students, an increase of more than 2,500 in the last six years. Superintendent Carole Smith, entering her seventh year at PPS, is among the longest serving urban superintendents nationally.

With highly trained teachers and staff; an engaged parent community; strong partnerships, and a focus on closing the racial educational opportunity gap, PPS is realizing consistent gains in its graduation rate and, thanks to the state Legislature, funding is also improving. In addition, PPS is modernizing its aging schools thanks to the School Building Improvement Bond approved by voters in 2012.



Photographs in the 2013-14 Comprehensive Annual Financial Report feature the increasing focus in Portland Public Schools in:

- Continued improvement in the high school graduation rate.
- Early literacy (including the PPS Third Grade Reading Campaign launched in 2013-14).
- Science Technology Engineering and Math (STEM).
- The Arts (the Portland Arts Tax put art teachers in every K-8 level school in 2013-14 for the first time in years).
- Career learning and Career Technical Education.
- Athletics as a way to build character and community. All Portland high schools reunited under the Portland Interscholastic League in 2013-14 at the 6A level. A new middle school sports program builds the PIL foundation.
- A broad range of partnerships including with such higher education institutions as Oregon State University (pictures with Beaver football players reading to students); University of Oregon; Portland State University, and Portland Community College to smooth the path from high school to college.

Learn more about Portland Public Schools at www.pps.net

Portland Public Schools

Comprehensive Annual Financial Report

For the year ended June 30, 2014

School District No. 1J, Multnomah County, Oregon

Portland, Oregon

Prepared by the Accounting and Payroll Services Department

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2014

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SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON

Comprehensive Annual Financial Report

For the Year Ended June 30, 2014

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PORTLAND PUBLIC SCHOOLS

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OFFICE OF THE SUPERINTENDENT

Carole Smith
Superintendent

December 9, 2014

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of School District No.1J, Multnomah County, Oregon (Portland Public Schools or the District or PPS) for the fiscal year ended June 30, 2014, together with the audit opinions thereon 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 are stated fairly in all material aspects in reflecting the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain maximum 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

Designed to meet the needs of a broad spectrum of financial statement readers, this Comprehensive Annual Financial Report (CAFR) 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' 2013 CAFR.

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 the combining and individual 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

Established in 1851, Portland Public Schools is the largest and oldest school district in the State of Oregon. The District covers an area over 145 square miles and had a population of 460,246 according to the 2010 Census, with 451,258 City of Portland residents (representing 77 percent of the City total), 2,413 Lake Oswego residents, 1,453 Beaverton residents, and 5,124 unincorporated area residents. The District maintains over 100 facilities with a total floor area of approximately 9.0 million square feet. Please see the Statistical Section, Schedule 16 for details of each building’s size, age, and enrollment.

Student enrollment in the fall of 2014 was 48,745. October enrollment counts are reported to the state in November of each year, allowing time for data entry and confirmation of student records. 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.

Program Type	Grade Ranges (1)	Enrollment	Distribution
Elementary Schools	K-5, K-8, PK-5, PK-8	27,075	55%
Middle Schools	6-8	5,680	12%
High Schools	9-12	10,859	22%
Subtotal - Regular Schools		43,614	89%
PPS Alternative Programs	PK, K-12, 1-8, 9-12, 10-12	1,824	4%
Subtotal - Schools and Alternative Programs		45,438	93%
Community-Based Programs	9-12,6-8, 6-12, 8-12	1,059	2%
Special Education Programs	K-12	477	1%
Public Charter Schools	K-1,K-3,K-5, K-8, K-12, 6-8, 9-12	1,771	4%
Grand Total		48,745	100%

(1) Definitions: PK-Pre-Kindergarten, K-Kindergarten
Source: PPS Preliminary Enrollment Summaries, October 2014

After more than a decade of steady decline beginning in 1996-97, Portland Public Schools has seen increasing enrollment counts for the last six years since a nadir in October, 2008 with the early counts for 2014 continuing this trend. The decline prior to 2008 was primarily a result of lower birth rates and higher housing prices driving migration out of the district. The major factor in the recent enrollment increase since 2008 has been driven by enrollment growth in elementary grades. This growth in elementary grades has been the result of an increased share of potential Kindergarten students attending the District. PPS contracts with the Portland State University Population Research Center (PSUPRC) for forecasting and analysis of population and enrollment trends. PPS is running ahead of the most recent elementary, middle and high school medium growth forecast from PSUPRC, which predicts continued growth over the next five years, with 2,700 more students by 2019-20. Under this scenario, Elementary growth will be slow as incoming kindergarten classes remain close to or slightly below recent levels due to the local, state, and national birth downturn, and Middle and High grade enrollments will grow significantly reflecting larger cohorts attributable to the elementary growth that started in 2007.

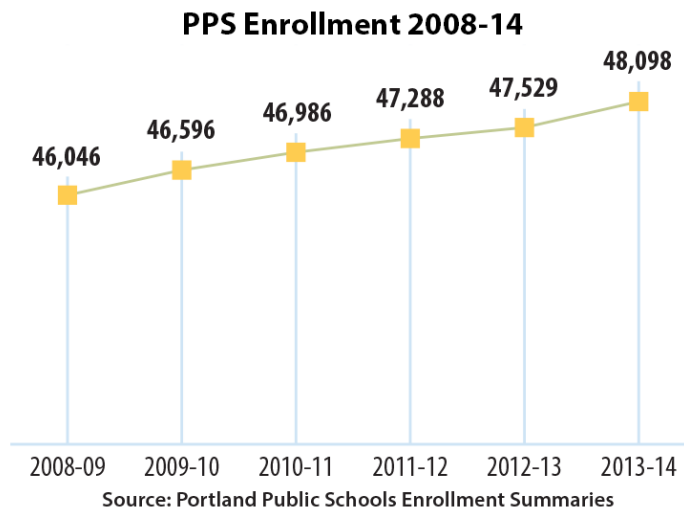
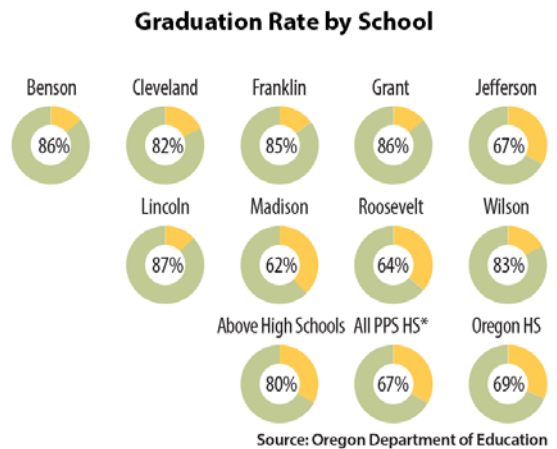
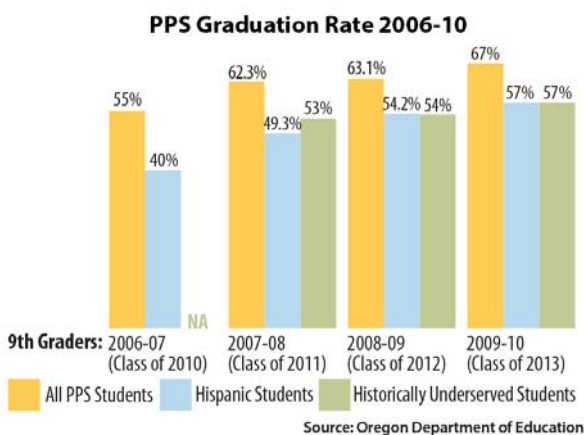
The District is governed by a seven-member Board of Education elected by the voters of the District for staggered four-year terms. The chief administrative officer of the District is the Superintendent, who is appointed by the Board. The Board is ultimately accountable for all fiscal matters that significantly influence operations.

Under Oregon State law, school districts are independent municipal corporations empowered to provide elementary and secondary educational services for the children residing within their boundaries. The District discharges 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 programs. 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 Local Budget Law as outlined in the 2011 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. After adoption, the budget may be amended through procedures specified in State statute and Board policy.

Service Efforts and Accomplishments

Portland Public Schools, founded in 1851, is an urban school district in Portland, Oregon. With more than 48,000 students in 81 schools, it is the largest school district in the Pacific Northwest. With highly trained teachers and staff; an engaged parent community; strong partnerships, and a focus on closing the racial educational opportunity gap, Portland Public Schools is realizing consistent gains in its graduation rate and enrollment.

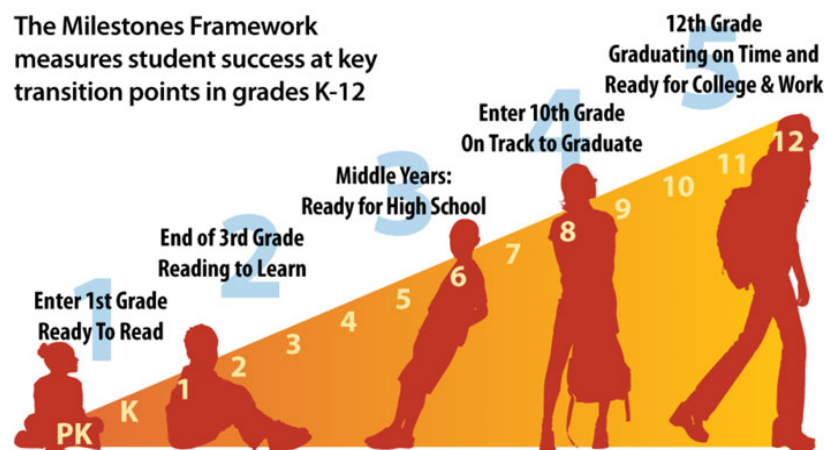


Carole Smith has served as superintendent of Portland Public Schools since October 2007. As one of the District's longest serving superintendents, Smith has led efforts to support more effective teaching in PPS classrooms and build stronger partnerships with higher education, community organizations, and other public and private partners.




Since 2007, PPS schools have produced significant gains in student achievement while narrowing the academic opportunity gap between white students and students of color, including gains in early literacy, middle grade math and reading, and the number of students who are on track to graduate in high school. PPS' graduation rate has also increased by 14 percentage points since 2008-09.

The goals for the District include ensuring that every student is reading at grade level by the end of third grade, accelerating improvement of the District's graduation rate, and reducing by 50 percent the out-of-school discipline rates overall and the disparity in discipline rates between students of color and white students. The first two are three-year goals. The third goal is to be reached in two years.

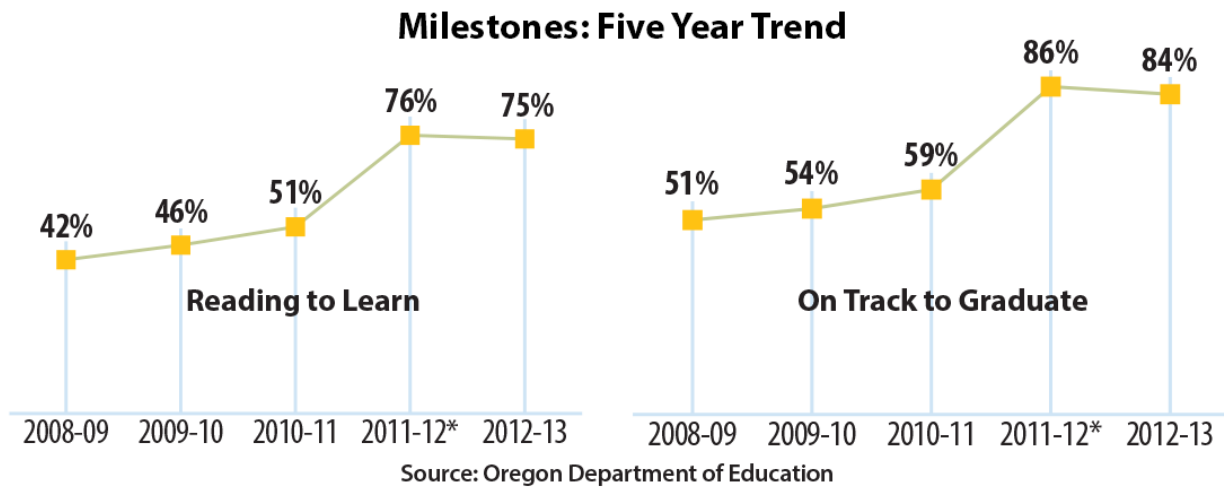
Portland Public Schools adopted the Milestones -- measures of achievement at key points in a student's education -- because these measures are predictive of long-term success. The Milestones also help us focus our limited resources and invest in the strategies that are gaining the best results. The chart below outlines the 2012-13 achievement (2013-14 final results are not available at this time):



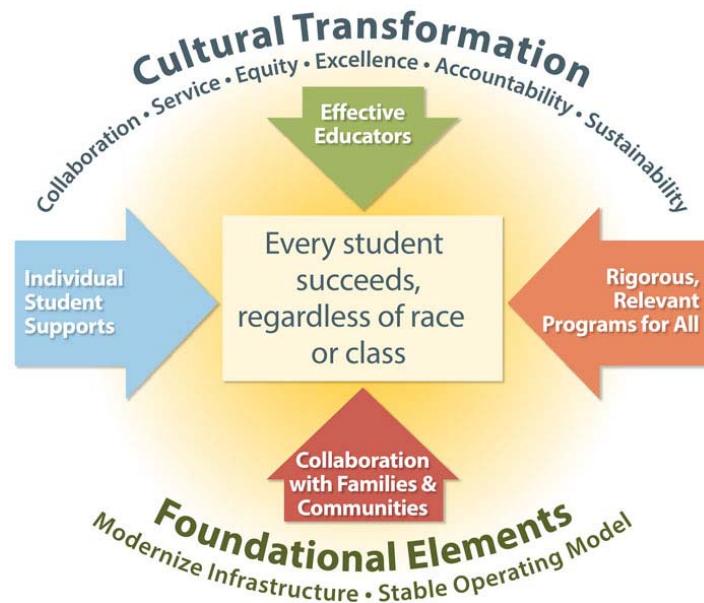
Focus is on a few critical measures

Milestone	Portland Public Schools			State
	2011-12 Actual	2012-13 Target	2012-13 Actual	2012-13
 Reading to Learn (Meet or exceed benchmark by the end of 3rd grade)	76%	Keep up: Raise rate by 5pts	Rate fell by 1pt New rate = 75%	Rate fell by 4pts New rate = 66%
	Largest Gap: 33pts Black vs. White	Catch up: Narrow gap by 5pts	Gap widened by 3 pts New gap = 36pts	Gap remained constant Gap = 24pts
 On Track to Graduate (Complete 9th grade with 6 credits and 90% attendance)	86%	Keep up: Raise rate by 5pts	Rate fell by 2pts New rate = 84%	NA
	Largest Gap: 15pts Pacific Islander vs. White	Catch up: Narrow gap by 5pts	Gap narrowed by 5pts New gap = 10pts ✓	NA
 4-year Cohort Graduation Rate	63%	Keep up: Raise rate by 5pts	Rate rose by 4pts New rate = 67%	Rate rose by 1pt New rate = 69%
	Largest Gap: 39pts Native American vs. White	Catch up: Narrow gap by 5pts	Gap narrowed by 11pts New gap = 28pts ✓	Gap narrowed by 1pt New gap = 19pts

 Met Target
  Near Target
  Missed Target



At Portland Public Schools, our goal is to increase student learning for every student. Racial equity is a critical component of our District’s strategies and school board policies for a basic and essential reason: To get better results in our schools, we need to close the persistent and unacceptable opportunity gap between white students and students of color. The Portland Public Schools strategic framework illustrated below reflects our dedication to transforming culture as we help every student achieve success.

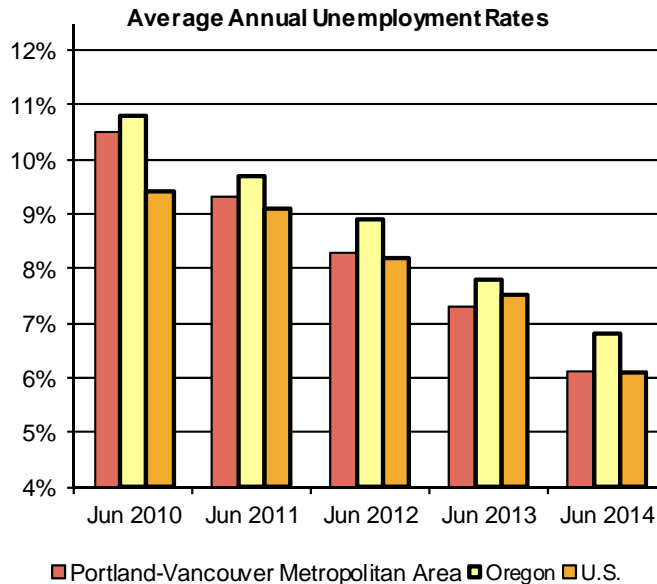


Factors Affecting Financial Condition

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

Ever since the passage of Measure 5 more than twenty years ago school districts across Oregon rely upon the state for the majority of their financing. Even though districts collect revenue locally through the property tax, school funding is essentially equalized through the allocations under the state school fund. Oregon is more dependent upon a single revenue source, state income tax, than any other state in the country. So the financial outlook for PPS is tied closely to the condition of the Oregon economy.

State economy. Oregon’s unemployment rate has declined from a June 2009 level of 11.6% to a June 2014 rate of 6.8%. Oregon’s unemployment rates have been higher than the U.S. average in the past few years, and this trend continues to persist. Portland metropolitan area levels have equalized with the U.S. average of 6.1%. The pace of employment has picked up over the last year and a half, with job growth at 2.5% to 3.0%. Housing starts and construction activity remain lower than pre-recession levels, however, the market has passed the peak of foreclosures and is now working through a backlog of distressed properties, and it is expected that these measures of economic health will improve in the next two to three years.



Oregon Employment by Industry (not seasonally adjusted)	June		Change from prior year
	2013	2014	
Trade, Transportation & Utilities	319.7	324.3	1.4%
Government	297.2	302.2	1.7%
Education & Health Services	239.6	247.0	3.1%
Professional & Business Services	201.6	216.6	7.4%
Leisure & Hospitality	183.9	189.2	2.9%
Manufacturing	176.0	180.1	2.3%
Financial Activities	91.0	90.6	-0.4%
Construction	74.9	79.6	6.3%
Information	33.0	33.2	0.6%
Mining & Logging	7.7	8.3	7.8%
Other Services	58.3	59.9	2.7%
Total non-farm workforce (in thousands)	<u>1,682.9</u>	<u>1,731.0</u>	
Workforce change from prior year	2.1%	2.9%	

Workforce growth over the past year was 2.9%, with growth in all sectors except financial activities. The leading industries in job growth were professional & business services, mining & logging, and construction. Expectations overall for the public sector are for job additions as revenue growth improves. Long-term U.S. and Oregon economic growth depend upon restoring international competitiveness through productivity enhancing investments in physical capital, human capital, and infrastructure.

As to the outlook for the state economy, The September 2014 Oregon Economic and Revenue Forecast forecasts a 10.8% growth in State General Fund revenues for the 2015-17 biennium. However, uncertainty still remains around federal fiscal and monetary policies, and the threat of events overseas impacting US and Oregon economic growth. Additionally, uncertainty remains around the budget

implications if Oregon's 2013 PERS statutory reforms are overturned when challenges are heard by the Oregon Supreme Court. Recent analysis by Oregon's Legislative Fiscal Office estimates the impact at 5.5% of payroll, which equates to a \$358 million impact to school districts across the state.

Local economy. The Portland metropolitan area has a diversified economy, with centralized, accessible schools, and excellent public transportation. The area is a major West Coast distribution point for wholesale trade and high tech exports. During the early part of recovery from the recent recession, the local Portland economy recovered faster than rural areas of the state, but over the past year the non-urban areas have joined the recovery and are catching up to Portland.

PPS has the authority to generate revenue locally through the local option levy and has, thanks to the generosity of PPS voters, been able to approve local levies. Most recently, PPS voters approved a five-year levy in May, 2011. Whereas the outlook for state revenue is dependent upon the impact of economic activity in income tax collections, the revenue available locally under the local option levy is a reflection of the impact of the economy on tax assessed values, and specifically the market values of taxable property within the PPS taxing district. The state of the local economy has an impact on this revenue source. Reduction in market values of residential property within the PPS area during 2008-2011 reduced the income of the school district. Local housing prices increased 9.1% in the past year, and are at 91% of June 2007 levels.

Long-term financial planning. As mentioned above, PPS improved the medium-term fiscal outlook with the passage of the five-year local option levy. PPS operates well over 100 buildings on its 81 school campuses. The average age of the school buildings in service is roughly 67 years, about 20 years older than the average for school buildings nationally. Through more than a decade of tight budgets and shortfalls, PPS has chosen to support core instructional services, and has not invested General Fund dollars in capital improvements to its buildings. In January 2012, PPS adopted a Capital Asset Renewal Plan to set up a fund to maintain schools replaced or renovated in the future. In May 2012, PPS adopted a Long Range Facility Plan to reduce an estimated \$1.6 billion in building deficiencies over the next 24 to 40 years. This long range plan includes funding through capital bonds, capital funding partnerships, Construction Excise Tax revenues, and Cool Schools Funds (House Bill 2960). In August 2012 PPS placed a \$482 million school construction bond (M26-144) on the November 2012 ballot. The bond measure passed and capital improvement work commenced during the previous year. This new measure focuses on earthquake reinforcements, roof repair and replacement, high school renovations, improved access to schools for people with disabilities, and science classroom upgrades.

Labor negotiations. During 2013-14 the District ratified new labor agreements with employees represented by the Portland Association of Teachers and by the Portland Federation of School Professionals.

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.

The Single Audit Act of 1984 and the Single Audit Act Amendments of 1996 require state and local governments that expend \$500,000 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 and the requirements of the implementing circular, U.S. Office of Management and Budget's Circular A-133, *Audits of State and Local Governments*. Talbot, Korvola & Warwick, LLP have also provided various required reports. Contained in the separately issued Single Audit Report is the Schedule of Expenditures of Federal Awards, and the required reports on internal controls and compliance with laws and regulations.

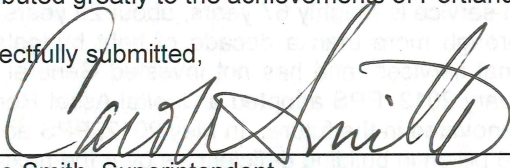
Awards and Acknowledgements

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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This was the 34th 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 CAFR 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.

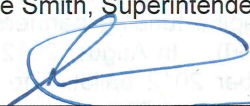
The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This was the 34th consecutive year that the District earned this significant award. Receiving the Award is recognition that the District has met the highest standards of excellence in school financial reporting as adopted by ASBO. The District believes that this 2014 CAFR, which will be submitted to ASBO for review, will also conform to these standards.

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

Respectfully submitted,



Carole Smith, Superintendent



Sharie Lewis, CPA, Senior Director, Accounting and Payroll Services

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
Principal Officials
At June 30, 2014

SCHOOL BOARD

<u>Member</u>	<u>Zone</u>	<u>Term Expires</u>	<u>Phone</u>	<u>Email</u>
Ruth Adkins	1	June 30, 2015	503-916-3741	radkins@pps.net
Matt Morton	2	June 30, 2015	503-916-3741	mmorton@pps.net
Bobbie Regan	3	June 30, 2015	503-916-3741	bregan@pps.net
Steve Buel	4	June 30, 2017	503-916-3741	sbuel@pps.net
Pam Knowles	5	June 30, 2017	503-916-3741	pknowles@pps.net
Tom Koehler	6	June 30, 2017	503-916-3741	tkoehler@pps.net
Greg Belisle	7	June 30, 2015	503-916-3741	gbelisle@pps.net

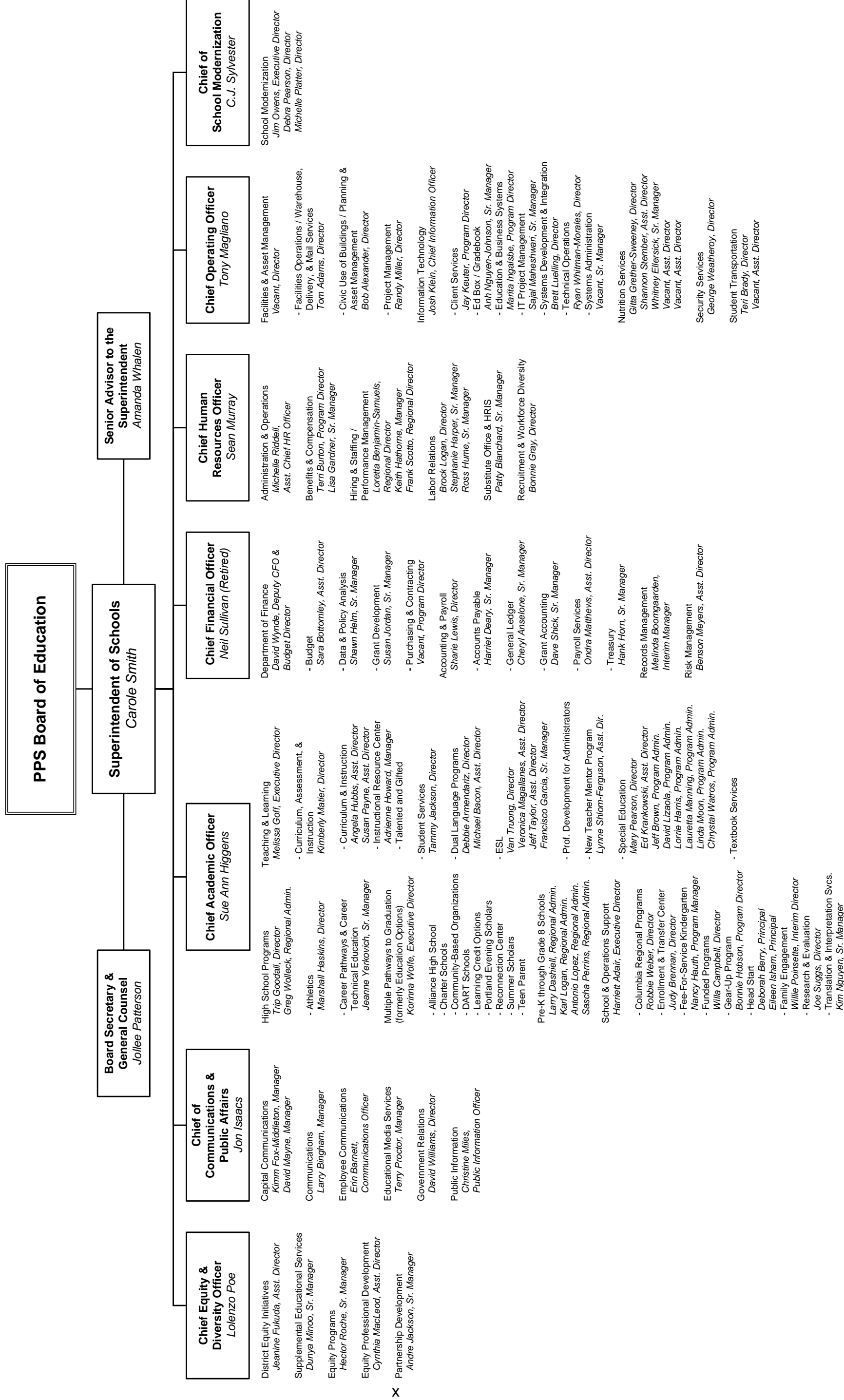
ADMINISTRATIVE STAFF

Carole Smith	Superintendent
Tony Magliano	Chief Operating Officer
Neil Sullivan, RSBO, CGFM	Chief Financial Officer (Retired May 30, 2014)
Sue Ann Higgins	Chief Academic Officer
Sean Murray	Chief Human Resources Officer
Lorenzo Poe	Chief Equity and Diversity Officer
Jon Isaacs	Chief of Communications and Public Affairs
C.J. Sylvester, MSSN	Chief of School Modernization
Jollee Patterson, J.D.	General Counsel



Portland Public Schools

2013/14 Organizational Structure



Association of School Business Officials International



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

School District No. 1J, Multnomah County, Oregon

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

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



A handwritten signature in black ink, reading "Terrie S. Simmons".

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

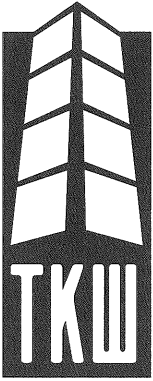
**School District No. 1J,
Multnomah County, Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO





Talbot, Korvola
& Warwick, LLP

Certified Public Accountants
& Consultants

ACHIEVE MORE

4800 Meadows Road, Suite 200
Lake Oswego, Oregon 97035-4293

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F 503.274.2853

www.tkw.com

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District No. 1J, Multnomah County, Oregon (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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McGLADREY ALLIANCE

 McGladrey

INDEPENDENT AUDITOR'S REPORT (Continued)

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

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the General Fund, Grant Fund, and PERS Rate Stabilization Reserve Fund, listed in the Table of Contents as Required Supplementary Information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of basic financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Education
School District No. 1J, Multnomah County, Oregon
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REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 9, 2014, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

By: 

Timothy R. Gillette, Partner

Lake Oswego, Oregon
December 9, 2014

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 the Portland Public Schools for the fiscal year ended June 30, 2014. 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 i-viii of this report.

All dollar amounts, unless otherwise indicated, are expressed in thousands.

FINANCIAL HIGHLIGHTS

- In February 2014, after lengthy negotiations the District reached an agreement with the Portland Association of Teachers on a new 3-year contract, effective July 1, 2013. This new contract includes:
 - More instructional time for students- two days were added to the school year, and up to three additional days of teacher professional development were added.
 - Teacher pay increases- 2.3% pay increases each year for three years, plus step increases for time served in the District. The pay increases were paid retroactive to July 1, 2013.
 - Commitment to hire at least 150 new educators to reduce teacher workload (70 to PreK-8 schools, 50 to high schools, and 30 to special education).
 - Establishment and funding of a committee to address workload concerns.
 - The early retirement benefit will sunset in 2016.
 - The agreement allows the District to begin teacher recruitment and hiring sooner and faster, to improve the quality and diversity of new hires.
 - Competence and experience in subject area will be used in assigning teachers.

- In November 2012, District voters passed an eight-year, \$482 million capital bond measure. This bond is the first phase of a 20-30 year effort to modernize every school in the district. In May 2013, the District issued \$144.8 million in General Obligation bonds as the first in a planned series of two to three debt issuances totaling \$482 million. With these proceeds, the line of credit was paid in full and Rosa Parks School was purchased. Additionally, construction was completed in summer 2013 for roof repairs and replacements at five schools, seismic reinforcement at one school, science classroom upgrades at two schools, and improved disability access at one school. During the year ended June 30, 2014 master planning continued for Franklin, Roosevelt, and Faubion, and work was initiated for summer 2014 projects including:
 - Roof replacement and seismic upgrades at 16 schools.
 - Science classroom upgrades at 13 schools.
 - Improved disability access at 10 schools.

At June 30, 2014 there was a balance of \$90.5 million available for completion of the summer 2014 projects described above, for continued work towards the renovation of Franklin and Roosevelt High Schools and the replacement of Faubion PK-8 school, and a portfolio of roofing, seismic and accessibility improvements during future summer periods. The summer 2014 work was completed on time and on budget, in time for the start of the 2014-15 academic year.

Further discussion can be found on pages 10 and 13 of this Discussion and Analysis.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the 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. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

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 16-17 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. All of the funds of the Portland Public Schools can be divided into two categories: governmental funds and proprietary funds. Reports by fund and fund group are shown in the Financial Section of the report beginning on page 18.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Grant Fund, PERS Rate Stabilization Reserve Fund and GO Bonds Fund, all of which are considered to be major funds. Data from the other 16 governmental-type funds are combined into a single, aggregated presentation titled "Other Governmental Funds". Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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 18-24 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, which is considered to be a major fund of Portland Public Schools. The basic internal service fund financial statements can be found on pages 25-27 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. The Notes to the Basic Financial Statements can be found on pages 28-54 of this report.

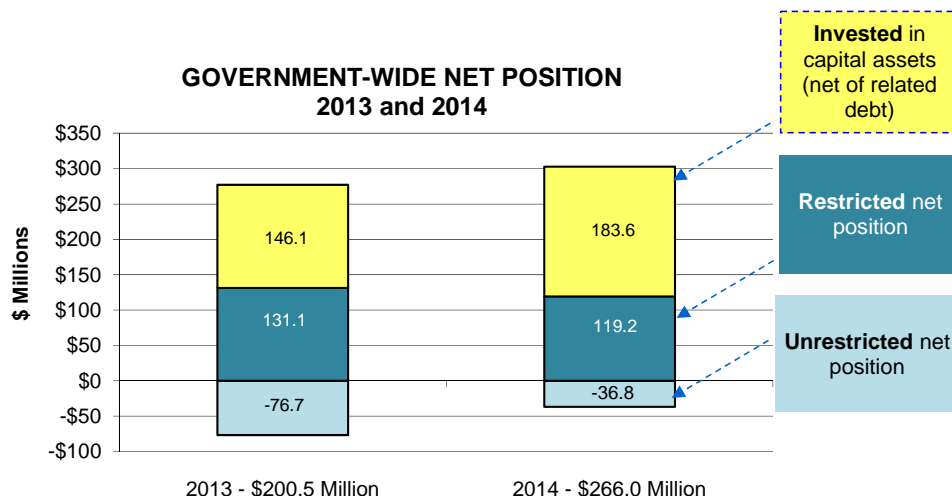
Required Supplementary Information (RSI) is located directly after the notes to the basic financial statements and represents the required comparison of the budget and actual results on the District's budgetary basis for the General Fund, Grant Fund and PERS Stabilization Reserve Fund. In addition the RSI discloses the actuarial estimate of funding progress of the District's other post-employment healthcare benefits obligations and related employer contributions. This information is on pages 55-62.

Supplementary Information (SI) presented on pages 63-101 includes combining statements for the nonmajor governmental funds, budgetary comparison schedules for nonmajor and other funds, and other financial schedules.

Government-Wide Financial Analysis

Analysis of Net Position. The Statement of Net Position presents information on all of the District's assets, liabilities and deferred inflows. The difference between assets 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	Government-wide			
	2013	2014	Change	% change
Assets				
Current or other assets	\$ 712,653	\$ 709,216	\$ (3,437)	-0.5%
Net capital assets	213,944	233,265	19,321	9.0%
Total Assets	926,597	942,481	15,884	1.7%
Liabilities				
Long-term liabilities outstanding	583,992	524,995	(58,997)	-10.1%
Other liabilities	141,249	151,479	10,230	7.2%
Total Liabilities	725,241	676,474	(48,767)	-6.7%
Deferred Inflows of Resources	819	-	(819)	-100.0%
Net Position				
Net investment in capital assets	146,148	183,584	37,436	25.6%
Restricted	131,060	119,224	(11,836)	-9.0%
Unrestricted	(76,671)	(36,801)	39,870	-52.0%
Total Net Position	\$ 200,537	\$ 266,007	\$ 65,470	32.6%



Net Position - 2014 compared to 2013.

Net Position is a primary indicator of financial position. The District's assets exceeded liabilities and deferred inflows by \$266.0 million at June 30, 2014. *Net Investment in Capital Assets* (\$183.6 million) is the largest component of District Net Position, and has increased by \$37.4 million this year, mainly due to expenditures for debt financed capital projects (\$30.8 million) plus the repayment of debt related to capital projects (\$18.1 million), offset by depreciation (\$11.5 million). *Restricted Net Position* (\$119.2 million) reports the unspent portions of capital projects funds, debt service funds and net assets restricted by grants and leases. *Restricted Net Position* decreased \$11.8 million this year, primarily due to expenditure of GO Bond debt proceeds (\$19.0 million), offset by a net increase in other capital projects funds (\$7.2 million). *Unrestricted Net Position* (negative \$36.8 million) is the balancing amount to bring Total Net Position to \$266.0 million. *Unrestricted Net Position* increased \$39.9 million primarily due to the changes in Net Position noted in the Analysis of Activities below.

Analysis of Activities. The Statement of Activities presents expenses and related revenues by program, showing 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, and earned but unused vacation leave).

Statement of Activities

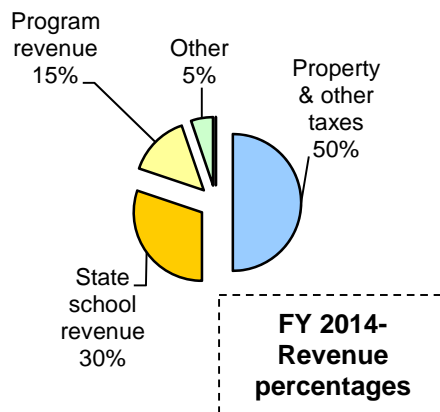
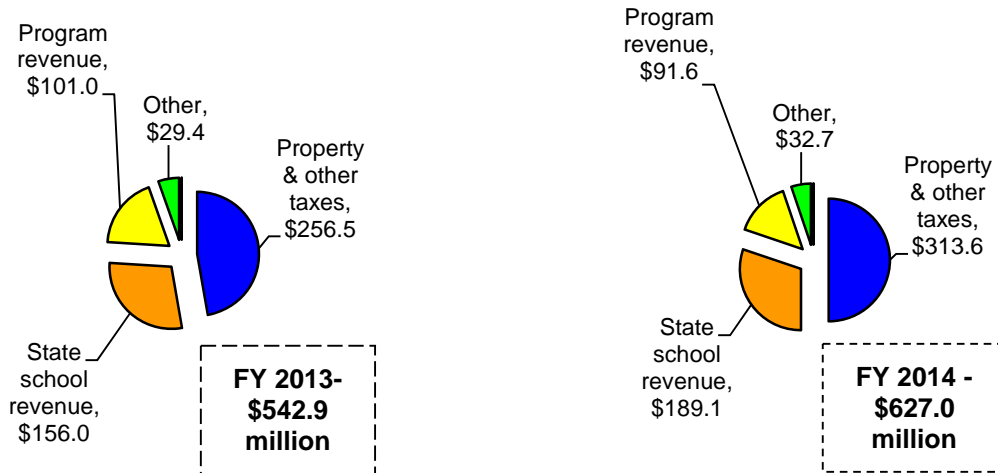
	Government-wide				
	2013	2014	% of total 2014	Change	% change
Revenues					
Program Revenues					
Charges for services	\$ 12,933	\$ 13,266	2.1%	\$ 333	2.6%
Operating grants & contributions	88,066	78,351	12.5%	(9,715)	-11.0%
Total Program Revenues	100,999	91,617	14.6%	(9,382)	-9.3%
General Revenues					
Property & other taxes	205,177	257,880	41.1%	52,703	25.7%
Local option taxes	51,357	55,709	8.9%	4,352	8.5%
County & intermediate sources	14,560	15,736	2.5%	1,176	8.1%
Construction excise tax	3,619	4,889	0.8%	1,270	35.1%
State School Fund	151,369	184,690	29.5%	33,321	22.0%
State Common School Fund	4,608	4,427	0.7%	(181)	-3.9%
Federal stimulus	6	-	0.0%	(6)	-100.0%
Investment earnings	644	774	0.1%	130	20.2%
Other	10,518	11,253	1.8%	735	7.0%
Total General Revenues	441,858	535,358	85.4%	93,500	21.2%
Total Revenues	542,857	626,975	100.0%	84,118	15.5%
Expenses					
Instruction	267,192	308,652	55.0%	41,460	15.5%
Support services	194,270	200,750	35.8%	6,480	3.3%
Enterprise & community services	18,923	19,164	3.4%	241	1.3%
Facilities services	31,635	1,470	0.2%	(30,165)	-95.4%
Interest & fees on long-term debt	26,813	31,469	5.6%	4,656	17.4%
Total Expenses	538,833	561,505	100.0%	22,672	4.2%
Change in net position	4,024	65,470	24.6%	61,446	1527.0%
Net position - beginning of year	196,513	200,537	75.4%	4,024	2.0%
Net position - end of year	\$ 200,537	\$ 266,007	100.0%	\$ 65,470	32.6%

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 below to provide a better understanding of the District's operations in 2014 compared to 2013.

Revenues. Because 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. The District does charge for non-core services such as facilities rentals, activities fees, lunches and kindergarten programs beyond the mandatory half-day class. Therefore, general revenues provide most of the funding required for governmental programs, primarily property taxes and State School Funds.

Revenues – 2014 compared to 2013. Total 2014 revenues of \$627.0 million represented an \$84.1 million (or 15.5%) increase from prior year revenues of \$542.9 million. State school revenues increased \$33.3 million from the prior year due to a 575 student increase in enrollment and increased state funding rates. Grants and contributions decreased \$9.7 million, primarily due to funding decreases for School Improvement/Priority Focus, Special Education and Title I funding. Property and other taxes increased \$57.1 million due primarily to new tax collections for GO Bond debt service (\$44.8 million) and increases in assessed value of property in the local area and increased local construction activities.

REVENUES



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

Expenses by function – 2014 compared to 2013. Current year total expenses of \$561.5 million increased 4.2% (\$22.7 million) from the prior year. Instruction costs increased \$41.5 million in the current year. Instructional expenses in the General Fund increased \$21.2 million over the prior year, primarily due to teacher wage increases resulting from the new PAT contract, the hiring of new arts teachers as a result of the Arts Tax revenue received, the hiring of new high school teachers, plus step increases and cost of living adjustments for classified and non-represented staff. Another component of the increase in instruction costs (\$25.1 million) was due to a reclassification used by the District to account for capital assets expenditures, which modified how expenditures are classified between expense functions on the Statement of Activities. This change had no impact on Net Position. Support services costs increased \$6.5 million in the current year due to General Fund increases in non-represented, classified, managerial, and administrative wages and overtime pay (\$5.5 million), benefits (\$3.3 million), which were partially offset by Grants Fund decreases in wages and benefits (\$4.0 million). Instruction and support services together accounted for 90.7% of the District's expenses in 2014, compared to 85.7%, in the prior year. Facilities services costs decreased \$30.1 million in the current year, primarily due to the reclassification mentioned above.

Financial Analysis of the District's Major Funds

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

General Fund. The General Fund is the major operating fund of the District. The year's activities saw the General Fund's ending fund balance increase by \$14.2 million to \$51.7 million. This increase was \$18.4 million better than the \$4.2 million decrease anticipated (excluding contingency) in the current year budget. Property and local option taxes were \$11.8 million higher than the prior year, due to increases in both assessed property values and local construction activities. State School Fund payments were \$33.3 million higher due to increases in both payment rates and numbers of students. Instructional costs increased \$21.2 million; instructional wages increased \$11.4 million primarily due to the PAT contract settlement and increased numbers of staff hired during the year. Instructional benefits increased \$7.7 million, primarily due to increases in PERS (\$3.8 million) and Health Insurance (\$2.5 million). Support Services costs increased \$14.1 million; the primary drivers of this increase were wages (\$5.4 million) and benefits (\$3.3 million). In addition, property services costs increased \$1.0 million, due primarily to a new vehicle maintenance agreement with the City of Portland and increased student transportation costs.

Grant Fund. Of the \$52.9 million in grant fund revenues, \$50.8 million is attributable to federal, federal stimulus and state grants. Title I funds, other federal and state Title programs and school improvement programs of \$18.9 million was targeted to provide additional services to students disadvantaged by poverty, to support migrant education and to support improving educational achievement in schools. Approximately \$18.1 million was received for Special Education, Early Vocabulary Intervention and Long-Term Care and Treatment grants, and Head Start funding totaled approximately \$7.5 million. Other public and private-entity awards and other federal and state sources accounted for \$6.3 million. Total Grant Fund revenues and expenditures decreased \$8.6 million from the prior year due to funding decreases across the board, but most significantly in the following areas: Title I and School Improvement/Priority Focus grants (\$4.0 million), Special Education and Long-Term Care and Treatment grants (\$4.2 million), and Head Start grants (\$749 thousand).

PERS Rate Stabilization Reserve Fund. The PERS Rate Stabilization Reserve Fund currently has a dedicated revenue stream in the form of property taxes that have been committed at a rate of 0.11%. Current year revenues from property taxes were \$227 thousand. The PERS Rate Stabilization Reserve Fund currently has an ending fund balance of \$15.8 million. The Board also established conditions under which the Fund may be used that are consistent with the Fund's original objectives: (1) upon PERS rate increases per specified limits, and (2) upon PERS UAL debt service increase, also per specified limits.

GO Bonds Fund. The GO Bonds Fund was established to account for the debt proceeds, revenues, and capital expenditures related to bond measures approved by voters. The GO Bonds Fund currently has an ending fund balance of \$90.5 million. Fund activity this year included investment earnings of \$300 thousand and capital expenditures of \$19.1 million as described on page 1 of this analysis.

Budgetary Highlights

The 2013-14 General Fund budget was adjusted three times during the year. There was also one technical correction to clarify the 2014-15 budget appropriation and tax levy. The Board approved budget changes can be briefly summarized as follows:

- In January 2014, the Board increased General Fund budgetary beginning fund balance by \$16.3 million to \$37.5 million. In addition, General Fund resources were revised to reflect a \$5.2 million increase in anticipated Local Option Levy revenue, and elimination of a \$1.9 million transfer from the PERS Rate Stabilization Fund. Net General Fund increase in resources was \$19.6 million. General Fund requirements were also amended: Instructional costs were decreased \$2.2 million, due to a savings from lower than forecast PERS rate and lower average teacher salaries, offset by the addition of 45 FTE to fund teachers, educational assistants, and coaches. Support costs were increased \$4.1 million due to the addition of 44 FTE of instruction related personnel. Transfers were increased \$3.5 million to the IT Systems Project Fund to pay for the cost of completing the teacher tech bundles program. General Fund Contingency was increased \$14.0 million to maintain this increased staffing in future years. There were a number of adjustments to adjust beginning fund balances in other funds. There were other amendments to increase resources, most notably in the Dedicated Resource Fund (\$3.1 million) and the Construction Excise Tax Fund (\$1.4 million).
- In April 2014, the Board increased GO Bond Fund and Facilities Capital Fund expenditures by a combined \$150 thousand to allow for implementation of an Owner Controlled Insurance Program (OCIP) to cover capital construction work under the capital bond and other large capital projects.
- In June 2014, the Board reallocated \$1.7 million of expenditures within the General Fund budget and \$1.5 million within the Grants Fund budget. Transfers from the General Fund were increased to fund early repayment of debt from the IT Projects Debt Service Fund (\$490 thousand) and the SELP Debt Service Fund (\$116 thousand), plus as a \$1 million transfer to the GO Bond Debt Service Fund to cover possible shortfalls in property tax receipts used to pay GO Bond debt service. Additionally, resources were increased \$2.0 million in the Capital Asset Renewal Fund to account for the sale of property on the Washington High School site. The Board also made minor adjustments to revenues and expenditures in several other funds.

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, 2014, the District had invested \$233.3 million in capital assets, net of depreciation and amortization, as shown in the following table:

Capital assets	Government-wide			
	2013	2014	change	% change
Land	\$ 9,174	\$ 9,174	\$ -	0.0%
Buildings and site improvements	367,811	385,032	17,221	4.7%
Vehicles and equipment	47,095	47,975	880	1.9%
Construction in progress	18,595	31,339	12,744	68.5%
	442,675	473,520	30,845	7.0%
less accumulated depreciation	(228,731)	(240,255)	(11,524)	5.0%
Capital assets, net of depreciation	\$ 213,944	\$ 233,265	\$ 19,321	9.0%

District-wide, capital assets increased by \$30.8 million in FY2013-14, and \$11.5 million in depreciation and amortization was recorded. The impact of all events increased net capital assets by \$19.3 million. Significant additions for the current year included completed and in-progress work on GO Bond projects (\$24.6 million); Great Fields track and field replacements (\$1.9 million); projects for boiler conversion (\$3.0 million) and Recovery Zone energy efficiency work (\$1.1 million); Synergy Student Information System upgrades (\$1.0 million). Additional information on the District's capital assets can be found in Note 7 on page 40.

Debt Administration. At the end of the current fiscal year, the District had total debt outstanding of \$537.1 million (excluding premiums and discounts), which is comprised of limited tax pension and refunding bonds (\$407.5 million) and debt backed by the full faith and credit of the District (\$129.6 million). During the year the District reduced debt by making scheduled debt service payments of \$50.9 million. The District also retired \$0.6 million of SELP and IT Projects debt prior to maturity. These early debt retirements were financed with General Fund transfers. The result of all activities was an overall net decrease of \$51.5 million in outstanding debt, and a decrease in bond premium of \$3.1 million. Further explanation of debt is offered in Note 10 of the Financial Statements (pages 42-45).

Outstanding Debt	Government-wide				
	2013	Increases	Decreases	2014	% change
Limited tax pension and refunding bonds	\$ 419,034	\$ -	\$ (11,534)	\$ 407,500	-2.8%
Other debt	169,614	-	(39,967)	129,647	-23.6%
Total Long Term Debt	588,648	-	(51,501)	537,147	
Unamortized Bond Premium/(Discount)	13,145	-	(3,145)	10,000	-23.9%
Total Long Term Debt, net of Premium (Discount)	\$ 601,793	\$ -	\$ (54,646)	\$ 547,147	-9.1%

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% of Real Market Value or \$5.8 billion. More information is available in Statistical Section Schedule 11 on page 128 of this report.

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 an unfunded actuarial liability ("UAL"). OPERS requires that school districts pay (or "amortize") this UAL over a period of 20 years (Tier1/Tier2 portion) and (Retiree Health Insurance Account portion) for 10 years. Since interest rates had been at historic lows, an opportunity to benefit from lowered interest was created.

The District participated in the Oregon School Board Association (“OSBA”) sponsored pooled pension obligation bond program, in which the proceeds from bond issues were put into a PERS “side account” and used to offset a portion of the OPERS Unfunded Actuarial Liability (UAL). The reduced rate charged for the UAL that has resulted from the District’s decision to borrow, has saved an estimated \$19 million in the current year; savings that the District has used to provide more instruction and support services. Over time, this reduction in rates should dampen the effects of future increases in the District’s UAL. So long as OPERS’ investment returns exceed the costs of servicing the bonds, the benefits of this program will exceed the costs. The District’s UAL was reduced but was not eliminated by these borrowing transactions. Statutes, legislation, regulations, and rules regarding OPERS can change at any time.

During the 2013 Legislative Session, Senate Bill 822 was enacted, which created PERS savings by modifying the PERS cost of living calculation, eliminating tax remedy payments to out of state retirees, and directing the PERS board to recalculate and lower employer contribution rates in the short term (to be recovered in future periods). As a result, the District’s FY 2013-15 PERS contribution rates were lowered by 4.4% of payroll. Because of recent growth in the District’s side account, rates are expected to decrease even further in the 2015-17 biennium. The cost savings from these rate reductions will be available in future periods to offset scheduled increases in PERS UAL debt service payments, which will increase each year by \$1.5 to \$2.5 million.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

- The state’s economy continues to recover at a modest pace, with state General Fund revenues for fiscal year 2014 close to projections, and revenue growth expected to accelerate during fiscal year 2015. While the most likely scenario for the state’s economy going forward is for continued modest growth, there are still local, national, and international risks that could negatively impact revenue growth. As the baby boom population ages, works less, and spends less, there will be downward pressure on revenue growth from increases in individual and corporate income tax collections. In spite of the improving economy, fiscal pressures for K-12 education funding are likely to continue for the foreseeable future. The state legislature made progress toward stable and adequate funding with the passage of the 2013-2015 biennial budget, yet funding still remains below the state’s own Quality Education Model funding mark. Without the generous support of local voters and taxpayers the fiscal situation for PPS would be significantly more challenging and the ability to provide the education that our students deserve would be even more seriously compromised.
- The Oregon labor market is showing steady improvement, with 47,500 jobs being added in the last year, wages increasing, and unemployment rates dropping. Job growth in Oregon is now occurring at a 1% faster rate than in the nation as a whole. Portland-Vancouver unemployment continued to fall-seasonally adjusted local unemployment, a lagging indicator, dropped from 7.3% at June 2013 to 6.1% at June 2014. Expectations are that job recovery in the region will continue at a slow and steady pace for the next 2-3 years, and then demographic pressures may begin to exert some downward pressure on job growth.
- Based on the August 2014 enrollment forecast from Portland State University Population Research Center, District K-12 student enrollment is projected to increase from between 240 and 600 students annually over the next 15 years, reaching 51,000 to 56,000 by 2028-2029.
- In September 2014, the Clarendon Regional Early Learning Academy was opened. This facility brings together several Head Start and culturally specific preschool programs and parent resources into one building, and is intended to be the first of several such centers across the District.
- In September 2014, the District was awarded a seven-year, \$8.5 million GEAR UP Mobilizing for College grant, which adds significant resources to achieve the District’s college and career readiness goals. The grant will provide wrap around services to approximately 1,500 6th and 7th grade students at 15 schools, following them from middle school through their first year of college.

- In September 2014 the District began participating in a new federal program called Community Eligibility Program (CEP). The CEP provides an alternative to household applications in the National School Lunch and Breakfast Programs, by using existing state program data to determine eligibility. The program is intended to increase student access to free meals in high poverty schools by reducing the application burden on families. The District implemented this program at 25 schools with the highest poverty rates. The budgetary impact of implementation of the CEP program at an “identified student percentage” of 62.5% is anticipated to be relatively budget-neutral.
- During the 2014-15 fiscal year, the District will proceed with the next issuance of General Obligation bonds as the second in a planned series of two to three capital bond debt issuances totaling \$482 million. Further discussion of this debt can be found on page 1 of this Discussion and Analysis.
- The District’s current local option levy was approved by voters in 2011 to provide funding for teaching positions over a 5 year period. In 2013, the Oregon Legislature passed legislation ending the diversion of a portion of local option levy revenues to urban renewal districts for levies passed after January 2013. The District placed Measure 26-161 on the November 2014 ballot to renew the local option levy prior to its scheduled expiration to take advantage of this legislative change, and the measure passed with over 70% voter approval. Renewal of the levy will add an estimated additional \$4 million in local option levy revenues starting in 2015, without increasing current tax rates from the current \$1.99 per thousand of assessed property value.
- The District’s Board of Education recently approved a plan to use a portion of increased resources for the 2014-15 fiscal year. The plan calls for use of additional resources for the following purposes:
 - Up to \$3.5 million to increase school staffing and support.
 - Up to \$4.0 million investment in the District’s three priorities:
 - To ensure that all students are reading at benchmark by the end of 3rd grade.
 - To improve high school graduation and completion rates.
 - To eliminate disproportionality in out of school discipline between white students and students of color and reduce out of school discipline for all students by 50%.
 - Up to \$5.5 million in one-time investments that support the improvement of outcomes for PPS students and effective operations.

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 Accounting and Payroll Services Department, Portland Public Schools, 501 N Dixon, Portland, OR, 97227. An electronic copy of this and other prior year financial reports are available at the District website: www.pps.k12.or.us/departments/accounting/, site shortcut: **Financial Statements**.



BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Statement of Net Position
June 30, 2014
(amounts expressed in thousands)

	Governmental Activities
ASSETS	
Cash and cash equivalents-unrestricted	\$ 93,941
Cash and cash equivalents-restricted	560
Cash and cash equivalents held by fiscal agents	4,451
Investments	161,160
Accounts and other receivables	25,650
Property taxes and other taxes receivable	18,041
Inventories	421
Noncurrent assets:	
Prepaid pension and other prepaid costs	404,992
Capital assets, not depreciated:	
Land	9,174
Construction in progress	31,339
Capital assets, net of accumulated depreciation:	
Buildings and capital improvements	183,681
Vehicles and equipment	9,071
Total assets	942,481
LIABILITIES	
Accounts payable	18,323
Accrued wages and benefits payable	65,435
Accrued bond interest payable	840
Unearned revenues	1,788
Claims payable	4,597
Non-current liabilities:	
Due within one year	
Accrued compensated absences	2,336
Bonds	58,160
Due in more than one year	
Accrued compensated absences	429
Bonds	488,987
Net other post employment benefit obligation	35,579
Total liabilities	676,474
NET POSITION	
Net investment in capital assets	183,584
Restricted for:	
Capital projects	111,919
Grants	6,944
Debt service	361
Unrestricted (deficit)	(36,801)
Total net position	\$ 266,007

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, 2014
(amounts expressed in thousands)

<u>Functions/Programs</u>	<u>EXPENSES</u>		<u>PROGRAM REVENUES</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
			<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>			
GOVERNMENTAL ACTIVITIES								
Instruction	\$	308,652	\$	5,989	\$	58,418	\$	(244,245)
Support services		200,750		2,857		17,693		(180,200)
Enterprise and Community Services		19,164		4,420		2,240		(12,504)
Facilities Services		1,470		-		-		(1,470)
Interest and fees on long-term debt		31,469		-		-		(31,469)
Total governmental activities	\$	<u>561,505</u>	\$	<u>13,266</u>	\$	<u>78,351</u>		<u>(469,888)</u>
 GENERAL REVENUES								
Property taxes levied for general purposes								213,115
Property taxes levied for debt service								44,765
Construction excise tax								4,889
Local option taxes								55,709
State School Fund								184,690
State Common School Fund								4,427
County and intermediate sources								15,736
Investment earnings								774
Other								11,253
Total general revenues								<u>535,358</u>
Change in net position								65,470
Net position - beginning of year								200,537
Net position - end of year								<u>\$ 266,007</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON

Governmental Funds

Balance Sheet

June 30, 2014

(amounts expressed in thousands)

	General Fund	Grant Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents-unrestricted	\$ 30,226	\$ -
Cash and cash equivalents-restricted	560	-
Cash and cash equivalents held by fiscal agents	4,268	-
Investments	71,945	-
Prepaid items	59	-
Accounts receivable	1,945	18,449
Property taxes and other taxes receivable	16,851	-
Due from other funds	10,605	-
Inventories	141	-
Total assets	<u>\$ 136,600</u>	<u>\$ 18,449</u>
 LIABILITIES		
Accounts payable	\$ 8,259	\$ 2,115
Accrued wages and benefits	60,095	3,941
Due to other funds	744	10,605
Unearned revenues	<u>-</u>	<u>1,788</u>
Total liabilities	<u>69,098</u>	<u>18,449</u>
 DEFERRED INFLOWS OF RESOURCES		
Unavailable property tax revenue	<u>15,828</u>	<u>-</u>
Total deferred inflows of resources	<u>15,828</u>	<u>-</u>
 FUND BALANCES		
Nonspendable	200	-
Restricted	560	-
Committed	-	-
Unassigned	<u>50,914</u>	<u>-</u>
Total fund balances	<u>51,674</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 136,600</u>	<u>\$ 18,449</u>

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

PERS Rate Stabilization Reserve Fund	GO Bonds Fund	Other Governmental Funds	Total Governmental Funds
\$ 15,757	\$ 1,962	\$ 39,613	\$ 87,558
-	-	-	560
-	-	183	4,451
-	89,215	-	161,160
-	2,069	21	2,149
-	168	5,068	25,630
-	-	1,190	18,041
-	-	744	11,349
-	-	280	421
<u>\$ 15,757</u>	<u>\$ 93,414</u>	<u>\$ 47,099</u>	<u>\$ 311,319</u>
\$ -	\$ 2,916	\$ 4,983	\$ 18,273
-	31	1,344	65,411
-	-	-	11,349
-	-	-	1,788
<u>-</u>	<u>2,947</u>	<u>6,327</u>	<u>96,821</u>
-	-	1,108	16,936
-	-	1,108	16,936
-	2,069	301	2,570
-	88,398	38,778	127,736
15,757	-	585	16,342
-	-	-	50,914
<u>15,757</u>	<u>90,467</u>	<u>39,664</u>	<u>197,562</u>
<u>\$ 15,757</u>	<u>\$ 93,414</u>	<u>\$ 47,099</u>	<u>\$ 311,319</u>

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



SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2014
(amounts expressed in thousands)

Fund balances - total governmental funds (page 19)	\$	197,562
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.		233,265
Long-term taxes receivable are not available to pay for current-period expenditures and therefore are a deferred inflow of resources in the governmental funds.		16,936
Assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		2,410
Bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		(547,147)
Prepaid pension costs are not reported in the governmental funds.		402,843
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		(2,765)
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.		(714)
Accrued interest payable is not recognized as a liability in the governmental funds.		(840)
Other post employment benefit liability obligation is not reported in governmental funds.		(35,543)
Net position of governmental activities (page 16)	<u>\$</u>	<u>266,007</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2014
(amounts expressed in thousands)

	<u>General Fund</u>	<u>Grant Fund</u>
REVENUES		
Property and other taxes	\$ 212,155	\$ -
State School Fund	184,690	-
State Common School Fund	4,427	-
Federal and state support	40	50,603
Federal stimulus	-	155
Local option taxes	56,013	-
County and intermediate sources	12,191	1,708
Charges for services	3,417	-
Extracurricular activities	-	-
Investment earnings	239	-
Other	6,003	441
Total revenues	<u>479,175</u>	<u>52,907</u>
EXPENDITURES		
Current:		
Instruction	271,984	32,975
Support services	182,354	17,692
Enterprise and community services	1,621	2,240
Facilities acquisition and construction	-	-
Debt Service:		
Principal	-	-
Interest	-	-
Total expenditures	<u>455,959</u>	<u>52,907</u>
Excess (deficit) of revenues over expenditures	<u>23,216</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	(9,013)	-
Proceeds from the sale of capital assets	14	-
Total other financing sources (uses)	<u>(8,999)</u>	<u>-</u>
Net change in fund balances	14,217	-
Fund balances - beginning of year	37,457	-
Fund balances - end of year	<u>\$ 51,674</u>	<u>\$ -</u>

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

PERS Rate Stabilization Reserve Fund	GO Bonds Fund	Other Governmental Funds	Total Governmental Funds
\$ 227	\$ -	\$ 48,490	\$ 260,872
-	-	-	184,690
-	-	-	4,427
-	-	14,588	65,231
-	-	-	155
-	-	-	56,013
-	-	1,837	15,736
-	-	48,457	51,874
-	-	8,308	8,308
54	300	164	757
-	-	6,694	13,138
<u>281</u>	<u>300</u>	<u>128,538</u>	<u>661,201</u>
-	-	-	-
-	-	18,962	323,921
-	109	2,078	202,233
-	-	16,198	20,059
-	18,959	12,146	31,105
-	-	51,500	51,500
-	-	34,921	34,921
<u>-</u>	<u>19,068</u>	<u>135,805</u>	<u>663,739</u>
<u>281</u>	<u>(18,768)</u>	<u>(7,267)</u>	<u>(2,538)</u>
-	-	9,013	9,013
-	-	-	(9,013)
-	-	1,993	2,007
<u>-</u>	<u>-</u>	<u>11,006</u>	<u>2,007</u>
281	(18,768)	3,739	(531)
15,476	109,235	35,925	198,093
<u>\$ 15,757</u>	<u>\$ 90,467</u>	<u>\$ 39,664</u>	<u>\$ 197,562</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities
For the year ended June 30, 2014
(amounts expressed in thousands)

Net change in fund balances - total governmental funds (page 23)	\$ (531)
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 \$32,309 exceeded depreciation and disposals of \$12,988.	19,321
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.	2,259
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.	413
Accrued incurred but not reported property and liability insurance claims expenses are reported in the Statement of Activities but they are not reported as expenditures in the governmental funds	(38)
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.	54,646
Governmental funds reported the prepayment of the PERS unfunded actuarial liability as an other financing use in prior years. However, in the Statement of Activities the expense is the amortization of the prepaid asset.	(11,534)
Other post employment benefits expenses are reported in the Statement of Activities but they are not reported as expenditures in the governmental funds.	684
Change in compensated absences	(57)
Change in bond interest payable	307
Change in net position of governmental activities (page 17)	\$ 65,470

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Proprietary Fund - Internal Service Fund
Statement of Net Position
June 30, 2014
(amounts expressed in thousands)

ASSETS

Current Assets

Cash and cash equivalents	\$ 6,382
Accounts and other receivables	20
Total assets	<u>6,402</u>

LIABILITIES

Current Liabilities

Accounts payable	50
Accrued wages and benefits	22
Claims payable	3,884
Total current liabilities	<u>3,956</u>

Long-term Liability

Other post employment benefit obligation	36
Total liabilities	<u>3,992</u>

NET POSITION

Unrestricted	<u><u>\$ 2,410</u></u>
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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, 2014
(amounts expressed in thousands)

OPERATING REVENUES

Charges for services	\$ 3,044
Total operating revenues	3,044

OPERATING EXPENSES

Salaries and benefits	198
Materials and services	259
Claims expense	2,278
Total operating expenses	2,735

Operating income	309
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NON-OPERATING REVENUES

Federal and state support	87
Investment earnings	17
Total non-operating revenues	104

Change in net position	413
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Net position - beginning of year	1,997
Net position - end of year	\$ 2,410

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Proprietary Fund - Internal Service Fund
Statement of Cash Flows
For the year ended June 30, 2014
(amounts expressed in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from interfund services provided and used	\$	3,044
Cash payments for salaries and benefits		(195)
Cash payments for goods and services		(302)
Cash payments for claims		(2,278)
Net cash from operating activities		269

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash subsidy from state return to work reimbursements		87
Net cash from noncapital financing activities		87

CASH FLOWS FROM INVESTING ACTIVITIES

Sales of investments		2,319
Investment earnings		17
Net cash from investing activities		2,336

Net increase in cash and cash equivalents 2,692

Cash and cash equivalents at beginning of year		3,690
Cash and cash equivalents at end of year	\$	6,382

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

Operating income	\$	309
Adjustments to reconcile operating loss to net cash from operating activities:		
Increase in accounts and other receivables		(19)
Decrease in accounts and other payables		(42)
Increase in claims payable		19
Increase in accrued wages and benefits		2
Total adjustments		(40)
Net cash from operating activities	\$	269

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

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

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. The District does not report any fiduciary activities. 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 expenditures 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 insurance recoveries and costs, 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.

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

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

However, debt service and expenditures related to compensated absences are recorded only when payment is due.

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.

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

PERS Rate Stabilization Reserve Fund – Accounts for reserves that will be used to mitigate the budgetary impact of significant employer personnel benefit rates fluctuations when they occur in future OPERS or PERS UAL charges. Disbursements from this fund are made in accordance with resolution 2679 by the District's Board. Revenues are derived from an allocation of property taxes from the General Fund.

GO Bond Fund – Accounts for General Obligation bond proceeds and expenditures for specifically authorized projects funded by General Obligation Bonds.

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 insurance recoveries. 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.

The District reports the following non-major governmental funds:

Special Revenue Funds – Accounts for certain revenues that are restricted to expenditures for designated purposes.

Debt Service Funds – Accounts for the accumulation of financial resources for the payment of long-term debt principal, interest, and related costs.

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

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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% 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% 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 three supplemental budgets during budget year 2014, and one resolution (4781) to clarify the resolution which adopted the original budget (4775).

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 however, 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 county treasurer 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.

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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 the 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. 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 estimated fair market 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 the internally developed computer software. The intangible asset costs are classified as equipment.

Major asset classifications, useful lives and capitalization thresholds are:

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

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

H. Grant Accounting

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

I. Insurance

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

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

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

	<u>Deductibles</u>	<u>Excess Coverage per Occurrence</u>
General and Automobile Claims	\$ 1,000	\$ 5,000
Property and Fire Claims	1,000	250,000
Earthquake Claims	250	50,000
Flood Claims	1,000	75,000
Workers' Compensation Claims	1,000	25,000

With the exception of the Marysville School fire, which occurred in November 2009, 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. Effective January 1, 2012, 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 fund financial statements. Other receivables, except certain grants, 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.

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

K. Receivables and Payables - Continued

Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “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. In accordance with GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, 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.

M. Retirement Plans

Most District employees participate in Oregon's Public Employees Retirement System (OPERS). OPERS requires plan contributions on a current basis. Contributions are made on a current basis as required by the plan and are recorded as expense/expenditures.

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.

N. Early Retirement and Other Post-Employment Benefits

Certificated employees who have met the requirements for age and years of service with the District are eligible for early retirement benefits. Early retirement benefits are further explained in Note 11 and other post-employment benefits are explained in Note 12.

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

A health and welfare program the District provides for retirees is accounted for under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB). The OPEB obligation 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.

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

O. Net Position

Net position represents the difference between the District's total assets and total liabilities. District net position currently has three components:

Net investment in capital assets represents capital assets 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".

P. 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.

Q. 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 prepaids, 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 not 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 negative fund balance amounts in other governmental funds.

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

Q. Fund Balance Definitions - Continued

The District's Board passed resolution number 4461 on June 13, 2011, 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.

R. 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.

S. Fund Balance Policy

The District's Board policy 8.10.025P mandates that the District budget a minimum of three percent of its General Fund revenue as contingency, and that a three percent fund balance be maintained.

T. New Accounting Standard Implemented

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* (GASB 70), establishes accounting and disclosure requirements for state or local governments that either extend or receive financial guarantees. This statement requires recognition of a liability when it is more likely than not that a payment will need to be made by a guarantor in relation to the guarantee. The statement also requires disclosure of the terms of the guarantee. Additional disclosures have been added to the description of General Obligation Bonds (Note 10) to comply with this new standard.

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 U. S. generally accepted accounting principles (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.

School District No. 1J, Multnomah County, Oregon

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

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

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, 2014 were:

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	\$ 46,007,694

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.

Cash, cash equivalents and investments on June 30, 2014 are comprised of the following:

Oregon Local Government Investment Pool	\$ 33,595
Cash in demand deposits	60,902
Petty cash	<u>4</u>
Total cash and cash equivalents	94,501
Cash and cash equivalents held by fiscal agents	4,451
U.S Government agency securities	120,916
Corporate Paper	33,739
Municipal Bonds	<u>6,505</u>
Total investments	<u>161,160</u>
Total cash, cash equivalents and investments	<u>\$260,112</u>

The District has a restricted cash balance of \$560 in the General Fund to be used for major repairs and maintenance, in accordance with the lease agreement between the District and Multnomah County described in Footnote 14.

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

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
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NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS – Continued

A. Investments - Continued

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 25% of the LGIP portfolio may mature in over one year and no investment may mature in over three years.

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

The Oregon Local Government Investment Pool is unrated. Other investments held at June 30, 2014 are categorized by Moody's and Standard and Poor's ratings as follows:

Moody's Rating	U.S. Government & Agency Obligations	Corporate Notes	Municipal Bonds	Total
Aaa	\$ 97,633	\$ -	\$ -	\$ 97,633
Aa3	-	4,232	-	4,232
A1	-	27,469	-	27,469
A3	-	2,038	-	2,038
NR	23,283	-	6,505	29,788
	\$ 120,916	\$ 33,739	\$ 6,505	\$ 161,160
Weighted Average Maturity (Yrs)	0.69	0.23	0.50	

S & P Rating	U.S. Government & Agency Obligations	Corporate Notes	Municipal Bonds	Total
AA+	\$ 97,633	\$ 3,060	\$ -	\$ 100,693
AA-	-	4,232	-	4,232
A+	-	21,392	-	21,392
A	-	5,055	-	5,055
NR	23,283	-	-	23,283
1+ (short term)	-	-	6,505	6,505
	\$ 120,916	\$ 33,739	\$ 6,505	\$ 161,160
Weighted Average Maturity (Yrs)	0.69	0.23	0.50	

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
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NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS – Continued

A. Investments – Continued

Interest rate risk

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

Credit risk

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

The District's investments in U.S. government securities are not required to be rated. Investments in U.S. government agency securities are rated Aaa by Moody's Investors Service.

Corporate notes are rated between Aa3 and A3 by Moody's and between AA+ and A by Standard and Poor's.

Concentration of credit risk-investments

In accordance with GASB 40, the District is required to report all individual non-federal investments, which exceed 5% of total invested funds. As of June 30, 2014 the District held the following:

	Value	Percentage of total investments
Wells Fargo - Corporate Obligations	\$ 15,508	9.6%

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, 2014, bank balances of \$1,022 were insured by the FDIC. Funds not covered by FDIC insurance are covered by the Oregon State Treasury Collateral Pool. At June 30, 2014, the carrying amount of the District's balance was \$60,902 and the bank balance was \$63,880.

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-

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
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NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS – Continued

Investments – Continued

Custodial credit risk-investments – Continued

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 not 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

Receivables at year-end are summarized as follows:

	General Fund	Grant Fund	GO Bonds Fund	Govern- mental and other funds	Total
Accounts and other receivables:					
Interest	\$ 525	\$ -	\$ 168	\$ -	\$ 693
Accounts receivable	1,391	-	-	5,090	6,481
Federal, state and local grants	-	18,457	-	-	18,457
Advances to employees	29	(8)	-	(2)	19
Total accounts and other receivables	<u>1,945</u>	<u>18,449</u>	<u>168</u>	<u>5,088</u>	<u>25,650</u>
Property taxes and other taxes receivables	16,851	-	-	1,190	18,041
Total receivables	<u>\$18,796</u>	<u>\$18,449</u>	<u>\$ 168</u>	<u>\$ 6,278</u>	<u>\$43,691</u>

NOTE 6 – PREPAID ASSETS

A summary of changes in prepaid assets for the year ended June 30, 2014 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Prepaid Assets:				
Postage	\$ 29	\$ 205	\$ (175)	\$ 59
Insurance	-	2,200	(110)	2,090
Pension	414,377	-	(11,534)	402,843
Total Prepaid Assets:	<u>\$ 414,406</u>	<u>\$ 2,405</u>	<u>\$ (11,819)</u>	<u>\$ 404,992</u>

During the fiscal year ended June 30, 2014 the District purchased an Owner Controlled Insurance Program (OCIP), which provides liability coverage for major construction contracts. The OCIP will be amortized over the five year life of the contract.

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014
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NOTE 7 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2014 follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated or amortized					
Land	\$ 9,174	\$ -	\$ -	\$ -	\$ 9,174
Construction in progress	18,595	31,406	(518)	(18,144)	31,339
Total capital assets not being depreciated or amortized	27,769	31,406	(518)	(18,144)	40,513
Capital assets being depreciated or amortized					
Buildings and site improvements	367,811	35	(958)	18,144	385,032
Vehicles and equipment	47,095	1,386	(506)	-	47,975
Total capital assets being depreciated or amortized	414,906	1,421	(1,464)	18,144	433,007
Total general capital assets	442,675	32,827	(1,982)	-	473,520
Less accumulated depreciation and amortization					
Buildings and site improvements	(191,950)	(10,359)	958	-	(201,351)
Vehicles and equipment	(36,781)	(2,577)	454	-	(38,904)
Total accumulated depreciation and amortization	(228,731)	(12,936)	1,412	-	(240,255)
Total capital assets, net of accumulated depreciation	<u>\$213,944</u>	<u>\$ 19,891</u>	<u>\$ (570)</u>	<u>\$ -</u>	<u>\$233,265</u>

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

Instruction	\$ 9,588
Supporting services	3,188
Food services	160
	<u>\$12,936</u>

As of June 30, 2014 the District has three schools that are closed and idle: Clarendon, Foster and Smith. As of June 30, 2014 the carrying value of these schools is \$1,715 and is included in the capital assets summary above.

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

NOTE 8 – INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

Interfund balances represent cash owed by one fund to another. At June 30, 2014, the General Fund owed the Student Body Activity Fund \$744 and the Grants Fund was advanced \$10,605 by the General Fund to cover unbilled expenses.

Interfund receivables and payables on June 30, 2014 are comprised of the following:

	Due To	Due From
General Fund	\$ 10,605	\$ 744
Non-major governmental funds	744	-
Grant Fund	-	10,605
	\$ 11,349	\$ 11,349

The District's General Fund made debt service transfers totaling \$4,832 to nonmajor debt funds. The District's General Fund also made transfers totaling \$4,181 to nonmajor capital projects funds.

The composition of interfund transfers as of June 30, 2014, is as follows:

	Transfers in	Transfers out
General Fund	\$ -	\$ 9,013
Nonmajor Governmental Funds	9,013	-
	\$ 9,013	\$ 9,013

NOTE 9 – ACCRUED COMPENSATED ABSENCES

The General Fund and Grant 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 July 1, 2013	Increases	Payments	Outstanding June 30, 2014	Due Within One Year
\$ 2,708	\$ 3,719	\$ (3,662)	\$ 2,765	\$ 2,336

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

NOTE 10 – BONDED AND OTHER DEBT

Changes in District long-term debt during fiscal year 2014 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	\$ 172,352	\$ -	\$ (3,941)	\$ 168,411	\$ 4,091
Series 2003	281,170	232,282	-	(7,593)	224,689	7,450
Series 2012	14,400	14,400	-	-	14,400	-
Total pension debt (Note 11)	<u>505,674</u>	<u>419,034</u>	-	<u>(11,534)</u>	<u>407,500</u>	<u>11,541</u>
Other Debt:						
Small scale energy loan programs	8,335	179	-	(179)	-	-
Full faith and credit bonds						
Series 2007A and 2007B	15,090	1,375	-	(1,375)	-	-
2009 Credit facility	15,000	13,393	-	(1,132)	12,261	2,291
Recovery Zone Economic						
Development Bonds	11,000	9,356	-	(860)	8,496	886
General Obligation Bonds						
Series 2013A	76,265	76,265	-	(35,950)	40,315	40,315
General Obligation Bonds						
Series 2013B	68,575	68,575	-	-	68,575	-
Multnomah ESD Note Payable	471	471	-	(471)	-	-
Total other debt	<u>194,736</u>	<u>169,614</u>	-	<u>(39,967)</u>	<u>129,647</u>	<u>43,492</u>
Total long-term debt	<u>\$ 700,410</u>	<u>588,648</u>	-	<u>(51,501)</u>	<u>537,147</u>	<u>55,033</u>
Unamortized bond premium						
(discount)		13,145	-	(3,145)	10,000	3,127
Total long-term debt, net of premiums (discounts)		<u>\$ 601,793</u>	<u>\$ -</u>	<u>\$ (54,646)</u>	<u>\$ 547,147</u>	<u>\$ 58,160</u>

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. The District recorded the proceeds of the debt to OPERS as prepaid pension costs and amortizes it as a pension expense over the life of the bonds. 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.

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

NOTE 10 – BONDED AND OTHER DEBT – Continued

A. Limited Tax Pension Bonds - Continued

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 yields ranging from 5.36% to 6.10%. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.48% to 5.55%. The Series 2002A Bonds are not subject to optional prepayment prior to maturity. The Series 2002B Bonds maturing June 30, 2021, shall be subject to prepayment from pension prepayments on or after June 30, 2009, and those due June 30, 2028 are subject to mandatory prepayment prior to its stated maturity, in whole or part, on any June 30 on or after June 30, 2024. During 2012 \$14,200 of Series 2002 Pension Bonds were refinanced. See description of the new debt instrument (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 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 semiannually at yields ranging from 5.33% to 6.27%. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.45% to 5.68%. The bonds are federally taxable and are not subject to optional prepayment prior to their stated maturities.

On January 31, 2012 the District issued \$14,400 in Limited Tax Pension Refunding Bonds, Series 2012. The interest rate is fixed at 2.75% and interest payments on the bonds are payable semiannually in June and December. The bonds mature on June 30, 2021. The total amount of interest savings (economic gain) as a result of the refinancing is \$3,200 dollars. The present value of future cash savings as a result of the refinancing is \$2,800 dollars. The bond proceeds, \$14,200, were used to pay on the Limited Tax Pension Bonds, Series 2002. The Series 2012 bonds are subject to optional prepayment.

Under the terms of the borrowing agreements for the 2002, 2003 and 2012 Limited Tax Pension Bonds, the District is bound by an intercept agreement whereby Wells Fargo Bank Northwest NA, as the trustee, directly receives specified amounts that have been withheld from the District's State School Fund support payments that are deposited in trust with LGIP. Wells Fargo Bank Northwest NA then makes the scheduled semi-annual debt service payments from the LGIP trust account.

B. Other Debt

The District borrowed from the Oregon Department of Energy Small Scale Energy Loan Program (SELP) in several increments beginning in 1993 at various interest rates. The obligations were payable monthly by the SELP Debt Service Fund. The payment amounts were based on anticipated savings related to retrofitting and other energy conservation measures implemented with the proceeds of the loans. Such loans are not collateralized. At June 30, 2014 this debt was fully repaid.

In October 2007 the District issued Full Faith and Credit Bonds, Series 2007, pursuant to the terms and provisions of Oregon Revised Statutes 288.805 to 288.945, inclusive (Uniform Revenue Bond Act). \$10,010 were Series 2007A (Tax-Exempt) and \$5,080 were Series 2007B (Federally Taxable). The proceeds from the sale of the bonds were used to finance a settlement with custodial employees and to pay the costs of issuance. Interest was payable semi-annually at rates yielding from 3.50% to 5.36%. The bonds were not subject to redemption prior to their stated maturities. At June 30, 2014 this debt was fully repaid.

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

NOTE 10 – BONDED AND OTHER DEBT – Continued

B. Other Debt - Continued

In October 2009 the District borrowed \$15,000 from Bank of America, N.A. to finance capital asset projects related to information technology. Loan interest at 3.4% is payable semi-annually beginning December 1, 2009, and principal is payable annually beginning June 1, 2010. The installment loan is a full faith and credit obligation which matures June 1, 2019. It is authorized by ORS 271.390, which requires that the weighted average life of the projects (approximately 10.3 years) must exceed the weighted average life of the loan (approximately 6.7 years).

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% are 45% federally subsidized.

On May 1, 2013 the District issued \$76,265 in General Obligation Bonds, Series 2013A. The interest rate is fixed at 5% and interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2013. The final maturity date of the bonds is June 15, 2015 with principal payments of \$35,950 and \$40,315 due on June 15, 2014 and June 15, 2015, respectively. The bonds were issued at a premium of \$5,947 which is being amortized over the life of the bonds.

On May 1, 2013 the District issued \$68,575 in General Obligation Bonds, Series 2013B. The interest rate is fixed at rates ranging from 1.5% to 5%. 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 15th. The bonds were issued at a premium of \$7,923 which is being amortized over the life of the bonds.

Article XI-K of the Oregon Constitution allows the state to guarantee the general obligation bonded indebtedness of school districts. For the Series 2013A and 2013B 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, 2014.

On August 21, 2012 the District signed a contract with Multnomah Education Service District (MESD). The contract was for MESD to purchase the licensing of Edupoint software (Synergy) and conduct the implementation of the software on behalf of the District. The amount financed by the District with MESD was \$471 at a simple interest rate of 2%. The agreement was for three equal payments of principal and interest on July 1 of 2014, 2015 and 2016. The District opted to repay this debt in full as of June 30, 2014.

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

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
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(Dollar amounts, unless otherwise indicated, are expressed in thousands)

NOTE 10 – BONDED AND OTHER DEBT – Continued

The following is a summary of the future annual debt service requirements for the District:

Fiscal year	Limited tax pension bonds	Recovery zone bonds	Other full faith & credit	General Obligation Bonds	Total
Principal					
2015	\$ 11,542	\$ 885	\$ 2,291	\$ 40,315	\$ 55,033
2016	11,883	913	2,369	1,555	16,720
2017	11,825	941	2,449	1,705	16,920
2018	12,077	969	2,533	1,890	17,469
2019	11,949	999	2,619	2,080	17,647
2020-2024	131,938	3,789	-	14,410	150,137
2025-2029	216,286	-	-	22,240	238,526
2030-2034	-	-	-	24,695	24,695
Total principal	<u>407,500</u>	<u>8,496</u>	<u>12,261</u>	<u>108,890</u>	<u>537,147</u>
Interest					
2015	28,258	418	417	4,718	33,811
2016	30,431	373	339	2,703	33,846
2017	32,309	327	258	2,679	35,573
2018	34,797	278	176	2,628	37,879
2019	36,905	229	89	2,571	39,794
2020-2024	155,793	392	-	11,040	167,225
2025-2029	28,843	-	-	7,267	36,110
2030-2034	-	-	-	2,262	2,262
Total interest	<u>347,336</u>	<u>2,017</u>	<u>1,279</u>	<u>35,868</u>	<u>386,500</u>
Total debt service	<u>\$754,836</u>	<u>\$10,513</u>	<u>\$13,540</u>	<u>\$144,758</u>	<u>\$ 923,647</u>

NOTE 11 – PENSION PLANS

A. Oregon Public Employees Retirement System (OPERS)

Plan Description

The District contributes to two pension plans administered by the State of Oregon Public Employees Retirement System (OPERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the District's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: (1) the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003, and (2) the program for inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all OPERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. OPERS members retain their existing OPERS accounts, but any future member contributions go to the member's IAP, not the member's OPERS account.

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
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NOTE 11 – PENSION PLANS - Continued

A. Oregon Public Employees Retirement System (OPERS) - Continued

Plan Description - Continued

Both OPERS plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. OPERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of OPERS. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to OPERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377.

Funding Policy and Annual Pension Cost.

Members of OPERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The District is required to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan.

In order to finance a portion of its unfunded actuarial OPERS liability, the District issued limited tax pension bonds in 2002-03 and placed the proceeds into an OPERS side account (Note 10). The District's contributions to OPERS are equal to the actuarially determined required contribution, but because funding in the OPERS side account has been sufficient to provide pension rate relief, there have been no contractually required pension contributions for the years ended June 30, 2012, 2013 and 2014. There have been required OPERS contributions for retiree healthcare over this same three-year time period (Note 12 B.), and it is anticipated contractually required pension contributions will be reinstated at the next actuarial determination.

For the year ended June 30, 2014, the District's annual debt service for the limited tax pension bonds included \$11.5 million of principal, and \$26.6 million of interest. Total debt service payments for the years 2012, 2013 and 2014 were \$48.6 million, \$35.8 million and \$38.1 million, respectively.

B. Early Retirement Benefits

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 PERS, and who retire 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. All financial information relating to the early retirement benefits is reported in the General Fund. The District does not issue a stand-alone financial report for this plan.

Funding Policy.

The District pays for the benefits without any cost to employees. The contributions are financed on a pay-as-you-go basis and compared to the actuarially determined annual OPEB cost and annual pension cost for disclosure purposes. Because of this policy, no liability has been recorded for early retirement benefits. During fiscal year 2014, expenses/expenditures of approximately \$2 million were recognized.

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
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NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

A. District Plan

Plan Description

The District provides a single-employer defined benefit post-retirement benefits program 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 PERS retirement system. There are 4,805 active and 851 retired members 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 has agreed to terminate this benefit after September 30, 2016. All other bargaining units and employee groups, except the District Council Unions (DCU), have agreed to terminate this benefit after June 30, 2014. The DCU has 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.

Funding Policy

The District pays for the benefits. The contributions are financed on a pay-as-you-go basis. During fiscal year 2014 the District recognized, on a budgetary basis, expenses/expenditures of approximately \$4.8 million for the post-employment healthcare benefits.

The General Fund and the Grant Fund are the primary funds from which the Other Post Employment Benefit liability is liquidated.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is reflected on the Statement of Net Position on the accrual basis, and is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The District's most recent actuarial valuation date was April 1, 2014 and the following table shows the components of the District's annual OPEB cost for the year ending June 30, 2014, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
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NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS - Continued

A. District Plan – Continued

Annual OPEB Cost and Net OPEB Obligation - Continued

	Governmental Funds	Proprietary Fund	Total
Annual required contribution (ARC)	\$ 7,875	\$ 4	\$ 7,879
Interest on net OPEB obligation	1,087	1	1,088
Adjustment to annual required contribution	(1,795)	(1)	(1,796)
Annual OPEB cost	7,167	4	7,171
Contributions made	(7,851)	(4)	(7,855)
Increase in net OPEB obligation	(684)	-	(684)
Net OPEB obligation - beginning of year	36,227	36	36,263
Net OPEB obligation - end of year	<u>\$ 35,543</u>	<u>\$ 36</u>	<u>\$ 35,579</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014 and the preceding years are as follows:

Fiscal year	Annual OPEB cost	% of annual OPEB cost contributed	Net OPEB obligation
2010	\$ 16,423	57.5%	\$ 24,741
2011	12,860	61.7%	29,667
2012	12,763	69.2%	33,595
2013	9,892	73.0%	36,263
2014	7,171	109.5%	35,579

Actuarial methods and assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, claim cost, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to actuarial accrued liabilities for benefits.

In the April 1, 2014, actuarial valuation the entry age normal method was used to determine the District's OPEB liability. In its application of this method: (1) Service was the basis for allocation, (2) Entry age was established with the hire date, (3) Liabilities were individually calculated at the participant level without aggregation, and (4) The 30 year amortization period used for the unfunded Actuarial Accrued Liability (AAL) was based on level dollars over open future periods. The actuarial assumptions included a 3% investment rate of return, a 2.5% inflation rate, and healthcare cost trend rates ranging from 5% to 8% depending on the employee group.

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS – Continued

A. District Plan – Continued

Actuarial methods and assumptions - Continued

Under the Entry Age Normal Method, the AAL for active members is calculated as the portion of the Actuarial Present Value of projected benefits allocated to prior years. The cost allocated to the current plan year is called the Normal Cost. The AAL for members currently receiving benefits, for active members beyond the assumed retirement age, and for members entitled to deferred benefits, is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

The excess of the total AAL over the actuarial value of plan assets is called the unfunded AAL. Funding requirements are determined by adding the normal cost and an amortization of the unfunded AAL. All changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial data are amortized separately. In addition, all gains or losses are tracked and an unamortized gain or loss may be amortized each year. All amortization bases are spread as level dollar amounts over future open periods

In its most recent actuarial valuation expected retiree claims decreased. This decline was a result of modifications to labor agreements between the District and various employee bargaining units. The liability at June 30, 2014 is as shown:

Accrued actuarial liability (AAL) reported June 30, 2013	\$ 121,159
Accrued actuarial liability (AAL) reported June 30, 2014	<u>105,510</u>
Decrease in AAL	<u>\$ (15,649)</u>

Funded Status and Funding Progress

As of June 30, 2014 the actuarial accrued liability for benefits was \$105.5 million, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$105.5 million. The covered payroll (annual payroll of active employees covered by the plan) was \$245.3 million for fiscal year 2014 and the ratio of the UAAL to the covered payroll was 43.0%. Using a 30-year amortization period, the Annual Required Contribution (ARC) for 2014 has been actuarially determined to be \$7.9 million, representing \$2.6 million for the normal cost and \$5.3 million for the UAAL.

A Schedule of Funding Progress and Employer Contributions for the District Other Post-Employment Benefits Plan immediately follows the Notes to the Basic Financial Statements on page 57. This schedule presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time, and whether contributions made are increasing or decreasing relative to the annual required contribution over time.

B. Retirement Health Insurance Account

Plan Description

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

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
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NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS – Continued

B. Retirement Health Insurance Account - Continued

Plan Description – Continued

statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy

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

Participating school districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.59% of annual covered OPERF payroll and 0.49% of OPSRP payroll under a contractual requirement in effect until June 30, 2015. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2012, 2013 and 2014 were \$1.8 million, \$1.5 million and \$1.5 million, respectively, which equaled the required contributions each year.

Actuarial Methods and Assumptions

Assets are valued at their market value. Gains and losses between odd-year valuations are amortized as a level percentage of combined valuation payroll over 20 years from the odd-year valuation in which they are first recognized. The assumed rate of return on investments is 7.75% compounded annually. The assumed consumer price inflation rate used is 2.75% per year.

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/expenses in the fund incurring the charges. The Self-Insurance Fund recognized approximately \$3.0 million of revenues from other governmental funds for the year ended June 30, 2014.

School District No. 1J, Multnomah County, Oregon

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

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

NOTE 13 - RISK MANAGEMENT - Continued

The total claims payable at June 30, 2014 of \$4.6 million was made up of approximately \$3.9 million in worker's compensation claims (recorded in the Internal Service Fund) and \$700 thousand 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, 2012, through June 30, 2014, were as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>New Claims</u>	<u>Payments on Claims</u>	<u>Ending Balance</u>
2012	\$ 4,507	\$ 3,187	\$ (3,328)	\$ 4,366
2013	4,366	2,810	(2,636)	4,540
2014	4,540	2,925	(2,868)	4,597

NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES

Operating leases

The District has operating leases for Pearl School and the Community Transition Program. Future minimum required payments under these operating leases are:

2015	\$ 326
2016	301
Total minimum payments	<u>\$ 627</u>

Contracts

Under Oregon Revised Statute No. 279, should funding not be available, the following contracts may be cancelled without penalty. Estimated future District service commitments in excess of \$2 million are listed as follows:

<u>Contractor</u>	<u>Estimated Commitments</u>
First Student	\$ 10,133
P&C Construction Co.	6,230
Dull Olson Weekes Architects	5,380
Bassetti Architects	4,804
2KG Contractors Inc.	3,656
Heery International Inc.	3,479
Payne Construction	3,386
CDW Government	2,354
Open Meadows	2,649
Portland Community College	2,595
SKANSKA	2,190
City of Portland	2,077
Portland Village School	2,000
Self Enhancement Inc.	2,000
	<u>\$ 52,933</u>

School District No. 1J, Multnomah County, Oregon
Notes to the Basic Financial Statements
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NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES - Continued

Blanchard Educational Service Center (BESC)

In June 2000, Multnomah County leased a portion of the BESC facility from the District for \$3.5 million under a 99-year agreement. In December 2008, Portland Public Schools reacquired a portion of that space for \$800 thousand, which was fully paid as of June 30, 2014. This lease agreement stipulates that a portion of the initial lease payment received from Multnomah County be set aside to be applied toward the County's share of major repairs. Any unused balance earns interest at the monthly interest rate earned from the Local Government Investment Pool. As of June 30, 2014 Multnomah County's reserve balance held in the General Fund was \$560.

Pearl School

In September 2009, the District committed to a commercial lease from Nurture 247 LP, for the Pearl School. The lease commenced in 2011 and is renewable in 2016 at the end of the five-year lease period. Initial payments of \$23 thousand per month in year 1, will increase annually to \$25 thousand per month in the fifth year.

Community Transition Program

In July 2010 the District leased commercial space for its Special Education Community Transition Program from Weigel Properties LLC. The space has approximately 2,700 square feet located on N.E. MLK Jr. Boulevard in Portland, Oregon. The lease is for a three-year period and has an option to extend for an additional two years. The lease has been extended through June 30, 2015.

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.

School District No. 1J, Multnomah County, Oregon

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

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

NOTE 15 – FUND BALANCES

Fund balances by classification for the year ended June 30, 2014 are as follows:

	General Fund	Other Major Funds	Other Govern- mental Funds	Total Govern- mental Funds
Nonspendable:				
Prepaid items - General Fund	\$ 59	\$ -	\$ -	\$ 59
Prepaid items - GO Bonds Fund	-	2,069	-	2,069
Prepaid items - Facilities Capital Fund	-	-	21	21
Inventories - Warehouse	141	-	-	141
Inventories - Cafeteria Fund	-	-	280	280
	<u>200</u>	<u>2,069</u>	<u>301</u>	<u>2,570</u>
Restricted:				
General Fund:	560	-	-	560
Special Revenue Funds:	-	-	-	-
Student Body Activity Fund	-	-	3,882	3,882
Cafeteria Fund	-	-	4,630	4,630
Dedicated Resource Fund	-	-	6,944	6,944
Capital Projects Funds:				
Construction Excise Tax Fund	-	-	13,003	13,003
IT System Project Fund	-	-	3,987	3,987
Recovery Zone Energy and Water Conservation Fund	-	-	206	206
Energy Efficient Schools Fund	-	-	915	915
Facilities Capital Fund	-	-	2,138	2,138
Capital Asset Renewal Fund	-	-	2,712	2,712
Debt Service Funds:				
GO Bond Debt Service Fund	-	-	361	361
GO Bonds Fund	-	88,398	-	88,398
	<u>560</u>	<u>88,398</u>	<u>38,778</u>	<u>127,736</u>
Committed:				
PERS Rate Stabilization Fund	-	15,757	-	15,757
Debt Service Fund- PERS UAL	-	-	585	585
	<u>-</u>	<u>15,757</u>	<u>585</u>	<u>16,342</u>
Unassigned	50,914	-	-	50,914
Total fund balances	<u>\$ 51,674</u>	<u>\$ 106,224</u>	<u>\$ 39,664</u>	<u>\$ 197,562</u>

School District No. 1J, Multnomah County, Oregon

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

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

NOTE 16 – RELATED ORGANIZATIONS

The District includes eight charter schools that are legally separate, tax-exempt organizations. The most recent data available indicates charter school total students were 1,664 (representing 3.5% of the District's total enrollment); and that charter schools' Net Position was \$2.8 million (representing 1.1% of the District's Net Position). 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 (reported in unrounded dollars)

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. Receipts and expenditures for the year ended June 30, 2014 are as follows:

	Arts Tax Revenues (unrounded)	Arts Tax Expenditures (unrounded)	FTE Funded	Number of Schools Funded
Non-Charter Schools	\$ 4,408,990	\$ 4,057,359	46.25	59
Charter Schools	103,249	46,490	1.5	6
District Total	<u>\$ 4,512,239</u>	<u>\$ 4,103,849</u>	<u>47.75</u>	<u>65</u>

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. 45, a Schedule of Funding Progress for the District's Other Post Employment Benefit Plan is included in the Required Supplementary Information.



SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Required Supplementary Information
Other Postemployment Benefits
Schedule of Funding Progress and Employer Contributions
June 30, 2014
(amounts expressed in thousands)

Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Normal Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/2009	\$ -	\$ 177,180	\$ 177,180	0%	\$ 256,919	69.0%
07/01/2011	-	145,855	145,855	0%	267,981	54.4%
07/01/2013	-	121,159	121,159	0%	245,261	49.4%
04/01/2014	-	105,510	105,510	0%	245,261	43.0%

The above table presents the most recent actuarial valuations for the District's post-retirement health and welfare benefits plan and it provides information that approximates the funding progress of the plan.

Employer Contributions

Fiscal Year End	Annual Required Contribution	Contribution Made	Percentage Contributed
6/30/2011	\$ 13,343	\$ 7,934	59.5%
6/30/2012	13,343	8,835	66.2%
6/30/2013	10,548	7,224	68.5%
6/30/2014	7,879	7,855	99.7%

The above table presents trend information about the amounts contributed to the plan by the District in comparison to the Annual Required Contribution.

Requests for Information:

Copies of the District's most recent actuarial report of its Other Post Employment Benefit Plan are available. Please direct requests to the Accounting and Payroll Services Department; Portland Public Schools; 501 N. Dixon Street; Portland, OR 97227.

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON

General Fund

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

For the year ended June 30, 2014

(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Property and other taxes	\$ 201,685	\$ 202,485	\$ 212,155	\$ 9,670
State School Fund	185,080	185,080	184,690	(390)
Local option taxes	50,708	55,108	56,013	905
County and intermediate sources	12,457	12,457	12,191	(266)
Federal and state support	-	-	40	40
State Common School Fund	3,702	3,702	4,427	725
Charges for services	2,897	2,897	3,417	520
Investment earnings	600	600	239	(361)
Other	7,270	7,270	6,003	(1,267)
Total revenues	464,399	469,599	479,175	9,576
EXPENDITURES				
Current:				
Instruction:				
Regular programs:				
Salaries and benefits	193,272	191,540	189,726	1,814
Materials and services	7,497	8,027	5,964	2,063
Total regular programs	200,769	199,567	195,690	3,877
Special programs:				
Salaries and benefits	55,505	53,430	52,877	553
Materials and services	22,254	23,332	23,095	237
Total special programs	77,759	76,762	75,972	790
Summer school programs:				
Salaries and benefits	425	422	313	109
Materials and services	10	10	9	1
Total summer school programs	435	432	322	110
Total instruction	278,963	276,761	271,984	4,777
Support services:				
Students:				
Salaries and benefits	33,330	34,883	35,396	(513)
Materials and services	3,655	3,987	3,223	764
Total students	36,985	38,870	38,619	251
Instructional staff:				
Salaries and benefits	13,481	15,105	14,174	931
Materials and services	1,998	2,145	1,338	807
Total instructional staff	15,479	17,250	15,512	1,738
General administration:				
Salaries and benefits	4,301	3,522	3,741	(219)
Materials and services	1,537	1,398	2,151	(753)
Total general administration	5,838	4,920	5,892	(972)

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, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
Support services (continued):				
School administration:				
Salaries and benefits	\$ 30,472	\$ 31,221	\$ 30,637	\$ 584
Materials and services	701	399	240	159
Total school administration	<u>31,173</u>	<u>31,620</u>	<u>30,877</u>	<u>743</u>
Business:				
Salaries and benefits	39,206	39,199	37,251	1,948
Materials and services	35,390	34,916	35,964	(1,048)
Total business	<u>74,596</u>	<u>74,115</u>	<u>73,215</u>	<u>900</u>
Central:				
Salaries and benefits	12,549	13,095	11,879	1,216
Materials and services	5,247	5,447	6,360	(913)
Total central	<u>17,796</u>	<u>18,542</u>	<u>18,239</u>	<u>303</u>
Total support services	<u>181,867</u>	<u>185,317</u>	<u>182,354</u>	<u>2,963</u>
Enterprise and community services:				
Salaries and benefits	565	676	583	93
Materials and services	1,075	1,119	1,038	81
Total enterprise and community services	<u>1,640</u>	<u>1,795</u>	<u>1,621</u>	<u>174</u>
Operating contingency	<u>20,184</u>	<u>33,255</u>	<u>-</u>	<u>33,255</u>
Total expenditures	<u>482,654</u>	<u>497,128</u>	<u>455,959</u>	<u>41,169</u>
Excess (deficit) of revenues over expenditures	<u>(18,255)</u>	<u>(27,529)</u>	<u>23,216</u>	<u>50,745</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,900	-	-	-
Transfers out	(4,907)	(10,028)	(9,013)	1,015
Proceeds from the sale of capital assets	100	100	14	(86)
Total other financing sources and (uses)	<u>(2,907)</u>	<u>(9,928)</u>	<u>(8,999)</u>	<u>929</u>
Net change in fund balance	(21,162)	(37,457)	14,217	51,674
Fund balance - beginning of year	21,162	37,457	37,457	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,674</u>	<u>\$ 51,674</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal and state support	\$ 63,212	\$ 63,212	\$ 50,603	\$ (12,609)
Federal stimulus	-	-	155	155
County and intermediate sources	492	492	1,708	1,216
Other	1,392	1,392	441	(951)
Total revenues	65,096	65,096	52,907	(12,189)
EXPENDITURES				
Current:				
Instruction:				
Regular programs:				
Salaries and benefits	12,702	12,418	12,412	6
Materials and services	3,161	3,625	3,086	539
Total regular programs	15,863	16,043	15,498	545
Special programs:				
Salaries and benefits	14,692	12,750	11,377	1,373
Materials and services	6,467	6,388	5,719	669
Total special programs	21,159	19,138	17,096	2,042
Summer school programs:				
Salaries and benefits	47	339	286	53
Materials and services	37	86	95	(9)
Total summer school programs	84	425	381	44
Total instruction	37,106	35,606	32,975	2,631
Support services:				
Students:				
Salaries and benefits	9,960	9,051	6,420	2,631
Materials and services	6,328	3,790	1,511	2,279
Total students	16,288	12,841	7,931	4,910
Instructional staff:				
Salaries and benefits	5,207	6,883	5,850	1,033
Materials and services	2,005	3,544	1,869	1,675
Total instructional staff	7,212	10,427	7,719	2,708
General administration:				
Salaries and benefits	-	15	13	2
Materials and services	-	1	1	-
Total school administration	-	16	14	2
School administration:				
Salaries and benefits	1,047	999	1,056	(57)
Materials and services	756	703	500	203
Total school administration	1,803	1,702	1,556	146
Business:				
Salaries and benefits	-	4	4	-
Materials and services	325	122	113	9
Total business	325	126	117	9

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (continued)
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
Support services (continued):				
Central:				
Salaries and benefits	\$ 54	\$ 309	\$ 100	\$ 209
Materials and services	325	585	255	330
Total central	<u>379</u>	<u>894</u>	<u>355</u>	<u>539</u>
Total support services	<u>26,007</u>	<u>26,006</u>	<u>17,692</u>	<u>8,314</u>
Enterprise and community services:				
Food services:				
Salaries and benefits	9	59	16	43
Materials and services	441	1,378	757	621
Total food services	<u>450</u>	<u>1,437</u>	<u>773</u>	<u>664</u>
Community services:				
Salaries and benefits	1,256	1,440	1,283	157
Materials and services	277	607	184	423
Total community services	<u>1,533</u>	<u>2,047</u>	<u>1,467</u>	<u>580</u>
Total enterprise and community services	<u>1,983</u>	<u>3,484</u>	<u>2,240</u>	<u>1,244</u>
 Total expenditures	 <u>65,096</u>	 <u>65,096</u>	 <u>52,907</u>	 <u>12,189</u>
 Excess (deficit) of revenues over expenditures	 -	 -	 -	 -
 Fund balance - beginning of year	 -	 -	 -	 -
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
PERS Rate Stabilization Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Property and other taxes	\$ 196	\$ 195	\$ 227	\$ 32
Investment earnings	-	60	54	(6)
Total revenues	196	255	281	26
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,900)	-	-	-
Total other financing sources (uses)	(1,900)	-	-	-
Net change in fund balance	(1,704)	255	281	26
Fund balance - beginning of year	13,574	15,476	15,476	-
Fund balance - end of year	\$ 11,870	\$ 15,731	\$ 15,757	\$ 26

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

SUPPLEMENTARY INFORMATION



COMBINING STATEMENTS

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special revenue funds account for certain revenues that are restricted to expenditures for designated purposes.

Student Body Activity Fund

This fund has separate accounts for each school's student body activities. Principal revenue sources are donations, fund raisers, individual support from PTAs, booster clubs, student store sales and club dues.

Cafeteria Fund

The Cafeteria Fund accounts for revenues and expenditures of the District's food service programs. Principal revenue sources are cash sales and federal subsidies under the National School Lunch and Breakfast Programs, and the sales of food in the BESC Cafeteria.

Dedicated Resource Fund

The Dedicated Resource Fund (formerly called the Special Revenue Fund) accounts for specific project revenues and expenditures such as state grants, foundation grants, donations, and charges to participants.

DEBT SERVICE FUNDS

Debt service funds account for the accumulation of financial resources to pay long-term debt principal, interest and related costs.

Settlement Debt Service Fund

This fund is used for debt service payments of 2007 series Full Faith and Credit Bonds that were issued to settle \$14.5 million in claims to 280 custodians that were laid off in 2002. The principal source of funding is transfers from the General Fund.

IT Projects Debt Service Fund

This fund is used for debt service payments of a \$15.0 million Full Faith and Credit bank loan that was executed on October 8, 2009.

PERS UAL Debt Service Fund

This fund was established to separately account for debt service payments related to series 2002 and 2003 Limited Tax Pension Obligation Bonds.

SELP Debt Service Fund

This fund was established to separately account for Energy Loan Program loans from the Oregon Department of Energy, which had previously been accounted for in the Dedicated Resource Fund.

Recovery Zone Debt Service Fund

This fund is used for debt service payments of \$11.0 million in ARRA Recovery Zone Economic Development Bonds that were sub-awarded to the District by the City of Portland in July, 2010.

GO Bond Debt Service Fund

This fund was established to account for debt service payments associated with capital improvements activities occurring in the GO Bonds Fund. The principal source of revenue is proceeds from property taxes.

COMBINING STATEMENTS

Nonmajor Governmental Funds (continued)

CAPITAL PROJECTS FUNDS

Capital projects funds account for financial resources used to acquire technology or construction, or for major renovation of capital facilities.

Construction Excise Tax Fund

This fund accounts for facilities improvements and construction set forth in Oregon Senate Bill 1036, which authorizes school districts to impose a construction excise tax in order to fund real property improvements.

School Modernization Fund

This fund accounts for the resources and requirements for projects related to the District's school modernization efforts.

IT System Project Fund

This fund accounts for projects relating to teacher/classroom technology, information systems, and technical infrastructure.

Recovery Zone Energy and Water Conservation Fund

This fund accounts for energy and water conservation projects that will financially benefit the District in reduced energy and water costs.

Energy Efficient Schools Fund

This fund was established to separately account for resources and requirements of the Energy Efficient Schools Program receipts from the collections of the Public Purpose Charge funds by an electric company.

Facilities Capital Fund

This fund was established to separately account for resources and requirements resulting from capital improvements work conducted by the District. Primary sources of revenue are transfers from the General Fund and debt proceeds.

Capital Asset Renewal Fund

This fund was established to separately account for future resources and requirements that relate to life-cycle renewal of major building components. Primary sources of revenue are lease revenues, surplus property sales, athletic field rental income, and redirection of resources due to the retirement of Recovery Zone debt in 2019.

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Nonmajor Governmental Funds
Combining Balance Sheet by Fund Types
June 30, 2014
(amounts expressed in thousands)

	Total Nonmajor			Total
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	
ASSETS				
Cash and cash equivalents-unrestricted	\$ 15,662	\$ 1,273	\$ 22,678	\$ 39,613
Cash and cash equivalents held by fiscal agents	-	183	-	183
Accounts and other receivables	1,794	-	3,274	5,068
Property taxes and other taxes receivable	-	1,190	-	1,190
Due from other funds	744	-	-	744
Prepaid Items	-	-	21	21
Inventories	280	-	-	280
Total assets	<u>\$ 18,480</u>	<u>\$ 2,646</u>	<u>\$ 25,973</u>	<u>\$ 47,099</u>
LIABILITIES				
Accounts payable	\$ 1,404	\$ 592	\$ 2,987	\$ 4,983
Accrued wages and benefits	1,340	-	4	1,344
Total liabilities	<u>2,744</u>	<u>592</u>	<u>2,991</u>	<u>6,327</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	-	1,108	-	1,108
FUND BALANCES				
Nonspendable	280	-	21	301
Restricted	15,456	361	22,961	38,778
Committed	-	585	-	585
Total fund balances	<u>15,736</u>	<u>946</u>	<u>22,982</u>	<u>39,664</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 18,480</u>	<u>\$ 2,646</u>	<u>\$ 25,973</u>	<u>\$ 47,099</u>

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2014
(amounts expressed in thousands)

	Student Body Activity Fund	Cafeteria Fund	Dedicated Resource Fund	Total
ASSETS				
Cash and cash equivalents	\$ 3,806	\$ 4,353	\$ 7,503	\$ 15,662
Accounts and other receivables	145	701	948	1,794
Due from other funds	744	-	-	744
Inventories	-	280	-	280
Total assets	<u>\$ 4,695</u>	<u>\$ 5,334</u>	<u>\$ 8,451</u>	<u>\$ 18,480</u>
LIABILITIES				
Accounts payable	\$ 813	\$ 298	\$ 293	\$ 1,404
Accrued wages and benefits	-	126	1,214	1,340
Total liabilities	<u>813</u>	<u>424</u>	<u>1,507</u>	<u>2,744</u>
FUND BALANCES				
Nonspendable	-	280	-	280
Restricted	3,882	4,630	6,944	15,456
Total fund balances	<u>3,882</u>	<u>4,910</u>	<u>6,944</u>	<u>15,736</u>
Total liabilities and fund balances	<u>\$ 4,695</u>	<u>\$ 5,334</u>	<u>\$ 8,451</u>	<u>\$ 18,480</u>

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Nonmajor Debt Service Funds
Combining Balance Sheet
June 30, 2014
(amounts expressed in thousands)

	IT Projects Debt Service Fund	PERS UAL Debt Service Fund	SELP Debt Service Fund	GO Bond Debt Service Fund	Total
ASSETS					
Cash and cash equivalents	\$ 481	\$ 585	\$ 111	\$ 96	\$ 1,273
Cash and cash equivalents held by fiscal agents	-	-	-	183	183
Accounts and other receivables	-	-	-	1,190	1,190
Total assets	<u>\$ 481</u>	<u>\$ 585</u>	<u>\$ 111</u>	<u>\$ 1,469</u>	<u>\$ 2,646</u>
LIABILITIES					
Accounts payable	\$ 481	\$ -	\$ 111	\$ -	\$ 592
Total liabilities	<u>481</u>	<u>-</u>	<u>111</u>	<u>-</u>	<u>592</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	-	-	-	1,108	1,108
FUND BALANCES					
Restricted	-	-	-	361	361
Committed	-	585	-	-	585
Total fund balances	<u>-</u>	<u>585</u>	<u>-</u>	<u>361</u>	<u>946</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 481</u>	<u>\$ 585</u>	<u>\$ 111</u>	<u>\$ 1,469</u>	<u>\$ 2,646</u>

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2014
(amounts expressed in thousands)

	Construction Excise Tax Fund	School Modernization Fund	IT System Project Fund
ASSETS			
Cash and cash equivalents	\$ 11,171	\$ 11	\$ 3,972
Accounts and other receivables	2,345	-	35
Property taxes and other taxes receivable	-	-	-
Total assets	<u>\$ 13,516</u>	<u>\$ 11</u>	<u>\$ 4,007</u>
LIABILITIES			
Accounts payable	\$ 513	\$ 11	\$ 18
Accrued wages and benefits	-	-	2
Total liabilities	<u>513</u>	<u>11</u>	<u>20</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	13,003	-	3,987
Total fund balances	<u>13,003</u>	<u>-</u>	<u>3,987</u>
Total liabilities and fund balances	<u>\$ 13,516</u>	<u>\$ 11</u>	<u>\$ 4,007</u>

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Nonmajor Capital Projects Funds (continued)
Combining Balance Sheet
June 30, 2014
(amounts expressed in thousands)

Recovery Zone Energy & Water Cons. Fund	Energy Efficient Schools Fund	Facilities Capital Fund	Capital Asset Renewal Fund	Total
\$ 1,621	\$ 912	\$ 2,254	\$ 2,737	\$ 22,678
-	90	800	4	3,274
-	-	21	-	21
<u>\$ 1,621</u>	<u>\$ 1,002</u>	<u>\$ 3,075</u>	<u>\$ 2,741</u>	<u>\$ 25,973</u>
\$ 1,415	\$ 87	\$ 914	\$ 29	\$ 2,987
-	-	2	-	4
<u>1,415</u>	<u>87</u>	<u>916</u>	<u>29</u>	<u>2,991</u>
-	-	21	-	21
<u>206</u>	<u>915</u>	<u>2,138</u>	<u>2,712</u>	<u>22,961</u>
<u>206</u>	<u>915</u>	<u>2,159</u>	<u>2,712</u>	<u>22,982</u>
<u>\$ 1,621</u>	<u>\$ 1,002</u>	<u>\$ 3,075</u>	<u>\$ 2,741</u>	<u>\$ 25,973</u>

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances by Fund Type

For the year ended June 30, 2014

(amounts expressed in thousands)

	Total Nonmajor			Total
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	
REVENUES				
Property and other taxes	\$ -	\$ 43,602	\$ 4,888	\$ 48,490
Federal and state support	13,069	193	1,326	14,588
County and intermediate sources	1,837	-	-	1,837
Charges for services	9,289	38,607	561	48,457
Extracurricular activities	8,308	-	-	8,308
Investment earnings	-	123	41	164
Other	3,583	-	3,111	6,694
Total revenues	36,086	82,525	9,927	128,538
EXPENDITURES				
Current:				
Instruction:				
Regular programs	16,819	-	-	16,819
Special programs	2,139	-	-	2,139
Summer school programs	4	-	-	4
Total instruction	18,962	-	-	18,962
Support services:				
Students	281	-	-	281
Instructional staff	138	-	-	138
General administration	46	-	-	46
School administration	254	-	-	254
Business	270	-	1	271
Central	34	-	1,054	1,088
Total support services	1,023	-	1,055	2,078
Enterprise and community services:				
Food services	16,169	-	-	16,169
Community services	29	-	-	29
Total enterprise and community services	16,198	-	-	16,198
Facilities acquisition and construction:	23	-	12,123	12,146
Debt Service:				
Principal	-	51,500	-	51,500
Interest and fiscal charges	-	34,921	-	34,921
Total debt service	-	86,421	-	86,421
Total expenditures	36,206	86,421	13,178	135,805
Excess (deficit) of revenues over expenditures	(120)	(3,896)	(3,251)	(7,267)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	4,832	4,181	9,013
Proceeds from the sale of capital assets	-	-	1,993	1,993
Total other financing sources (uses)	-	4,832	6,174	11,006
 Net change in fund balances	 (120)	 936	 2,923	 3,739
 Fund balances - beginning of year	 15,856	 10	 20,059	 35,925
Fund balances - end of year	\$ 15,736	\$ 946	\$ 22,982	\$ 39,664

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2014
(amounts expressed in thousands)

	Student Body Activity Fund	Cafeteria Fund	Dedicated Resource Fund	Total
REVENUES				
Federal and state support	\$ -	\$ 12,926	\$ 143	\$ 13,069
County and intermediate sources	-	-	1,837	1,837
Charges for services	-	3,580	5,709	9,289
Extracurricular activities	8,308	-	-	8,308
Other	-	50	3,533	3,583
Total revenues	<u>8,308</u>	<u>16,556</u>	<u>11,222</u>	<u>36,086</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	8,166	-	8,653	16,819
Special programs	-	-	2,139	2,139
Summer school programs	-	-	4	4
Total instruction	<u>8,166</u>	<u>-</u>	<u>10,796</u>	<u>18,962</u>
Support services:				
Students	-	-	281	281
Instructional staff	-	-	138	138
General administration	-	-	46	46
School administration	-	-	254	254
Business	-	-	270	270
Central	-	-	34	34
Total support services	<u>-</u>	<u>-</u>	<u>1,023</u>	<u>1,023</u>
Enterprise and community services:				
Food services	-	16,163	6	16,169
Community services	-	-	29	29
Total enterprise & community service	<u>-</u>	<u>16,163</u>	<u>35</u>	<u>16,198</u>
Facilities acquisition & construction:				
Total expenditures	<u>8,166</u>	<u>16,163</u>	<u>11,877</u>	<u>36,206</u>
Excess (deficit) of revenues over expenditures	<u>142</u>	<u>393</u>	<u>(655)</u>	<u>(120)</u>
Net change in fund balances	142	393	(655)	(120)
Fund balances - beginning of year	3,740	4,517	7,599	15,856
Fund balances - end of year	<u>\$ 3,882</u>	<u>\$ 4,910</u>	<u>\$ 6,944</u>	<u>\$ 15,736</u>

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2014
(amounts expressed in thousands)

	<u>Settlement Debt Service Fund</u>	<u>IT Projects Debt Service Fund</u>	<u>PERS UAL Debt Service Fund</u>
REVENUES			
Property and other taxes	\$ -	\$ -	\$ -
Charges for services	-	-	38,607
Investment earnings	-	-	102
Federal and state support	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>38,709</u>
EXPENDITURES			
Current:			
Debt Service:			
Principal	1,375	1,603	11,534
Interest and fiscal charges	74	465	26,600
Total expenditures	<u>1,449</u>	<u>2,068</u>	<u>38,134</u>
Excess (deficit) of revenues over expenditures	<u>(1,449)</u>	<u>(2,068)</u>	<u>575</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>1,449</u>	<u>2,068</u>	<u>-</u>
Total other financing sources (uses)	<u>1,449</u>	<u>2,068</u>	<u>-</u>
Net change in fund balances	-	-	575
Fund balances - beginning of year	-	-	10
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 585</u>

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the year ended June 30, 2014
(amounts expressed in thousands)

	SELP Debt Service Fund	Recovery Zone Debt Service Fund	GO Bond Debt Service Fund	Total
REVENUES				
Property and other taxes	\$ -	\$ -	\$ 43,602	\$ 43,602
Charges for services	-	-	-	38,607
Investment earnings	-	-	21	123
Federal and state support	-	193	-	193
Total revenues	<u>-</u>	<u>193</u>	<u>43,623</u>	<u>82,525</u>
EXPENDITURES				
Current:				
Debt Service:				
Principal	179	859	35,950	51,500
Interest and fiscal charges	8	462	7,312	34,921
Total expenditures	<u>187</u>	<u>1,321</u>	<u>43,262</u>	<u>86,421</u>
Excess (deficit) of revenues over expenditures	<u>(187)</u>	<u>(1,128)</u>	<u>361</u>	<u>(3,896)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	187	1,128	-	4,832
Total other financing sources (uses)	<u>187</u>	<u>1,128</u>	<u>-</u>	<u>4,832</u>
Net change in fund balances	-	-	361	936
Fund balances - beginning of year	-	-	-	10
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 361</u>	<u>\$ 946</u>

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2014
(amounts expressed in thousands)

	Construction Excise Tax Fund	School Modernization Fund	IT System Project Fund	Recovery Zone Energy & Water Cons. Fund
REVENUES				
Property and other taxes	\$ 4,888	\$ -	\$ -	\$ -
Federal and state support	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	2	8	9	9
Other	819	-	563	-
Total revenues	<u>5,709</u>	<u>8</u>	<u>572</u>	<u>9</u>
EXPENDITURES				
Current:				
Support services:				
Business	-	-	-	-
Central	-	-	1,054	-
Total support services	<u>-</u>	<u>-</u>	<u>1,054</u>	<u>-</u>
Facilities acquisition and construction:	<u>1,278</u>	<u>1,962</u>	<u>-</u>	<u>1,360</u>
Total expenditures	<u>1,278</u>	<u>1,962</u>	<u>1,054</u>	<u>1,360</u>
Excess (deficit) of revenues over expenditures	<u>4,431</u>	<u>(1,954)</u>	<u>(482)</u>	<u>(1,351)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,500	-
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>-</u>
Net change in fund balances	4,431	(1,954)	3,018	(1,351)
Fund balances - beginning of year	8,572	1,954	969	1,557
Fund balances - end of year	<u>\$ 13,003</u>	<u>\$ -</u>	<u>\$ 3,987</u>	<u>\$ 206</u>

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the year ended June 30, 2014
(amounts expressed in thousands)

	Energy Efficient Schools Fund	Facilities Capital Fund	Capital Asset Renewal Fund	Total
REVENUES				
Property and other taxes	\$ -	\$ -	\$ -	\$ 4,888
Federal and state support	-	1,326	-	1,326
Charges for services	-	-	561	561
Investment earnings	-	13	-	41
Other	558	1,171	-	3,111
Total revenues	<u>558</u>	<u>2,510</u>	<u>561</u>	<u>9,927</u>
EXPENDITURES				
Current:				
Support services:				
Business	-	1	-	1
Central	-	-	-	1,054
Total support services	<u>-</u>	<u>1</u>	<u>-</u>	<u>1,055</u>
Facilities acquisition and construction:	<u>534</u>	<u>6,940</u>	<u>49</u>	<u>12,123</u>
Total expenditures	<u>534</u>	<u>6,941</u>	<u>49</u>	<u>13,178</u>
Excess (deficit) of revenues over expenditures	<u>24</u>	<u>(4,431)</u>	<u>512</u>	<u>(3,251)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	681	-	4,181
Proceeds from the sale of capital assets	-	-	1,993	1,993
Total other financing sources (uses)	<u>-</u>	<u>681</u>	<u>1,993</u>	<u>6,174</u>
Net change in fund balances	24	(3,750)	2,505	2,923
Fund balances - beginning of year	891	5,909	207	20,059
Fund balances - end of year	<u>\$ 915</u>	<u>\$ 2,159</u>	<u>\$ 2,712</u>	<u>\$ 22,982</u>



BUDGETARY COMPARISON SCHEDULES
Nonmajor Governmental Funds

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Student Body Activity Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Extracurricular activities	\$ 8,819	\$ 8,819	\$ 8,308	\$ (511)
Total revenues	<u>8,819</u>	<u>8,819</u>	<u>8,308</u>	<u>(511)</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs				
Materials and services	8,954	9,298	8,166	1,132
Total instruction	<u>8,954</u>	<u>9,298</u>	<u>8,166</u>	<u>1,132</u>
Total expenditures	<u>8,954</u>	<u>9,298</u>	<u>8,166</u>	<u>1,132</u>
Excess (deficit) of revenues over expenditures	<u>(135)</u>	<u>(479)</u>	<u>142</u>	<u>621</u>
Net change in fund balance	(135)	(479)	142	621
Fund balance - beginning of year	3,396	3,740	3,740	-
Fund balance - end of year	<u>\$ 3,261</u>	<u>\$ 3,261</u>	<u>\$ 3,882</u>	<u>\$ 621</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Cafeteria Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal and state support	\$ 13,479	\$ 13,682	\$ 12,926	\$ (756)
Charges for services	3,653	3,653	3,580	(73)
Other	10	52	50	(2)
Total revenues	<u>17,142</u>	<u>17,387</u>	<u>16,556</u>	<u>(831)</u>
EXPENDITURES				
Current:				
Enterprise and community services:				
Food services:				
Salaries and benefits	8,201	8,295	7,253	1,042
Materials and services	10,485	10,894	8,910	1,984
Total enterprise and community services	<u>18,686</u>	<u>19,189</u>	<u>16,163</u>	<u>3,026</u>
Total expenditures	<u>18,686</u>	<u>19,189</u>	<u>16,163</u>	<u>3,026</u>
Excess (deficit) of revenues over expenditures	<u>(1,544)</u>	<u>(1,802)</u>	<u>393</u>	<u>2,195</u>
Net change in fund balance	(1,544)	(1,802)	393	2,195
Fund balance - beginning of year	3,542	4,517	4,517	-
Fund balance - end of year	<u>\$ 1,998</u>	<u>\$ 2,715</u>	<u>\$ 4,910</u>	<u>\$ 2,195</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Dedicated Resource Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance from</u> <u>Final Budget</u> <u>Positive/</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 6,656	\$ 6,656	\$ 5,709	\$ (947)
County and intermediate sources	1,581	1,581	1,837	256
Federal and state support	95	95	143	48
Other	5,146	5,146	3,533	(1,613)
Total revenues	13,478	13,478	11,222	(2,256)
EXPENDITURES				
Current:				
Instruction:				
Regular programs:				
Salaries and benefits	8,636	10,605	8,052	2,553
Materials and services	1,547	1,842	601	1,241
Total regular programs	10,183	12,447	8,653	3,794
Special programs:				
Salaries and benefits	2,483	3,510	1,850	1,660
Materials and services	1,054	794	289	505
Total special programs	3,537	4,304	2,139	2,165
Summer school programs:				
Salaries and benefits	267	340	1	339
Materials and services	43	26	3	23
Total summer school programs	310	366	4	362
Total instruction	14,030	17,117	10,796	6,321
Support services:				
Students:				
Salaries and benefits	50	122	73	49
Materials and services	484	344	208	136
Total students	534	466	281	185
Instructional staff:				
Salaries and benefits	35	136	111	25
Materials and services	261	197	27	170
Total instructional staff	296	333	138	195
General administration:				
Materials and services	386	376	46	330
Total general administration	386	376	46	330
School administration:				
Salaries and benefits	426	409	251	158
Materials and services	6	2	3	(1)
Total school administration	432	411	254	157

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Dedicated Resource Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (continued)
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
Support services (continued):				
Business:				
Salaries and benefits	\$ 155	\$ 177	\$ 153	\$ 24
Materials and services	84	95	117	(22)
Total business	239	272	270	2
Central:				
Salaries and benefits	2	3	2	1
Materials and services	31	59	32	27
Total central	33	62	34	28
Total support services	1,920	1,920	1,023	897
Enterprise and community services:				
Food Services:				
Materials and services	17	21	6	15
Total food services	17	21	6	15
Community services:				
Salaries and benefits	35	31	22	9
Materials and services	14	14	7	7
Total community services	49	45	29	16
Total enterprise and community services	66	66	35	31
Facilities acquisition & construction:				
Materials and services	1,974	1,974	23	1,951
Total facilities acquisition and construction	1,974	1,974	23	1,951
Total expenditures	17,990	21,077	11,877	9,200
Excess (deficit) of revenues over expenditures	(4,512)	(7,599)	(655)	6,944
Net change in fund balance	(4,512)	(7,599)	(655)	6,944
Fund balance - beginning of year	4,512	7,599	7,599	-
Fund balance - end of year	\$ -	\$ -	\$ 6,944	\$ 6,944

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Settlement Debt Service Fund
Schedule of Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance from
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive/ (Negative)</u>
EXPENDITURES				
Current:				
Debt service:				
Principal	\$ 1,375	\$ 1,375	\$ 1,375	\$ -
Interest and fiscal charges	74	74	74	-
Total debt service	1,449	1,449	1,449	-
Total expenditures	<u>1,449</u>	<u>1,449</u>	<u>1,449</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,449	1,449	1,449	-
Total other financing sources (uses)	<u>1,449</u>	<u>1,449</u>	<u>1,449</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
IT Projects Debt Service Fund
Schedule of Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
EXPENDITURES				
Current:				
Debt service:				
Principal	\$ 1,132	\$ 1,603	\$ 1,603	\$ -
Interest and fiscal charges	455	474	465	(9)
Total debt service	1,587	2,077	2,068	(9)
Total expenditures	<u>1,587</u>	<u>2,077</u>	<u>2,068</u>	<u>(9)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,587</u>	<u>2,077</u>	<u>2,068</u>	<u>(9)</u>
Total other financing sources (uses)	<u>1,587</u>	<u>2,077</u>	<u>2,068</u>	<u>(9)</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
PERS UAL Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		Positive/ (Negative)
REVENUES				
Charges for services	\$ 38,034	\$ 38,024	\$ 38,607	\$ 583
Investment earnings	100	100	102	2
Total revenues	38,134	38,124	38,709	585
EXPENDITURES				
Current:				
Debt service:				
Principal	11,534	11,534	11,534	-
Interest and fiscal charges	26,600	26,600	26,600	-
Total debt service	38,134	38,134	38,134	-
 Total expenditures	 38,134	 38,134	 38,134	 -
Excess (deficit) of revenues over expenditures	-	(10)	575	585
Net change in fund balance	-	(10)	575	585
Fund balance - beginning of year	-	10	10	-
Fund balance - end of year	\$ -	\$ -	\$ 585	\$ 585

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON

SELP Debt Service Fund

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

For the year ended June 30, 2014

(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current:				
Debt service:				
Principal	\$ 68	\$ 179	\$ 179	\$ -
Interest and fiscal charges	8	13	8	5
Total debt service	76	192	187	5
Total expenditures	76	192	187	5
Excess (deficit) of revenues over expenditures	(76)	(192)	(187)	(5)
OTHER FINANCING SOURCES (USES)				
Transfers in	76	192	187	(5)
Total other financing sources (uses)	76	192	187	(5)
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Recovery Zone Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Federal and state support	\$ 208	\$ 193	\$ 193	\$ -
Total revenues	<u>208</u>	<u>193</u>	<u>193</u>	<u>-</u>
EXPENDITURES				
Current:				
Debt service:				
Principal	859	859	859	-
Interest and fiscal charges	462	462	462	-
Total debt service	<u>1,321</u>	<u>1,321</u>	<u>1,321</u>	<u>-</u>
Total expenditures	<u>1,321</u>	<u>1,321</u>	<u>1,321</u>	<u>-</u>
Excess (deficit) of revenues over expenditures	<u>(1,113)</u>	<u>(1,128)</u>	<u>(1,128)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,113	1,128	1,128	-
Total other financing sources (uses)	<u>1,113</u>	<u>1,128</u>	<u>1,128</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
GO Bond Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Property and other taxes	\$ 43,247	\$ 42,247	\$ 43,602	\$ 1,355
Investment earnings	15	15	21	6
Total revenues	<u>43,262</u>	<u>42,262</u>	<u>43,623</u>	<u>1,361</u>
EXPENDITURES				
Current:				
Debt service:				
Principal	35,950	35,950	35,950	-
Interest and fiscal charges	7,312	7,312	7,312	-
Total debt service	43,262	43,262	43,262	-
Total expenditures	<u>43,262</u>	<u>43,262</u>	<u>43,262</u>	<u>-</u>
Excess (deficit) of revenues over expenditures	<u>-</u>	<u>(1,000)</u>	<u>361</u>	<u>1,361</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,000	-	(1,000)
Total other financing sources (uses)	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Net change in fund balance	-	-	361	361
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 361</u>	<u>\$ 361</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Construction Excise Tax Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		Positive/ (Negative)
REVENUES				
Construction excise tax	\$ 1,601	\$ 3,001	\$ 4,888	\$ 1,887
Investment earnings	10	10	2	(8)
Other	-	819	819	-
Total revenues	<u>1,611</u>	<u>3,830</u>	<u>5,709</u>	<u>1,879</u>
EXPENDITURES				
Current:				
Facilities acquisition & construction:				
Materials and services	9,083	12,402	1,278	11,124
Total facilities acquisition & construction	<u>9,083</u>	<u>12,402</u>	<u>1,278</u>	<u>11,124</u>
Total expenditures	<u>9,083</u>	<u>12,402</u>	<u>1,278</u>	<u>11,124</u>
Excess (deficit) of revenues over expenditures	<u>(7,472)</u>	<u>(8,572)</u>	<u>4,431</u>	<u>13,003</u>
Net change in fund balance	(7,472)	(8,572)	4,431	13,003
Fund balance - beginning of year	7,472	8,572	8,572	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,003</u>	<u>\$ 13,003</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Modernization Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 12	\$ 12	\$ 8	\$ (4)
Total revenues	<u>12</u>	<u>12</u>	<u>8</u>	<u>(4)</u>
EXPENDITURES				
Current:				
Facilities acquisition & construction:				
Salaries and benefits	-	-	2	(2)
Materials and services	2,434	1,966	1,960	6
Total facilities acquisition & construction	<u>2,434</u>	<u>1,966</u>	<u>1,962</u>	<u>4</u>
Total expenditures	<u>2,434</u>	<u>1,966</u>	<u>1,962</u>	<u>4</u>
Excess (deficit) of revenues over expenditures	<u>(2,422)</u>	<u>(1,954)</u>	<u>(1,954)</u>	<u>-</u>
Net change in fund balance	(2,422)	(1,954)	(1,954)	-
Fund balance - beginning of year	2,422	1,954	1,954	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
IT System Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		Positive/ (Negative)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 9	\$ 9
Other	-	563	563	-
Total revenues	<u>-</u>	<u>563</u>	<u>572</u>	<u>9</u>
EXPENDITURES				
Current:				
Support services:				
Instructional staff:				
Salaries and benefits	-	52	-	52
Total instructional staff	<u>-</u>	<u>52</u>	<u>-</u>	<u>52</u>
Central:				
Salaries and benefits	308	408	405	3
Materials and services	352	4,296	649	3,647
Total central	<u>660</u>	<u>4,704</u>	<u>1,054</u>	<u>3,650</u>
Total support services	<u>660</u>	<u>4,756</u>	<u>1,054</u>	<u>3,702</u>
Operating contingency	<u>100</u>	<u>276</u>	<u>-</u>	<u>276</u>
Total expenditures	<u>760</u>	<u>5,032</u>	<u>1,054</u>	<u>3,978</u>
Excess (deficit) of revenues over expenditures	<u>(760)</u>	<u>(4,469)</u>	<u>(482)</u>	<u>3,987</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,500	3,500	-
Total other financing sources	<u>-</u>	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Net change in fund balance	<u>(760)</u>	<u>(969)</u>	<u>3,018</u>	<u>3,987</u>
Fund balance - beginning of year	760	969	969	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,987</u>	<u>\$ 3,987</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Recovery Zone Energy and Water Conservation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		Positive/ (Negative)
REVENUES				
Investment earnings	\$ 7	\$ 7	\$ 9	\$ 2
Total revenues	<u>7</u>	<u>7</u>	<u>9</u>	<u>2</u>
EXPENDITURES				
Current:				
Facilities acquisition & construction:				
Salaries and benefits	-	-	19	(19)
Materials and services	607	1,564	1,341	223
Total facilities acquisition & construction	<u>607</u>	<u>1,564</u>	<u>1,360</u>	<u>204</u>
Total expenditures	<u>607</u>	<u>1,564</u>	<u>1,360</u>	<u>204</u>
Excess (deficit) of revenues over expenditures	<u>(600)</u>	<u>(1,557)</u>	<u>(1,351)</u>	<u>206</u>
Net change in fund balance	(600)	(1,557)	(1,351)	206
Fund balance - beginning of year	600	1,557	1,557	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206</u>	<u>\$ 206</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Energy Efficient Schools Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 3	\$ 3	\$ -	\$ (3)
Other	853	707	558	(149)
Total revenues	<u>856</u>	<u>710</u>	<u>558</u>	<u>(152)</u>
EXPENDITURES				
Current:				
Facilities acquisition & construction:				
Materials and services	1,434	1,601	534	1,067
Total facilities acquisition & construction	<u>1,434</u>	<u>1,601</u>	<u>534</u>	<u>1,067</u>
Total expenditures	<u>1,434</u>	<u>1,601</u>	<u>534</u>	<u>1,067</u>
Excess (deficit) of revenues over expenditures	<u>(578)</u>	<u>(891)</u>	<u>24</u>	<u>915</u>
Net change in fund balance	(578)	(891)	24	915
Fund balance - beginning of year	578	891	891	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 915</u>	<u>\$ 915</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Facilities Capital Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Federal and state support	\$ 1,300	\$ 1,300	\$ 1,326	\$ 26
Investment earnings	3	3	13	10
Other	-	521	1,171	650
Total revenues	1,303	1,824	2,510	686
EXPENDITURES				
Current:				
Support Services:				
Business:				
Materials and services	-	2	1	1
Total support services	-	2	1	1
Facilities acquisition & construction:				
Salaries and benefits	-	101	74	27
Materials and services	5,883	8,311	6,866	1,445
Total facilities acquisition & construction	5,883	8,412	6,940	1,472
Total expenditures	5,883	8,414	6,941	1,473
Excess (deficit) of revenues over expenditures	(4,580)	(6,590)	(4,431)	2,159
OTHER FINANCING SOURCES (USES)				
Transfers in	681	681	681	-
Total other financing sources (uses)	681	681	681	-
Net change in fund balance	(3,899)	(5,909)	(3,750)	2,159
Fund balance - beginning of year	3,899	5,909	5,909	-
Fund balance - end of year	\$ -	\$ -	\$ 2,159	\$ 2,159

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Capital Asset Renewal Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 52	\$ 52	\$ 561	\$ 509
Total revenues	<u>52</u>	<u>52</u>	<u>561</u>	<u>509</u>
EXPENDITURES				
Current:				
Facilities acquisition & construction:				
Materials and services	169	2,252	49	2,203
Total facilities acquisition & construction	169	2,252	49	2,203
Total expenditures	<u>169</u>	<u>2,252</u>	<u>49</u>	<u>2,203</u>
Excess (deficit) of revenues over expenditures	<u>(117)</u>	<u>(2,200)</u>	<u>512</u>	<u>2,712</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	-	1,993	1,993	-
Total other financing sources (uses)	<u>-</u>	<u>1,993</u>	<u>1,993</u>	<u>-</u>
Net change in fund balance	(117)	(207)	2,505	2,712
Fund balance - beginning of year	117	207	207	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,712</u>	<u>\$ 2,712</u>

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Insurance Recoveries Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Insurance recoveries	\$ 100	\$ 100	\$ -	\$ (100)
Total revenues	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
EXPENDITURES				
Current:				
Facilities acquisition & construction:				
Materials and services	100	100	-	100
Total facilities acquisition & construction	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total expenditures	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Excess (deficit) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



BUDGETARY COMPARISON SCHEDULES
Other funds

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
GO Bonds Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 28	\$ 248	\$ 300	\$ 52
Total revenues	<u>28</u>	<u>248</u>	<u>300</u>	<u>52</u>
EXPENDITURES				
Current:				
Support services:				
Business:				
Materials and services	-	148	109	39
Total support services	<u>-</u>	<u>148</u>	<u>109</u>	<u>39</u>
Facilities acquisition & construction:				
Salaries and benefits	2,257	1,981	1,832	149
Materials and services	34,048	36,770	17,127	19,643
Total facilities acquisition and construction	<u>36,305</u>	<u>38,751</u>	<u>18,959</u>	<u>19,792</u>
Operating contingency	<u>67,315</u>	<u>70,584</u>	-	<u>70,584</u>
Total expenditures	<u>103,620</u>	<u>109,483</u>	<u>19,068</u>	<u>90,415</u>
Excess (deficit) of revenues over expenditures	<u>(103,592)</u>	<u>(109,235)</u>	<u>(18,768)</u>	<u>90,467</u>
Net change in fund balance	(103,592)	(109,235)	(18,768)	(90,467)
Fund balance - beginning of year	103,592	109,235	109,235	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,467</u>	<u>\$ (90,467)</u>

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 Retained Earnings - Budget and Actual
For the year ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 2,926	\$ 2,926	\$ 3,044	\$ 118
Total operating revenues	2,926	2,926	3,044	118
OPERATING EXPENSES				
Support services:				
Salaries and benefits	158	192	197	(5)
Materials and services	298	284	259	25
Claims expense	2,715	2,402	2,278	124
Total support services	3,171	2,878	2,734	144
Operating contingency	2,727	2,300	-	2,300
Total operating expenses	5,898	5,178	2,734	2,444
Operating income (loss)	(2,972)	(2,252)	310	2,562
NON OPERATING REVENUES				
Investment income	10	10	17	7
Federal and state support	196	196	87	(109)
Total non-operating revenues	206	206	104	(102)
Change in net position	(2,766)	(2,046)	414	2,460
Beginning net position - budgetary basis	2,766	2,046	2,046	-
Ending net position - budgetary basis	\$ -	\$ -	2,460	\$ 2,460
Reconciliation:				
Other post employment benefits obligation			(36)	
Accrued compensated absences			(14)	
Net position - GAAP basis			\$ 2,410	

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



OTHER FINANCIAL SCHEDULES

SCHOOL DISTRICT NO.1, MULTNOMAH COUNTY OREGON
General Fund
Schedule of Property Tax Transactions
For the Year Ended June 30, 2014
(dollars in thousands)

DISTRICT LEVIES	Tax Year	Taxes		Levy as Extended by Assessor	Discounts Allowed	Interest	Cancellations and Adjustments	Property Tax Collections	Taxes	
		Uncollected June 30, 2013	Uncollected June 30, 2014						Uncollected June 30, 2013	Uncollected June 30, 2014
Multnomah County:										
General Tax:										
Current Year	2013-2014	\$ -		\$ 215,952	\$ (5,498)	\$ 84	\$ (553)	\$ (204,368)	\$ 5,617	
Prior Years	2012-2013	5,703		-	4	201	(213)	(2,621)	3,074	
	2011-2012	3,422		-	-	200	(57)	(1,100)	2,465	
	2010-2011	2,054		-	-	282	(21)	(1,082)	1,233	
	2009-2010	1,257		-	-	181	(17)	(613)	808	
	2008-2009	104		-	-	19	(10)	(51)	62	
	2007-2008	47		-	-	10	(4)	(24)	29	
	2006-2007	25		-	-	2	(2)	(4)	21	
	2005-2006	17		-	-	1	(1)	(2)	15	
	2004-2005	16		-	-	1	(1)	(3)	13	
	10+ yrs prior	95		-	-	19	(4)	(29)	81	
	Total General Tax:	12,740		215,952	(5,494)	1,000	(883)	(209,897)	13,418	
Local Option Taxes:										
Current Year	2013-2014	\$ -		\$ 57,162	\$ (1,455)	\$ 22	\$ (146)	\$ (54,096)	\$ 1,487	
Prior Years	2012-2013	1,443		-	1	51	(54)	(663)	778	
	2011-2012	928		-	-	54	(16)	(298)	668	
	2010-2011	409		-	-	57	(4)	(216)	246	
	2009-2010	257		-	-	37	(3)	(125)	166	
	2008-2009	22		-	-	4	(2)	(11)	13	
	2007-2008	10		-	-	2	(1)	(5)	6	
	2006-2007	-		-	-	-	-	-	-	
	2005-2006	-		-	-	-	-	-	-	
	2004-2005	2		-	-	-	(1)	-	1	
	10+ yrs prior	5		-	-	1	-	(2)	4	
	Total Local Option Taxes:	3,076		57,162	(1,454)	228	(227)	(55,416)	3,369	
Bond Tax:										
Current Year	2013-2014	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Prior Years	2012-2013	-		-	-	-	-	-	-	
	2011-2012	-		-	-	-	-	-	-	
	2010-2011	-		-	-	-	-	-	-	
	2009-2010	-		-	-	-	-	-	-	
	2008-2009	-		-	-	-	-	-	-	
	2007-2008	-		-	-	-	-	-	-	
	2006-2007	-		-	-	-	-	-	-	
	2005-2006	-		-	-	-	-	-	-	
	2004-2005	4		-	-	-	-	-	(1)	3
	10+ yrs prior	15		-	-	2	-	(4)	13	
	Total Bond Taxes:	19		-	-	2	-	(5)	16	

SCHOOL DISTRICT NO.1, MULTNOMAH COUNTY OREGON
General Fund

Schedule of Property Tax Transactions
For the Year Ended June 30, 2014

(dollars in thousands)

DISTRICT LEVIES Cancel/Omit:	Tax Year	Taxes		Levy as Extended by Assessor	Discounts Allowed	Interest	Cancellations and Adjustments	Property Tax Collections	Taxes	
		Uncollected June 30, 2013	Uncollected June 30, 2014						Uncollected June 30, 2013	Uncollected June 30, 2014
Current Year	2013-2014	\$ -	\$ -	\$ 522	\$ (13)	\$ -	\$ (1)	\$ (494)	\$ -	\$ 14
Prior Years	2012-2013	7	-	-	-	-	-	(3)	-	4
	2011-2012	14	-	-	-	1	-	(5)	-	10
	2010-2011	3	-	-	-	1	-	(2)	-	2
	2009-2010	2	-	-	-	-	-	(1)	-	1
	2008-2009	-	-	-	-	-	-	-	-	-
	2007-2008	-	-	-	-	-	-	-	-	-
	2006-2007	-	-	-	-	-	-	-	-	-
	2005-2006	-	-	-	-	-	-	-	-	-
	2004-2005	-	-	-	-	-	-	-	-	-
	10+ yrs prior	-	-	-	-	-	-	-	-	-
Total Cancel/Omit Taxes:		26		522	(13)	2	(1)	(505)		31
Total Multnomah County:		15,861		273,636	(6,961)	1,232	(1,111)	(265,823)		16,834
Washington County:		-		1,805	-	-	-	(1,798)		-
Clackamas County:		-		224	-	-	-	(220)		-
Total All Counties:		<u>\$ 15,861</u>		<u>\$ 275,665</u>	<u>\$ (6,961)</u>	<u>\$ 1,232</u>	<u>\$ (1,111)</u>	<u>\$ (267,841)</u>		<u>\$ 16,834</u>

¹ The total collections from Washington and Clackamas Counties were less than one percent of the District's total property tax collections. The taxes receivable from the two counties at June 30, 2014 were considered immaterial.

Property Tax Transactions were recorded in the General Fund and the GO Bond Debt Service Fund for FY 2014.

SCHOOL DISTRICT NO.1, MULTNOMAH COUNTY OREGON
General Fund
Schedule of Property Tax Transactions
For the Year Ended June 30, 2014

Reconciliation to Financial Statements:	
Property tax collections for the year ended June 30, 2014	\$ 267,841
Non-levied tax revenue received for the year ended June 30, 2014	734
Uncollected property taxes at June 30, 2014	\$ 16,834
Uncollected property taxes susceptible to accrual at June 30, 2014	1,013 (1,005)
Non-levied tax revenue susceptible to accrual at June 30, 2014	1 (1)
Property taxes & non-levy rev susceptible to accrual at June 30, 2013, and collected during the year ended June 30, 2014	<u>(1,202)</u>
Total property taxes - General Fund	<u>\$ 268,387</u>
Total Unavailable Revenues - General Fund	<u>\$ 15,828</u>

SCHOOL DISTRICT NO.1, MULTNOMAH COUNTY OREGON
Debt Service Funds
Schedule of Property Tax Transactions
For the Year Ended June 30, 2014

Tax Year	Taxes		Levy as Extended by Assessor	Discounts Allowed	Interest	Cancellations and Adjustments	Property Tax Collections	Taxes	
	Uncollected June 30, 2013	Uncollected June 30, 2014						Uncollected June 30, 2013	Uncollected June 30, 2014
DISTRICT LEVIES									
Multnomah County:									
Bond Tax:									
Current Year	\$ -	\$ -	\$ 45,668	\$ (1,163)	\$ 18	\$ (117)	\$ (43,218)	\$ -	\$ 1,188
Prior Years	-	-	-	-	-	-	-	-	-
2011-2012	-	-	-	-	-	-	-	-	-
2010-2011	-	-	-	-	-	-	-	-	-
2009-2010	-	-	-	-	-	-	-	-	-
2008-2009	-	-	-	-	-	-	-	-	-
2007-2008	-	-	-	-	-	-	-	-	-
2006-2007	-	-	-	-	-	-	-	-	-
2005-2006	-	-	-	-	-	-	-	-	-
2004-2005	-	-	-	-	-	-	-	-	-
10+ yrs prior	-	-	-	-	-	-	-	-	-
Total Multnomah County:	-	-	<u>45,668</u>	<u>(1,163)</u>	<u>18</u>	<u>(117)</u>	<u>(43,218)</u>	-	<u>1,188</u>
Washington County:									
All Years ¹			322				(263)		
Clackamas County:									
All Years ¹			37				(32)		
Total All Counties:	\$ -	\$ -	<u>\$ 46,027</u>	<u>\$ (1,163)</u>	<u>\$ 18</u>	<u>\$ (117)</u>	<u>\$ (43,513)</u>	<u>\$ -</u>	<u>\$ 1,188</u>

¹ The total collections from Washington and Clackamas Counties were less than one percent of the District's total property tax collections. The taxes receivable from the two counties at June 30, 2014 were considered immaterial.

SCHOOL DISTRICT NO.1, MULTNOMAH COUNTY OREGON
Debt Service Funds
Schedule of Property Tax Transactions
For the Year Ended June 30, 2014

Reconciliation to Financial Statements:	
Property tax collections for the year ended June 30, 2014	\$ 43,514
Non-levied tax revenue received for the year ended June 30, 2014	7
Uncollected property taxes at June 30, 2014	\$ 1,188
Uncollected property taxes susceptible to accrual at June 30, 2014	80 (80)
Non-levied tax revenue susceptible to accrual at June 30, 2014	-
Property taxes & non-levy rev susceptible to accrual at June 30, 2013, and collected during the year ended June 30, 2014	-
Total property taxes - Debt Service Funds	<u>\$ 43,601</u>
Total Unavailable Revenues - Debt Service Funds	<u>\$ 1,108</u>

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule By Source
June 30, 2014
(amounts expressed in thousands)

Governmental funds in capital assets:

Land	\$ 9,174
Buildings and site improvements	385,032
Vehicles and equipment	47,975
Construction in progress	<u>31,339</u>
Total governmental funds in capital assets	<u><u>\$ 473,520</u></u>

Investments in governmental funds capital assets by source:

General fund	\$ 156,926
Special Revenue funds	9,133
Capital Projects funds	<u>307,461</u>
Total governmental funds in capital assets	<u><u>\$ 473,520</u></u>

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2014
(amounts expressed in thousands)

Function and Activity	Land	Buildings and Site Improvements	Vehicles and Equipment	Construction in Progress	Total
General government					
Instruction	\$ 7,166	\$ 352,509	\$ 5,070	\$ 28,655	\$ 393,400
Supporting services	2,008	32,513	40,678	2,684	77,883
Food services	-	10	2,227	-	2,237
Total governmental funds in capital assets	<u>\$ 9,174</u>	<u>\$ 385,032</u>	<u>\$ 47,975</u>	<u>\$ 31,339</u>	<u>\$ 473,520</u>

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the fiscal year ended June 30, 2014
(amounts expressed in thousands)

Function and Activity	Governmental Funds Capital Assets June 30, 2013	Additions	Deductions	Transfers ¹	Governmental Funds Capital Assets June 30, 2014
General government					
Instruction	\$ 360,848	\$ 29,896	\$ (1,016)	\$ 3,672	\$ 393,400
Supporting services	79,635	2,314	(394)	(3,672)	77,883
Food services	2,192	99	(54)	-	2,237
Total governmental funds in capital assets	<u>\$ 442,675</u>	<u>\$ 32,309</u>	<u>\$ (1,464)</u>	<u>\$ -</u>	<u>\$ 473,520</u>

¹ Certain amounts from the prior year beginning balances have been reclassified to conform to the current year's presentation



Statistical Section

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

<u>Contents</u>	<u>Page</u>
<i>Financial Trends (Schedules 1-4)</i>	114
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<i>Revenue Capacity (Schedules 5-8)</i>	122
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
<i>Debt Capacity (Schedules 9-11)</i>	126
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<i>Demographic and Economic Information (Schedules 12-13)</i>	129
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
<i>Operating Information (Schedules 14-16)</i>	131
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 comprehensive annual 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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Assets				
Current and other assets	\$ 161,328	\$ 169,097	\$ 167,964	\$ 175,282
Prepaid pension costs	485,029	478,576	471,759	463,507
Net capital assets	<u>210,589</u>	<u>203,717</u>	<u>195,885</u>	<u>187,312</u>
Total assets	<u>856,946</u>	<u>851,390</u>	<u>835,608</u>	<u>826,101</u>
Liabilities				
Other current liabilities	75,082	78,829	95,818	88,936
Other long-term liabilities	37,907	32,876	24,271	22,377
Limited tax pension bonds payable	489,685	483,232	476,416	468,163
Other post employment benefits	-	-	-	8,852
Total liabilities	<u>602,674</u>	<u>594,937</u>	<u>596,505</u>	<u>588,328</u>
Deferred Inflows of Resources				
Insurance recovery				
Net Assets				
Invested in capital assets, net of related debt	183,482	183,157	180,034	177,198
Restricted	-	-	-	-
Unrestricted	<u>70,790</u>	<u>73,296</u>	<u>59,069</u>	<u>60,575</u>
Total Net Assets	<u>\$ 254,272</u>	<u>\$ 256,453</u>	<u>\$ 239,103</u>	<u>\$ 237,773</u>
Net Position				
Net investment in capital assets				
Restricted				
Unrestricted				
Total Net Position				

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 175,091	\$ 174,564	\$ 177,558	\$ 180,957	\$ 298,246	\$ 304,224
455,247	445,555	436,790	425,421	414,407	404,992
<u>185,571</u>	<u>194,725</u>	<u>200,731</u>	<u>199,058</u>	<u>213,944</u>	<u>233,265</u>
<u>815,909</u>	<u>814,844</u>	<u>815,079</u>	<u>805,436</u>	<u>926,597</u>	<u>942,481</u>
96,163	75,555	77,535	83,977	87,185	90,983
10,320	34,182	62,851	57,972	182,759	142,413
459,756	450,125	440,491	430,058	419,034	407,499
17,762	24,741	29,667	33,595	36,263	35,579
<u>584,001</u>	<u>584,603</u>	<u>610,544</u>	<u>605,602</u>	<u>725,241</u>	<u>676,474</u>
				<u>819</u>	<u>-</u>
181,442	186,783	164,033	157,209		
-	8,426	25,597	21,577		
<u>50,466</u>	<u>35,032</u>	<u>14,905</u>	<u>21,048</u>		
<u>\$ 231,908</u>	<u>\$ 230,241</u>	<u>\$ 204,535</u>	<u>\$ 199,834</u>		
				146,148	183,584
				131,060	119,224
				<u>(76,671)</u>	<u>(36,801)</u>
				<u>\$ 200,537</u>	<u>\$ 266,007</u>

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

Government-wide Activities

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenditures				
Instruction	\$ 278,166	\$ 272,831	\$ 281,308	\$ 311,474
Support services	167,789	178,014	198,721	192,598
Enterprise and community services	15,425	15,386	15,187	15,750
Facilities services	8,394	-	7,633	3,140
Interest and fees on long-term debt	3,919	1,816	1,535	1,815
Total expenditures	<u>473,693</u>	<u>468,047</u>	<u>504,384</u>	<u>524,777</u>
Program Revenues				
Charges for services:				
Instruction	3,672	4,447	4,100	4,151
Support services	1,855	1,712	2,157	2,879
Enterprise and community services	3,950	3,153	4,190	4,353
Operating grants and contributions:				
Instruction	43,992	44,131	51,915	68,180
Support services	23,582	23,566	29,163	27,793
Enterprise and community services	11,128	11,176	12,500	1,889
Total program revenues	<u>88,179</u>	<u>88,185</u>	<u>104,025</u>	<u>109,245</u>
Net Expenditures	<u>(385,514)</u>	<u>(379,862)</u>	<u>(400,359)</u>	<u>(415,532)</u>
General Revenues:				
Property taxes, levies for operations	138,699	144,543	165,536	174,926
Property taxes, levies for debt service	33,979	921	37	-
Local option taxes	31,751	466	200	35,887
Construction excise tax	-	-	-	69
State School Fund	148,013	157,061	166,813	168,438
State Common School Fund	3,784	4,135	4,316	4,864
County and intermediate sources	59,734	59,613	30,009	15,511
Federal Stimulus	-	-	-	-
Investment earnings	3,091	5,554	7,795	7,208
Other	14,278	9,750	8,303	7,299
Total general revenues	<u>433,329</u>	<u>382,043</u>	<u>383,009</u>	<u>414,202</u>
Extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>\$ 47,815</u>	<u>\$ 2,181</u>	<u>\$ (17,350)</u>	<u>\$ (1,330)</u>

Change in Net Position

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	306,993	\$ 323,190	\$ 315,465	\$ 287,424	\$ 267,192	\$ 308,652
	196,857	183,267	204,613	206,856	194,270	200,750
	16,653	17,135	19,758	19,108	18,923	19,164
	6,899	14,177	11,649	10,697	31,635	1,470
	1,600	1,642	2,135	25,748	26,813	31,469
	<u>529,002</u>	<u>539,411</u>	<u>553,620</u>	<u>549,833</u>	<u>538,833</u>	<u>561,505</u>
	4,783	4,898	4,799	5,046	5,958	5,989
	3,075	2,883	2,348	2,109	2,852	2,857
	4,442	4,655	4,666	4,422	4,123	4,420
	72,121	71,538	75,981	71,319	62,006	58,418
	28,722	27,585	25,844	25,447	23,437	17,693
	2,620	2,548	3,915	2,863	2,623	2,240
	<u>115,763</u>	<u>114,107</u>	<u>117,553</u>	<u>111,206</u>	<u>100,999</u>	<u>91,617</u>
	<u>(413,239)</u>	<u>(425,304)</u>	<u>(436,067)</u>	<u>(438,627)</u>	<u>(437,834)</u>	<u>(469,888)</u>
	181,928	189,234	194,170	200,906	205,177	213,115
	-	-	-	-	-	44,765
	37,364	38,292	38,226	53,622	51,357	55,709
	1,962	1,192	1,361	2,108	3,619	4,889
	151,376	155,566	139,229	149,031	151,369	184,690
	3,717	4,544	4,461	4,138	4,608	4,427
	10,271	10,223	9,543	9,588	14,560	15,736
	8,816	12,182	14,349	595	6	-
	3,477	781	582	403	644	774
	8,463	9,905	8,440	13,535	10,518	11,253
	<u>407,374</u>	<u>421,919</u>	<u>410,361</u>	<u>433,926</u>	<u>441,858</u>	<u>535,358</u>
	-	1,718	-	-	-	-
\$	<u>(5,865)</u>	<u>(1,667)</u>	<u>(25,706)</u>	<u>(4,701)</u>		
					<u>\$ 4,024</u>	<u>\$ 65,470</u>

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

Governmental Activities

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Nonspendable	\$ 1,133	\$ 949	\$ 823	\$ 1,949
Restricted	-	-	-	-
Committed	-	-	-	2,000
Unassigned	<u>30,704</u>	<u>42,286</u>	<u>43,032</u>	<u>50,556</u>
Total general fund	<u>31,837</u>	<u>43,235</u>	<u>43,855</u>	<u>54,505</u>
All Other				
Governmental Funds				
Nonspendable	712	798	591	512
Restricted	15,801	8,590	8,913	7,267
Committed	20,800	18,800	16,800	16,800
Unassigned	<u>(222)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	37,091	28,188	26,304	24,579
Total Governmental Fund Balances	<u><u>\$ 68,928</u></u>	<u><u>\$ 71,423</u></u>	<u><u>\$ 70,159</u></u>	<u><u>\$ 79,084</u></u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 1,881	\$ 1,587	\$ 795	\$ 452	\$ 139	\$ 200
-	-	-	-	-	560
2,000	2,000	1,289	1,583	-	-
<u>46,079</u>	<u>50,185</u>	<u>29,457</u>	<u>28,890</u>	<u>37,318</u>	<u>50,914</u>
<u>49,960</u>	<u>53,772</u>	<u>31,541</u>	<u>30,925</u>	<u>37,457</u>	<u>51,674</u>
635	446	522	390	473	2,370
11,039	21,648	25,137	27,471	144,677	127,176
16,800	16,800	26,899	20,461	15,486	16,342
<u>(2,467)</u>	<u>(14,536)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
26,007	24,358	52,558	48,322	160,636	145,888
<u>\$ 75,967</u>	<u>\$ 78,130</u>	<u>\$ 84,099</u>	<u>\$ 79,247</u>	<u>\$ 198,093</u>	<u>\$ 197,562</u>

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

Governmental Activities	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues				
Property and other taxes	\$ 173,147	\$ 147,352	\$ 166,522	\$ 174,568
State School Fund	148,013	157,062	164,182	168,438
Local option taxes	31,751	467	200	35,373
County and intermediate sources	59,734	59,613	30,009	15,511
Federal stimulus	-	-	-	-
State Common School Fund	3,784	4,135	4,316	4,864
Federal and state support	68,903	68,060	80,134	82,435
Charges for services	9,477	9,312	10,446	11,383
Extracurricular activities	6,872	7,123	7,178	7,963
Investment earnings	3,017	5,365	7,531	6,907
Other	10,996	12,352	13,674	14,068
Total revenues	<u>515,694</u>	<u>470,841</u>	<u>484,192</u>	<u>521,510</u>
Expenditures				
Current:				
Instruction	269,938	264,431	276,929	301,171
Support services	167,967	172,953	182,918	203,620
Enterprise and community services	15,558	15,448	15,077	15,467
Facilities acquisition and construction	5,274	6,491	7,633	3,141
Debt Service:				
Principal	42,053	7,721	8,039	6,966
Interest	3,987	1,736	1,412	1,546
Total expenditures	<u>504,777</u>	<u>468,780</u>	<u>492,008</u>	<u>531,911</u>
Excess (deficit) of revenues over expenditures	<u>10,917</u>	<u>2,061</u>	<u>(7,816)</u>	<u>(10,401)</u>
Other Financing Sources (Uses)				
Transfers in	17,919	10,700	10,704	8,748
Transfers out	(17,919)	(10,700)	(10,704)	(8,748)
Issuance of debt	-	-	2,125	15,220
Issuance of refunding bonds	-	-	-	-
Proceeds from the sale of capital assets	8,717	434	1,796	1,616
Total other financing sources (uses)	<u>8,717</u>	<u>434</u>	<u>3,921</u>	<u>16,836</u>
Net change in fund balances	<u>\$ 19,634</u>	<u>\$ 2,495</u>	<u>\$ (3,895)</u>	<u>\$ 6,435</u>
Debt service as a percentage of noncapital expenditures	9.2%	2.0%	2.0%	1.6%

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 181,847	\$ 190,105	\$ 196,044	\$ 200,716	\$ 208,434	\$ 260,872
151,376	155,566	139,229	149,031	151,369	184,690
37,042	38,470	38,603	53,099	51,720	56,013
10,271	10,224	9,544	9,588	14,560	15,736
10,206	26,972	28,991	4,591	1,920	155
3,717	4,544	4,461	4,138	4,608	4,427
89,014	74,055	79,034	84,704	71,942	65,231
12,300	12,436	11,814	45,953	48,674	51,874
7,524	7,423	7,563	7,355	7,867	8,308
3,310	1,037	649	579	632	757
<u>13,450</u>	<u>13,131</u>	<u>11,991</u>	<u>15,127</u>	<u>16,315</u>	<u>13,138</u>
<u>520,057</u>	<u>533,963</u>	<u>527,923</u>	<u>574,881</u>	<u>578,041</u>	<u>661,201</u>
301,457	310,846	314,597	305,238	303,360	323,921
192,384	199,983	205,869	207,691	193,375	202,233
16,386	17,106	20,001	19,782	19,710	20,059
6,899	14,166	11,546	10,613	31,575	31,105
7,291	5,901	8,082	56,963	62,443	51,500
<u>1,499</u>	<u>1,740</u>	<u>2,043</u>	<u>25,608</u>	<u>26,318</u>	<u>34,921</u>
<u>525,916</u>	<u>549,742</u>	<u>562,138</u>	<u>625,895</u>	<u>636,781</u>	<u>663,739</u>
<u>(5,859)</u>	<u>(15,779)</u>	<u>(34,215)</u>	<u>(51,014)</u>	<u>(58,740)</u>	<u>(2,538)</u>
9,913	7,550	9,939	14,090	55,786	9,013
(7,913)	(7,550)	(6,939)	(9,680)	(55,786)	(9,013)
-	15,000	36,750	27,250	176,931	-
-	-	-	14,400	-	-
<u>743</u>	<u>2,942</u>	<u>434</u>	<u>102</u>	<u>655</u>	<u>2,007</u>
<u>2,743</u>	<u>17,942</u>	<u>40,184</u>	<u>46,162</u>	<u>177,586</u>	<u>2,007</u>
<u>\$ (3,116)</u>	<u>\$ 2,163</u>	<u>\$ 5,969</u>	<u>\$ (4,852)</u>	<u>\$ 118,846</u>	<u>\$ (531)</u>
1.7%	1.4%	1.8%	13.4%	14.7%	13.7%

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)										Less: Reduction and Adjustments	Total Taxes Imposed (Net Levy)
	Real Property	Personal Property	Manufactured Structures	Public Utility	Total Assessed Value	Add: Non-Profit Housing	Less: Urban Renewal Excess	Total Net Assessed Value	Total Direct Tax Rate	Amount tax rate will raise		
2005	\$ 29,273,560	\$ 1,835,681	\$ 15,126	\$ 1,456,843	\$ 32,581,210	\$ 16,337	\$ 2,107,473	\$ 30,490,074	\$ 7.1792	\$ 218,894	\$ 7,689	\$ 211,205
2006	30,797,829	1,832,766	14,267	1,251,626	33,896,488	16,827	2,512,764	31,400,551	4.7743	149,916	475	149,441
2007	32,185,082	1,863,994	13,755	1,309,159	35,371,990	17,332	2,830,224	32,559,098	5.2781	171,850	1,963	169,887
2008	34,287,573	1,859,615	14,311	1,273,298	37,434,797	18,062	3,200,929	34,251,930	6.5281	223,600	7,940	215,660
2009	36,093,965	1,901,468	14,130	1,383,226	39,392,789	23,270	3,635,372	35,780,687	6.5281	233,580	8,151	225,429
2010	37,714,170	1,883,081	15,640	1,607,399	41,220,290	23,968	4,189,459	37,054,799	6.5281	241,897	8,996	232,901
2011	38,951,439	1,903,652	41,782	1,629,651	42,526,524	19,736	4,425,353	38,120,907	6.5281	248,857	9,390	239,467
2012	40,421,170	1,687,236	41,578	1,568,907	43,718,891	20,328	4,519,149	39,220,070	7.2681	285,055	24,051	261,004
2013	41,725,902	1,691,285	18,523	1,538,735	44,974,445	20,938	4,653,499	40,341,884	7.2681	293,209	29,814	263,395
2014	43,211,127	1,716,219	17,485	1,613,794	46,558,626	21,566	4,833,326	41,746,866	8.3571	348,883	27,190	321,693

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:

FY 2005-2014: 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.

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 ¹	Local Option	General Obligation Debt Service Bonds	Total Direct Tax Rate		
2005	\$ 5.2781	\$ 0.7500	\$ 1.1511	\$ 7.1792		
2006	4.7743	-	-	4.7743		
2007	5.2781	-	-	5.2781		
2008	5.2781	1.2500	-	6.5281		
2009	5.2781	1.2500	-	6.5281		
2010	5.2781	1.2500	-	6.5281		
2011	5.2781	1.2500	-	6.5281		
2012	5.2781	1.9900	-	7.2681		
2013	5.2781	1.9900	-	7.2681		
2014	5.2781	1.9900	1.0890	8.3571		

Overlapping Total Property Tax Rates							
Fiscal Year	Multnomah County	Port of Portland	Metro	City of Portland	Portland Community College	Multnomah Education Service District	
2005	\$ 5.2785	\$ 0.0701	\$ 0.2838	\$ 7.9791	\$ 0.5099	\$ 0.4576	
2006	5.3065	0.0701	0.2841	7.9181	0.4950	0.4576	
2007	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	
2008	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	
2009	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	
2010	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	
2011	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	
2012	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	
2013	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	
2014	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	

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.

¹ The District paid off its "GAP Bonds" in May, 2004. Under the provisions of Ballot Measure 50, the District's permanent tax rate is increased from \$4.7743 to \$5.2781 to include what had previously been levied for payment of the "Gap Bonds". Legislation passed in 2003 treats the increase the same as local option levies. The increase expired on June 30, 2005 so the District's permanent rate went back to \$4.7743 for the 2005-06 fiscal year.

Legislation passed in 2006 allowed for the annual reauthorization of the GAP bonds for three years beginning in 2006-2007, allowing the District's permanent rate to increase up to \$5.2781. The Oregon legislature made this increase permanent as of July 1, 2009.

Source: The 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 School District
(dollars in thousands)

Taxpayer	2013 ¹			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Ten Largest Taxpayers						
Pacifcorp (PP&L)	\$ 282,543	1	0.70 %	\$ 209,342	3	0.71%
Portland General Electric	280,838	2	0.70	210,796	2	0.71
Weston Investment Co., LLC	229,181	3	0.57	-	-	-
Comcast Corporation	225,285	4	0.56	-	-	-
Evraz Inc NA	218,521	5	0.54	-	-	-
Port of Portland	183,837	6	0.46	-	-	-
Capref Lloyd Center LLC	157,227	7	0.39	-	-	-
AT&T, INC	155,565	8	0.39	-	-	-
Centurylink	149,090	9	0.37	-	-	-
555 SW OAK LLC	138,509	10	0.34	-	-	-
LC Portland LLC	-	-	-	134,660	5	0.46
Qwest Corporation	-	-	-	478,185	1	1.62
Wacker Siltonic Corp	-	-	-	169,330	4	0.57
Oregon Steel Mills Inc	-	-	-	94,203	10	0.32
Oregon Arena Corporation	-	-	-	102,787	7	0.35
One Eleven Tower LLC	-	-	-	106,511	6	0.36
Northwest Natural Gas	-	-	-	98,624	8	0.33
Nabisco Inc	-	-	-	97,206	9	0.33
Subtotal of Ten Largest Taxpayers	2,020,596		5.02	1,701,644		5.76
All Other Taxpayers	38,321,288		94.98	27,871,074		94.24
Total All Taxpayers	<u>\$ 40,341,884</u>		<u>100.00 %</u>	<u>\$ 29,572,718</u>		<u>100.00 %</u>

Notes:

¹ 2014 information not available at time of distribution

Source:

Multnomah County, Division of Assessment and Taxation

Schedule 8
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
2005	\$ 211,205	\$ 198,861	94.16%	\$ 5,833	\$ 204,694	96.92%
2006	149,862	141,470	94.40	3,831	145,301	96.96
2007	169,887	160,813	94.66	4,285	165,098	97.18
2008	216,645	202,448	93.45	4,854	207,302	95.69
2009	226,206	211,232	93.38	5,157	216,389	95.66
2010	233,861	219,970	94.06	7,165	227,135	97.12
2011	239,467	225,418	94.13	7,422	232,840	97.23
2012	261,004	244,408	93.64	6,741	251,149	96.22
2013	263,395	248,807	94.46	7,400	256,207	97.27
2014	321,693	304,458	94.64	6,865	311,323	96.78

Note:

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 and the Schedule of Property tax Collections (General Fund), in the Other Financial Section of the CAFR. 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.

Source: Multnomah, Washington and Clackamas Counties, Division of Assessment and Taxation.

Schedule 9
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per student and per capita)

General Bonded Debt																				
Fiscal Year	General Obligation Bonds	Less Amount Available for Repayment	Net Unamortized Premium (Discount)	Net General Obligation Bonds Outstanding	Percentage of Actual Taxable Value of		Net General Obligation Debt Per Capita ⁴	Other Governmental Activities Debt												
					Property ¹	Recovery Zone Bond		Small Scale Energy Loan Programs	Refunding Special Obligations	Full Faith & Credit Obligations	Certificates of Participation	Limited Tax Pension Bonds ⁵	Unamortized Premium (Discount)	Total District ³	Per Student ²	Per Capita ⁴				
2005	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	-	-	-	-	-	-	-	-	-	\$ -	11,071	\$ 784	
2006	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,922	747	
2007	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,803	716	
2008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,856	702	
2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,529	667	
2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,394	666	
2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,754	673	
2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,320	643	
2013	144,840	-	13,347	158,187	0.39%	3,329	N/A	-	-	-	-	-	-	-	-	-	-	601,793	12,663	N/A
2014	108,890	(361)	10,209	118,738	0.28%	2,469	N/A	-	-	-	-	-	-	-	-	-	-	546,786	11,368	N/A

Note: 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 total estimated actual value of taxable property cannot be reasonably estimated.

² Student enrollment data can be found in Schedule 16.

³ Includes net general bonded debt and other governmental activities debt.

⁴ Per capita is calculated using the estimated District population from the US Department of Commerce, Bureau of Economic Analysis as reported in Schedule 12.

Data for 2013 and 2014 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.

Schedule 10
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Direct and Overlapping Governmental Activities Debt
June 30, 2014
(dollars in thousands)

<u>Overlapping Issuer</u>	Net Property-tax Backed Debt ¹	Percent Overlapping	Overlapping Debt ²
City of Portland	\$ 130,695	85.89 %	\$ 112,260
Portland Community College	167,875	47.78	80,207
Multnomah County	183,565	74.94	137,563
Portland Metro	222,955	38.15	85,066
City of Lake Oswego	28,742	5.54	1,591
Tualatin Hills Park & Recreation District	96,683	1.24	1,197
Tualatin Valley Fire & Rescue	42,600	1.94	824
Washington County	20,235	0.63	127
Clackamas County	103,805	0.11	118
Mt. Hood Community College	25,100	0.06	15
Clackamas Cty RFPD #1	910	0.23	2
Multnomah County Drainage District 1	95	100.00	95
Subtotal, overlapping debt			<u>419,065</u>
Direct District debt (PERS) ³			407,290
Direct District debt (other) ³			139,857
Subtotal, Direct debt			<u>547,147</u>
Total direct and overlapping debt			<u><u>\$ 966,212</u></u>

Notes:

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

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.

Source:

Oregon State Treasury, Debt Management Division

Schedule 11
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 2014

Real Market Value	\$74,430,365
Debt Limit (7.95%) ¹	5,917,214
Amount of Debt Applicable to Debt Limit: General Obligation Bonded Debt	119,099
Less: Amount Available in Debt Service Funds	(361)
Amount of Debt Applicable to Debt Limit	<u>118,738</u>
Legal Debt Margin	<u>\$ 5,798,476</u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 4,039,060	\$ 4,513,275	\$ 5,036,778	\$ 5,835,393	\$ 6,267,884	\$ 6,194,374	\$ 6,028,990	\$ 5,680,406	\$ 5,604,461	\$ 5,917,214
Total net debt applicable to limit	32,419	-	-	-	-	-	-	-	158,187	118,738
Legal debt margin	<u>\$ 4,006,641</u>	<u>\$ 4,513,275</u>	<u>\$ 5,036,778</u>	<u>\$ 5,835,393</u>	<u>\$ 6,267,884</u>	<u>\$ 6,194,374</u>	<u>\$ 6,028,990</u>	<u>\$ 5,680,406</u>	<u>\$ 5,446,274</u>	<u>\$ 5,798,476</u>
Total net debt applicable to the limit as a percentage of debt limit	0.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.82%	2.01%

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.

Allowable Percentage of Real Market Value:

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

Source: Market value from Multnomah County, Tax Supervising and Conservation Commission

Schedule 12
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	Unemployment Rate
2005	672,947	\$ 25,436,032	\$ 37,798	5.0% ²
2006	687,373	26,483,785	38,529	4.6 ²
2007	699,186	28,385,388	40,598	4.6 ²
2008	712,539	29,372,019	41,222	5.6 ²
2009	726,855	29,430,654	40,490	9.5 ²
2010	737,476	29,458,183	39,945	9.4 ²
2011	748,031	31,161,157	41,658	9.1 ²
2012	759,256	32,715,802	43,089	8.2 ²
2013	- ¹	- ¹	- ¹	- ¹
2014	- ¹	- ¹	- ¹	- ¹

¹ Data for 2013 and 2014 not available at time of printing.

² As of October, 2014.

Sources:

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

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

Schedule 13
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Principal Employers for the Portland Metro Area
Current Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Ten Largest Employers						
Intel Corporation	16,700	1	1.56%	15,500	1	1.57%
Providence Health System	14,132	2	1.32	14,007	2	1.42
Oregon Health & Science University	14,106	3	1.32	11,400	4	1.15
U.S. Federal Government	13,900	4	1.30	-		0.00
Fred Meyer Stores	10,176	5	0.95	9,663	5	0.98
Kaiser Permanente Northwest	9,896	6	0.92	7,797	8	0.79
Legacy Health System	9,835	7	0.92	7,900	7	0.80
City of Portland	9,318	8	0.87	8,000	6	0.81
State of Oregon	7,559	9	0.71	6,700	9	0.68
Nike Inc.	7,000	10	0.65	6,100	10	0.62
Safeway Inc., Portland Division	-	-	-	13,453	3	1.36
Subtotal of Ten Largest Employers	112,622		8.98	100,520		8.63
All Other Employers	958,578		91.02	887,780		91.37
Total Portland MSA ¹ Employment	<u>1,071,200</u> ²		<u>100.00</u> %	<u>988,300</u>		<u>100.00</u> %

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 2014, not seasonally adjusted.

Sources:

Portland Business Journal, Book of Lists published December 2005 & December 2014.

Oregon Employment Department, Workforce and Economic Research

Schedule 14
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Full-time Equivalent District Employees by Assignment/Function
Last Five Fiscal Years

<u>Assignment/Function</u>	Full-time Equivalent Employees for the Fiscal Year				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Teachers (1)	2,425.7	2,440.5	2,315.0	2,353.1	2,384.0
Educational Assistants	728.8	636.0	555.8	520.9	509.8
School Level Administration	141.0	140.6	142.9	144.2	142.3
District Level Administration	26.9	22.4	13.0	14.0	11.0
Other Staff (2)	<u>1,885.2</u>	<u>1,896.9</u>	<u>1,850.3</u>	<u>1,798.5</u>	<u>1,720.0</u>
Total FTE	<u><u>5,207.6</u></u>	<u><u>5,136.4</u></u>	<u><u>4,877.0</u></u>	<u><u>4,830.7</u></u>	<u><u>4,767.1</u></u>

Note:

- 1 In prior years, "Teachers" included Guidance Counselors- Non-SpEd and Library/Media Specialists. Beginning in 2009, ODE changed the classification of these employees to "Other Staff". The FTE data for years 2009-2011 have been revised to reflect this change.
- 2 In 2011, ODE modified its definition of FTE to include Extended Responsibility hours. "Other Staff" data of FY 2010-11 has been revised from 1,947.3 to 1,896.9 to reflect this change.

Source: PPS Data and Policy Analysis

Schedule 15
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Meal and Transportation Services Provided
Last Ten Fiscal Years

	2005	2006	2007	2008	2009
Nutrition Services					
Number of Meals Served ¹					
Paid Meals	1,187,985	1,347,109	1,333,234	1,553,008	1,439,321
Reduced Meals	472,370	514,748	481,156	577,275	562,630
Free Meals	4,454,440	4,250,527	4,155,965	3,538,655	3,485,451
Total meals served	6,114,795	6,112,384	5,970,355	5,668,938	5,487,402
	19%	22%	22%	28%	26%
	8%	8%	8%	10%	10%
	73%	70%	70%	62%	64%
	100%	100%	100%	100%	100%
Average Daily Breakfast Served	16,376	14,782	14,017	12,343	11,344
Average Daily Lunch Served	18,107	19,798	20,164	19,875	19,867
Student Participation	43.65%	50.17%	53.46%	52.45%	47.98%
Transportation					
Number of buses	245	234	241	240	239
Total miles traveled	2,985,868	2,635,510	2,848,220	3,006,996	2,914,877
Cost per mile	\$ 3.87	\$ 4.38	\$ 5.09	\$ 5.42	\$ 5.77
Area encompassed by District (sq mi)	160	160	160	160	160
Nutrition Services					
Number of Meals Served ¹					
Paid Meals	1,443,806	1,421,889	1,382,329	1,354,685	1,313,005
Reduced Meals	549,157	502,171	441,829	434,353	375,796
Free Meals	3,651,647	3,560,515	3,689,643	3,632,901	3,560,251
Total meals served	5,644,610	5,484,575	5,513,801	5,421,939	5,249,052
	25%	26%	25%	25%	25%
	10%	9%	8%	8%	7%
	65%	65%	67%	67%	68%
	100%	100%	100%	100%	100%
Average Daily Breakfast Served	10,592	10,101	10,400	10,768	10,380
Average Daily Lunch Served	20,369	20,295	19,942	19,059	18,668
Student Participation	46.94%	46.96%	49.14%	47.00%	45.80%
Transportation					
Number of buses	252	258	257	263	254
Total miles traveled	3,317,636	3,265,683	3,019,548	3,392,622	3,156,795
Cost per mile	\$ 5.50	\$ 5.63	\$ 6.24	\$ 5.28	\$ 5.89
Area encompassed by District (sq mi)	160	160	160	160	160

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.

Schedule 16
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Building and Student Enrollment Information
Last Ten Fiscal Years

		Footnotes	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Elementary Schools and Programs												
Abernethy (1925)	(12)											
Gross Floor Area (sq ft): 50,358												
Elementary Enrollment			203	366	357	342	349	392	421	455	505	528
Focus/Alt Prog (Environmental School)	(13,8)		-	-	-	-	-	-	-	-	-	-
Ainsworth w/Annex (1912)												
Gross Floor Area (sq ft): 57,593												
Elementary Enrollment			499	492	509	493	520	528	551	568	569	576
Alameda (1921)												
Gross Floor Area (sq ft): 64,138												
Elementary Enrollment			630	669	678	697	717	744	774	782	769	773
Arleta (1929)	(6)											
Gross Floor Area (sq ft): 76,489												
Elementary Enrollment			332	313	370	387	420	420	428	422	462	476
Astor (1948)	(6)											
Gross Floor Area (sq ft): 47,360												
Elementary Enrollment			287	279	331	381	438	458	445	482	478	500
Atkinson (1953)												
Gross Floor Area (sq ft): 58,057												
Elementary Enrollment			553	558	549	524	535	491	484	447	440	441
Beach (1928)	(6)											
Gross Floor Area (sq ft): 70,404												
Elementary Enrollment			419	414	412	426	484	538	561	582	613	620
Beverly Cleary (1959)	(4)											
Gross Floor Area (sq ft): 90,664												
Elementary Enrollment			211	215	210	578	557	552	604	674	730	814
Boise-Eliot/Humboldt (1926)	(6,24)											
Gross Floor Area (sq ft): 61,369												
Elementary Enrollment			523	461	415	412	423	417	390	389	535	506
Bridger (1951)	(1,6,13,16,21)											
Gross Floor Area (sq ft): 45,142												
Elementary Enrollment			387	388	421	470	320	331	365	396	405	435
Bridlemile (1958)												
Gross Floor Area (sq ft): 59,037												
Elementary Enrollment			450	459	458	468	464	480	463	472	457	450
Buckman (1921)												
Gross Floor Area (sq ft): 82,023												
Elementary Enrollment			529	537	506	481	498	492	497	488	460	452
Capitol Hill (1917)	(12)											
Gross Floor Area (sq ft): 47,275												
Elementary Enrollment			255	335	341	354	321	357	351	371	403	405
Cesar Chavez (1928)	(4)											
Gross Floor Area (sq ft): 75,814												
Middle School Enrollment			339	325	401	587	499	484	477	453	473	483
Chapman (1923)	(13)											
Gross Floor Area (sq ft): 62,962												
Elementary Enrollment			414	453	478	476	532	544	522	562	592	646
Chief Joseph/Ockley Green (1948)	(10,12)											
Gross Floor Area (sq ft): 118,141												
Elementary Enrollment			234	393	359	361	370	377	408	481	459	642
Creative Science School (1955)	(1,6)											
Gross Floor Area (sq ft): 50,595												
Elementary Enrollment			-	-	-	-	260	301	305	356	388	425

Schedule 16
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Building and Student Enrollment Information
Last Ten Fiscal Years (continued)

Footnotes		2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Creston w/ Annex (1948)	(6,12)										
Gross Floor Area (sq ft): 80,940											
Elementary Enrollment		246	290	309	335	365	333	345	380	345	350
Duniway (1926)											
Gross Floor Area (sq ft): 67,492											
Elementary Enrollment		443	443	446	426	411	423	442	425	423	437
Faubion (1951)	(6)										
Gross Floor Area (sq ft): 57,846											
Elementary Enrollment		269	309	332	355	396	393	401	434	454	487
Forest Park (1998)											
Gross Floor Area (sq ft): 42,000											
Elementary Enrollment		456	517	508	502	512	501	507	491	502	490
Glencoe (1923)	(12)										
Gross Floor Area (sq ft): 64,378											
Elementary Enrollment		442	510	498	506	499	474	480	453	472	502
Grout (1927)	(16)										
Gross Floor Area (sq ft): 65,838											
Elementary Enrollment		320	310	333	349	339	346	361	359	371	377
Harrison Park (1948)	(1,18,21)										
Gross Floor Area (sq ft): 109,059											
Elementary Enrollment		499	500	508	507	719	732	751	751	757	742
Hayhurst (1954)	(13)										
Gross Floor Area (sq ft): 56,266											
Elementary Enrollment		353	358	345	329	351	385	396	420	412	415
Humboldt (1959)	(6,8,24)										
Gross Floor Area (sq ft): 46,865											
Elementary Enrollment		255	270	240	235	258	275	230	219	-	-
Irvington (1932)	(6)										
Gross Floor Area (sq ft): 65,285											
Elementary Enrollment		473	445	473	505	503	505	529	483	460	478
James John (1929)											
Gross Floor Area (sq ft): 63,697											
Elementary Enrollment		481	458	459	430	404	384	394	402	439	461
Kelly w/ Kelly Center (1952)	(21)										
Gross Floor Area (sq ft): 97,546											
Elementary Enrollment		478	484	439	464	468	467	509	570	626	622
King (1927)	(6)										
Gross Floor Area (sq ft): 88,957											
Elementary Enrollment		525	491	458	453	399	336	288	292	312	331
Laurelhurst (1923)	(6)										
Gross Floor Area (sq ft): 46,204											
Elementary Enrollment		558	581	561	536	606	708	704	684	665	673
Lee (1953)	(6)										
Gross Floor Area (sq ft): 73,276											
Elementary Enrollment		333	309	354	367	434	458	457	459	497	493
Lent (1948)	(6,21)										
Gross Floor Area (sq ft): 76,478											
Elementary Enrollment		355	366	400	475	528	549	561	577	573	604
Lewis (1952)											
Gross Floor Area (sq ft): 48,380											
Elementary Enrollment		271	301	293	310	349	374	396	393	400	414

Schedule 16
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Building and Student Enrollment Information
Last Ten Fiscal Years (continued)

		Footnotes	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Llewellyn (1928)												
Gross Floor Area (sq ft): 50,651												
Elementary Enrollment			298	301	309	341	396	434	485	543	583	570
Maplewood (1948)		(12)										
Gross Floor Area (sq ft): 35,022												
Elementary Enrollment			285	315	307	308	331	342	350	335	327	333
Markham (1951)		(12)										
Gross Floor Area (sq ft): 82,794												
Elementary Enrollment			301	398	359	349	360	376	376	384	383	393
Focus/Alt Prog Enrollment			-	-	-	-						
Marysville (1921)		(6,17,21)										
Gross Floor Area (sq ft): 53,490												
Elementary Enrollment			349	336	368	407	437	435	404	363	352	416
Peninsula (1952)		(6)										
Gross Floor Area (sq ft): 70,151												
Elementary Enrollment			271	254	299	326	370	375	361	358	368	376
Rieke (1961)												
Gross Floor Area (sq ft): 30,647												
Elementary Enrollment			266	267	280	322	348	371	356	416	388	388
Rigler (1931)		(3,6)										
Gross Floor Area (sq ft): 59,760												
Elementary Enrollment			466	442	538	562	525	596	588	524	449	463
Rosa Parks (2006)												
Gross Floor Area (sq ft): 45,147												
Elementary Enrollment			-	-	435	562	503	463	434	407	405	405
Roseway Heights (1923)		(4,23)										
Gross Floor Area (sq ft): 75,693												
Elementary Enrollment			433	429	406	660	565	578	551	589	616	606
Sabin (1928)		(2,6)										
Gross Floor Area (sq ft): 71,946												
Elementary Enrollment			413	422	432	451	363	348	362	392	420	485
Scott (1949)		(3)										
Gross Floor Area (sq ft): 62,681												
Elementary Enrollment			377	369	440	539	530	563	533	521	504	507
Sitton (1948)												
Gross Floor Area (sq ft): 58,762												
Elementary Enrollment			338	300	285	315	309	291	307	333	356	376
Skyline (1963)		(6)										
Gross Floor Area (sq ft): 37,245												
Elementary Enrollment			197	201	233	258	266	294	281	276	273	265
Stephenson (1965)												
Gross Floor Area (sq ft): 40,539												
Elementary Enrollment			348	325	310	320	327	335	324	335	329	320
Sunnyside Environmental (1925)		(13)										
Gross Floor Area (sq ft): 54,361												
Elementary Enrollment			459	443	501	542	565	585	580	608	605	587
Vernon (1931)		(3,6,16)										
Gross Floor Area (sq ft): 72,323												
Elementary Enrollment			386	384	404	453	394	397	376	500	440	394

Schedule 16
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Building and Student Enrollment Information
Last Ten Fiscal Years (continued)

Footnotes		2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Vestal (1929)	(6,16)										
Gross Floor Area (sq ft): 66,378											
Elementary Enrollment		322	294	343	389	428	433	451	420	395	402
Whitman (1954)	(21)										
Gross Floor Area (sq ft): 69,755											
Elementary Enrollment		421	404	384	370	369	372	347	361	351	349
Winterhaven (1930)	(16)										
Gross Floor Area (sq ft): 39,084											
Elementary Enrollment		296	339	344	335	345	345	352	346	352	356
Woodlawn (1926)	(12)										
Gross Floor Area (sq ft): 61,595											
Elementary Enrollment		409	531	450	424	462	449	478	443	439	449
Woodmere (1954)	(21)										
Gross Floor Area (sq ft): 59,293											
Elementary Enrollment		458	449	422	418	398	397	393	397	383	371
Woodstock (1910)											
Gross Floor Area (sq ft): 69,135											
Elementary Enrollment		343	338	384	407	443	433	466	491	508	505
Middle Schools and Programs											
Beaumont (1926)											
Gross Floor Area (sq ft): 94,431											
Middle School Enrollment		542	536	500	460	458	450	455	481	583	584
George (1950)											
Gross Floor Area (sq ft): 78,713											
Middle School Enrollment		473	403	383	328	375	388	364	360	385	373
Gray (1952)											
Gross Floor Area (sq ft): 60,624											
Middle School Enrollment		520	496	457	421	420	419	428	422	422	464
Hosford (1925)											
Gross Floor Area (sq ft): 77,050											
Middle School Enrollment		405	448	476	516	531	548	547	534	538	576
Jackson (1966)											
Gross Floor Area (sq ft): 247,779											
Middle School Enrollment		773	694	688	714	712	651	584	533	532	533
Lane (1927)											
Gross Floor Area (sq ft): 87,438											
Middle School Enrollment		592	553	527	489	419	397	398	441	486	505
Mt. Tabor (1952)											
Gross Floor Area (sq ft): 83,076											
Middle School Enrollment		696	676	633	588	555	559	579	593	606	628
Sellwood (1925)											
Gross Floor Area (sq ft): 86,823											
Middle School Enrollment		603	564	515	459	474	480	474	486	455	483
West Sylvan (1954)											
Gross Floor Area (sq ft): 104,009											
Middle School Enrollment		884	878	896	886	863	863	849	848	888	945

Schedule 16
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Building and Student Enrollment Information
Last Ten Fiscal Years (continued)

Footnotes		2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
High Schools and Programs											
Benson (1916)	(7)										
Gross Floor Area (sq ft): 410,910											
High School Enrollment		1,501	1,452	1,294	1,218	1,134	1,100	986	889	889	830
Focus/Alt Prog Enroll (Night Sch.)		(8) 20	15	10	-	-	-	-	-	-	-
Cleveland (1928)	(21)										
Gross Floor Area (sq ft): 253,895											
High School Enrollment		1,332	1,449	1,472	1,528	1,516	1,553	1,570	1,520	1,532	1,523
Franklin (1915)	(5,21)										
Gross Floor Area (sq ft): 237,027											
High School Enrollment		1,547	1,404	1,283	1,233	1,007	1,032	1,036	1,480	1,469	1,460
Grant (1923)											
Gross Floor Area (sq ft): 275,173											
High School Enrollment		1,848	1,815	1,691	1,642	1,553	1,610	1,620	1,565	1,536	1,486
Focus/Alt Prog Enroll (Night Sch)		(9,8) 76	91	-	-	-	-	-	-	-	-
Jefferson (1909)	(5,20)										
Gross Floor Area (sq ft): 360,911											
High School Enrollment		661	647	566	707	631	617	621	584	441	511
Lincoln (1951)											
Gross Floor Area (sq ft): 236,893											
High School Enrollment		1,444	1,485	1,498	1,404	1,335	1,395	1,410	1,476	1,513	1,565
Madison (1955)	(3,9)										
Gross Floor Area (sq ft): 370,112											
High School Enrollment		1,063	983	936	859	900	860	910	1,161	1,107	1,066
Marshall (1960)	(8,9,11,21)										
Gross Floor Area (sq ft): 271,427											
High School Enrollment		906	955	860	775	774	747	707	-	-	-
Roosevelt w/ Auto Shop (1921)											
Gross Floor Area (sq ft): 274,478											
High School Enrollment		850	778	794	730	703	681	683	748	828	914
Focus/Alt Prog Enrollment		-	-								
Wilson (1954)											
Gross Floor Area (sq ft): 326,062											
High School Enrollment		1,531	1,632	1,556	1,533	1,480	1,439	1,435	1,387	1,236	1,230

Schedule 16
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Building and Student Enrollment Information
Last Ten Fiscal Years (continued)

Footnotes	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Facilities with Focus/Alternative Programs										
daVinci (Monroe) (1928)										
Gross Floor Area (sq ft): 99,219										
Focus/Alt Prog Enroll. (da Vinci)	350	380	444	458	445	456	464	462	470	468
Focus/Alt Prog Enroll. (Monroe) (8)	-	-	-	-	-	-	-	-	-	-
Focus/Alt Prog Enroll. (PIVOT) (8)	-	-	-	-	-	-	-	-	-	-
Focus/Alt Prog Enroll. (Natv. Mont) (8)	23	22	9	22	20	-	-	-	-	-
Meek (1953) (16)										
Gross Floor Area (sq ft): 32,477										
Elementary Enrollment (8)	-	-	-	-	-	-	-	-	-	-
Focus/Alt Prog Enrollment (8)	146	117	-	-	-	-	-	-	-	-
Metropolitan Learning Center (Couch) (1914)										
Gross Floor Area (sq ft): 68,135										
Focus/Alt Prog Enrollment	439	447	439	444	424	443	440	447	455	440
Richmond (1908) (12)										
Gross Floor Area (sq ft): 77,070										
Elementary Enrollment	393	309	360	436	505	569	612	662	662	687
Enrollment in other Focus/Alt. Programs										
Focus/Alt Prog Enroll. (Alliance HS) (9)	-	-	366	292	288	267	223	233	222	183
Focus/Alt Prog Enroll. (Head Start)	528	625	606	674	696	732	804	790	824	808
Focus/Alt Prog Enroll. (ACCESS) (2,23)	-	-	-	-	159	200	196	198	219	236
Focus/Portland International Scholars Academy (22)	-	-	-	-	-	-	-	-	-	10
Focus/Alt Prog Enroll. (Turnaround) (22)	-	-	-	-	-	-	-	21	19	22
Focus/Alt Prog Enroll. (ESL) (8)	-	-	-	-	-	-	-	-	-	-
Inactive School and Other Facilities										
Applegate (1954) (12,26)										
Gross Floor Area (sq ft): 26,101										
Elementary Enrollment	138	-	-	-	-	-	-	-	-	-
Ball (1948) [sold in 2007] (27)										
Gross Floor Area (sq ft): 0										
Elementary Enrollment	228	271	-	-	-	-	-	-	-	-
BESC (1978)										
Gross Floor Area (sq ft): 381,723										
Binnsmead (1949) (1)										
Middle School Enrollment	687	680	484	346	-	-	-	-	-	-
Gross Floor Area (sq ft): 0										
Brooklyn (1930) (16)										
Gross Floor Area (sq ft): 0										
Elementary Enrollment	-	-	-	-	-	-	-	-	-	-
Child Service Center (1924) (25,27)										
Gross Floor Area (sq ft): 0										
Focus/Alt Prog Enrollment	-	-	-	-	-	-	-	-	-	-
Clarendon (1970) (4,19)										
Gross Floor Area (sq ft): 42,958										
Elementary Enrollment	460	429	286	-	-	-	-	-	-	-
Columbia Holding (1946) (14,28)										
Gross Floor Area (sq ft): 37,746										
Columbia Bus Barn Bldg (na) (29)										
Gross Floor Area (sq ft): 9,600										
Columbia Bus Parking (portable) (na) (29)										
Gross Floor Area (sq ft): 960										
Edwards (1961) (12,28)										
Gross Floor Area (sq ft): 20,502										
Elementary Enrollment	199	-	-	-	-	-	-	-	-	-

Schedule 16
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Building and Student Enrollment Information
Last Ten Fiscal Years (continued)

	Footnotes	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Fernwood (1911)	(4,19)										
Middle School Enrollment		582	466	347	-	-	-	-	-	-	-
Gross Floor Area (sq ft): 0											
Foster (1962)	(14,30)										
Gross Floor Area (sq ft): 12,462											
Glenhaven Vocational Village (1913)											
Gross Floor Area (sq ft): 63,714											
Focus/Alt Prog Enroll (Meek HS)	(9)	-	-	-	-	-	-	-	-	-	-
Green Thumb (1974)											
Gross Floor Area (sq ft): 32,767											
Gregory Heights (1923)	(4,19)										
Gross Floor Area (sq ft): 95,438											
Middle School Enrollment		630	691	471	-	-	-	-	-	-	-
Holladay Center w/ Annex (1961)											
Gross Floor Area (sq ft): 61,457											
Kellogg (1913)	(5,31)										
Gross Floor Area (sq ft): 94,592											
Middle School Enrollment		591	482	269	-	-	-	-	-	-	-
Kenton (1913)	(12,28)										
Gross Floor Area (sq ft): 52,363											
Elementary Enrollment		166	-	-	-	-	-	-	-	-	-
King Neighborhood Facility (1974)	(28)										
Gross Floor Area (sq ft): 9,200											
Mallory Site (portables) (na)	(27)										
Gross Floor Area (sq ft): 0											
Masonic Temple At Jefferson (na)	(27)										
Gross Floor Area (sq ft): 0											
Ockley Green (1925)	(10)										
Gross Floor Area (sq ft): 0											
Elementary School Enrollment		385	318	442	389	337	299	310	269	243	-
Rice (1956)											
Gross Floor Area (sq ft): 16,990											
Sacajawea (1953)	(26)										
Gross Floor Area (sq ft): 18,751											
Smith (1958)	(12,30)										
Gross Floor Area (sq ft): 38,472											
Elementary Enrollment		219	-	-	-	-	-	-	-	-	-
East Sylvan (1933) (Bldg used by W. Sylvan)											
Gross Floor Area (sq ft): 24,986	(32)										
Terwilliger (1917)											
Gross Floor Area (sq ft): 24,646											
Tubman w/ Annex (1952)	(5)										
Gross Floor Area (sq ft): 96,860											
Middle School Enrollment		294	273	131	-	-	-	-	-	-	-
Whitaker Lakeside Holding (1953)	(12,19,27)										
Gross Floor Area (sq ft): 0											
Middle School Enrollment		289	-	-	-	-	-	-	-	-	-
Wilcox (1959)	(16)										
Gross Floor Area (sq ft): 19,102											
Elementary Enrollment		-	-	-	-	-	-	-	-	-	-
Youngson (1955)	(4,14,16)										
Gross Floor Area (sq ft): 32,824											
Elementary Enrollment		-	-	-	-	-	-	-	-	-	-

Schedule 16
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Building and Student Enrollment Information
Last Ten Fiscal Years (continued)

Footnotes

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Enrollment Summary:										
Regular Programs										
Elementary Schools	22,169	22,142	22,671	23,817	24,625	25,145	25,397	25,992	26,577	27,051
Middle Schools	9,250	8,545	7,622	6,252	5,751	5,695	5,619	5,613	5,365	5,559
High Schools	12,683	12,600	11,950	11,629	11,033	11,034	10,978	10,810	10,551	10,585
Focus/Alternative Programs	1,370	1,317	1,430	1,432	1,587	1,642	1,663	1,689	1,739	1,699
Plus enrollment not normally within PPS facilities:										
Community Based Programs	1,171	1,308	1,303	1,342	1,282	1,206	1,275	1,150	1,207	1,055
Special Education Programs (7,13,14,15)	562	525	548	539	522	500	385	502	457	485
Public Charter Programs	<u>451</u>	<u>571</u>	<u>824</u>	<u>1,077</u>	<u>1,246</u>	<u>1,374</u>	<u>1,486</u>	<u>1,532</u>	<u>1,627</u>	<u>1,664</u>
Total Enrollment	<u>47,656</u>	<u>47,008</u>	<u>46,348</u>	<u>46,088</u>	<u>46,046</u>	<u>46,596</u>	<u>46,803</u>	<u>47,288</u>	<u>47,523</u>	<u>48,098</u>

Gross Floor Area (sq ft) Summary:

		<u>Oldest</u>	<u>Median</u>	<u>Newest</u>
Elementary Schools	3,534,380	102	72	8
Middle Schools	919,943	101	64	50
High Schools	3,016,888	105	88	55
Focus/Alternative Schools	276,901	106	93	61
Other Facilities	<u>1,253,298</u>	103	62	36
Total Gross Floor Area (sq ft)	<u>9,001,410</u>	106	67	8

Sources:

Gross Floor Area - PPS Facilities and Asset Management "Gross Floor Areas, Site Areas, and Year of Construction for Original Building on Site"; Rel. March 4, 2003. Gross area includes portables, fieldhouses, and tunnels; no unfinished attic space is included.

Office of Data and Policy - School Profiles and Enrollment Data, October 2012-2013. Enrollment counts are compiled on or about the first of 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.

Schedule 16
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Building and Student Enrollment Information
Last Ten Fiscal Years (continued)

Footnotes:

Program type (i.e., elementary, middle, high, etc.) reflects the most recent administrative assignment. In recent years enrollment counts are compiled on or about the first of 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. Schools and programs that are no longer in operation are designated as 'closed'.

(1) For the 2008-09 school year, Binnsmead closed and Clark moved from the Clark site into the Binnsmead site. The Creative Science School Program (CSSP) expanded and moved from Bridger Elementary to the Clark site. Clark K-8 at Binnsmead was recently renamed Harrison Park K-8 school.

(2) The ACCESS Program is located at Sabin site but is a district-wide alternative education program drawing students district wide. Starting in 2008-09 the enrollment for ACCESS has been separated from Sabin elementary. Access was sharing Sabin location and on Sept. 2013 relocated to Rose City Park (note#23).

(3) For the 2008-09 school year, Scott and Rigler remained K-7 schools, and those students that matriculated from 7th to 8th grade attended the Madison 8th grade academy. For 2009-10, Scott and Rigler became K-8 Schools. For the 2011-12 school year, Rigler neighborhood 7th and 8th graders attended Vernon.

(4) For the 2007-08 school year, Clarendon ES and Portsmouth MS merged to form a KG-8 school. Enrollment counts for years prior to 2007-08 for Clarendon consist of grades KG-5 only. Enrollment counts for Portsmouth prior to 2007-08 are contained in the MS section of this report. Enrollment counts for the two schools should have been put into Portsmouth MS instead of Clarendon ES. FY 2009-10, enrollment for both schools is captured in the Portsmouth MS line in the elementary section of the report and Clarendon ES is moved to the inactive list. On July 17, 2010, Clarendon-Portsmouth was renamed Cesar Chavez. Similarly, Hollyrood ES and Fernwood MS merged to form a KG-8 school (renamed Beverly Cleary) as did Rose City Park ES and Gregory Heights MS (renamed Roseway Heights). Square Footage for Beverly Cleary @ Fernwood and Beverly Cleary @ Hollyrood is now under Beverly Cleary.

(5) For the 2007-08 school year, Kellogg MS was closed. Eighth grade students that would have been enrolled at Kellogg for the 2007-08 school year were enrolled at Franklin HS. Tubman MS was also closed and a new Young Women's Academy was opened on the Tubman campus as part of Jefferson High School. Effective 2011-12, students in the Jefferson cluster have the choice to attend either the new Jefferson Middle College program or a neighborhood comprehensive high school program at Roosevelt, Madison or Grant, depending on where they live within the Jefferson cluster boundaries. Young Women's Academy was closed in FY 11-12. BESS is using this space as a storage for furniture since it was vacant.

(6) Transitioning or recently transitioned to KG - 8.

(7) Day and Residential Treatment Programs (Long Term Care and Treatment) are located at Whiteshield, Nickerson, Johns Landing, Breakthrough and Hand in Hand sites. The administrative department is located at Benson High School.

(8) No students enrolled for current school year.

(9) For the 2006-07 school year, Meek Professional Technical HS, Portland Night HS at Grant, Marshall Night HS, and Madison Focus (shown in Madison enrollment in prior years) merged to form Alliance High School.

(10) For the 2006-07 school year, Ockley Green converted from a Middle School to a KG-8, and Kellogg and Portsmouth no longer received sixth grade students. Due to overcrowding at Ockley Green, the School was merged with Chief Joseph to form Chief Joseph/Ockely Green K-8.

(11) For the 2005-06 school year, two high schools located at the Marshall campus, Linus Pauling Academy and Portland Academy of International Studies, merged into one school renamed Pauling Academy of Integrated Sciences.

(12) Applegate, Edwards, Kenton, Richmond and Smith Elementary Schools were closed at the end of the 2004-05 school year. Whitaker Middle school was closed as well. Most elementary school-aged students residing in the Applegate neighborhood area went on to attend Woodlawn. Similarly, students residing in the Edwards neighborhood area went on to attend Abernethy, those at Kenton to Chief Joseph; those at Richmond to Abernethy, Creston or Glencoe; and those at Smith went on to Capitol Hill, Maplewood or Markham. Most middle school students residing in the Whitaker neighborhood area went on to attend Tubman. A new focus/option school was established at the Richmond ES site. Applegate is now used for Headstart. Edwards is now leased to Trillium Service. Kenton is leased to Delasalle North School.

(13) For the 2004-05 school year, the Environmental Middle School combined with Sunnyside Elementary and was renamed as Sunnyside Environmental School. In addition, the Odyssey program and its students (formerly at Chapman Elementary) moved to Hayhurst Elementary. The Family Cooperative program (formerly at Sunnyside) moved to Bridger Elementary.

(14) Pioneer Schools consist of elementary, middle and high school programs. It was formerly known as ES B Program at Youngson, MS B Program at Foster and HS B Program at Columbia.

Schedule 16
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Building and Student Enrollment Information
Last Ten Fiscal Years (continued)

Footnotes (continued):

(15) As of the 2003-04 school year, enrollment summaries no longer include the following programs: Hospital Programs (Emanuel, Oregon Health Science University, Shriners Hospitals); M.E.S.D. Functional Living Skills; Portland Early Intervention Program (PeiP) and Columbia Regional Programs (Autism, Deaf and Hard of Hearing, Orthopedic and Vision Oregon State and Oregon State and Services). Administration of the Hospital Programs, Functional Living Skills and PeiP was transferred to Multnomah Education Service District (M.E.S.D.). Historically, enrollments reported for Columbia Regional Programs represent non-District students served by PPS staff on a part-time basis. For purposes of State reporting, membership (i.e., enrollment) the Columbia Regional Program students are reported by the resident District.

(16) Brooklyn and Meek Elementary Schools were closed at the end of the 2002-03 school year. Most students residing in the Brooklyn neighborhood area went on to attend Grout Elementary, while those residing in the Meek neighborhood area attended Vernon Elementary. Similarly, Wilcox and Youngson Elementary Schools were closed at the end of the 2001-02 school year. Most students residing in the Wilcox neighborhood area went on to attend Vestal Elementary, while those residing in the Youngson neighborhood area attended Bridger Elementary. Winterhaven now operates in the Brooklyn Building. Square Footage which was at Brooklyn is now recorded at Winterhaven and Brooklyn square ft. is now zero. Youngson facility is now used for Special Education.

(17) On November 10, 2009, a portion of the Marysville K-8 school was destroyed as a result of a fire. Marysville K-8 school students and staff were moved into the Roseway Heights building temporarily until the school was renovated. Marysville moved out of Roseway Heights in December, 2012 and moved back to Marysville location in January, 2013.

(18) Clark K-8 @ Binnsmead was renamed Harrison Park K-8 school in July 2009.

(19) In FY 2009-10 Gregory Heights MS, Clarendon ES and Fernwood were moved to the inactive list. The Whitaker Lakeside site no longer has a building on it, but the District still owns the land. We have removed the square footage, but have kept the site on the inactive list. Whitaker Lakeside will be removed once there is no activity for the enrollment for the last ten years. Whitaker Lakeside will remain on the list for zero square footage until that time.

Whitaker Lakeside is no longer owned by PPS. It was sold out to NAYA on 10/28/2009. In FY 14-15 Clarendon facility was re-activated for Early Learning and Headstart.

(20) In FY 2009-10, at Jefferson High School, the Academy of Arts & Tech; Science & Tech; School of Champions; School of Pride and the Young Men's Academy programs within Jefferson High School were closed. The Young Men's Academy students returned to Jefferson.

(21) As of 7/1/2011, Marshall High School no longer operated as a high school. Students in the Harrison Park K-8 School area attend Madison High School. Students in the Kelly and Woodmere Elementary School areas, and the Bridger, Lent and Marysville K-8 areas, attend Franklin High School. Students in the Whitman Elementary School area attend Cleveland High School.

(22) For FY 2011-12, the Focus/Alt Program enrollment of 21 at Turnaround includes the Teen Parent Program (4) and Ramona Early Children (17). In FY 13-14 International Scholars Academy started at this site.

(23) In 2007 Rose City Park was consolidated with Gregory Heights. After the consolidation the building was named as Roseway Heights. Roseway Height location became inactive in December, 2012. On September, 2013 Access Academy relocated in Roseway Heights Building.

(24) Humboldt closed on June 30, 2012. Students from Humboldt now attend the Boise-Elliott location.

(25) The North parcel of the Children's Service Center(CSC)site, formerly Washington High School, was sold to private development. The South site parcel is under review for building demolition and resale pending City and DEQ regulation. It is now referred to as the DEQ site.

(26) Applegate and Sacajawea facility is now used for Headstart Program.

(27) Sold- Entity building sold in current and prior year, therefore Sq.ft. is removed from total. The schools remain on the list while students remain on the list, for 10 years.

(28) Leased- Edwards is leased to Trillium. Kenton is leased to Delasalle North School. King Neighborhood Facility is leased to N.E.C.N. Columbia Holding is leased to part of Bridger K-8.

(29) Columbia Bus Barn Bldg. and Columbia Bus Parking (portable) facility is now used for Transportation Services.

(30) Vacant/Inactive- Foster and Smith are now vacant and inactive.

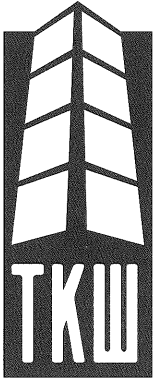
(31) Kellogg - Vacant facility is now used by BESC for storage of furniture.

(32) East Sylvan facility is used by Eastand West Sylvan. East Sylvan has 6th grade and West Sylvan has 7th-8th grade.

All Student numbers are represented under West Sylvan data.



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



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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

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

We have audited, 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, 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, 2014, and have issued our report thereon dated December 9, 2014.

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 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial 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.

An Independently Owned Member
McGLADREY ALLIANCE

 McGladrey

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

Page 2

COMPLIANCE (Continued)

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 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows:

State School Fund Factors and Calculation:

- The District did not properly withdraw one student, from our sample of sixty students, who was absent for more than ten consecutive days.

OAR 162-10-0230 INTERNAL CONTROL

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Deficiencies in internal control, if any, were communicated separately.

RESTRICTIONS ON USE

This report is intended solely for the information and use of the Board of Directors, 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, Kowala & Warwick LLP

Lake Oswego, Oregon
December 9, 2014

Portland Public Schools Nondiscrimination Statement

Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. It is the policy of the Portland Public School Board that there will be no discrimination or harassment of individuals or groups on the grounds of age, color, creed, disability, marital status, national origin, race, religion, sex or sexual orientation in any educational programs, activities or employment.

Board of Education Policy 1.80.020-P

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2013-14 CAFR Preparation

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Special thanks to Sara Bottomley, Assistant Budget Director and the Budget Department staff