

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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MULTNOMAH COUNTY, OREGON

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MULTNOMAH COUNTY, OREGON

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Reynolds School District  
Administration Offices  
1204 NE 201<sup>st</sup> Avenue  
Fairview, OR 97024  
503.661.7200 • FAX 503.667.6932

December 29, 2015

To The Board of Education and Citizens of the Reynolds School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Reynolds School District (Multnomah County School No. 7) for the fiscal year ended June 30, 2015. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

The District's Finance Department prepared this report, and management assumes the responsibility for the completeness, reliability, and accuracy of all the information presented.

The District's management has established a comprehensive framework that is designed both to protect the assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statement in conformity with accounting principles generally accepted in the United States of America (GAAP). Since the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

### **Independent Audit**

The 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, Pauly Rogers and Company, P.C., have completed their audit of the financial statements and, accordingly, have issued an unqualified ("clean") opinion on the Reynolds School District's financial statements for the year ended June 30, 2015. The independent auditor's report is located at the front of 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. Reynolds School District has issued a 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 Government. Pauly Rogers and Company, P.C. has also provided various required reports. These reports are located in the Single Audit Section of this report.

### **Management's Discussion and Analysis**

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and

Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District MD&A can be found immediately following the independent auditor's report.

## **PROFILE OF THE DISTRICT**

### *Mission Statement:*

*Each graduate embraces lifelong learning and applies skills in technology, global literacy, creativity, and critical-thinking to enhance family, career, and community.*

### **General Background**

The Reynolds School District was confirmed in 1954 as a consolidation of the Fairview, Troutdale and Wilkes elementary school districts. In 1975, Rockwood School District merged with Reynolds.

The District has 11 elementary, three middle, one high school, one alternative school and six alternative programs, serving 10,193.83 students from a diverse geographic region and from various backgrounds. Its students speak more than 68 languages.

The District also has four sponsored charter schools. In May of 1999, the State of Oregon passed Oregon's Charter School Law (ORS 338) which permits parents, teachers, or community members to contract with the school District or the State as a sponsor for the operation of a charter school. The charter schools are financed by a portion of the State School Funds distributed to the District and any revenue they can raise themselves. The District is allowed to withhold 5 – 20% of its State School Funds, per Average Daily Membership Weighted (ADMw). Only one district employee works at the Charter Schools; however, the District is legally required to provide special education to its students that meet state and federal requirements. The District has no equity interest in any of the charter schools, and all are considered legally separate organizations.

The high school consistently ranks as one of the largest, in terms of student population, in the state. Reynolds High School students may also attend the Center for Advanced Learning, a charter school partnership between four neighboring districts (Centennial, Corbett, Gresham-Barlow and Reynolds), where students can choose to focus on health sciences, engineering or computer science.

### **District Structure**

Reynolds School District is governed by seven elected members at large who serve four-year terms, without compensation, and can be re-elected. The School Board sets district policies, employs staff and dedicates resources. It is the chief governing body and is exclusively responsible for its public policies and accountable for fiscal oversight. The chief administrative officer of the District is the superintendent who is appointed by the Board.

District management includes a superintendent, two chief officers, and 48 principals, vice-principals and district administrators. The District employs 1,177.08 full-time equivalent

personnel, including principals, vice-principals, administrators, teachers, supervisors, secretarial staff, bus drivers, maintenance personnel, cafeteria staff and other support staff.

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.

### **Geography and Population**

The District spans from 141<sup>st</sup> Avenue to the Sandy River and from the Columbia River on the North to SE Market Street and SE Stark Street to the South. The district serves Portland, Gresham, Fairview, Wood Village and Troutdale, and is a mix of urban and rural residential, high tech manufacturing and farm land.

### **APPROPRIATIONS AND BUDGETARY CONTROLS**

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

The entire Board, together with seven appointed residents of the school district, serves as the District's Budget Committee. The role of the Budget Committee is to help assure that the District Budget Document and fiscal practices address the budget goals set by the Board of Education.

Consistent with Oregon Budget Law and Oregon Department of Education Chart of Accounts, expenditures are appropriated for each legally adopted annual operating budget as follows:

- Instruction
- Support Services
- Community Services
- Facilities Acquisition and Construction
- Debt Service
- Operating Contingencies
- Fund Transfers
- Unappropriated Ending Fund Balance

Budgetary appropriations may not be legally over-expended except in the case of reimbursable grant expenditures and trust monies which could not be reasonably estimated at the time the budget was adopted. After budget approval, the Board may approve supplemental

appropriations if any occurrence, condition or need exists which had not been anticipated at the time the budget was adopted. Supplemental budgets must be submitted to the Board for approval by the Board.

## Cash Management

Through the year, cash not required for current operations is invested in the State of Oregon Local Government Investment Pool.

## FACTORS AFFECTING FINANCIAL CONDITION

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

According to the Office of Economic Analysis (OEA), Oregon has averaged 1.5 to 2.0 % job growth and the forecast calls for peak growth of 3% over the 2015-17 time frame.

A summary of Economic Forecast is as follows:

<b>Economic Forecast Summary</b>		<b>Quarterly</b>					<b>Annual</b>				
		2015:2	2015:3	2015:4	2016:1	2016:2	2014	2015	2016	2017	2018
<b>Personal Income, Nominal</b>	U.S.	3.8	4.6	4.2	5.1	4.3	4.4	4.2	4.7	5.4	5.2
<i>% change</i>	Oregon	5.0	6.2	6.8	6.3	6.2	5.7	5.7	6.5	7.0	6.4
<b>Wages and Salaries, Nominal</b>	U.S.	2.5	4.2	4.2	4.9	5.0	5.1	4.0	4.7	5.3	5.1
<i>% change</i>	Oregon	3.6	7.6	6.4	8.1	7.5	6.1	6.0	7.3	7.6	6.5
<b>Population</b>	U.S.	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8
<i>% change</i>	Oregon	1.2	1.4	1.1	1.0	1.2	1.1	1.2	1.2	1.2	1.2
<b>Housing Starts</b>	U.S.	1.16	1.14	1.17	1.22	1.27	1.00	1.11	1.30	1.45	1.51
<i>U.S. millions, Oregon thousands</i>	Oregon	13.9	16.1	18.0	18.5	18.9	15.6	15.7	19.2	21.6	22.8
<b>Unemployment Rate</b>	U.S.	5.4	5.2	5.1	5.1	5.1	6.2	5.3	5.0	4.9	5.0
	Oregon	5.3	6.1	6.0	5.9	5.8	7.0	5.8	5.8	5.4	5.6
<b>Total Nonfarm Employment</b>	U.S.	1.7	1.7	1.4	1.6	1.6	1.9	2.1	1.5	1.3	1.2
<i>% change</i>	Oregon	2.0	2.3	2.5	2.9	2.7	2.8	3.1	2.7	2.9	2.0
<b>Private Sector Employment</b>	U.S.	2.0	1.8	1.5	1.9	1.9	2.3	2.4	1.7	1.4	1.2
<i>% change</i>	Oregon	2.1	2.1	2.6	3.1	3.0	3.0	3.3	2.9	3.1	2.2

<http://www.oregon.gov/DAS/OEA/docs/economic/forecast1214.pdf>.

Reynolds School District has been fortunate to have weathered the economic recession better than many other nearby school districts. However, the District has been utilizing reserves to balance the annual budget for some time. The 2015-16 adopted budget utilizes \$0.85 million in reserves to offset the expenditures proposed that exceed the current year's revenues. This represents a reduction in budgeted spend-down when compared to the \$0.86 million budgeted in 2014-15 as noted on the following table:



GENERAL FUND BUDGETED SPEND-DOWN OF RESERVES

<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2013-15</u>	<u>2013-15</u>
\$3,065,032	3,926,000	6,654,722	1,941,539	860,537	850,000

The reduction in proposed budgeted spend-down is a result of increased State School Fund revenues, anticipated PERS savings, changes to expenditure practices, and budgeting contingencies and unappropriated ending fund balance to roll forward to the second year of the biennium where no revenue increases are anticipated. The District continues to meet the goal of using current year revenues for current year expenses. The goal of the District will be to continue the practice of only spending down fund balances on one-time expenditures such as capital and other non-labor costs.

The District's largest source of revenue comes from the State School Fund and is determined using projected student enrollment in the District and projected transportation expenditures.

The District Average Daily Membership Weighted for 2015-16 is projected to be 15,698.23, up from the current 2014-15 ADMw of 14,691.42. This total includes full (1.0) weight for kindergarten students, prior to 2015-16, the state only paid for half (0.50) day for kindergarten students. The increase is a result of projections received from the District's charter schools, and the exiting 2015 senior class being the smallest class District-wide. The weights applied to reach existing Reynolds' student population, the increase number of identified English Language Learner (ELDs), and the decreased number of special education students for the 2014-15 school year.

Due to the important relationship between funding and enrollment, the District will continue to carefully review future projections.

## **LONG-TERM FINANCIAL PLANNING**

The District maintains 28 facilities totaling 1.4 Million square feet. As is true of many school districts in the State of Oregon, funding for capital improvements is limited due to prioritization of limited District resources for direct support of student learning in the classroom. As a result, our facilities, some over 100 years old, are in dire need of improvements and/or replacement to meet current building codes, as well as expansions to serve our existing student population who experience over-crowding due to shortages of classroom and common spaces.

A comprehensive facilities assessment was completed in 2013-14 to detect needed improvements ranging from major facility systems and seismic structural issues, to the present use of space and existing capacity and safety needs.

The outcome of the assessments led into a Facility Master Plan process adopted by the Reynolds School Board in August 2014. The Facility Master Plan report cites facilities improvements and capacity expansion projects totaling more than \$500 Million to be completed over 20 years.

A Facilities Community Taskforce was formed to finalize project prioritization work, and made recommendation to the Board in January 2015 for needed improvements and possible funding sources. This led to Board approval for the \$125 million property tax levy measure on the May 19, 2015 election for bond capital projects.

On May 19, 2015, the voters supported the property tax levy measure authorizing the sale of construction bonds. The bond revenues will provide safe, smart and sustainable schools. Fairview, Troutdale and Wilkes Elementary Schools will be replaced and Reynolds High School will be remodeled with additional classrooms wings and will connect all the building. All schools will receive safety and security upgrades.

On June 10, 2015, the Board authorized the issuance, sale, execution and delivery of the District's 2015 General Obligation Bonds. On August 18, 2015, the District issued \$122,945,047.40 General Obligation Bonds, series 2015 for a premium of \$14,936,284.80, totaling \$137,881,332.20.

On September 17, 2015, The Reynolds Citizen Oversight Committee met for the first time. The Committee is made up of board members, community members, district's staff and Project Manager. The Committee meets monthly to monitor and report on the expenditures of the 2015 G.O. Bonds proceeds, and to inform the public on those expenditures. The Committee will promptly inform the Board of any wasteful spending.

For schools that are not part of the 2015 G.O. Bonds proceeds, the District will continue to annually increase capital improvements to sites and facilities to maintain District's assets and that work is reflected within the 2015-16 Adopted Budget. All work moving forward will align with the Facility Master Plan.

## ACKNOWLEDGMENTS

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

Respectfully submitted,

Signed:



Linda L. Florence, Superintendent

Signed:



Rachel Lopez Hopper, CFO/COO

Signed:



Huong Cynthia Le, Director of Finance

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[www.reynolds.k12.or.us/schools/](http://www.reynolds.k12.or.us/schools/)

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2015

<u>NAME</u>	<u>TERM EXPIRATION</u>
Bruce McCain, Chair	June 30, 2019
Joe Teeny, Vice Chair	June 30, 2017
Diane Whitehead	June 30, 2017
Diego Hernandez	June 30, 2017
John Lindenthal	June 30, 2017
Tamara Schaffner	June 30, 2019
Dane Nickerson	June 30, 2019

The above Board Members receive mail at the address below:

Linda Florence, Superintendent

Administrative Office  
1204 N.E. 201<sup>st</sup> Avenue  
Fairview, Oregon 97024

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

December 29, 2015

To the Board of Directors  
Multnomah County School District No. 7  
Multnomah County, Oregon

## INDEPENDENT AUDITORS' REPORT

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Multnomah County School District No. 7, as of and for the year ended June 30, 2015, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

### **Opinions**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Multnomah County School District No. 7 thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

The District adopted the provisions of GASB Statement No. 68, Accounting and Reporting for Pensions, as well as the provisions of GASB Statement No. 71, Pensions Transition for Contributions Made Subsequent to the Measurement Date, for the year ended June 30, 2015. Our opinion is not modified with respect to this matter



## Other Matters

### *Required Supplementary Information*

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

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 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, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The supplementary information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


### *Other Information*

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

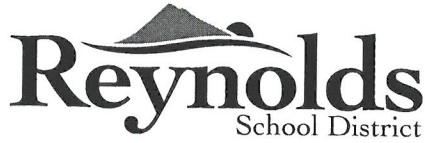
## Reports on Legal and Other Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 29, 2015 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 29, 2015, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.



Reynolds School District  
Administration Offices  
1204 NE 201<sup>st</sup> Avenue  
Fairview, OR 97024  
503.661.7200 • FAX 503.667.6932

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

As management of Reynolds School District # 7 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ending June 30, 2015.

Since the focus of the Management's Discussion and Analysis (MD&A) is on the current year activities, resulting changes and currently known facts. The MD&A should be read in conjunction with the District's financial statements, including the accompanying notes. Additionally, as a required part of the MD&A, comparative information for the current year is presented for financial analysis to enhance the understanding of the District's financial performance.

### NEW ACCOUNTING STANDARDS IMPLEMENTED

The District implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB No. 68) and Statement 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68* (GASB No. 71) in fiscal year 2014-15.

GASB 68 establishes new accounting and financial reporting requirements related to pensions provided by governments, while GASB 71 establishes guidance for contributions made after the measurement date of the net pension liability. The objective is to reflect the status of pensions on the governmental financial statements. The implementation of GASB No. 68 resulted in the reduction in the beginning net position by \$62.7 million.

GASB Statement 69, *Government Combinations and Disposals of Operations* provides guidance on accounting for and reporting government mergers, acquisitions, and disposals. The District had no such events.

Due to the implementation of GASB Statement 68 and 71, beginning net position was restated as of July 1, 2014. Prior year comparative information has been presented in the same manner as it was in last year's report. Comparative data will be provided in future years.

### Financial Highlights

- In the government-wide financial statements, the assets of the District exceeded its liabilities and deferred inflows at June 30, 2015 by \$9,631,278. Of this amount, the District invested \$44,378,505 in capital assets, net of related debt, \$2,391,852 is restricted, \$2,346,242 is for Special Projects, and the remaining (\$58,747,877) is unrestricted and available to meet the District's ongoing obligations to citizens and creditors.
- On June 30, 2015, the District's total net position decreased by \$46,753,496. This decrease is primarily caused by the impact of GASB 68, not reporting pre-paid PERS assets on this year's statement.
- On June 30, 2015, the District's governmental funds reported combined ending fund balances of \$15,754,408. This represents an decrease of \$3,568,085 from the prior year.



Approximately 55% of this total amount, \$8,698,353 is unassigned, and available for spending at the District's discretion, but subject to restrictions of fund type.

- On June 30, 2015, the General Fund had a fund balance of \$9,020,930, including a GASB 54 reporting requirement of \$282,662 from Early Retirement Fund, or about 8% of General Fund expenditures. (General Fund \$8,738,268 + Early Retirement Fund \$282,662 = \$9,020,930)
- GASB54 requires the Early Retirement Fund's ending fund balance be reported with the General Fund, instead of reporting with Other Government funds as in prior years.
- The District's total long term debt decreased by \$5,936,649 during fiscal year 2014-15. Principal paid on the existing General Obligations and Pension Obligation bonds, and 2001 G.O Bonds were paid off contributing to this decrease.

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

- The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned, but unused, vacation leave).

Both of the government-wide financial statements distinguish 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*). As is typical for a school district, the Reynolds School District has governmental activities, such as regular and special education programs, child nutrition services, transportation, administration, and facilities improvements and construction. These activities are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues. The District does not have any business-type activities.

The government-wide financial statements can be found on pages 4 and 5 of this report.

**Fund Financial Statements** are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. 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. The funds of the District include governmental funds, and agency and trust funds. The School Board sets appropriations within every fund each year (for instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, transfers, contingency, and unappropriated ending fund balance and other GASB 54 classifications) that establish the legal limits for expenditures of the District.

**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 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 financing decisions. Both 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*.

The District maintains five 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, Federal Programs Fund, Debt Service Fund, Capital Projects Fund and PERS Bond Fund. The District classifies these five funds as major funds.

The District adopts an annual appropriated budget for all of its funds as stated above. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found beginning on pages 6-11 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 12 to 35 of this report.

Additionally, the Federal Government and the State of Oregon require Governmental entities to include additional auditor reports and schedules. The 2014-2015 Auditors' Comments and Disclosure includes the auditor's report on internal accounting control and other matters. The Grant Compliance review includes a schedule of Federal Awards along with reports on internal control, program compliance and schedule of prior and current year audit findings relative to Federal awards. The required auditors' comments, disclosures and grant compliance review information can be found on pages 74-79 of this report.

## **Government-Wide Financial Analysis**

### **Net Position**

Net position may serve over time as a useful indicator of a government's financial position. The District's assets exceed liabilities by \$9,631,278.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 36% of total assets. There were capital additions (vehicle and equipments) in fiscal year 2013-14. The remaining assets consist mainly of investments, cash, inventories, grant and property taxes receivable and share of Pension asset (new due to GASB 68).

The District's largest liability, or approximately 82%, similar to the prior year, is for the repayment of general obligations, pension (PERS) bonds, notes and lease contract payables. Current liabilities, representing about 5.5% of the District's total liabilities, consist almost entirely of payables on salaries and benefits, the current portion of compensated absences, other vendor payables, and the current portion of long-term debt.

Net Position at June 30, 2015 as compared to June 30, 2014:

<b>Governmental Activities</b>				
	<b>2015</b>	<b>2014</b>	<b>Increase/ (Decrease)</b>	<b>%</b>
<b>Assets</b>				
Current and other assets	\$ 36,241,285	\$ 73,947,929	\$ (37,706,644)	-51%
Net capital assets	<u>88,263,422</u>	<u>86,985,737</u>	<u>1,277,685</u>	<u>1%</u>
Total assets	<u>124,504,707</u>	<u>160,933,666</u>	<u>(36,428,959)</u>	<u>-23%</u>
<b>Liabilities</b>				
Other liabilities	14,016,412	15,220,646	(1,204,234)	-8%
Long term liabilities	<u>102,654,153</u>	<u>108,590,802</u>	<u>(5,936,649)</u>	<u>-5%</u>
Total liabilities	<u>116,670,565</u>	<u>123,811,448</u>	<u>(7,140,883)</u>	<u>-6%</u>
<b>Net Pension Related Deferrals</b>	17,465,420	-	(17,465,420)	100%
<b>Net Position</b>				
Investment in Capital Assets, net of related debt	44,378,505	36,972,411	7,406,094	20%
Restricted	4,738,094	3,672,338	1,065,756	29%
Unrestricted	<u>(58,747,877)</u>	<u>(3,522,531)</u>	<u>(55,225,346)</u>	<u>1568%</u>
Total net position	<u>\$ (9,631,278)</u>	<u>\$ 37,122,218</u>	<u>\$ (46,753,496)</u>	<u>-126%</u>

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

Some key elements of change in the governmental activities net position for the year ending June 30, 2015, and 2014 are as follows:

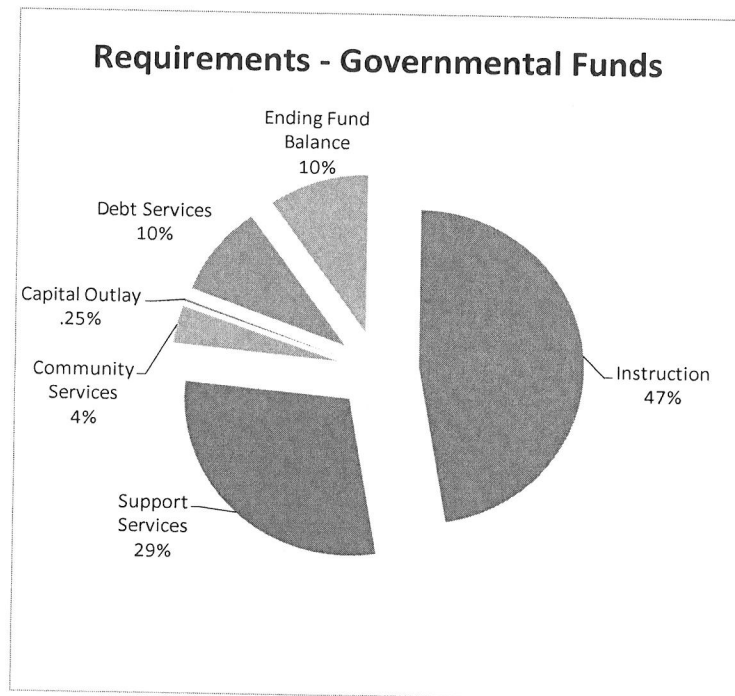
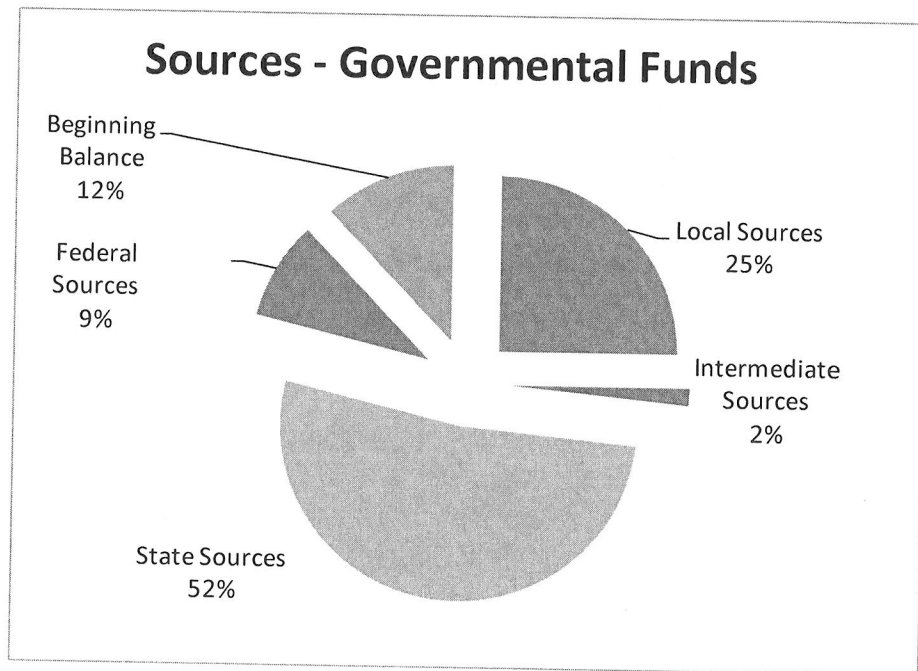
Statement of Activities				
	2015	2014	Increase/ (Decrease)	%
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 1,232,868	\$ 1,591,846	\$ (358,978)	-23%
Operating grants and contributions	14,460,074	13,969,115	490,959	4%
General revenues				
Property taxes	30,311,983	29,291,925	1,020,058	3%
State support	83,521,907	80,199,737	3,322,170	4%
Intermediate sources	2,183,826	1,358,877	824,949	61%
Miscellaneous	1,813,137	1,186,346	626,791	53%
Investment earnings	204,198	218,294	(14,096)	-6%
Total revenues	<u>133,727,993</u>	<u>127,816,140</u>	<u>5,911,853</u>	<u>5%</u>
<b>Expenses</b>				
Instruction	63,799,909	70,693,491	(6,893,582)	-10%
Support services	39,052,852	41,624,247	(2,571,395)	-6%
Enterprise and community services	5,145,985	5,993,003	(847,018)	-14%
Interest on long-term debt	6,993,654	6,734,328	259,326	4%
Total expenses	<u>114,992,400</u>	<u>125,045,069</u>	<u>(10,052,669)</u>	<u>-8%</u>
Increase (decrease) in net position	18,735,593	2,771,071	15,964,522	576%
Net position, beginning (restated)	<u>(28,366,871)</u>	<u>34,351,147</u>	<u>(62,718,018)</u>	<u>-183%</u>
Net position, ending	\$ <u>(9,631,278)</u>	\$ <u>37,122,218</u>	\$ <u>(46,753,496)</u>	<u>-126%</u>

## Revenues

Total revenues increased \$5,911,853 from the prior year, is a net result in an increase in the State School Fund funding received, an increase in the State and others and miscellaneous, as well as Intermediate sources, offset by a decrease in the charges for services and Investment Earning Revenues.

General Fund revenues account for approximately 88% of all funds revenues. Property taxes are split between General Fund tax levies, and Debt Service requirements. The State School Fund (SSF) is the largest revenue source at \$83,521,907 or 62% of total revenues. Each Oregon school district

receives money from the state based upon an Average Daily Membership (ADMw) formula, weighted for various demographic considerations. The formula is allocated by multiplying a dollar rate per student established by the legislature every biennium. All General Fund Ad Valorem Taxes, County School Fund, State School Support, Common School Fund, and Federal Forest Fees are included in the SSF formula. As a safety net, each district may utilize the highest ADMw from two of the most recent fiscal years in the calculation.



## **Financial Analysis of the District's Funds**

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

### **Governmental Funds**

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$15,754,408. Of this amount, \$8,698,353 constitutes unassigned fund balance, which is available for spending at the District's discretion, but subject to restrictions of fund type.

### **General Fund**

The General Fund is the primary operating fund of the District. At the end of the current fiscal year, the total ending fund balance was \$9,020,930. This amount represents \$8,738,268 of the General Fund and \$282,662 of the Early Retirement Fund. GASB 54 requires the Early Retirement Fund's ending fund balance be reported with the General Fund, instead of reporting with Other Government Funds as in prior years.

As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund revenue. The General Fund total ending fund balance represents 57% of total all funds balance, and 82% of General Fund revenues.

General Fund ending fund balance decreased by \$3,500,518, or -30% from prior year primarily due to an increase in the expenditures.

### **Federal Programs Fund**

Revenues and expenditures in the Federal Programs Fund decreased from \$8,684,847 in 2013-14 fiscal year, to \$8,258,960 in 2014-15 fiscal year, a decrease of \$425,887, or -5% from prior year. This is primarily due to a decrease in Title funds.

### **Special Revenue Fund**

The Special Revenue Fund consists of Nutrition Services, State and Local Programs and Self Insurance Funds. This fund has a total fund balance decreased from \$3,856,994 in 2013-14 fiscal year, to \$3,655,566 in 2014-15 fiscal year, a decrease of \$201,428, or -6% from prior year, primarily due to a decrease in contracts and revenues.

## **Capital Asset and Debt Administration**

### **Capital assets**

The District's investment in capital assets for its governmental activities as of June 30, 2015 amounts to \$88,263,422, net of accumulated depreciation. This investment in capital assets includes land, buildings, equipment, and vehicles. Capital assets for the prior year amounted to \$86,985,737, and reflect an increase of \$1,277,685, or 1.5% from prior year. This increase is the net amount of current year's depreciation and capital asset acquisitions (vehicle and equipments) in fiscal year 2014-15.

**Capital Assets (Net of Depreciation) includes the following:**

	<b>June 30, 2015</b>	<b>June 30, 2014</b>	<b>Total Percentage Change</b>
Land	\$ 18,236,549	\$ 18,236,549	0.0%
Buildings and improvements	66,689,451	66,118,179	0.9%
Vehicles and equipment	3,337,422	2,631,009	26.8%
<b>Total assets</b>	<b>\$ 88,263,422</b>	<b>\$ 86,985,737</b>	<b>1.5%</b>

Additional information on the District's capital assets can be found in note 5 on page 21 of this report

**Long-term debt.** At the end of the fiscal year, the District had a total outstanding long-term debt of \$110,333,231 consisting of general obligation debt and pension obligation debt, net of unamortized premium/discount.

	<b>June 30, 2015</b>	<b>June 30, 2014</b>	<b>Total Percentage Change</b>
Bonds payable	\$ 80,651,896	\$ 88,217,587	(8.6%)
Capital Leases	2,961	5,515	(46.3%)
Full Faith Credit Obligations	21,999,296	22,711,261	(3.1%)
Net OPEB Obligation	6,366,362	4,830,368	31.8%
Net Pension Obligation	1,312,716	1,106,281	18.7%
<b>Total Long-Term Debt</b>	<b>\$ 110,333,231</b>	<b>\$ 116,871,012</b>	<b>(5.6%)</b>

Additional information on the District's long-term debt can be found in note 8 on pages 23 to 26 of this report

## **Economic Factors and Next Year's Budgets**

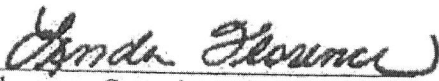
- The most significant economic factor for the District is the State of Oregon's State School Fund. For the year ending June 30, 2015, the State School Fund – General Fund provided 76% of the District's General Fund Revenues and 59% of District's total revenues. The District's 15-16 budget is based on the Co-Chair proposed budget of \$7.255 billion statewide for the biennium, with a 50/50 split between the two fiscal years. Reynolds School District's portion based on projected enrolment for 2015-16 is estimated to be \$90 million. The District will have all day kindergartens at all elementary schools in the 2015-16.
- The state economic forecast reveals a slow, steady recovery and slow growth in State School funding for the District in the next few biennia.
- The costs of salaries and related benefits are expected to increase in 2015-16. The utilities costs continue to escalate. The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2015-16 fiscal years


- The District has also analyzed its financial holdings and doesn't anticipate any liquidity problems in the next 12 months.
- School Board policy mandates that the District budget a minimum of 5% fund balance be maintained. The reserve is maintained to absorb economic downturns, state revenue-sharing reductions and other revenue shortfalls, and will prudently be used when needed to provide stability of core programs and legally required activities to every child
- In spite of the uncertainty in today's economy and continued funding challenges, the District, through prudent fiscal management, maintains a healthy financial position to provide the quality education deserved by every child.

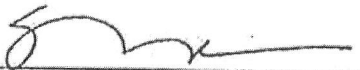
### Requests for Information

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be address to the Chief Financial and Operations Officer at 1204 NE 201<sup>st</sup> Ave, Fairview OR 97024. Electronic copies of this report may be found at the district website <http://www.reynolds.k12.or.us/dept/business.html>.

Respectfully submitted,

Signed:   
Linda L. Florence, Superintendent

Signed:   
Rachel Lopez Hopper, CFO/COO

Signed:   
Huong Cynthia Le, Director of Finance

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**BASIC FINANCIAL STATEMENTS**

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MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

STATEMENT OF NET POSITION  
June 30, 2015

	Governmental Activities
ASSETS:	
Cash and Investments	\$ 15,607,645
Receivables:	
Accounts and Grants	6,050,857
Property Taxes	1,937,955
Supply Inventories & Assets Held for Resale	242,871
Other Prepaid Expenses	49,727
Proportionate Share of Net Pension Asset (PERS)	10,827,948
Equity in CAL	1,524,282
Capital Assets, Non-Depreciable	18,236,549
Capital Assets, Depreciable, Net	70,026,873
	<hr/>
Total Assets	124,504,707
	<hr/>
LIABILITIES:	
Accounts Payable	1,166,328
Accrued Salaries and Benefits	4,983,152
Accrued Vacation Payable	143,318
Bond & Note Interest Payable	44,536
Noncurrent liabilities:	
Due within one year	6,522,126
Due in more than one year	96,132,027
Net Pension Obligation	1,312,716
Net Other Post Employment Benefit Obligation	6,366,362
	<hr/>
Total Liabilities	116,670,565
	<hr/>
DEFERRED INFLOWS:	
Net Pension Related Deferrals	17,465,420
	<hr/>
NET POSITION:	
Net Investment in Capital Assets	44,378,505
Restricted for Debt Service	2,391,852
Restricted for Special Projects	2,346,242
Gain/Loss on Disposal	-
Unrestricted	(58,747,877)
	<hr/>
Total Net Position	\$ (9,631,278)
	<hr/>

See accompanying notes to the basic financial statements

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

STATEMENT OF ACTIVITIES  
For the year ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Instruction	\$ 63,799,909	\$ 47,508	\$ 6,509,960	\$ (57,242,441)
Support Services	39,052,852	-	3,680,201	(35,372,651)
Community Services	5,145,985	1,185,360	4,269,913	309,288
Interest on Long-Term Debt	6,993,654	-	-	(6,993,654)
Total Governmental Activities	<u>\$ 114,992,400</u>	<u>\$ 1,232,868</u>	<u>\$ 14,460,074</u>	<u>(99,299,458)</u>
General Revenues:				
				24,066,693
Property Taxes Levied for General Purposes				6,245,290
Property Taxes Levied for Debt Service				83,521,907
State Support				2,183,826
Intermediate Sources				204,198
Earnings on Investments				(31,488)
Loss on Equity - CAL				1,844,625
Miscellaneous				
Total General Revenues				<u>118,035,051</u>
		Change in Net Position		18,735,593
		Net Position - Beginning (Restated)		<u>(28,366,871)</u>
		Net Position - Ending		<u>\$ (9,631,278)</u>

See accompanying notes to the basic financial statements

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2015

	GENERAL FUND	FEDERAL PROGRAMS FUND	DEBT SERVICE FUND	PERS BOND FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>							
Cash & Equity in Pooled Cash	\$ 12,309,360	\$ (1,810,574)	\$ 2,223,369	\$ 96,624	\$ 653,009	\$ 2,135,857	\$ 15,607,645
Receivables:							
Accounts and Grants	2,530,224	1,853,992	45,827	-	33,051	1,587,763	6,050,857
Property Taxes	1,473,422	-	464,533	-	-	-	1,937,955
Interfund Receivable	-	-	-	-	-	-	-
Prepaid	39,915	7,273	-	-	-	2,539	49,727
Inventory & Property Held for Resale	-	-	-	-	-	242,871	242,871
<b>Total Assets</b>	<b>\$ 16,352,921</b>	<b>\$ 50,691</b>	<b>\$ 2,733,729</b>	<b>\$ 96,624</b>	<b>\$ 686,060</b>	<b>\$ 3,969,030</b>	<b>\$ 23,889,055</b>
<b>LIABILITIES, AND FUND BALANCES:</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 958,439	\$ 10,167	\$ -	\$ -	\$ -	\$ 197,722	\$ 1,166,328
Accrued Salaries and Benefits	4,983,152	-	-	-	-	-	4,983,152
Interfund Payable	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>5,941,591</b>	<b>10,167</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>197,722</b>	<b>6,149,480</b>
<b>Deferred Inflows of Resources:</b>							
Unavailable Revenue- Property Taxes	1,390,400	40,524	438,501	-	-	115,742	1,985,167
<b>Fund Balances (Deficit):</b>							
Nonspendable	39,915	-	-	-	-	242,871	282,786
Restricted:							
Debt Service	-	-	2,295,228	96,624	-	-	2,391,852
State & Local Programs	-	-	-	-	-	481,133	481,133
Food Service	-	-	-	-	-	1,865,109	1,865,109
Committed:							
Early Retirement	282,662	-	-	-	-	-	282,662
Self Insurance	-	-	-	-	-	61,190	61,190
Assigned	-	-	-	-	686,060	1,005,263	1,691,323
Unassigned	8,698,353	-	-	-	-	-	8,698,353
<b>Total Fund Balances (Deficit)</b>	<b>9,020,930</b>	<b>-</b>	<b>2,295,228</b>	<b>96,624</b>	<b>686,060</b>	<b>3,655,566</b>	<b>15,754,408</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 16,352,921</b>	<b>\$ 50,691</b>	<b>\$ 2,733,729</b>	<b>\$ 96,624</b>	<b>\$ 686,060</b>	<b>\$ 3,969,030</b>	<b>\$ 23,889,055</b>

See accompanying notes to the basic financial statements

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**June 30, 2015**

TOTAL FUND BALANCES-GOVERNMENTAL FUNDS		\$ 15,754,408
Capital assets are not financial resources and therefore are not reported in the governmental funds.		
Cost	\$ 158,076,380	
Accumulated Depreciation	<u>(69,812,958)</u>	88,263,422
A portion of the property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are not reported as revenue in the governmental funds.		1,985,167
The Net Pension Asset (Liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		10,827,948
Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.		(17,465,420)
Equity interest in the Center for Advanced Learning (CAL) is not reported in the governmental funds:		1,524,282
Long-term liabilities applicable to the governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		
Long term Liabilities:		
Accrued Vacation Payable	(143,318)	
Bond & Note Interest Payable	(44,536)	
Debt Obligations	<u>(110,333,231)</u>	(110,521,085)
TOTAL NET POSITION		<u>\$ (9,631,278)</u>

See accompanying notes to the basic financial statements

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2015

	GENERAL FUND	FEDERAL PROGRAMS FUND	DEBT SERVICE FUND	PERS BOND FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:							
Local Sources	\$ 24,413,135	\$ -	\$ 7,063,928	\$ 6,650,457	\$ 3,407	\$ 1,860,589	\$ 39,991,516
Intermediate Sources	1,994,101	-	-	-	249,307	324,893	2,568,301
State Sources	83,062,262	-	-	-	-	459,645	83,521,907
Federal Sources	119,824	8,258,960	-	-	-	6,081,291	14,460,075
Total Revenues	109,589,322	8,258,960	7,063,928	6,650,457	252,714	8,726,418	140,541,799
EXPENDITURES:							
Current:							
Instruction	68,611,922	5,351,778	-	-	-	1,500,646	75,464,346
Support Services	42,961,792	2,792,710	-	-	-	1,177,138	46,931,640
Community Services	122,776	59,817	-	-	-	6,022,418	6,205,011
Facilities Acquisition	-	-	-	-	-	-	-
Capital Outlay	-	54,655	-	-	1,000	339,644	395,299
Debt Service	122,310	-	6,698,750	6,650,490	1,642,038	-	15,113,588
Total Expenditures	111,818,800	8,258,960	6,698,750	6,650,490	1,643,038	9,039,846	144,109,884
Revenues over (under) expenditures	(2,229,478)	-	365,178	(33)	(1,390,324)	(313,428)	(3,568,085)
Other Financing Sources, (Uses):							
Transfers In	450,000	-	-	-	1,542,038	112,000	2,104,038
Transfers Out	(2,104,038)	-	-	-	-	-	(2,104,038)
Total other financing sources (Uses)	(1,654,038)	-	-	-	1,542,038	112,000	-
Net Change in Fund Balance	(3,883,516)	-	365,178	(33)	151,714	(201,428)	(3,568,085)
Fund balance, beginning	12,904,446	-	1,930,050	96,657	534,346	3,856,994	19,322,493
Fund balance, ending	\$ 9,020,930	\$ -	\$ 2,295,228	\$ 96,624	\$ 686,060	\$ 3,655,566	\$ 15,754,408

See accompanying notes to the basic financial statements

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**Reconciliation of the Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2015**

TOTAL NET CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS	\$	(3,568,085)
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period:</p>		
Expenditures for capital assets	\$ 4,328,311	
Less current year depreciation	<u>(3,050,626)</u>	1,277,685
<p>The amount by which cost of assets disposed exceeded accumulated depreciation in the current period</p>		
Cost of assets disposed	(280,000)	
Accumulated depreciation	<u>280,000</u>	-
<p>Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability government-wide.</p>		
Issuance of New Debt	(206,434)	
Principal Payments on Long-Term-Debt	<u>8,317,655</u>	8,111,221
<p>Governmental funds report the effect of issuance costs, premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Amortization of bond premiums	101,243	
Accretion of discount on pension obligation bonds	(138,689)	
Amortization of issuance costs	<u>-</u>	(37,446)
Change in net pension obligation		-
Change in net OPEB obligation		(1,535,994)
<p>In the governmental funds, the current year payment to PERS to advance fund the District's UAL is charged as expenditures. In the Statement of Net Position it is reported as an asset and amortized over the life of the pension bonds issued to fund the payment. This is the net effect of these transactions:</p>		
		-
<p>In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an expense when due.</p>		
		11,268
<p>Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.</p>		
		235,267
<p>Equity interest in the Center for Advanced Learning (CAL) is not reported in the governmental funds:</p>		
		(31,488)
<p>Internal service funds are used by management to charge the costs of unemployment insurance premiums to individual funds. This activity is consolidated with the governmental activities in the statement of activities.</p>		
		-
<p>The Pension Expense represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.</p>		
		14,289,236
<p>Compensated absences are recognized as expenditure in the governmental funds when they are paid. In the Statement of Activities these liabilities are recognized as an expenditure when earned.</p>		
		(16,071)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$</u>	<u>18,735,593</u>

See accompanying notes to the basic financial statements



MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
June 30, 2015

	Private-purpose Trust Funds						Agency Fund
	Misc. Fund	R.S. Reynolds Scholarship Fund	Mark Whitehead Scholarship Fund	Skip Squires Scholarship Fund	Viskov Memorial Fund	Emilio Hoffman Memorial Fund	Student Activity Funds
<b>ASSETS:</b>							
Cash and Investments	\$ 605	\$ 6,465	\$ 3,807	\$ 766	\$ 2,092	\$ 1,550	\$ 303,732
<b>LIABILITIES:</b>							
Due to Student Organizations	-	-	-	-			303,732
<b>NET POSITION:</b>							
Reserved for Scholarship Programs	\$ 605	\$ 6,465	\$ 3,807	\$ 766	2,092	\$ 1,550	\$ -

See accompanying notes to the basic financial statements

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2015

	Private-purpose Trust Funds					
	Misc Fund	R.S. Reynolds Scholarship Fund	Mark Whitehead Scholarship Fund	Skip Squires Scholarship Fund	Viskov Memorial Fund	Emilio Hoffman Memorial Fund
Additions:						
Receipts	\$ 855	\$ -	\$ -	\$ -	\$ 500	\$ 550
Deductions:						
Disbursements	269	-	-	-	293	
Change in Net Position	586	-	-	-	207	550
Beginning Net Position	19	6,465	3,807	766	1,885	1,000
Ending Net Position	<u>\$ 605</u>	<u>\$ 6,465</u>	<u>\$ 3,807</u>	<u>\$ 766</u>	<u>\$ 2,092</u>	<u>\$ 1,550</u>

See accompanying notes to the basic financial statements

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

**A. THE FINANCIAL REPORTING ENTITY**

Multnomah County School District No. 7 (the District) is a municipal corporation governed by an elected seven member Board of Directors. The Superintendent is approved by the Board. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles in the United States of America, all activities of the District have been included in these basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts, which provide services within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units, as defined by GASB Statement 61, or included in these basic financial statements.

The basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States (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 accounting policies are described below.

**B. GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the District as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All direct expenses are reported by function in the Statement of Activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Net position is reported as restricted when constraints placed on net position use are either externally restricted, imposed by creditors, or through constitutional provisions or enabling resolutions.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION**

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary 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, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and OPEB obligations are recorded only when payment is due.

Property taxes associated with the current fiscal period, are considered by management to be susceptible to accrual, if received in cash 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. All other revenue items are considered to be measurable and available only when cash is received.

The following major governmental funds are reported:

**GENERAL FUND**

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

**FEDERAL PROGRAMS FUND**

This fund accounts for expenditures of federal grant funds. The principal revenue source is federal grant monies.

**DEBT SERVICE FUND**

This fund accounts for the payment of principal and interest general obligation bonds. The principal revenue source is property taxes.

**PERS BOND FUND**

This fund accounts for the payment of principal and interest on pension bonds. The principal revenue source is Services Charged to Other Funds.

**CAPITAL PROJECTS FUND**

This fund accounts for major capital outlay expenditures relating to the acquisition, construction and remodeling of facilities. Principal financing sources include the proceeds from the issuance of debt, sales of property and earnings from investments.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION - Continued*

Three non-major funds are reported as a combined total on the fund financial statements. These funds are not considered major because of the level of activity within them.

Additionally, there is the following other fund type:

FIDUCIARY FUNDS

This fund type is comprised of six private purpose scholarship trust funds and one agency fund that accounts for the student body accounts.

FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions* is followed. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the five classifications are nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaids.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. Authority to classify portions of ending fund balance as assigned is granted to the Clerk and the Deputy Clerk.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION - Continued*

Special Revenue Fund Rolled into the General Fund for GASB 54 Purposes

Financial statements for periods beginning after June 15, 2010 must report as Special Revenue funds only those which have a substantial portion of revenue inflows from restricted or committed revenue sources. The Retirement Fund is combined into the General Fund because there are no restricted or committed revenues

NET POSITION

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

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

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

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

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2015, deferred inflows of resources of \$17,465,420 related to the pension plan include differences between expected and actual experience, of assumptions, differences between projected and actual earnings, and contributions subsequent to the measurement date. The governmental funds report unavailable revenues of \$1,985,167 from two sources – property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

CASH AND CASH EQUIVALENTS AND INVESTMENTS

For the purpose of the Statement of Net Position and the balance sheet, money in the Oregon State Local Government Investment Pool, savings deposits and demand deposits 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.

PROPERTY TAXES

Uncollected real and personal property taxes are reflected on the Statement of Net Position and the balance sheet as receivables. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District. 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.

SUPPLY INVENTORIES AND PREPAID ITEMS

District operating supplies, maintenance supplies, and food and other cafeteria supplies are stated at average invoice cost. Commodities purchased from the United States Department of Agriculture in the Food Service Fund are included in inventories at USDA wholesale value. Inventory is accounted for on the consumption method in the government wide statements. Under the consumption method, inventory is expensed when used. In the fund financial statements, inventories are expensed when purchased. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused donated commodities at balance sheet date is considered immaterial by management for reporting purposes. Prepaid assets are recognized as expenditures when their use benefits the District.

ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables are comprised primarily of claims for reimbursement of costs under various federal, state and local grants. Amounts due from Federal agencies are considered by management to be fully collectible. An allowance for uncollectible accounts receivable from the public is established when management determines that collection is unlikely to occur. At June 30, 2015 management considers all accounts, including those from the public fully collectible.

GRANT ACCOUNTING

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.



MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY- Continued**

**CAPITAL ASSETS**

Capital assets are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10 to 50 years
Vehicles and Equipment	5 to 30 years

**COMPENSATED ABSENCES**

It is the policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when an employee separates from service with the District. All vacation pay is accrued when incurred in the government-wide financial statements and expensed when used in the fund financial statements.

**LONG TERM OBLIGATIONS**

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

**RETIREMENT PLANS**

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

**OTHER POST-EMPLOYMENT BENEFITS**

Eligible employees who elect supplemental retirement may be entitled to payment of group medical insurance premiums. The costs of these premiums are recorded as expenditures as due and funded on a current basis.



MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY- Continued*

*USE OF ESTIMATES*

The preparation of the basic financial statements in conformity 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 financial statements and reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*BUDGETARY INFORMATION*

A budget is prepared and legally adopted for all funds on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law.

The budget process begins early in each fiscal year with the establishment of the budget committee. In the fall, public input is invited as the Board decides the budget priorities for the next year. Recommendations are developed through late winter with the budget committee approving the budget in the spring. Public notices of the budget hearing are published generally in the spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30th.

Expenditure budgets are appropriated at the following levels for each fund: Instruction, Support Services, Enterprise and Community Services, Facilities Acquisition and Construction, Interfund Transactions, Debt Service, and Operating Contingency.

Expenditures cannot legally exceed the above appropriation levels except in the case of grants, which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need that exists which was not determined at the time the budget was adopted. There was one supplemental appropriation during the year.

Budget amounts shown in the budgetary financial statements reflect the original and final amended budget.

Expenditures of the various funds were within authorized appropriations except in the Student Body Fund – Instruction Expense by \$82,537.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 3. BUDGETARY BASIS OF ACCOUNTING**

While the financial position, results of operations, and changes in fund balance/net position are reported on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis of accounting differs from generally accepted accounting principles. The budgetary statements provided as part of supplementary information elsewhere in this report are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The primary differences between the budgetary basis and GAAP basis are that capital outlay is expensed when purchased, depreciation expense is not recorded, and the full accrual of property taxes, which are reported as revenue in the governmental funds if not received within 60-days of year end. Inventories of supplies are budgeted as expenditures when purchased, and debt, accrued vacation, pension costs, and OPEB liabilities are expensed as paid instead of when incurred.

**NOTE 4. CASH AND INVESTMENTS**

DEPOSITS

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

Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2015, combined bank balances totaled \$5,884,773, of which \$250,000 was insured by FDIC and the remaining \$5,634,773 was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

INVESTMENTS

The policy is to follow state statutes governing cash management. Statutes authorize investment in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements.

Amounts in the State Treasurer's Local Government Investment Pool (LGIP) are not required to be collateralized. There appears to be no material difference between the fair value of the position in the LGIP and the value of the pool shares at June 30, 2015. There were no known violations of legal or contractual provision for deposits and investments during the fiscal year.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 4. CASH AND INVESTMENTS - Continued**

*INVESTMENTS (Continued)*

*Interest Rate Risk*

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond three months.

*Credit Risk*

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

*Concentration of Credit Risk*

At June 30, 2015 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument. Oregon Revised Statutes require no more than 25 percent of the moneys of a local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2015, the District appeared to be in compliance with all percentage restrictions.

Cash and Investments at June 30, 2015 (recorded at fair value) consisted of:

Deposits With Financial Institutions	2015
Demand Deposits	\$ 1,214,265
Investments	14,697,112
Total	<u>\$ 15,911,377</u>
Reported in:	
Governmental Funds	\$ 15,607,645
Fiduciary Funds	303,732
Total	<u>\$ 15,911,377</u>

There were the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
State Treasurer's Investment Pool	\$ 14,697,112	\$ 14,697,112	\$ -	\$ -
Total	<u>\$ 14,697,112</u>	<u>\$ 14,697,112</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015 occurred as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 18,236,549	\$ -	\$ -	\$ 18,236,549
Total Capital Assets Not being Depreciated	18,236,549	-	-	18,236,549
Capital Assets Being Depreciated:				
Buildings and Improvement	125,685,722	3,000,851	-	128,686,573
Vehicles and Equipment	10,105,799	1,327,460	(280,000)	11,153,259
Total Capital Assets Being Depreciated	135,791,521	4,328,311	(280,000)	139,839,832
Accumulated Depreciation:				
Buildings and Improvement	(59,567,543)	(2,429,579)	-	(61,997,122)
Vehicles and Equipment	(7,474,790)	(621,047)	280,000	(7,815,837)
Total Accumulated Depreciation	(67,042,333)	(3,050,626)	280,000	(69,812,959)
Total Capital Assets Being Depreciated, Net	68,749,188	1,277,685	-	70,026,873
Governmental Activities	<u>\$ 86,985,737</u>	<u>\$ 1,277,685</u>	<u>\$ -</u>	<u>\$ 88,263,422</u>

Current year depreciation expense is allocated to the functions as follows:

Instruction	\$ 2,287,970
Support Services	610,125
Community Services	152,531
	<u>\$ 3,050,626</u>

The cost value of \$280,000 was removed when the District disposed of seven busses.

**NOTE 6. INTERFUND TRANSFERS**

	Transfers Out	Transfers In
General Fund	\$ 2,104,038	\$ 450,000
Other Governmental Funds	-	112,000
Capital Improvement Fund	-	1,542,038
	<u>\$ 2,104,038</u>	<u>\$ 2,104,038</u>

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 6. INTERFUND TRANSFERS -Continued**

\$450,000 was transferred from the General Fund to the Retirement Fund, which is rolled into the General Fund. Transfers are used to finance operations between funds.

**NOTE 7. RESTATEMENT OF BEGINNING NET POSITION**

Due to the implementation of GASB 68 and GASB 71 a restatement of the prior year net position was required to record the net pension liability at the prior measurement date and reclassify prior year pension contributions from expenses to deferred outflows. The restatement is as follows:

Net position-Beginning as previously reported	\$ 37,122,219
Write-off of Prepaid Pension Asset	(44,562,381)
Proportionate share of net pension liability at prior measurement date	(24,377,398)
Net outflow/(inflows) of resources (prior year employer contributions)	3,450,689
Net position-Beginning as restated	<u>\$ (28,366,871)</u>

**NOTE 8. LONG-TERM DEBT**

**BONDS PAYABLE**

*General Obligation Bonds*

On October 1, 2001, \$18,175,000 of general obligation bonds were issued to refund the outstanding series 1995 general obligation bonds in the amount of \$17,930,000. The proceeds were used to purchase United States government obligations and deposited into escrow. The escrow deposits were sufficient to redeem all remaining principal and the bonds were called on June 1, 2006. Principal and interest payments on the refunding bonds are made semiannually on June 15th and December 15th with interest rates ranging from 3%-5.5%. The refunding resulted in an economic gain of \$626,005 and decreased total debt service payments by \$785,353.

*Pension Obligation Bonds*

On April 21, 2003, \$80,978,772 of limited tax pension obligation bonds were issued to finance the unfunded actuarially accrued liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The issuance of the bonds was considered an advance refunding of the UAL and resulted in an estimated present value savings of approximately \$20 million over the life of the bonds. The actual savings realized over the life of the bonds is uncertain because of the various legislative changes and legal issues pending with the PERS system which could impact the future required contribution rate.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
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NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 8. LONG-TERM DEBT - Continued**

**BONDS PAYABLE - Continued:**

Advance Refunding Bonds

On March 1, 2005, \$32,500,000 in Series 2005 General Obligation Refunding Bonds were issued to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt services payments of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. This advance refunding was undertaken to reduce total debt service payments by \$2,015,234 and resulted in an economic gain of \$1,542,768.

Qualified Zone Academy Bonds Series 2004

\$2,100,000 of Qualified Zone Academy bonds were issued on July 1, 2004. \$1,995,000 in proceeds were received after paying issuance costs, and annual payments totaling \$122,310 will be made through July 1, 2018.

Changes in bonds outstanding are as follows:

Issue Date	Interest Rates	Original Issue	Outstanding July 1, 2014	Issued	Matured and Redeemed	Outstanding June 30, 2015
October 1, 2001	3.0-5.5%	\$ 18,175,000	\$ 2,385,000	\$ -	\$ 2,385,000	\$ -
March 1, 2005	3.0-5.0%	32,500,000	24,300,000	-	2,980,000	21,320,000
	Sub-Total		26,685,000	-	5,365,000	21,320,000
April 21, 2003	1.5-6.27%	80,978,772	61,933,567	-	2,177,791	59,755,776
July 1, 2004	N/A	2,100,000	611,550	-	122,310	489,240
	Sub-Total		89,230,117	-	7,665,101	81,565,016
Premium			235,663	-	39,278	196,385
Accretion on pension obligation bonds			(1,248,194)	-	(138,689)	(1,109,505)
	Total		\$ 88,217,586	\$ -	\$ 7,565,690	\$ 80,651,896

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
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NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 8. LONG-TERM DEBT - Continued**

The annual requirements to amortize all bonds outstanding at year end are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2015-16	5,787,201	5,877,188	11,664,389
2016-17	6,103,883	6,046,257	12,150,140
2017-18	6,439,575	6,230,565	12,670,140
2018-19	6,786,836	6,416,054	13,202,890
2019-20	7,033,417	6,596,917	13,630,334
2021-25	22,625,991	26,054,156	48,680,147
2026-28	25,874,993	2,675,280	28,550,273
	\$ 80,651,896	\$ 59,896,417	\$ 140,548,313

**NOTES PAYABLE:**

*Capital Lease Financing Agreements Payable*

*2011-2012 Capital Lease Financing Agreement Notes:*

*Instrument Acquisition:*

During 2011-2012 a lease/purchase agreement to acquire computers was entered into. The lease is to be paid in 5 annual payments of \$3,391. Total obligation under the lease agreement is \$12,893 as well as \$4,061 which is attributable to interest.

Changes in capital lease financing agreement notes payable are as follows:

<u>Note Date</u>	<u>Interest Rate</u>	<u>Original Principal</u>	<u>Outstanding July 1, 2014</u>	<u>Principal Additions</u>	<u>Principal Reductions</u>	<u>Outstanding June 30, 2015</u>
2012 Note - Instruments	14.87%	12,893	5,515	-	2,554	2,961
	Total		\$ 5,515	\$ -	\$ 2,554	\$ 2,961



MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
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NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 8. LONG-TERM DEBT - Continued**

*NOTES PAYABLE – Continued:*

Following are the annual requirements to amortize capital lease financing agreements payable outstanding at year end:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2015-16	\$ 2,961	\$ 430	\$ 3,391
	<u>\$ 2,961</u>	<u>\$ 430</u>	<u>\$ 3,391</u>

*Full Faith & Credit Obligations (Bond Anticipation) Notes Payable*

*Series 2010 - Refunding*

In June 2010, \$23,850,000 in Full Faith and Credit Obligations were issued. \$25,399,121, which includes the premium of \$1,549,121, was deposited into escrow. From the amount deposited, \$18,757,731 was used to purchase United States Treasury Securities and the remaining \$6,509,408 was held uninvested as cash. The amount in escrow was sufficient to retire the following securities: Series 2006 Full Faith and Credit Obligations, Series 2007 Full Faith and Credit Obligations, 2003 Financing Agreement Note and 2007 Financing Agreement Note. Principal payments are due annually on June 1, through 2035 with interest rates of ranging from 2-5%. The refunding resulted in an economic gain of \$1,542,768, but increased total debt service payments by \$245,157. All four refunded securities were considered defeased on June 3, 2010, the issuance date of the refunding bonds.

Changes in Full Faith & Credit obligations (BAN) notes payable are as follows:

<u>Full Faith &amp; Credit Obligation</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding July 1, 2014</u>	<u>Issued</u>	<u>Matured and Redeemed</u>	<u>Outstanding June 30, 2015</u>
Series 2010	2-5%	\$ 23,850,000	\$ 21,410,000	\$ -	\$ 650,000	\$ 20,760,000
Subtotal			21,410,000	-	650,000	20,760,000
Premium			1,301,261	-	61,965	1,239,296
Total			<u>\$ 22,711,261</u>	<u>\$ -</u>	<u>\$ 711,965</u>	<u>\$ 21,999,296</u>



MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 8. LONG-TERM DEBT - Continued**

*NOTES PAYABLE – Continued:*

Following are the annual requirements to amortize all Full Faith & Credit (BAN) obligation notes payable outstanding at year end:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2015-16	\$ 670,000	\$ 972,538	\$ 1,642,538
2016-17	690,000	952,438	1,642,438
2017-18	720,000	918,388	1,638,388
2018-19	750,000	889,588	1,639,588
2019-20	780,000	859,588	1,639,588
2021-25	4,475,000	3,781,226	8,256,226
2026-30	5,570,000	2,636,312	8,206,312
2031-35	7,105,000	1,100,750	8,205,750
	<u>\$ 20,760,000</u>	<u>\$ 12,110,828</u>	<u>\$ 32,870,828</u>

Total long-term liability activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable	\$ 89,230,117	\$	\$ 7,665,101	\$ 81,565,016	\$ 5,886,611
Premium	235,663		39,278	196,385	39,278
Accretion	(1,248,194)		(138,689)	(1,109,505)	(138,689)
Total	<u>88,217,586</u>	<u>-</u>	<u>7,565,690</u>	<u>80,651,896</u>	<u>5,787,200</u>
Capital Lease Payable	<u>5,515</u>	<u>-</u>	<u>2,554</u>	<u>2,961</u>	<u>2,961</u>
Full Faith & Credit (BAN) Obligation Notes Payable	21,410,000		650,000	20,760,000	670,000
Premium	1,301,261		61,965	1,239,296	61,965
Total	<u>22,711,261</u>	<u>-</u>	<u>711,965</u>	<u>21,999,296</u>	<u>731,965</u>
Subtotal of Debt	110,934,362	-	8,280,209	102,654,153	6,522,126
Net OPEB Obligation	4,830,368	1,535,994	-	6,366,362	-
Net Pension Obligation	<u>1,106,281</u>	<u>206,435</u>	<u>-</u>	<u>1,312,716</u>	<u>-</u>
Total long-term liabilities	<u>\$ 116,871,011</u>	<u>\$ 1,742,429</u>	<u>\$ 8,280,209</u>	<u>\$ 110,333,231</u>	<u>\$ 6,522,126</u>

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 9. RETIREMENT PLANS**

PLAN DESCRIPTION

The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

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

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 9. RETIREMENT PLANS -Continued**

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PLAN DESCRIPTION (Continued)

- General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

- ii) Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii) Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv) Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

FUNDING POLICY

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation, which became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2015 were \$3,378,611, excluding amounts to fund employer specific liabilities.

At June 30, 2015, the District reported a net pension asset of \$10,827,948 for its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2012, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2012, the District's proportion was 0.478 percent.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 9. RETIREMENT PLANS -Continued**

FUNDING POLICY (Continued)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	20,893,553
Changes in proportion and differences between District contributions and proportionate share of contributions	49,522	-
Subtotal - Amortized Deferrals (below)	-	20,844,031
District contributions subsequent to measurement date	3,378,611	-
Net deferred outflow (inflow) of resources		\$ (17,465,420)

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

Year ending June 30,	Amount
2016	\$ (5,212,622)
2017	(5,212,622)
2018	(5,212,622)
2019	(5,212,622)
2020	6,457
Thereafter	-
Total	\$ (20,844,031)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated July 29, 2015. Oregon PERS produces an independently audited CAFR which can be found at:

[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financial.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx).

**ACTUARIAL VALUATIONS**

The employer contribution rates effective July 1, 2013 through June 30, 2015, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
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NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 9. RETIREMENT PLANS -Continued**

**ACTUARIAL VALUATIONS (Continued)**

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, Published September 18, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increase	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2012 Experience Study which is reviewed for the four-year period ending December 31, 2012.



MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 9. RETIREMENT PLANS -Continued**

ACTUARIAL VALUATIONS (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate – The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	(6.75%)	(7.75%)	(8.75%)
District's proportionate share of the net pension liability	\$22,929,683	\$ (10,827,948)	\$ (39,378,986)

Changes in Plan Provisions Subsequent to Measurement Date: The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients. PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. Oregon Public Employees Retirement System Notes to the Schedules of Employer Allocations and Pension Amounts by Employer As of and for the Fiscal Year Ended June 30, 2014. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision on the total pension liability and employer's net pension liability (asset) has not been fully determined. However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology, which is summarized below (dollars in millions). Estimates have been rounded to the nearest \$10 million.

	June 30, 2014 Measurement Date for all PERS Employers (in millions)	
	Pre- Moro	Post-Moro
Net pension liability		
Total pension liability	\$ 63,135	\$ 68,050
Fiduciary net position	65,402	65,400
Net pension liability (asset)	\$ (2,267)	\$ 2,650

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
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NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 9. RETIREMENT PLANS -Continued**

**ACTUARIAL VALUATIONS-Continued**

Additional disclosures related to Oregon PERS not applicable to specific employers are available online at the below website, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700, [http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

**NOTE 10. OTHER POST EMPLOYMENT BENEFITS**

As a result of collective bargaining agreements, post-retirement health care benefits are offered to certain employees who retire with 15 years of service and have attained the age of 58, but are not yet eligible for Medicare. These benefits are available until age 62 to 65 and are fully paid by the District. Contributions are financed by the General Fund and recorded as expenditures on a pay as you go basis. The cost of these benefits in fiscal year 2015 and 2014 were \$555,380 and \$423,927.

**Annual OPEB cost and Net OPEB Obligation for Implicit Benefit and District Contributions –**

The annual OPEB cost and net OPEB obligation 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 following table shows the components of the District's annual OPEB cost for the year ending June 30, 2015, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

	2015	2014	2013
Annual Required Contribution	\$ 3,193,509	\$ 3,204,356	\$ 3,044,544
Interest on prior year Net OPEB Obligation	169,063	108,760	54,579
Adjustment to Annual Required Contribution	(580,809)	(207,162)	(103,960)
Annual OPEB cost	2,781,763	3,105,954	2,995,163
Contributions made	(1,245,769)	(1,383,017)	(1,447,129)
Increase in Net OPEB obligation	1,535,994	1,722,937	1,548,034
Net OPEB Obligation at beginning of year	4,830,368	3,107,431	1,559,397
Net OPEB Obligation at end of year	<u>\$ 6,366,362</u>	<u>\$ 4,830,368</u>	<u>\$ 3,107,431</u>
Percentage of APC contributed	45%	45%	48%

**Actuarial Methods and Assumptions** – The annual required contribution (ARC) for the current year was determined as part of the October 1, 2013 actuarial valuation using the projected unit credit cost method. 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. 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.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
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NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 10. OTHER POST EMPLOYMENT BENEFITS - Continued**

Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level basis over the service of the active employee between assumed entry age (date of hire) and assumed exit age(s). The portion of this actuarial present value allocated to the valuation year is called the normal cost for that active employee. The sum of these individual normal costs is the Plan's Normal Cost for the valuation year. The portion of the actuarial present value of all projected benefits (including benefits for non-active participants) that is not provided for at the valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.

Funding Status and Funding Progress – As of October 1, 2013, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$16,087,750, and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$16,087,750.

Annual Pension Cost and Net Pension Obligation of Early Retirement Plan:

The annual pension cost and net pension obligation is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statements 27 and 50. 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 following table shows the components of the annual pension cost for the year ending June 30, 2015:

	2015	2014	2013
Annual Required Contribution	\$ 702,355	\$ 689,050	\$ 715,625
Interest on prior year Net Pension Obligation	38,720	27,899	13,794
Adjustment to Annual Required Contribution	<u>(301,189)</u>	<u>(217,014)</u>	<u>(107,296)</u>
Annual pension cost (APC)	439,886	499,935	622,123
Contributions made	<u>(233,451)</u>	<u>(190,757)</u>	<u>(219,124)</u>
Increase in net pension obligation	206,435	309,178	402,999
Net Pension Obligation at beginning of year	<u>1,106,281</u>	<u>797,103</u>	<u>394,104</u>
Net Pension Obligation at end of year	<u>\$ 1,312,716</u>	<u>\$ 1,106,281</u>	<u>\$ 797,103</u>
Percentage of APC contributed	53%	38%	35%

Actuarial Methods and Assumptions – The annual required contribution (ARC) for the current year was determined as part of the October 1, 2013 actuarial valuation using the projected unit credit cost method. 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. 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.

Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level basis over the service of the active employee between assumed entry age (date of hire) and assumed exit age(s). The portion of this actuarial present value allocated to the valuation year is called the normal cost for that active employee. The sum of these individual normal costs is the Plan's Normal Cost for the valuation year. The portion of the actuarial present value of all projected benefits (including benefits for non-active participants) that is not provided for at the valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.



MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 10. OTHER POST EMPLOYMENT BENEFITS-CONTINUED**

Funding Status and Funding Progress – As of October 1, 2013, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$2,064,810, and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$2,064,810.

**NOTE 11. PROPERTY TAX LIMITATION**

The voters of the State of Oregon approved ballot measure 5, a constitutional limit on property taxes for schools and nonschool government operations, in November 1990. School operations include community colleges, local school districts, and education service districts.

The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this initiative has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The voters of the State of Oregon passed ballot measure 50 in May 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit.

Measure 50 reduced the amount of operating property tax revenues available to the District for its 1997-98 fiscal year, and thereafter. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the property tax limitations. The measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State of Oregon to minimize the impact of the tax cuts to the school districts.

**NOTE 12. COMMITMENTS AND CONTINGENCIES**

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

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate they can cause either increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the District's operations cannot be determined.

**NOTE 13. RISK MANAGEMENT**

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which commercial insurance is purchased. There were no significant reductions in insurance coverage from coverage in prior years in any of the major categories of risk. Also, the amounts of any settlements have not exceeded insurance coverage for the past three fiscal years.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 14. JOINT VENTURE**

The District has entered into an intergovernmental property agreement to build and operate a Center for Advanced Learning (CAL), a charter school. However, payment and ownership is shared with the following Districts along with their share of ownership: Reynolds School District No. 7, 19.305%; Centennial School District No. 28J, 16.369%; Mt. Hood Community College, 15.058%; and Gresham-Barlow School District No. 10J, 49.268%. The equity in CAL at June 30, 2015 was \$1,524,282.

The Center for Advanced Learning issues a publicly available financial report which may be obtained by writing: Administrator, The Center for Advanced Learning, 1484 NW Civic Drive, Gresham, OR 97030.

The District has entered into an agreement to a joint participation agreement to sponsor a charter school for the Academy for Architecture, Construction and Engineering, known as the ACE Academy. The participating school districts; Reynolds School District No. 7, Centennial School District No. 28J, Gresham-Barlow School District No. 10J and Parkrose School District No.3; agreed that each of them has an equal interest in and responsibility for the Charter Agreement. Unlike the Center for Advanced Learning where ownership is shared, the District only acts as a sponsor of ACE Academy, therefore no investment in ACE Academy is reported on the Statement of Net Position.

The ACE Academy issues a financial report which may be obtained by writing:  
Administrator, ACE Academy, 422 NE 158<sup>th</sup> Avenue, Portland OR 97230

**NOTE 15. ARTS TAX**

In November, 2012, voters in the City of Portland passed Ballot Measure 26-146 to restore school arts and music education, funded through an income tax of \$35 per person per year. In December of 2012, the District entered into an intergovernmental agreement 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. Receipts and expenditures for the year ended June 30, 2015 are as follows:

	Arts Tax Revenues	Arts Tax Expenditures	Music FTE Funded	Art FTE Funded	Total FTE
Alder Elementary	\$ 85,428	\$ 45,300	0.67	0.25	0.92
Glenfair Elementary	108,727	62,295	0.67	0.25	0.92
Margaret Scott Elementary	100,961	90,201	0.67	0.25	0.92
Wilkes Elementary	93,194	68,425	0.67	0.25	0.92
	<u>\$ 388,310</u>	<u>\$ 266,221</u>	<u>2.68</u>	<u>1</u>	<u>3.68</u>

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**

At June 30, 2015

**PERS**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.48 %	\$ (10,827,948)	\$ 61,541,587	(17.6) %	103.6 %
2014	0.48	24,377,398	57,457,850	42.4	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**SCHEDULE OF CONTRIBUTIONS**

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2015	\$ 3,378,611	\$ 3,378,611	\$ -	\$ 61,541,587	5.5 %
2014	3,450,689	3,450,689	-	57,457,850	6.0

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POST EMPLOYMENT BENEFITS**  
**June 30, 2015**

**PLAN I (OPEB):**

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Entry Age	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
10/1/2009	\$ N/A	\$ N/A	\$ N/A	N/A	\$ N/A	N/A
10/1/2011	-	19,280,101	19,280,101	0.00%	N/A	N/A
10/1/2013	-	16,087,750	16,087,750	0.00%	N/A	N/A

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

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF FUNDING PROGRESS**  
**PENSION PLAN**  
**June 30, 2015**

**PLAN II (STIPENDS)**  
**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
10/1/2009	\$ N/A	\$ N/A	\$ N/A	N/A	\$ N/A	N/A
10/1/2011	-	2,065,283	2,065,283	0.00%	N/A	N/A
10/1/2013	-	2,064,810	2,064,810	0.00%	N/A	N/A

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

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2015**

**GENERAL FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
<b>REVENUES:</b>				
Local Sources	\$ 25,565,690	\$ 25,565,690	\$ 24,413,135	\$ (1,152,555)
Intermediate Sources	1,973,698	1,973,698	1,994,101	20,403
State Sources	84,866,089	84,866,089	83,062,262	(1,803,827)
Federal Sources	106,575	106,575	119,824	13,249
Total Revenues	112,512,052	112,512,052	109,589,322	(2,922,730)
<b>EXPENDITURES:</b>				
Instruction	69,335,915	69,438,023	(1) 68,611,922	826,101
Support Services	42,525,963	43,922,855	(1) 42,128,794	1,794,061
Community Services	135,613	135,613	(1) 122,776	12,837
Debt Service	122,310	122,310	(1) 122,310	-
Contingency	1,874,209	2,920,207	(1) -	2,920,207
Total Expenditures	113,994,010	116,539,008	110,985,802	5,553,206
Excess of Revenues Over, (Under) Expenditures	(1,481,958)	(4,026,956)	(1,396,480)	2,630,476
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers Out	(2,054,038)	(2,104,038)	(1) (2,104,038)	-
Total Other Financing Sources, (Uses)	(2,054,038)	(2,104,038)	(2,104,038)	-
Net Change in Fund Balance	(3,535,996)	(6,130,994)	(3,500,518)	2,630,476
Beginning Fund Balance	9,643,788	12,238,786	12,238,786	-
Ending Fund Balance	\$ 6,107,792	\$ 6,107,792	8,738,268	\$ 2,630,476
Reconciliation to Governmental Fund Balance as required by GASB 54:				
Ending Fund Balance			282,662	
Retirement Fund			\$ 9,020,930	

(1) Appropriation Level



**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2015**

**FEDERAL PROGRAMS FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES:				
Federal Sources	\$ 12,992,430	\$ 12,992,430	\$ 8,258,960	\$ (4,733,470)
Total Revenues	12,992,430	12,992,430	8,258,960	(4,733,470)
EXPENDITURES:				
Instruction	9,110,601	9,110,601 (1)	5,406,433	3,704,168
Support Services	3,742,968	3,742,968 (1)	2,792,710	950,258
Community Services	138,861	138,861 (1)	59,817	79,044
Total Expenditures	12,992,430	12,992,430	8,258,960	4,733,470
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
MULTNOMAH COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2015**

	<b><u>DEBT SERVICE FUND</u></b>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES:				
Local Sources	<u>\$ 6,698,750</u>	<u>\$ 6,698,750</u>	<u>\$ 7,063,928</u>	<u>\$ 365,178</u>
Total Revenues	<u>6,698,750</u>	<u>6,698,750</u>	<u>7,063,928</u>	<u>365,178</u>
EXPENDITURES:				
Debt Service	<u>6,698,750</u>	<u>6,698,750</u>	(1) <u>6,698,750</u>	<u>-</u>
Total Expenditures	<u>6,698,750</u>	<u>6,698,750</u>	<u>6,698,750</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>365,178</u>	<u>365,178</u>
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>1,930,050</u>	<u>1,930,050</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,295,228</u></u>	<u><u>\$ 2,295,228</u></u>

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2015**

<b><u>PERS BOND FUND</u></b>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES:				
Local Sources	<u>\$ 6,650,490</u>	<u>\$ 6,650,490</u>	<u>\$ 6,650,457</u>	<u>\$ (33)</u>
Total Revenues	<u>6,650,490</u>	<u>6,650,490</u>	<u>6,650,457</u>	<u>(33)</u>
EXPENDITURES:				
Debt Service	<u>6,650,490</u>	<u>6,650,490</u>	(1) <u>6,650,490</u>	<u>-</u>
Total Expenditures	<u>6,650,490</u>	<u>6,650,490</u>	<u>6,650,490</u>	<u>-</u>
Net Change in Fund Balance	-	-	(33)	(33)
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>96,657</u>	<u>96,657</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 96,624</u></u>	<u><u>\$ 96,624</u></u>

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2015**

**CAPITAL PROJECTS FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES:				
Local Sources	\$ 2,000	\$ 2,000	\$ 3,407	\$ 1,407
Intermediate Sources	50,000	50,000	249,307	199,307
Total Revenues	52,000	52,000	252,714	200,714
EXPENDITURES:				
Facilities Acquisition and Construction	1,000	1,000 (1)	1,000	-
Debt Service	1,642,038	1,642,038 (1)	1,642,038	-
Contingency	-	- (1)	-	-
Total Expenditures	1,643,038	1,643,038	1,643,038	-
Net Change in Fund Balance	(1,591,038)	(1,591,038)	(1,390,324)	200,714
Transfers In	1,542,038	1,542,038	1,542,038	-
Total Other Financing Sources (Uses)	1,542,038	1,542,038	1,542,038	-
Beginning Fund Balance	49,000	49,000	534,346	485,346
Ending Fund Balance	\$ -	\$ -	\$ 686,060	\$ 686,060

(1) Appropriation Level



**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2015**

	OTHER GOVERNMENTAL FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	NUTRITION SERVICE FUND	STATE AND LOCAL PROGRAMS FUND	SELF INSURANCE FUND	
<b>ASSETS:</b>				
Cash	\$ 1,100,242	\$ 945,657	\$ 89,958	\$ 2,135,857
Receivables:				
Accounts/Grants	935,760	639,503	12,500	1,587,763
Inter-Fund Receivable		-	-	-
Prepaid Expenses		2,539	-	2,539
Inventories	-	242,871	-	242,871
Total Assets	<u>\$ 2,036,002</u>	<u>\$ 1,830,570</u>	<u>\$ 102,458</u>	<u>\$ 3,969,030</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
Accounts Payable	\$ 147,211	\$ 9,243	\$ 41,268	\$ 197,722
Deferred Revenue	23,682	92,060		115,742
Total Liabilities	<u>170,893</u>	<u>101,303</u>	<u>41,268</u>	<u>313,464</u>
Fund Balances:				
Nonspendable	-	242,871	-	242,871
Restricted	1,865,109	481,133	-	2,346,242
Committed	-	-	61,190	61,190
Assigned	-	1,005,263	-	1,005,263
Unassigned	-	-	-	-
Total Fund Balances	<u>1,865,109</u>	<u>1,729,267</u>	<u>61,190</u>	<u>3,655,566</u>
Total Liabilities and Fund Balances	<u>\$ 2,036,002</u>	<u>\$ 1,830,570</u>	<u>\$ 102,458</u>	<u>\$ 3,969,030</u>

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2015**

	OTHER GOVERNMENTAL FUNDS			
	NUTRITION SERVICE FUND	STATE AND LOCAL PROGRAMS FUND	SELF INSURANCE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:				
Local Sources	\$ 343,812	\$ 1,482,526	\$ 34,251	\$ 1,860,589
Intermediate Sources	8,220	316,673	-	324,893
State Sources	-	459,645	-	459,645
Federal Sources	5,881,291	200,000	-	6,081,291
Total Revenues	6,233,323	2,458,844	34,251	8,726,418
EXPENDITURES:				
Instruction	-	1,500,646	-	1,500,646
Support Service	-	349,634	827,504	1,177,138
Community Services	5,963,272	398,790	-	6,362,062
Total Expenditures	5,963,272	2,249,070	827,504	9,039,846
Excess of Revenues Over, (Under) Expenditures	270,051	209,774	(793,253)	(313,428)
OTHER FINANCING SOURCES, (USES):				
Transfers In	55,000	-	57,000	112,000
Total Other Financing Sources (Uses)	55,000	-	57,000	112,000
Net Change in Fund Balance	325,051	209,774	(736,253)	(201,428)
Beginning Fund Balance	1,540,058	1,519,493	797,443	3,856,994
Ending Fund Balance	\$ 1,865,109	\$ 1,729,267	\$ 61,190	\$ 3,655,566

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2015**

**NUTRITION SERVICE FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 522,000	\$ 485,726	\$ 343,812	\$ (141,914)
State Sources	15,000	15,000	8,220	(6,780)
Federal Sources	<u>5,445,977</u>	<u>5,482,251</u>	<u>5,881,291</u>	<u>399,040</u>
Total Revenues	<u>5,982,977</u>	<u>5,982,977</u>	<u>6,233,323</u>	<u>250,346</u>
EXPENDITURES:				
Support Services	-	-	-	-
Enterprise and Community Services	6,470,109	6,470,109 (1)	5,963,272	506,837
Contingency	<u>726,546</u>	<u>726,546 (1)</u>	<u>-</u>	<u>726,546</u>
Total Expenditures	<u>7,196,655</u>	<u>7,196,655</u>	<u>5,963,272</u>	<u>1,233,383</u>
Excess of Revenues Over, (Under) Expenditures	(1,213,678)	(1,213,678)	270,051	(1,483,729)
OTHER FINANCING SOURCES, (USES):				
Transfers In	<u>55,000</u>	<u>55,000</u>	<u>55,000 (2)</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Net Change in Fund Balance	(1,158,678)	(1,158,678)	325,051	1,483,729
Beginning Fund Balance	<u>1,158,678</u>	<u>1,158,678</u>	<u>1,540,058</u>	<u>381,380</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,865,109</u>	<u>\$ 1,865,109</u>

(1) Appropriation Level

(2) Included in these amounts is the required state appropriated general purpose revenues of \$56,593 the District must transfer to the Food Service Fund for National School Lunch Support in order to meet the general cash assistance match for 2014-15.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2015**

**STATE AND LOCAL PROGRAMS FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES:				
Local Sources	\$ 145,625	\$ 1,759,925	\$ 1,482,526	\$ (277,399)
Intermediate Sources	2,003,618	274,512	316,673	42,161
State Sources	324,644	521,646	459,645	(62,001)
Federal Sources	324,644	200,000	200,000	-
Total Revenues	2,798,531	2,756,083	2,458,844	(297,239)
EXPENDITURES:				
Instruction	2,175,723	2,175,723 (1)	1,500,646	675,077
Support Services	898,983	898,983 (1)	349,634	549,349
Community Services	453,095	453,095 (1)	398,790	54,305
Contingency	41,918	41,918 (1)	-	41,918
Total Expenditures	3,569,719	3,569,719	2,249,070	1,320,649
Excess of Revenues Over, (Under) Expenditures	(771,188)	(813,636)	209,774	1,023,410
OTHER FINANCING SOURCES, (USES):				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(771,188)	(813,636)	209,774	1,023,410
Beginning Fund Balance	2,154,250	2,154,250	1,519,493	(634,757)
Ending Fund Balance	\$ 1,383,062	\$ 1,340,614	\$ 1,729,267	\$ 388,653

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2015**

<b><u>SELF-INSURANCE FUND</u></b>				
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FROM FINAL BUDGET</b>
REVENUES:				
Local Sources	\$ 50,000	\$ 50,000	\$ 34,251	\$ (15,749)
Total Revenues	50,000	50,000	34,251	(15,749)
EXPENDITURES:				
Instruction Services	-	(1)	-	-
Support Services	936,318	936,318 (1)	827,504	108,814
Contingency	-	- (1)	-	-
Total Expenditures	936,318	936,318	827,504	108,814
Excess of Revenues Over, (Under) Expenditures	(886,318)	(886,318)	(793,253)	93,065
OTHER FINANCING SOURCES, (USES):				
Transfers In	57,000	57,000	57,000	-
Total Other Financing Sources, (Uses)	57,000	57,000	57,000	-
Net Change in Fund Balance	(829,318)	(829,318)	(736,253)	93,065
Beginning Fund Balance	829,318	829,318	797,443	31,875
Ending Fund Balance	\$ -	\$ -	\$ 61,190	\$ 61,190
(1) Appropriation Level				

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2015**

**STUDENT BODY FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	\$ 635,715	\$ 635,715	\$ 604,285	\$ 31,430
Total Revenues	635,715	635,715	604,285	31,430
EXPENDITURES:				
Instruction				
Elementary				
Alder	15,871	15,871	5,293	10,578
Davis	6,544	6,544	6,636	(92)
Fairview	8,994	8,994	2,465	6,529
Glenfair	12,593	12,593	2,058	10,535
Hartley	22,876	22,876	7,780	15,096
Margaret Scott	24,334	24,334	1,948	22,386
Salish Ponds	9,209	9,209	11,814	(2,605)
Sweetbriar	20,998	20,998	12,381	8,617
Troutdale	11,538	11,538	2,338	9,200
Wilkes	14,256	14,256	7,245	7,011
Woodland	3,985	3,985	9,432	(5,447)
Middle School				
HB Lee	41,784	41,784	35,972	5,812
Reynolds Middle	47,484	47,484	27,734	19,750
Walt Morey	18,840	18,840	29,995	(11,155)
High School				
Reynolds High	246,454	246,454	461,830	(215,376)
Reynolds Learning Academy	8,000	8,000	10,794	(2,794)
Contingency	39,418	39,418	-	39,418
Total Expenditures	553,178	553,178 (1)	635,715	(82,537)
Net Change in Fund Balance	82,537	82,537	(31,430)	113,967
Beginning Fund Balance	608,049	608,049	335,162	272,887
Ending Fund Balance	\$ 690,586	\$ 690,586	\$ 303,732	\$ (386,854)

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2015**

<b><u>RETIREMENT FUND</u></b>				
	<b><u>ORIGINAL BUDGET</u></b>	<b><u>FINAL BUDGET</u></b>	<b><u>ACTUAL</u></b>	<b><u>VARIANCE FROM FINAL BUDGET</u></b>
EXPENDITURES:				
Support Services	\$ 800,000	\$ 850,000	(1) \$ 832,998	\$ 17,002
Contingency	439,246	439,246	(1) -	439,246
Total Expenditures	<u>1,239,246</u>	<u>1,289,246</u>	<u>832,998</u>	<u>456,248</u>
Excess of Revenues				
Over, (Under) Expenditures	(1,239,246)	(1,289,246)	(832,998)	456,248
OTHER FINANCING SOURCES, (USES):				
Transfers In	<u>400,000</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>400,000</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>
Net Change in Fund Balance	(839,246)	(839,246)	(382,998)	456,248
Beginning Fund Balance	<u>839,246</u>	<u>839,246</u>	<u>665,660</u>	<u>(173,586)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,662</u>	<u>\$ 282,662</u>
(1) Appropriation Level				

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB 54, due to its financing resources being derived primarily from General Fund transfers.



**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2015**

**PRIVATE-PURPOSE TRUST FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES:				
Local Sources	\$ -	\$ -	\$ 1,905	\$ 1,905
Total Revenues	-	-	1,905	1,905
EXPENDITURES:				
Support Services	10,307	10,307 (1)	562	9,745
Community Services	-	- (1)	-	-
Contingency	-	- (1)	-	-
Total Expenditures	10,307	10,307	562	9,745
Net Change in Fund Balance	(10,307)	(10,307)	1,343	11,650
Beginning Fund Balance	10,307	10,307	13,942	3,635
Ending Fund Balance	\$ -	\$ -	\$ 15,285	\$ 15,285

(1) Appropriation Level

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For the Year Ended June 30, 2015

<u>GENERAL FUND</u>						
<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/14</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>ADD INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/15</u>
Current:						
2014-15	\$ 24,521,780	\$ 628,948	\$ (65,399)	\$ 10,563	\$ 23,250,368	\$ 587,628
Prior Years:						
2013-14	576,396	(744)	(133,486)	19,218	227,429	235,443
2012-13	314,060	(125)	(11,626)	17,284	85,571	234,272
2011-12	262,175	(26)	10,603	25,833	82,059	216,578
2010-11	135,069	(2)	(9,949)	14,839	40,387	99,574
2009-10 & Prior	116,647	-	(14,031)	5,804	8,493	99,927
Total Prior	1,404,347	(897)	(158,489)	82,978	443,939	885,794
Total All Years	<u>\$ 25,926,127</u>	<u>\$ 628,051</u>	<u>\$ (223,888)</u>	<u>\$ 93,541</u>	<u>\$ 23,694,307</u>	<u>\$ 1,473,422</u>

RECONCILIATION TO REVENUE:

	<u>TOTAL</u>
Cash Collections by County Treasurers Above	\$ 23,694,307
Accrual of Receivables:	
June 30, 2014	(84,785)
June 30, 2015	182,082
Taxes in lieu	275,089
Total Revenue	<u>\$ 24,066,693</u>

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For the Year Ended June 30, 2015

<u>DEBT SERVICE FUND</u>						
<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2014</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>ADD INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/15</u>
Current:						
2014-15	\$ 6,424,434	\$ 164,777	\$ (17,134)	\$ 2,767	\$ 6,091,338	\$ 153,952
Prior Years:						
2013-14	203,990	(258)	(11,250)	6,675	78,996	120,677
2012-13	110,762	(38)	(13,548)	5,180	25,647	76,785
2011-12	78,620	(7)	(8,684)	6,584	20,914	55,613
2010-11	34,239	(1)	(130)	3,808	10,363	27,555
2009-10 & Prior	29,579	-	1,107	1,587	2,322	29,951
Total Prior	457,190	(304)	(32,505)	23,834	138,242	310,581
Total All Years	<u>\$ 6,881,624</u>	<u>\$ 164,473</u>	<u>\$ (49,639)</u>	<u>\$ 26,601</u>	<u>\$ 6,229,580</u>	<u>\$ 464,533</u>

RECONCILIATION TO REVENUE:

	<u>TOTAL</u>
Cash Collections by County Treasurers Above	\$ 6,229,580
Accrual of Receivables:	
June 30, 2014	(26,852)
June 30, 2015	47,703
Taxes in lieu	<u>(5,141)</u>
Total Revenue	<u>\$ 6,245,290</u>

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2015**

Federal Grantor Pass through Grantor	Program Title	Grant Period	CFDA Number	Grant Amount	2014-15 Revenues	2014-15 Expenditures
<b>US Department of Education - Special Revenue Fund:</b>						
<b>Passed through Oregon State Department of Education</b>						
	Title IA YR 13/14	07/01/2013-09/30/2015	84.010	5,165,641	1,228,760	1,228,760
	Title IA YR 15/16	07/01/2013-09/30/2015	84.010	5,424,891	4,343,091	4,343,091
	Title I-A/D - Targeted Other Title I Schools - Salish	12/01/2013-09/30/2014	84.010	20,000	14,390	14,390
	Title I-A/D - Targeted Other Title I Schools - Woodland	12/01/2013-09/30/2014	84.010	20,000	18,449	18,449
	2013-14 Focus Improvement - Alder	07/01/2013-09/30/2014	84.010	60,982	16,250	16,250
	2013-14 Focus Improvement - Davis	07/01/2013-09/30/2014	84.010	48,947	17,728	17,728
	2013-14 Focus Improvement - Glenfair	07/01/2013-09/30/2014	84.010	50,242	3,859	3,859
	2013-14 Focus Improvement - Hartley	07/01/2013-09/30/2014	84.010	50,627	34,472	34,472
	2013-14 Focus Improvement - Margaret Scott	07/01/2013-09/30/2014	84.010	43,957	4,750	4,750
	2014-15 Focus Improvement - Alder	07/01/2014-09/30/2015	84.010	55,646	34,139	34,139
	2014-15 Focus Improvement - Glenfair	07/01/2014-09/30/2015	84.010	44,664	32,147	32,147
	2014-15 Focus Improvement - Hartley	07/01/2014-09/30/2015	84.010	45,846	23,536	23,536
	2014-15 Focus Improvement - Margaret Scott	07/01/2014-09/30/2015	84.010	46,197	30,794	30,794
	2014-15 Focus Improvement - Davis	07/01/2014-09/30/2015	84.010	40,111	22,212	22,212
	Expanded Reading EA - Alder	08/01/2014-06/30/2015	84.010	40,000	40,000	40,000
	Expanded Reading EA - Davis	08/01/2014-06/30/2015	84.010	40,000	40,000	40,000
	Expanded Reading EA - Glenfair	08/01/2014-06/30/2015	84.010	40,000	40,000	40,000
	Expanded Reading EA - Hartley	08/01/2014-06/30/2015	84.010	40,000	40,000	40,000
	Expanded Reading EA - Margaret Scott	08/01/2014-06/30/2015	84.010	40,000	40,000	40,000
	<b>Total</b>			<b>11,317,751</b>	<b>6,024,577</b>	<b>6,024,577</b> (1)
	Title IIA Improving Teacher Quality 14/15	07/01/2014-09/30/2015	84.367	288,234	124,344	124,344
	Title IIA Improving Teacher Quality 13/14	07/01/2013-09/30/2015	84.367	296,228	50,216	50,216
	<b>Total</b>			<b>584,462</b>	<b>174,560</b>	<b>174,560</b>
	Title III English Language Acquisition 14/15	07/01/2014-09/30/2015	84.365	393,146	210,632	210,632
	Title III English Language Acquisition 13/14	07/01/2013-09/30/2015	84.365	356,067	80,676	80,676
	<b>Total</b>			<b>749,213</b>	<b>291,307</b>	<b>291,307</b>
	IDEA Part B YR 13/14	07/01/2013-09/30/2015	84.027	1,672,336	645,648	645,648
	IDEA Part B YR 14/15	07/01/2014-09/30/2016	84.027	1,722,682	1,137,283	1,137,283
	SPR & I IDEA Part B	08/01/2014-06/30/2015	84.027	6,196	6,196	6,196
	IDEA Enhancement 2014-15 Formula	10/01/2014-09/30/2015	84.027	12,731	12,731	12,731
	IDEA Extended Assessment 2014-15 Formula	09/01/2014-06/30/2015	84.027	3,600	3,600	3,600
	<b>Total</b>			<b>3,417,545</b>	<b>1,805,458</b>	<b>1,805,458</b> (1)
	IDEA Pre School Grant 2012-13	07/01/2012-09/30/2014	84.287	9,510	520	520
	IDEA Pre School Grant 2013-14	07/01/2013-09/30/2015	84.287	8,330	1,179	1,179
	IDEA Pre School Grant 2014-15	07/01/2014-09/30/2016	84.287	11,606	-	-
	<b>Total</b>			<b>29,446</b>	<b>1,699</b>	<b>1,699</b>
	Perkins Vocational Education YR 13-14	07/01/2013-09/30/2014	84.048A	162,420	60,647	60,647
	<b>Total</b>			<b>162,420</b>	<b>60,647</b>	<b>60,647</b>
	SLP - NOVA Cohort V-2015 Mentor	04/01/2015-08/30/2015	84.323	10,000	5,971	5,971
	SLP - NOVA Cohort V-2015 Scholarship	04/01/2015-08/30/2015	84.323	400	-	-
	SPDG EBISS Depth 2014-15 Base	09/01/2014-06/30/2015	84.323	13,600	13,600	13,600
	<b>Total</b>			<b>24,000</b>	<b>19,571</b>	<b>19,571</b>
	Fresh Fruit and Vegetable Program - Alder	07/01/2014-09/30/2014	10.582	2,723	2,723	2,723
	Fresh Fruit and Vegetable Program - Davis	07/01/2014-09/30/2014	10.582	2,635	2,635	2,635
	Fresh Fruit and Vegetable Program - Fairview	07/01/2014-09/30/2014	10.582	2,242	2,242	2,242
	Fresh Fruit and Vegetable Program - Glenfair	07/01/2014-09/30/2014	10.582	2,643	2,643	2,643
	Fresh Fruit and Vegetable Program - Hartley	07/01/2014-09/30/2014	10.582	2,689	2,689	2,689
	Fresh Fruit and Vegetable Program - Margaret Scott	07/01/2014-09/30/2014	10.582	2,590	2,590	2,590
	Fresh Fruit and Vegetable Program - Salish Ponds	07/01/2014-09/30/2014	10.582	2,673	2,673	2,673
	Fresh Fruit and Vegetable Program - Wilkes	07/01/2014-09/30/2014	10.582	2,533	2,533	2,533
	Fresh Fruit and Vegetable Program - Woodland	07/01/2014-09/30/2014	10.582	2,803	2,803	2,803
	Fresh Fruit and Vegetable Program - Alder	10/01/2014-06/30/2015	10.582	26,092	22,556	22,556
	Fresh Fruit and Vegetable Program - Davis	10/01/2014-06/30/2015	10.582	23,993	21,102	21,102
	Fresh Fruit and Vegetable Program - Fairview	10/01/2014-06/30/2015	10.582	20,034	18,138	18,138
	Fresh Fruit and Vegetable Program - Glenfair	10/01/2014-06/30/2015	10.582	24,566	21,776	21,776
	Fresh Fruit and Vegetable Program - Hartley	10/01/2014-06/30/2015	10.582	26,855	22,193	22,193
	Fresh Fruit and Vegetable Program - Margaret Scott	10/01/2014-06/30/2015	10.582	22,753	21,068	21,068
	Fresh Fruit and Vegetable Program - Salish Ponds	10/01/2014-06/30/2015	10.582	26,283	21,732	21,732
	Fresh Fruit and Vegetable Program - Wilkes	10/01/2014-06/30/2015	10.582	23,755	20,127	20,127
	Fresh Fruit and Vegetable Program - Woodland	10/01/2014-06/30/2015	10.582	24,232	22,144	22,144
	<b>Total</b>			<b>242,093</b>	<b>214,367</b>	<b>214,367</b>
School and Roads		2014-2015	10.665	7,577	7,577	7,577
				<b>7,577</b>	<b>7,577</b>	<b>7,577</b>

Continued on page 55

**Direct Federal Grants**

Safe and Drug-Free Schools & Communities - National Program	09/29/2014-03/29/2015	84.184	92,217	80,111	80,111
Total			92,217	80,111	80,111
Title VII Indian Education YR 14/15	09/30/2015	84.060A	7,519	1,030	1,030
Total			7,519	1,030	1,030

**Total U.S. Department of Education**

16,634,242 8,680,904 8,680,904

**US Department of Agriculture - Special Revenue Fund:**

**Passed through Oregon State Department of Education**

USDA Commodities	2014-2015	10.555	260,291	260,291	260,291
USDA Commodities	2014-2015	10.559	978	978	978
National School Lunch Program	2014-2015	10.555	3,775,948	3,775,948	3,775,948
Summer Feeding Program	2014-2015	10.559	114,204	114,204	114,204
National School Breakfast	2014-2015	10.553	1,265,080	1,265,080	1,265,080
Child Care	2014-2015	10.558	250,422	250,422	250,422
Total			5,666,922	5,666,922	5,666,922

**Total U.S. Department of Agriculture**

**Total Federal Financial Assistance**

\$ 22,301,164 \$ 14,347,826 \$ 14,347,826

Internal Reconciliation to Financial Statements	
JROTC	112,249
	14,460,075
GF	119,824
Fed	8,258,960
State & Local	6,081,291
	14,460,075
	-

(1) Major Programs

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**STATISTICAL SECTION**

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

	<u>2014-2015</u>	<u>2013-2014</u>	<u>2012-2013</u>	<u>2011-2012</u>	<u>2010-2011</u>
Governmental activities:					
Invested in capital assets, net or related debt	\$ 44,378,505	36,972,412	\$ 32,698,203	\$ 30,190,718	\$ 27,693,771
Restricted	\$ 4,738,094	3,672,338	2,264,243	1,300,464	1,142,164
Unrestricted	<u>\$ (58,747,877)</u>	<u>(3,522,531)</u>	<u>130,349</u>	<u>8,500,101</u>	<u>12,370,361</u>
Total primary government net position	<u><u>\$ (9,631,278)</u></u>	<u><u>\$ 37,122,219</u></u>	<u><u>\$ 35,092,795</u></u>	<u><u>\$ 39,991,283</u></u>	<u><u>\$ 41,206,296</u></u>

	<u>2009-2010</u>	<u>2008-2009</u>	<u>2007-2008</u>	<u>2006-2007</u>	<u>2005-2006</u>
Governmental activities:					
Invested in capital assets, net or related debt	\$ 27,480,759	\$ 29,219,708	\$ 28,975,026	\$ (85,662,104)	\$ (4,277,162)
Restricted	5,061,043	6,395,651	7,964,495	16,376,648	13,408,344
Unrestricted	<u>6,936,460</u>	<u>(8,396,428)</u>	<u>(10,755,988)</u>	<u>66,762,275</u>	<u>(9,957,809)</u>
Total primary government net position	<u><u>\$ 39,478,262</u></u>	<u><u>\$ 27,218,931</u></u>	<u><u>\$ 26,183,533</u></u>	<u><u>\$ (2,523,181)</u></u>	<u><u>\$ (826,627)</u></u>

Source: Multnomah County School District No.7 financial records.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
<b>Expenses</b>					
Instruction	\$ 63,799,909	\$ 70,693,491	\$ 66,156,854	\$ 63,964,595	\$ 63,190,614
Support services	\$ 39,052,852	41,624,247	42,124,046	38,681,405	38,152,331
Enterprise and community services	\$ 5,145,985	5,993,003	5,210,975	4,389,777	4,866,276
Facilities acquisition and construction					
Loss on equity interest in CAL				60,573	43,976
Interest on long-term debt	\$ 6,993,654	6,734,328	6,697,698	6,644,672	6,623,305
Total primary government expenses	\$ 114,992,400	\$ 125,045,069	\$ 120,189,573	\$ 113,741,022	\$ 112,876,502
<b>Program revenues</b>					
Governmental activities:					
Charges for services	\$ 1,232,868	\$ 1,591,846	\$ 995,283	\$ 842,597	\$ 1,439,364
Operating grants and contributions	\$ 14,460,074	13,969,114	11,981,194	12,974,914	15,716,230
Total primary government revenues	\$ 15,692,942	\$ 15,560,960	\$ 12,976,477	\$ 13,817,511	\$ 17,155,594
<b>Net (Expense)/Revenue</b>					
Total primary government net expense	\$ 99,299,458	\$ 109,484,109	\$ 107,213,096	\$ 99,923,511	\$ 95,720,908
<b>General revenues and Other Changes in Net Assets</b>					
Property taxes	\$ 30,311,983	\$ 29,291,925	\$ 28,387,733	\$ 27,083,913	\$ 26,255,760
State support	\$ 83,521,907	80,213,848	70,391,258	69,601,801	61,867,057
Intermediate sources	\$ 2,183,826	1,344,766	1,071,491	230,292	1,120,472
Other federal revenue				35,611	6,843,229
Miscellaneous	\$ 1,813,136	1,186,346	1,765,972	1,014,390	
Investment earnings	\$ 204,198	218,294	233,117	225,572	90,233
Total primary government	\$ 118,035,050	\$ 112,255,179	\$ 101,849,571	\$ 98,191,579	\$ 96,176,751
<b>Change in Net Position</b>					
Total primary government	\$ 18,735,592	\$ 2,771,070	\$ (5,363,525)	\$ (1,731,932)	\$ 455,843

	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
<b>Expenses</b>					
Instruction	\$ 58,097,568	\$ 65,795,685	\$ 67,628,498	\$ 63,736,613	\$ 61,739,379
Support services	32,807,833	33,090,351	35,571,526	32,862,336	33,790,513
Enterprise and community services	4,653,983	4,160,324	4,157,409	4,435,911	3,969,803
Facilities acquisition and construction				2,373,130	1,563,263
Loss on equity interest in CAL	42,545	59,483	29,796	43,030	39,139
Interest on long-term debt	6,705,030	6,628,988	6,497,711	5,992,062	6,819,628
Total primary government expenses	\$ 102,306,959	\$ 109,734,831	\$ 113,884,940	\$ 109,443,082	\$ 107,921,725
<b>Program revenues</b>					
Governmental activities:					
Charges for services	\$ 1,491,329	\$ 1,183,332	\$ 1,750,496	\$ 1,688,729	\$ 806,822
Operating grants and contributions	13,825,203	13,227,068	12,280,193	12,390,762	11,077,707
Total primary government revenues	\$ 15,316,532	\$ 14,410,400	\$ 14,030,689	\$ 14,079,491	\$ 11,884,529
<b>Net (Expense)/Revenue</b>					
Total primary government net expense	\$ 86,990,427	\$ 95,324,431	\$ 99,854,251	\$ 95,363,591	\$ 96,037,196
<b>General revenues and Other Changes in Net Assets</b>					
Property taxes	\$ 25,976,489	\$ 26,185,609	\$ 25,468,500	\$ 24,603,502	\$ 19,819,428
State support	66,164,872	68,147,596	71,117,781	64,894,583	61,137,070
Intermediate sources	1,041,417	1,078,653	393,948	527,623	880,312
Other federal revenue	5,139,732	349,300	635,921	1,064,314	16,718,962
Miscellaneous					
Investment earnings	244,248	598,671	1,909,643	1,898,195	1,653,055
Total primary government	\$ 98,566,758	\$ 96,359,829	\$ 99,525,793	\$ 92,988,217	\$ 100,208,827
<b>Change in Net Position</b>					
Total primary government	\$ 11,576,331	\$ 1,035,398	\$ (328,458)	\$ (2,375,374)	\$ 4,171,631

Source: Multnomah County School District No.7 financial records.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	2014-2015	2013-2014	2012-2013(1)	2011-2012(1)	2010-2011(1)
General Fund (1)					
Non spendable	\$ 39,915	\$ 86,957	\$ 323,733	\$ 16,603	
Unassigned	8,698,353	12,151,829	11,226,313	17,969,505	\$ 18,618,115
Unreserved					
Committed-Early retirement	282,662	665,660	962,023	894,447	888,238
Total general fund	<u>\$ 9,020,930</u>	<u>\$ 12,904,446</u>	<u>\$ 12,512,069</u>	<u>\$ 18,880,555</u>	<u>\$ 19,506,353</u>

All Other Government Funds (1)					
Nonspendable	\$ 242,871	\$ 240,372	\$ 237,464	\$ 222,567	\$ 222,567
Restricted for:					
Debt service	2,295,228	1,930,050	872,242	19,060	122,608
Pers bond	96,624	96,657	96,676	94,593	92,967
State & local programs	481,133	105,573	70,183	76,372	59,265
Food service	1,865,109	1,540,058	1,225,142	1,110,439	816,199
Committed:					
Self insurance	61,190	797,443	765,670	388,914	329,121
Assigned					
Capital projects(2)	686,060	534,346	1,076,289	1,708,440	2,692,076
Planning activities	1,005,263	1,413,919	1,045,559	786,104	
State & local programs					443,570
Reserved, Reported in:					
Debt service					
Capital projects(2)					
Unassigned		(240,371)	(115,244)	(206,702)	(354,144)
Unreserved, reported in:					
Debt service					
Capital projects					
Special revenue funds					
Total all other governmental funds	<u>\$ 6,733,478</u>	<u>\$ 6,418,047</u>	<u>\$ 5,273,981</u>	<u>\$ 4,199,787</u>	<u>\$ 4,424,229</u>

	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
General Fund (1)					
Non spendable					
Unassigned					
Unreserved	\$ 16,005,498	\$ 5,272,624	\$ 3,609,326	\$ 4,901,385	\$ 9,114,994
Committed-Early retirement					
Total general fund	<u>\$ 16,005,498</u>	<u>\$ 5,272,624</u>	<u>\$ 3,609,326</u>	<u>\$ 4,901,385</u>	<u>\$ 9,114,994</u>

All Other Government Funds (1)					
Nonspendable	\$	\$	\$	\$	\$
Restricted for:					
Debt service					
Pers bond					
State & local programs					
Food service					
Committed:					
Self insurance					
Assigned					
Capital projects(2)					
Planning activities					
State & local programs					
Reserved, Reported in:					
Debt service	1,216,120				
Capital projects(2)	3,844,923				
Unassigned					
Unreserved, reported in:					
Debt service		2,172,846	2,342,923	1,331,209	758,673
Capital projects		4,222,805	634,179	15,045,439	12,649,671
Special revenue funds	1,773,754	792,179	5,621,572	269,941	513,038
Total all other governmental funds	<u>\$ 6,834,797</u>	<u>\$ 7,187,830</u>	<u>\$ 8,598,674</u>	<u>\$ 16,646,589</u>	<u>\$ 13,921,382</u>

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

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

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**CHANGES IN FUND BALANCES**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

REVENUES:	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Local sources	\$ 39,991,516	\$ 38,530,637	\$ 37,487,290	\$ 34,668,929	\$ 34,290,748
Intermediate sources	2,568,301	1,685,151	1,331,199	428,478	551,164
State sources	83,521,907	80,213,848	70,391,258	69,601,801	63,381,118
Federal sources	14,460,075	13,969,114	11,981,194	13,010,525	20,928,492
Miscellaneous					
<b>Total Revenues</b>	<b>\$ 140,541,799</b>	<b>134,398,750</b>	<b>121,190,941</b>	<b>117,709,733</b>	<b>119,151,522</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	75,464,346	69,220,002	64,303,986	61,648,389	62,119,506
Support services	46,931,640	42,520,086	41,892,511	38,209,858	38,437,385
Community services	6,205,011	6,064,330	5,219,134	5,001,905	5,307,455
Facilities acquisition					151
Capital outlay	395,299	395,077	1,310,707	428,706	146,432
Debt service	15,113,588	14,662,812	14,223,932	13,804,988	13,558,060
Contingency					
<b>Total Expenditures</b>	<b>144,109,884</b>	<b>132,862,307</b>	<b>126,950,270</b>	<b>119,093,846</b>	<b>119,568,989</b>
Excess of revenues over(under)expenditures	3,568,085	1,536,442	(5,759,329)	(1,384,113)	(417,467)
<b>Other Financing Sources(uses)</b>					
Capital lease				16,954	
Transfer in	2,104,038	1,512,000	1,221,612	905,000	1,361,230
Transfer out	(2,104,038)	(1,512,000)	(1,221,612)	(905,000)	(1,125,667)
<b>Total other financing sources(uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,954</b>	<b>235,563</b>
<b>Net Change in Fund Balance</b>	<b>\$ (3,568,085)</b>	<b>\$ 1,536,442</b>	<b>\$ (5,759,329)</b>	<b>\$ (1,367,159)</b>	<b>\$ (181,904)</b>
Debt services as a percentage of noncapital expenditures	11.75%	12.45%	12.77%	13.17%	12.81%

REVENUES:	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Local sources	\$ 33,450,417				
Property taxes		\$ 25,898,533	\$ 25,400,022	\$ 24,600,447	\$ 23,635,505
Charges for services		6,141,718	6,204,192	1,203,885	930,450
Earnings from investments		598,671	1,909,643	1,898,195	1,653,056
Intergovernmental-state and intermediate		70,527,736	73,585,725	68,419,043	75,294,277
Intermediate sources	1,076,439		10,805,664		
State sources	68,993,853				
Federal sources	15,624,530	11,925,581		10,075,405	9,239,187
Miscellaneous		349,300	604,892	5,413,459	4,658,969
<b>Total Revenues</b>	<b>119,145,239</b>	<b>115,441,539</b>	<b>118,510,138</b>	<b>111,610,434</b>	<b>115,411,444</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	57,087,964	64,290,514	66,352,257	64,623,934	60,299,394
Support services	33,096,862	32,791,304	35,479,276	33,158,352	33,208,222
Community services	4,474,238	4,051,309	4,141,187	4,497,666	3,899,175
Facilities acquisition	6,620	52,215	860,860	241,092	441,261
Capital outlay	85,669	196,711	14,273,870	2,132,038	7,888,480
Debt service	14,212,045	13,807,032	12,828,193	11,970,919	12,985,391
Contingency				399,706	
<b>Total Expenditures</b>	<b>108,963,398</b>	<b>115,189,085</b>	<b>133,935,643</b>	<b>117,023,707</b>	<b>118,721,923</b>
Excess of revenues over(under)expenditures	10,181,841	252,454	(15,425,505)	(5,413,273)	(3,310,479)
<b>Other Financing Sources(uses)</b>					
Sale of fixed assets			35,577	1,224	4,500
Bond proceeds					
Loan proceeds			5,758,500	3,045,121	
Payment to escrow agent					
Payment to PERS UAL					
Lease purchase receipt					2,837,695
Interfund loan				399,706	
Transfer in	1,907,415	1,023,669	811,280	926,570	834,328
Transfer out	(1,907,415)	(1,023,669)	(811,280)	(1,126,570)	(1,334,328)
<b>Total other financing sources(uses)</b>	<b>-</b>	<b>-</b>	<b>5,794,077</b>	<b>3,246,051</b>	<b>2,342,195</b>
<b>Net Change in Fund Balance</b>	<b>\$ 10,181,841</b>	<b>\$ 252,454</b>	<b>\$ (9,631,428)</b>	<b>\$ (2,167,222)</b>	<b>\$ (968,284)</b>
Debt services as a percentage of noncapital expenditures	15.01%	13.65%	12.11%	11.70%	13.33%

(1) Revenues are recognized when susceptible to accrual.

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

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR	PROPERTY VALUE ASSESSED VALUATION(1)						TOTAL DIRECT TAX RATE(2)
	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY	TOTAL		
2014-2015	\$ 5,124,794,780	\$ 336,867,935	\$ 143,189,250	\$ 26,341,960	\$ 5,631,193,925		5.81
2013-2014	4,843,711,490	287,376,223	136,396,360	26,695,760	5,294,179,833		6.02
2012-2013	4,725,916,280	281,603,418	137,325,400	25,628,140	5,170,473,238		5.99
2011-2012	4,690,143,800	269,291,585	133,792,203	31,264,220	5,124,491,808		5.78
2010-2011	4,641,108,010	270,473,980	121,268,200	32,171,640	5,065,021,830		5.60
2009-2010	4,546,180,850	270,767,097	116,049,620	38,752,020	4,971,749,587		5.60
2008-2009	4,375,850,630	291,601,913	115,561,620	33,919,420	4,816,933,583		5.81
2007-2008	4,170,795,650	289,615,970	102,359,580	34,678,370	4,597,449,270		5.83
2006-2007	3,961,223,040	263,644,745	94,683,000	35,475,530	4,355,026,315		5.95
2005-2006	3,752,640,940	245,329,157	97,447,090	33,621,100	4,129,038,287		6.02

FISCAL YEAR	PROPERTY VALUE TRUE CASH VALUATION(1)						RATIO OF ASSESSED VALUATION TO TRUE CASH VALUATION
	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY	TOTAL		
2014-2015	\$ 7,778,266,940	\$ 367,587,665	\$ 162,477,988	\$ 34,599,530	\$ 8,342,932,123		67.50%
2013-2014	7,114,104,950	352,281,346	155,652,905	34,858,930	7,656,898,131		69.14%
2012-2013	7,025,130,990	351,525,375	154,246,934	33,603,270	7,564,506,569		68.35%
2011-2012	7,093,887,970	339,389,202	142,223,180	39,619,160	7,615,119,512		67.29%
2010-2011	7,512,693,890	311,255,620	123,448,708	40,609,810	7,988,008,028		63.41%
2009-2010	7,871,198,630	308,896,717	118,390,975	41,836,890	8,340,323,212		59.61%
2008-2009	8,055,719,350	321,793,544	118,523,384	36,103,760	8,532,140,038		56.46%
2007-2008	7,510,611,920	322,561,097	107,781,849	36,849,650	7,977,804,516		57.63%
2006-2007	6,662,751,820	274,616,035	97,726,674	37,171,890	7,072,266,419		61.58%
2005-2006	6,016,454,750	256,588,119	99,780,238	35,005,190	6,407,828,297		64.44%

(1) Source: Multnomah County.

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

NA=not available

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**LARGEST TAXPAYERS WITHIN DISTRICT**  
**CURRENT AND TEN YEARS AGO**

	2014-2015		2004	
<u>PRIVATE ENTERPRISES</u>	<u>ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION</u>	<u>ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION</u>
Boeing Company the INC	\$ 262,518,810	4.66%	\$ 183,726,704	3.54%
Fedex Ground Package	64,654,450	1.15%	-	
ABS OR-O DC LLC	45,989,670	0.82%	-	0.00%
U.S. Nat'l Bank of Oregon	39,789,060	0.71%	41,643,832	
Comcast Corporation	32,935,100	0.58%	12,196,830	
Townsend Farms, Inc	32,232,110	0.57%	9,325,900	0.18%
Fedes Ground Package System Inc	28,829,160	0.51%	-	0.00%
Cascade Corporation	27,034,300	0.48%	24,067,030	
Owens Corning Foam	26,014,560	0.46%		
IIT Southshore CC LLC	24,387,960	0.43%		
CPF/BDI Townsend LLC	23,212,550	0.41%	-	0.00%
PLDAB LLC	23,212,550	0.41%	-	0.00%
Chelsea Financing Partnership LP	21,626,430	0.38%	16,092,420	0.31%
Henningsen Cold Storage Co	21,626,430	0.38%	16,092,420	0.31%
IP Eat One LLC	21,115,590	0.37%	-	0.00%
RR Donnelley Norwest Inc	20,956,350	0.37%	27,869,250	0.54%
<b><u>PUBLIC UTILITIES</u></b>				
Portland General Electric Co.	47,753,000	0.85%	41,681,000	0.80%
Northwest Natural Gas Co	140,798,000	2.50%	13,299,300	0.26%
Verizon Northwest INC			13,166,800	0.25%
<b>SUB TOTAL</b>	904,686,080		399,161,486	
<b>ALL OTHER TAXPAYERS</b>	4,726,507,845	83.93%	4,787,033,245	92.30%
<b>TOTAL</b>	<u>\$ 5,631,193,925</u>	<u>100.00%</u>	<u>\$ 5,186,194,731</u>	<u>98.50%</u>

Source: Multnomah County Department of Assessment and Taxation

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN YEARS**

		Dollars per \$1,000 True Cash Value				
		2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
<b>DIRECT:</b>						
	Reynolds School District #7 Permanent Rate	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46
	Reynolds School District #7 Bond	1.35	1.56	1.52	1.32	1.13
	<b>Weighted Average Direct (1)</b>	<b>\$ 5.81</b>	<b>\$ 6.02</b>	<b>\$ 5.99</b>	<b>\$ 5.78</b>	<b>\$ 5.60</b>
<b>Overlapping:</b>						
	City of Fairview	3.49	3.49	3.49	3.49	3.49
	City of Gresham	3.61	3.61	3.61	3.61	3.61
	City of Portland	4.58	4.58	4.58	4.58	4.58
	City of Troutdale	3.77	3.77	3.77	3.77	3.77
	Metro	0.10	0.10	0.10	0.10	0.10
	Mt Hood Community College	0.49	0.49	0.05	0.49	0.49
	Multnomah County	4.34	4.34	4.34	4.34	4.34
	Multnomah ESD	0.46	0.46	0.46	0.46	0.46
	Port of Portland	0.07	0.07	0.07	0.07	0.07
	Rockwood Water PUD	0.00	0.00	0.00	0.00	0.00
		20.90	20.90	20.46	20.90	20.90
<b>Totals*</b>		<b>\$ 26.71</b>	<b>\$ 26.92</b>	<b>\$ 26.45</b>	<b>\$ 26.68</b>	<b>\$ 26.50</b>

		Dollars per \$1,000 True Cash Value				
		2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
<b>DIRECT:</b>						
	Reynolds School District #7 Permanent Rate	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46
	Reynolds School District #7 Bond	1.14	1.35	1.37	1.49	1.55
	<b>Weighted Average Direct (1)</b>	<b>\$ 5.60</b>	<b>\$ 5.81</b>	<b>\$ 5.83</b>	<b>\$ 5.95</b>	<b>\$ 6.02</b>
<b>Overlapping:</b>						
	City of Fairview	3.49	3.49	3.49	3.49	3.49
	City of Gresham	3.61	3.61	3.61	3.61	3.61
	City of Portland	4.58	4.58	4.58	4.58	4.58
	City of Troutdale	3.77	3.77	3.77	3.77	3.77
	Metro	0.10	0.10	0.10	0.10	0.10
	Mt Hood Community College	0.49	0.49	0.49	0.49	0.49
	Multnomah County	4.34	4.34	4.34	4.34	4.34
	Multnomah ESD	0.46	0.46	0.46	0.46	0.46
	Port of Portland	0.07	0.07	0.07	0.07	0.07
	Rockwood Water PUD	0.00	0.00	0.00	0.00	0.00
		20.90	20.90	20.90	20.90	20.90
<b>Totals*</b>		<b>\$ 26.51</b>	<b>\$ 26.72</b>	<b>\$ 26.74</b>	<b>\$ 26.85</b>	<b>\$ 26.92</b>

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

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

NA=not available

Source: Multnomah County Departments of Assessment and Taxation.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**PROPERTY TAX LEVIES AND COLLECTION**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR			COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY			TOTAL COLLECTIONS TO DATE	
	GENERAL FUND	DEBT SERVICE FUND	TOTAL	CURRENT YEAR	PERCENTAGE OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS	AMOUNT	PERCENTAGE OF LEVY
2014-2015	\$ 23,714,617	\$ 7,231,597	\$ 30,946,214	\$ 29,341,706	95%	586,645	\$ 29,928,351	97%
2013-2014	\$ 22,161,422	\$ 7,843,056	\$ 30,004,478	\$ 28,383,146	95%	641,201	\$ 29,024,347	97%
2012-2013	21,561,091	7,511,441	29,072,532	27,448,672	94%	693,388	28,142,060	97%
2011-2012	21,528,899	6,468,756	27,997,655	26,284,880	94%	480,176	26,765,056	96%
2010-2011	21,544,198	5,492,395	27,036,593	25,522,290	94%	760,380	26,282,670	97%
2009-2010	21,238,822	5,451,587	26,690,409	25,083,658	94%	783,862	25,867,520	97%
2008-2009	20,716,015	6,283,421	26,999,436	25,227,436	93%	631,178	25,858,614	96%
2007-2008	20,029,573	6,129,692	26,159,265	24,694,585	94%	717,556	25,412,141	97%
2006-2007	18,860,285	6,314,129	25,174,414	23,956,291	95%	610,661	24,566,952	98%
2005-2006	18,017,054	6,278,018	24,295,072	22,957,643	94%	689,040	23,646,683	97%

Source: Multnomah County Departments of Assessment and Taxation

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



**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR	GENERAL BONDED DEBT OUTSTANDING							RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUATION(3)	RATIO OF NET GENERAL BONDED DEBT TO TRUE CASH VALUE(3)
	GENERAL OBLIGATION BONDS	PENSION OBLIGATION BONDS	FULL FAITH & CREDIT OBLIGATION BOND	TOTAL	LESS DEBT SERVICE FUND	LESS PERS BOND FUND	NET GENERAL BONDED DEBT		
2014-2015	\$ 21,320,000	\$ 59,755,777	\$ 20,760,000	\$ 101,835,777	\$ 2,295,228	\$ 96,624	\$ 99,443,925	1.77%	1.19%
2013-2014	26,685,000	61,933,567	21,410,000	\$ 110,028,567	1,930,050	96,657	108,001,860	2.04%	1.41%
2012-2013	31,665,000	64,106,549	22,040,000	117,811,549	872,242	96,676	116,842,631	2.26%	1.54%
2011-2012	36,280,000	66,253,579	22,655,000	125,188,579	19,060	94,593	125,074,926	2.44%	1.64%
2010-2011	40,580,000	68,360,186	23,260,000	132,200,186	122,608	92,967	131,984,611	2.61%	1.65%
2009-2010	44,720,000	70,416,051	-	115,136,051	1,119,385	96,735	113,919,931	2.29%	1.37%
2008-2009	48,525,000	72,413,450	-	120,938,450	1,969,964	125,467	118,843,019	2.47%	1.39%
2007-2008	52,060,000	74,334,185	-	126,394,185	1,965,363	177,835	124,250,987	2.70%	1.56%
2006-2007	55,340,000	76,171,657	-	131,511,657	1,240,706	90,503	130,180,448	2.99%	1.84%
2005-2006	58,535,000	77,899,322	-	136,434,322	758,673	-	135,675,649	3.29%	2.12%

**Legal Debt Margin Calculation for Fiscal Year 2014-2015:**

Real Market Value	\$ 8,342,932,123
Debt Limit (7.95%)(1)	663,263,104
Amount of Debt Applicable to Debt Limit	(99,443,925)
Legal Debt Margin	<u>\$ 563,819,179</u>

FISCAL YEAR	RATIO OF TOTAL GENERAL BONDED DEBT TO PERSONAL INCOME(3)	TOTAL GENERAL BONDED DEBT PER CAPITA	NET GENERAL BONDED DEBT PER CAPITA	LEGAL DEBT LIMIT(1)	LEGAL DEBT MARGIN(2)	RATIO OF LEGAL DEBT MARGIN TO DEBT LIMIT
2014-2015	5.96%	1,353	1,321	\$ 663,263,104	\$563,819,179	85.01%
2013-2014	7.03%	1,504	1,476	\$ 608,723,401	\$500,721,541	82.26%
2012-2013	7.72%	1,494.60	1,482.30	601,378,272	\$484,535,641	80.57%
2011-2012	8.90%	1,680.88	1,679.35	605,402,001	480,327,075	79.34%
2010-2011	9.03%	1,841.33	1,838.33	635,046,638	503,062,027	79.22%
2009-2010	7.26%	1,548.40	1,532.05	663,055,695	549,135,764	82.82%
2008-2009	8.27%	1,709.23	1,679.62	678,305,133	559,462,114	82.48%
2007-2008	8.19%	1,747.56	1,717.93	634,235,459	509,984,472	80.41%
2006-2007	NA	NA	NA	562,245,180	432,064,732	76.85%
2005-2006	10.79%	1,954.48	1,943.61	509,422,350	373,746,701	73.37%

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

(1) ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the District bases on the following: (A) For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one of one percent(.0055) of real market value. (B) For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of real market value. Allowable percent of real market value: (A)Kindergarten through eighth grade, 9\*.0055=4.95% (B) Ninth through twelfth grade, 4\*.0075=3.00% or 7.95% of real market value. Real market value data can be found on Table of Assessed Value and Actual Value of Taxable Property.

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

(3) Demographic and Economic Statistics can be found on Personal Income and Population and Assessed Value and True Cash Value Pages.

Sources: U.S. Census Bureau, American Community Survey and Multnomah Counties Department of Assessment and Taxation.

NA=not available

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**DIRECT AND OVERLAPPING GROSS BONDED DEBT**  
6/30/20115

REYNOLDS SCHOOL DISTRICT			
Real Market Value of Subject Issuer is: \$7,173,845,193 as of 1/1/2014			
Net Property-tax Backed Debt of Subject Issuer is:	\$ 101,835,776	Ratio of Net Property-tax Backed Debt to Real Market Value is:	1.42%
Net Property-tax Backed Debt of Overlapping Issuers is:	\$ 43,932,543	Ratio of Total Net Property-tax Backed Debt to Real Market Value is:	2.03%

OVERLAPPING GOVERNMENT	2014-2014 REAL MARKET VALUATION	GROSS(1) BONDED DEBT	NET(2) DIRECT DEBT	PERCENT WITHIN SCHOOL DISTRICT(3)	OVERLAPPING	
					GROSS(1) BONDED DEBT	NET(2) DIRECT DEBT
City of Gresham	75,765,545	27,689,545	9,336,988,143	27.79%	21,053,351	7,694,232
City of Portland	622,987,388	126,830,000	93,360,904,410	1.70%	10,599,507	2,157,886
City of Troutdale	10,470,000	10,470,000	1,656,564,223	97.55%	10,213,757	10,213,757
Metro	223,625,000	193,205,000	215,408,649,968	3.33%	7,447,383	6,434,306
Mt. Hood Community College	65,483,056	24,445,000	31,791,558,764	22.57%	14,776,448	5,516,088
Multnomah County	289,918,314	171,825,000	109,183,784,794	6.57%	19,048,793	11,289,590
Multnomah Cty RFPD 10	4,085,000	4,085,000	802,170,422	15.34%	626,684	626,684
Multnomah ESD	31,355,000	-	110,954,595,647	6.47%	2,027,289	-
Port of Portland	65,302,566	-	234,450,071,682	3.06%	1,998,193	-
Rockwood Water PUD	5,670,000	-	4,570,424,949	59.82%	3,391,539	-
TOTAL OVERLAPPING	1,394,661,869	558,549,545	811,515,713,002		91,182,944	43,932,543
TOTAL	\$ 1,394,661,869	\$ 558,549,545	\$ 811,515,713,002		\$ 91,182,944	\$ 43,932,543

Source: Municipal Debt Advisory Commission, State of Oregon.

(1) Gross bonded debt includes all bonds backed by a general obligation pledge including self-supporting general obligation bonds and limited tax debt.

(2) Net direct debt including all tax-supported bonds. Self-supporting bonds are excluded.

(3) The percentage of overlapping debt is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping district's taxable assessed value that is within the school district's boundaries and dividing it by the overlapping district's total taxable assessed value. These percentages are calculated by the State of Oregon Municipal Debt Advisory Commission.

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

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**

FISCAL YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2014-2015	75,257	\$ 1,707,470,487	\$ 25,419	5.20%
2013-2014	73,151	\$ 1,565,594,000	\$ 21,402	15.50%
2012-2013	78,825	\$ 1,525,331,600	\$ 19,351	15.40%
2011-2012	74,478	\$ 1,407,321,600	\$ 18,896	10.10%
2010-2011	71,796	\$ 1,463,413,700	\$ 20,956	14.30%
2009-2010	74,358	\$ 1,585,006,500	\$ 21,316	15.90%
2008-2009	70,756	\$ 1,462,963,200	\$ 20,676	9.80%
2007-2008	72,326	\$ 1,543,269,400	\$ 21,338	6.80%
2006-2007	NA	NA	NA	6.40%
2005-2006	69,806	\$ 1,264,268,800	\$ 18,111	8.80%

Source: U.S. Census Bureau, American Community Survey

NA=not available

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**PRINCIPAL EMPLOYERS**  
**CURRENT AND NINE YEARS AGO**

EMPLOYER	2014-2015			2005		
	Employees	Rank	Percentage of total employment	Employees	Rank	Percentage of total employment
Boeing Portland	1,800	1	30.55%	NA	1	NA
Reynolds School District	1,200	2	20.37%	1,030	2	80%
Costco Portland	510	3	8.66%	NA	3	NA
Townsend Farm, Inc.	430	4	7.30%	NA	4	NA
Albertsons Distribution Center	357	5	6.06%	NA	5	NA
McMenamins Edgefield Troutdale	360	6	6.11%		6	
Walmart Wood Village	375	7	6.36%	NA	7	NA
NMHG Oregon, LLC	275	8	4.67%	265	8	20%
Knight Transportation	150	10	2.55%	NA	10	NA
Home Depot Troutdale	167	11	2.83%	NA	11	NA
Lowe Wood Village	143	12	2.43%	NA	12	NA
Target Store T-406	125	13	2.12%	NA	13	NA
Total	5,892		100.00%	1,295		100.00%

Sources: Business directory report from City of Fairview, and Human Resources Department from companies.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION - General Fund**  
**LAST TEN FISCAL YEARS**

	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Instruction:										
Primary K-5	200.42	187.24	177.5	178.73	114.1	104	142.4	151.34	143.55	155.01
Intermediate program 4-5					55.8	54.5	73.95	71.48	72.7	74.02
Middle/Junior high programs	90.5	94.71	88	87.26	84.96	77.5	112.69	108.29	103.2	113.25
High school programs	98.83	96.51	91.5	92.49	89.21	82.2	106.81	110.4	110.5	111.69
High school programs extracurricular	1	1	1	1	1	1	1	2	2	2
Programs for the talented and gifted	0.5	0.5	0.5	0.5	1.7	2.5	2.5	1.5	1.5	1.6
Restrictive programs for student with disabilities	38.94	35.47	32.19	72.56	109.54	103.95	117.95	128.4	109.25	74.5
Transition programs	10.13	11.71	13.25							
Life skills	30.97	38.36	40.19							
Functional living skills	9.5	8.5	4.25							
Less restrictive programs for students with disabilities	50.86	42.09	38.8	98.85	76.95	85.94	91.74	93.05	54.62	73.91
Less restrictive charter schools	4.2	3.6	3.6							
Student & family services									0.25	0.5
Alternative Education	18.6	17.75	2	6	6	6	4	6.5	3	5
Reynolds learning academy west			21.12	12.2	12	11	11	11.25	10	11.5
English second language programs	68.21	53.12	45.13	45.12	49.75	52.89	62.89	65.61	60.19	44.38
<b>Total Instruction</b>	<b>622.66</b>	<b>590.56</b>	<b>559.03</b>	<b>594.71</b>	<b>601.01</b>	<b>581.48</b>	<b>726.93</b>	<b>749.82</b>	<b>670.76</b>	<b>667.36</b>
Support services										
Attendance and social work services	2.5	2.5	3	1	1	0.5	1.6	2.5	2	1.9
Student safety	15.09	15.2	12.64	14.5	13.89	14.06	15.06	15	14.06	14.94
Guidance services	27	27.9	27	31	27.5	28.15	33.9	32.9	30.5	31.91
Health services	0	1.9	1		2					
Psychological services	9.3	9.29	9.3	3	3	3	6.8	6.4	7	6
Speech pathology and audiology services	18.38	17.97	16.1	16.81	18.65	18.9	13.9	20.8	13.10	12.4
Other student treatment services	8.14	7.93	8.88	6.6	7.02					
Service direction-Student support services	8.75	8.31	8.31	2.6	7.1	6.95	6.85	11.2	9.25	7.68
Director of instruction					3	2	5.5	12.5	10.5	5.5
Teaching and Learning	4.75	4.5	4.5	4.5						
Educational media services	14.19	14.18	13.59	13.11	11.3	12.22	24.87	23.93	23.92	24.2
Assessment & testing	5.5	3	1		2					
Board of education services	0.5	0.5								
Executive administration services						3.19				
Office of the Superintendent	1.5	1.5	2	2	2		3.19	3.18	3.19	3.19
Building Administration	96.23	89.08	83.62	80.04	76.57	78.4	81.4	79.88	77.75	80.37
Direction of business support services					4.5	2.5	2.5	1.5	1.5	1
Fiscal services	10.7	10.4	10.69	9.86	5	4	6	7	6	6
Operation and maintenance of plant services	12.2	10.2	11	11	11	11	11	11	10	19.5
Total energy/safety programs										1
Grounds maintenance	5	5	4.5	4.5	4	4	5	6	6	1
Building fixed costs			45	45	45	46	54	55.5	51.6	50.6
Total plant operations										
Custodial Services	43.25	46								
Transportation	86.12	83.55	85.5	90.5	90.5	90.5	91.78	86.1	70.56	81.98
Transportation-special Ed	0.28	0.28	0.71	0.71	0.71			0.75	0.94	1.43
Distributive services	1	1	1	1	1	1	1	1	1	1
Print, publish, duplication services	1.5	1.5	1	1	1	1	1	1	1	1
Grant Development	1									
Communication	1.5	1.5	1	1	1		1.17	2.5	1.5	
Staff services	6.9	6.5	6	6	5	5	6	6	5	5
Technology services	9.7	8.2	9	11.83	9.83	8.13	8.63	5.5	4.5	6
<b>Total Support Services</b>	<b>390.98</b>	<b>377.89</b>	<b>366.34</b>	<b>357.56</b>	<b>353.57</b>	<b>340.5</b>	<b>381.15</b>	<b>392.14</b>	<b>350.87</b>	<b>363.6</b>
Community services										
Community services							2.81	2	2	1.5
Custody and care of children services	2	2	2	2			4.5	4.5	4.5	
<b>Total Community Services</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>7.31</b>	<b>6.5</b>	<b>6.5</b>	<b>1.5</b>
<b>Total FTE</b>	<b>1015.64</b>	<b>970.45</b>	<b>927.37</b>	<b>954.27</b>	<b>954.58</b>	<b>921.98</b>	<b>1115.39</b>	<b>1148.46</b>	<b>1028.13</b>	<b>1032.46</b>

Source: Reynolds School District Adopted Budget

FTE: Full Time Equivalent staff. One FTE is defined as a regular position scheduled to work eight hours per day.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**LICENSED PROFESSIONAL SALARY PLAN**  
**YEAR ENDED JUNE 30, 2015**

LEVEL	BACHELORS	BACHELORS +20	BACHELORS+40	BA+60 MASTERS	BA+90 MASTERS+24	BA+120 MASTERS+45
0	\$ 38,867	\$ 39,987	\$ 40,883	\$ 43,452	\$ 45,013	\$ 46,101
1	40,510	41,711	42,608	45,386	46,969	48,117
2	42,170	43,451	44,361	47,343	48,945	50,153
3	43,906	45,275	46,187	49,394	51,011	52,281
4	45,610	47,057	47,983	51,400	53,035	54,373
5	47,339	48,875	49,801	53,443	55,094	56,498
6	49,072	50,693	51,625	55,484	57,158	58,629
7	50,832	52,546	53,481	57,565	59,254	60,787
8	52,632	54,416	55,359	59,668	61,372	62,977
9	54,331	56,303	57,261	61,794	63,526	65,190
10		57,615	60,175	63,948	65,693	67,434
11			61,576	66,099	67,868	69,671
12				68,314	70,118	71,987
13				69,906	72,451	74,313
						76,044

**LICENCED STAFF PER LEVEL AND EDUCATION IN FULL-TIME EQUIVALENT EMPLOYEES-JUNE 2013**

LEVEL	BACHELORS	BACHELORS +20	BACHELORS+40	BA+60 MASTERS	BA+90 MASTERS+24	BA+120 MASTERS+45	TOTAL
0	5	-	-	20	1	-	26
1	6	-	1	30	1	1	39
2	5	3	-	14	7	1	30
3	1	2	-	20	4	12	39
4	1	1	-	9	2	13	26
5	1	2	-	14	3	5	25
6	5	-	-	18	1	6	30
7	1	1	-	19	5	4	30
8	1	1	-	18	5	4	29
9	1	-	-	18	5	7	31
10	2	2	2	12	4	4	26
11	-	3	-	13	8	11	35
12	3	2	4	24	8	4	45
13	-	1	2	21	10	12	46
14				62	70	137	269
<b>Total</b>	<b>32</b>	<b>18</b>	<b>9</b>	<b>312</b>	<b>134</b>	<b>221</b>	<b>726</b>

Source: Reynolds School District 2013-2014 Adopted Budget.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR	STUDENT ENROLLMENT(1)	COST PER PUPIL(1)	LICENSED STAFF	PUPIL- TEACHER RATIO	Number of students graduated	
					Reynolds High School	Reynolds Learning Academy
2014-2015	11,124	\$ 11,618	654.71	16.99	NA	63
2013-2014	11,124	10,590	617.12	18.03	NA	62
2012-2013	10,735	10,379	587.83	18.26	363	28
2011-2012	10,735	9,768	564.18	19.03	451	32
2010-2011	10,591	9,996	563.9	18.78	373	17
2009-2010	10,800	8,765	583	18.52	457	23
2008-2009	10,511	9,627	671.7	15.65	458	31
2007-2008	10,506	10,169	687.79	15.28	NA	NA
2006-2007	10,409	9,888	616	16.90	NA	NA
2005-2006	10,409	9,400	618	16.84	NA	NA

FISCAL YEAR	NUMBER OF TYPE A LUNCHES SERVED			NUMBER OF BREAKFASTS SERVED		
	PAID	FREE	REDUCED PRICE	PAID	FREE	REDUCED PRICE
2014-2015	155,314	997,287	82,964	54,295	536,811	38,012
2013-2014	149,208	988,894	82,264	53,939	526,816	37,933
2012-2013	159,531	950,443	85,141	39,314	513,836	37,871
2011-2012	159,423	939,127	78,322	32,463	511,679	34,465
2010-2011	184,563	926,037	84,385	23,713	401,643	29,344
2009-2010	203,683	851,957	111,098	23,345	354,058	35,934
2008-2009	224,941	722,602	106,444	23,338	289,486	25,927
2007-2008	NA	NA	NA	NA	NA	NA
2006-2007	NA	NA	NA	NA	NA	NA
2005-2006	NA	NA	NA	NA	NA	NA
2004-2005	NA	NA	NA	NA	NA	NA

(1) Cost per pupil is calculated by the District using total expenditures on the Statement of revenues, expenditures and changes in fund balances, excluding capital outlay and debt services.

NA=Not Available

Sources: Reynolds School District, Food Service Department and 2013-2014 Adopted Budget.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**CAPITAL ASSET INFORMATION**  
**LAST TEN FISCAL YEARS**

	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
<b>SCHOOLS</b>					
<b>ELEMENTARY</b>					
Buildings	11	11	11	11	11
SQUARE FEET	599,731	599,731	599,731	599,731	599,731
CAPACITY	5,599	568	568	568	568
ENROLLMENT	4,670	4,670	4,580	4,579	4,595
<b>MIDDLE</b>					
Buildings	3	3	3	3	3
SQUARE FEET	411,811	411,811	411,881	411,881	411,881
CAPACITY	2,416	2,416	2,416	2,416	2,416
ENROLLMENT	2,431	2,431	2,424	2,425	2,446
<b>HIGH</b>					
Buildings	2	2	2	2	2
SQUARE FEET	334,837	334,837	334,837	334,837	334,837
CAPACITY	2,495	2,495	2,495	2,495	2,495
ENROLLMENT	2,938	2,938	2,799	2,821	2,708
<b>AMINISTRATIVE</b>					
Buildings	1	1	1	1	1
SQUARE FEET	12,500	12,500	12,500	12,500	12,500

	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
<b>SCHOOLS</b>					
<b>ELEMENTARY</b>					
Buildings	11	11	11	11	11
SQUARE FEET	599,731	599,731	599,731	599,731	599,731
CAPACITY	568	568	568	568	568
ENROLLMENT	4,676	N/A	N/A	N/A	N/A
<b>MIDDLE</b>					
Buildings	3	3	3	3	3
SQUARE FEET	411,881	411,881	411,881	411,881	411,881
CAPACITY	2,416	2,416	2,416	2,416	2,416
ENROLLMENT	2,457	N/A	N/A	N/A	N/A
<b>HIGH</b>					
Buildings	2	2	2	2	2
SQUARE FEET	334,837	334,837	334,837	334,837	334,837
CAPACITY	2,495	2,495	2,495	2,495	2,495
ENROLLMENT	2,762	N/A	N/A	N/A	N/A
<b>AMINISTRATIVE</b>					
Buildings	1	1	1	1	1
SQUARE FEET	12,500	12,500	12,500	12,500	12,500

Sources: Reynolds School District Facilities Services Department



**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS**

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

December 29, 2015

### **Independent Auditors' Report Required by Oregon State Regulations**

We have audited the basic financial statements of Multnomah County School District No. 7 as of and for the year ended June 30, 2015, and have issued our report thereon dated December 29, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

#### **Compliance**

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of the basic financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

In connection with our testing nothing came to our attention that caused us to believe Multnomah County School District No. 7 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,

1. Expenditures of the various funds were within authorized appropriations, except as noted on page 18.

#### **OAR 162-10-0230 Internal Control**

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

reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

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

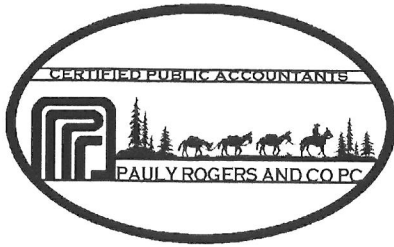
A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, stylized "R" at the beginning.

ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
MULTNOMAH COUNTY, OREGON

GRANT COMPLIANCE REVIEW

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

December 29, 2015

To the Board of Directors  
Multnomah County School District No. 7  
Multnomah County, Oregon

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Multnomah County School District No. 7 as of and for the year ended June 30, 2015, and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 29, 2015.

**Internal Control Over Financial Reporting**

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

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, stylized "R" and "R".

ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.





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December 29, 2015

To the Board of Directors  
Multnomah County School District No. 7  
Multnomah County, Oregon

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

**Report on Compliance for Each Major Federal Program**

We have audited Multnomah County School District No. 7's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2015. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of compliance.

**Opinion on Each Major Federal Program**

In our opinion, Multnomah County School District No. 7, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

**Report on Internal Control Over Compliance**

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

For the Year Ended June 30, 2015

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**SECTION I – SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes ☒ no

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

☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Any GAGAS audit findings disclosed that are required to be reported in  
accordance with section 505(d)(2) of OMB Circular A-133?

☐ yes ☒ no

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?

☐ yes ☒ no

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

☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance  
with OMB Circular A-133, section 510(a)?

☐ yes ☒ no

**IDENTIFICATION OF MAJOR PROGRAMS**

<b><u>CFDA NUMBER</u></b>	<b><u>NAME OF FEDERAL PROGRAM CLUSTER</u></b>
---------------------------	---

84.010	Title I
--------	---------

84.027	IDEA
--------	------

Dollar threshold used to distinguish between type A and type B programs: \$430,435

Auditee qualified as low-risk auditee? ☒ yes ☐ no

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

For the Year Ended June 30, 2015

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:**

None

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The schedule of expenditures of federal awards includes the federal grant activity and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.