

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022



MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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Dr. Danna Diaz, Superintendent of Schools  
Anthony Lebron, Chief Financial Officer  
Heidi Steen, Director of Financial Services

Prepared by:  
Financial Services Staff

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
 TABLE OF CONTENTS  
 \*\*\*\*\*

	<u>PAGE</u>
<b><u>I INTRODUCTORY SECTION</u></b>	
Letter of Transmittal	i-vi
Organizational Chart	vii
Elected Officials	viii
GFOA Certificate of Achievement	ix
ASBO Certificate of Achievement	x
<b><u>II FINANCIAL SECTION</u></b>	
Independent Auditors' Report	1
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Management's Discussion and Analysis	4a
<b><u>BASIC FINANCIAL STATEMENTS</u></b>	
Government-Wide Financial Statements:	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements:	
Balance Sheet – Governmental Funds	7
Reconciliation of the Governmental Funds Balance Sheet To the Statement of Net Position	9
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	10
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	12
Notes to Basic Financial Statements	13-46
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Schedule of Proportionate Share of the Net Pension Liability (PERS)	47
Schedule of Contributions (PERS)	47
Schedule of Proportionate Share of the Net OPEB Asset/Liability (RHIA)	48
Schedule of Contributions (RHIA)	48
Schedule of Changes in Total OPEB Liability and Related Ratios –	
Health Care	49
Stipends	49
Schedule of Revenues, Expenditures, and Changes in Fund Balances –	
Budget and Actual:	
General Fund	50
Federal Programs Fund	51

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7

MULTNOMAH COUNTY, OREGON

TABLE OF CONTENTS (CONTINUED)

\*\*\*\*\*

PAGE

SUPPLEMENTARY INFORMATION

Schedules of Revenues, Expenditures, and Changes in Fund Balances –

Budget and Actual:

Debt Service Fund	52
PERS Bond Fund	53
2015 GO Bond Debt Service Fund	54
2015 GO Bond Projects Fund	55
Capital Projects Fund	56
State and Local Programs Fund	57

Nonmajor Governmental Funds Combining Statements:

Combining Balance Sheet – Non Major Funds	58
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	59

Schedule of Revenues, Expenditures, and Changes in Fund Balances –

Budget and Actual:

Nutrition Service Fund	60
Self-Insurance Fund	61
2016 School Improvement Projects Fund	62
Retirement Fund	63

Schedule of Property Tax Transactions and

Balances of Taxes Uncollected:

– General Fund	64
– Debt Service Fund	65

OTHER INFORMATION

Supplementary Information – Form 3211-C	66
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Schedules Required by the Department of Education – Other Information:

District Audit Revenue Summary – All Funds	67
District Expenditure Audit Summary – General Fund	68
District Expenditure Audit Summary – Special Revenue Funds	69
District Expenditure Audit Summary – Debt Service Funds	70
District Expenditure Audit Summary – Capital Projects	71

III STATISTICAL SECTION

Net Position by Component	72
Changes in Net Position	73
Fund Balances, Governmental Funds	74
Changes in Fund Balances	75
Assessed Value and Actual Value of Taxable Property	76-79
Largest Taxpayers within District	80-81
Property tax rates- Direct and Overlapping Governments	82
Property Tax Levies and Collection	83
Ratios of General Bonded Debt Outstanding and Legal Debt Margin	84
Direct and Overlapping Gross Bonded Debt	85
County-Wide Demographic and Economic Statistics	86
Principal Industries in Multnomah County Area	87

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
TABLE OF CONTENTS (CONTINUED)

\*\*\*\*\*

	<u>PAGE</u>
<b><u>III STATISTICAL SECTION (Continued)</u></b>	
Full-Time Equivalent District Employees by Function- General Fund	88
Licensed Professional Salary Plan	89
Operating Statistics	90
Capital Asset Information	91
<b><u>IV. REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS</u></b>	
Independent Auditors' Report Required by Oregon State Regulations	92-93
<b><u>V. GRANT COMPLIANCE REVIEW</u></b>	
Schedule of Expenditures of Federal Awards (Supplemental Information)	94-95
Report on Internal Control Structure over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	96-97
Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	98-100
Schedule of Findings and Questioned Costs	101-103

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

INTRODUCTORY SECTION



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

February 9, 2023

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Reynolds School District, Multnomah County School District No. 7 (the District) for the fiscal year ended June 30, 2022. 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 Financial Services 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 generally accepted accounting principles 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.

### **Awards**

The district submitted the Annual Comprehensive Financial Report to Government Finance Officers Association (GFOA) and Association of School Business Officials International (ASBO) for submission for the financial rewards. For the 2020-21 Annual Comprehensive Financial Report, the District did receive the Certificate of Achievement for Excellence in Financial Reporting from Government Finance Officers Association (GFOA) and Association of School Business Officials International (ASBO). The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

The district will be submitting the 2021-22 Annual Comprehensive Financial Report to both GFOA and ASBO for consideration of the award.

### **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 unmodified ("clean") opinion on the Reynolds School District's financial statements for the year ended June 30, 2022. 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 \$750,000 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 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:*

*We lead with equity to educate and support all students to graduate with skills and confidence to thrive.*

### *Vision:*

*As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.*

## **General Background**

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 five alternative programs, serving over 9,198 students from a diverse geographic region and from various backgrounds. The students of Reynolds speak more than 72 languages.

The District also has three sponsored charter schools, Arthur Academy, Rockwood Preparatory Academy (formerly KNOVA) and Multnomah Learning Academy (MLA). 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 legally required to provide Special Education and English Language Development to its students that meet state and federal requirements and has provided 9.69 full-time equivalent teachers and specialists working at the Charter Schools. 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**

The District, a fiscally independent entity, is organized with a seven-member elected Board of Directors and a board appointed budget committee. 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, a deputy superintendent, a chief financial officer, and 47 principals, vice-principals, and district administrators. The District's budget has 1012 full-time equivalent (FTE) 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.

The average age of all buildings across the district is 33.2 years. The average age of school buildings across the district is 35.6 years.

## **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 farmland.

## **APPROPRIATIONS AND BUDGETARY CONTROLS**

The Board must adopt a final budget by the end of the fiscal year. The Oregon Department of Revenue governs the District's budget 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 ensure 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 for reimbursable grant expenditures and trust monies which could not be estimated when 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 or other Board approved investment depositories.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Statewide Revenue**

Over the past two decades, several citizen initiatives have changed how Oregon funds public education starting with Measure 5 in 1990. The property tax limitations enacted under Measure 5 and the later Measures 47 and 50 shifted the primary burden of paying for K–12 education from local property taxpayers to the state General Fund. This shift led the Legislature in 1991 to establish a school funding equalization formula. That funding formula, largely based on student enrollment numbers and student demographics, determines how much money each school district will receive from the State School Fund to fill the gap between the district’s local revenue (property taxes) and its equalization target under the formula. This shift affected how funds are provided to public schools, making them more dependent on the overall economy of Oregon.

### **Global Pandemic**

Starting in March of 2020, the COVID-19 pandemic started making impacts and creating uncertainty during unprecedented challenges at the local, state, national, and global levels. The sudden stop of economic activity due to the outbreak of COVID-19 made the revenue outlook less clear. According to the Office of Economic Analysis (OEA), as of June 2022. The economy has moved into a new phase of the cycle. The dynamics are shifting. No longer is the U.S. or Oregon in recovery mode, but in net expansion territory. The challenges, risks, and trends associated with a mid-cycle expansion are different than those faced during the initial recovery.

## Job Growth Factor

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.

The Office of Economic Analysis (OEA), as of December 2022, is predicting a mild recession in Oregon starting in the summer of 2023. Despite job losses, personal income is expected to remain stable.

### Oregon Forecast Summary

	Quarterly					Annual					
	2022:3	2022:4	2023:1	2023:2	2023:3	2020	2021	2022	2023	2024	2025
<b>Personal Income (\$ billions)</b>											
Nominal Personal Income	269.3	273.8	276.8	279.8	282.5	241.8	261.5	267.7	281.1	294.3	310.1
% change	5.3	6.9	4.4	4.5	3.9	8.8	8.2	2.4	5.0	4.7	5.4
Real Personal Income (base year=2012)	217.7	218.9	219.3	220.7	221.5	217.5	226.2	217.9	220.9	226.6	234.1
% change	1.1	2.3	0.7	2.5	1.5	7.6	4.0	(3.7)	1.4	2.5	3.3
Nominal Wages and Salaries	137.6	140.4	142.2	143.9	144.3	115.8	126.3	136.9	143.9	149.5	158.2
% change	5.2	8.4	5.3	4.7	1.2	2.5	9.1	8.4	5.1	3.9	5.8
<b>Other Indicators</b>											
Per Capita Income (\$1,000)	62.7	63.6	64.2	64.8	65.3	57.0	61.3	62.3	65.0	67.7	70.8
% change	4.6	6.2	3.8	3.8	3.2	8.0	7.6	1.7	4.3	4.1	4.6
Average Wage rate (\$1,000)	69.9	70.9	71.6	72.4	73.1	62.9	66.9	69.9	72.7	75.7	78.7
% change	2.4	5.4	4.3	4.3	4.1	9.5	6.4	4.4	4.1	4.0	4.0
Population (Millions)	4.3	4.3	4.3	4.3	4.3	4.24	4.27	4.29	4.32	4.35	4.38
% change	0.6	0.6	0.6	0.6	0.6	0.7	0.5	0.7	0.6	0.6	0.8
Housing Starts (Thousands)	20.3	17.2	16.1	16.2	16.8	18.1	20.2	19.6	16.5	18.5	20.5
% change	(3.0)	(48.2)	(24.2)	4.0	15.9	(12.7)	11.9	(3.0)	(15.7)	12.1	10.6
Unemployment Rate	3.6	3.7	3.8	3.9	4.6	7.6	5.2	3.7	4.4	5.3	4.7
Point Change	0.0	0.1	0.1	0.1	0.7	3.9	(2.4)	(1.5)	0.7	0.9	(0.6)

<https://www.oregon.gov/das/OEA/Documents/forecast1222.pdf>

## K-12 Revenue

Although Oregon had an improving economy prior to the pandemic, K-12 funding was far from stable. The 2021-23 Biennium budget from Governor Kate Brown is at \$9.3 billion with a 49/51 split between 2021-22 and 2022-23.

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 Legislature must deal with the long-term funding of the Public Employees Retirement System (PERS). Senate Bill 1049 was passed in the Spring of 2019 and has changed the current PERS system. Starting in July 2020, a portion of contributors 6% is redirected to an Employee Pension Stability Account. Even with this change, the outlook on the PERS system is still not positive. This is not a short-term problem. Funding PERS obligations will affect public agencies and schools for at least the next five years.

The District continues to meet the goal of using the current year revenues for current year expenses while maintaining 5% ending fund balance per Board Policy DBDB Fund Balance.

The District's goal will be to continue spending down fund balances on one-time expenditures such as capital and other non-labor costs. Enrollment in our schools has been declining in recent years and was projected to have a

slight increase for 2020-21 prior to the pandemic. Since the pandemic, the District had students transfer out of the district to online schools and there was a smaller incoming Kindergarten class.

Due to the important relationship between funding and enrollment, the District may be forced to reduce its operating budget while carefully reviewing 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.

On May 19, 2015, the Reynolds School District successfully passed their \$125 million general obligation bond thanks to the votes of devoted citizens. A bond premium was realized during the bond sale that increased the project budget by another \$14 million.

A major component of this bond program was to include the construction of three new elementary schools at the existing sites of Fairview Elementary, Troutdale Elementary, and Wilkes Elementary. The bond program also included additions & renovations to be constructed at Reynolds High School.

For schools that were 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. During the 2019-20 and 2020-21 fiscal years the district worked on a new Facilities Master Plan.

[https://www.reynolds.k12.or.us/sites/default/files/fileattachments/facilities/page/28701/long\\_range\\_facilities\\_master\\_plan- april 2021.pdf](https://www.reynolds.k12.or.us/sites/default/files/fileattachments/facilities/page/28701/long_range_facilities_master_plan- april 2021.pdf)

## **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 Annual Comprehensive 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,

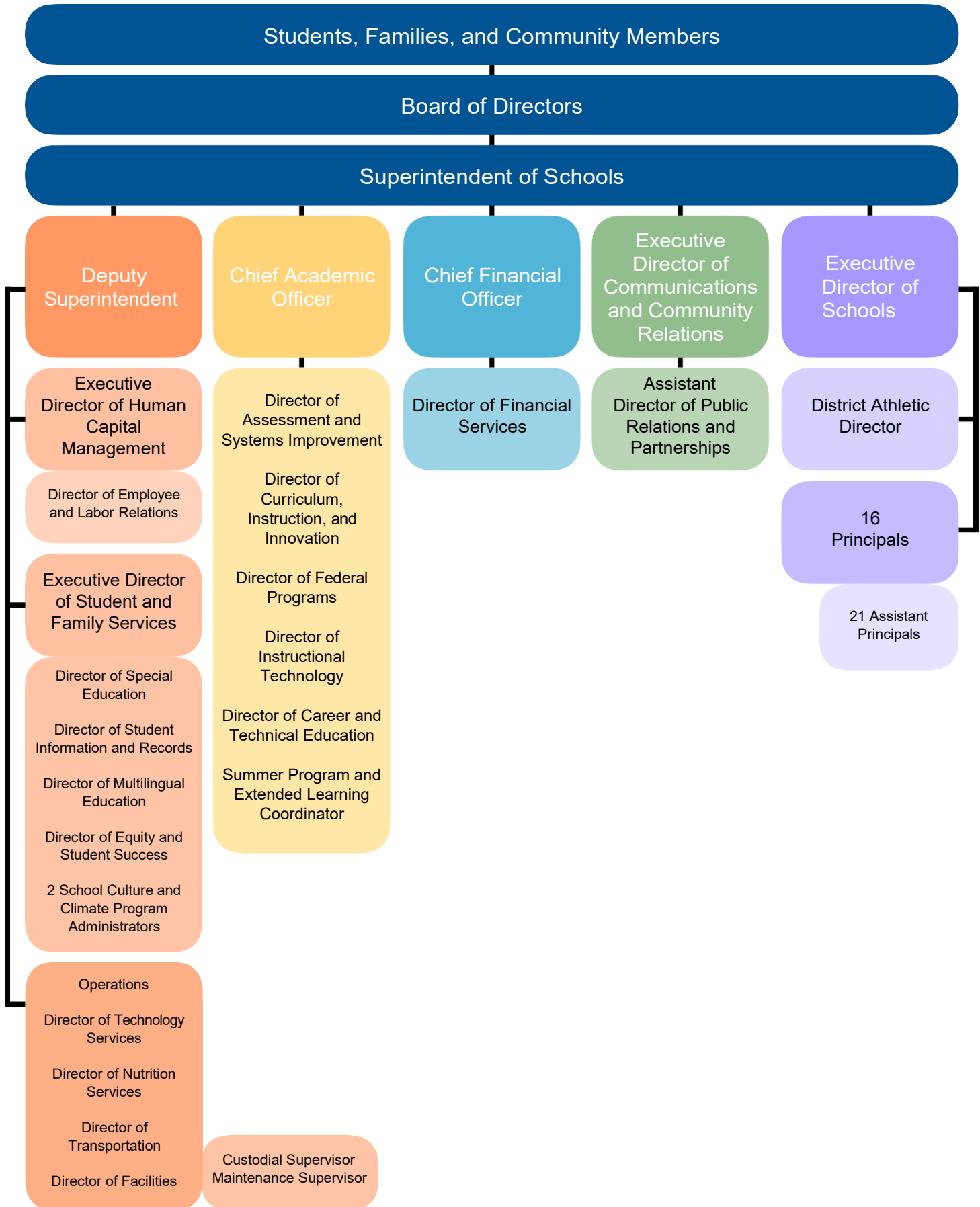


Heidi Steen, Director of Financial Services



Anthony Lebron, Chief Finance Officer

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
 ORGANIZATIONAL CHART  
 ADMINISTRATORS AS OF JUNE 30, 2022



MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2022



Ana Gonzalez Muñoz  
Chair  
Position 6  
Term Ends: June 30, 2023  
amunoz@rsd7.net



Michael Reyes  
Position 3  
mreyes@rsd7.net  
Term Ends: June 30, 2025



Yesenia Delgado  
Vice Chair  
Position 5  
Term Ends: June 30, 2023  
ydelgado@rsd7.net

Cayle Tern  
Position 4  
Term Ends: June 30, 2025  
ctern@rsd7.net



Aaron Muñoz  
Position 1  
Term Ends: June 30, 2025  
aamunoz@rsd7.net



Francisco Ibarra  
Position 7  
Term Ends: June 30, 2023  
fibarra@rsd7.net



Spencer Chao  
Position 2  
Term Ends: June 30, 2025  
spchao@rsd7.net



Board Members receive mail at:

Superintendent  
Attn: Board of Directors  
Administrative Office  
1204 N.E. 201<sup>st</sup> Avenue  
Fairview, Oregon 97024



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Reynolds School District #7  
Oregon**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

## **Reynolds School District 7**

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

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



A handwritten signature in black ink, reading 'William A. Sutter'.

**William A. Sutter**  
**President**

A handwritten signature in black ink, reading 'David J. Lewis'.

**David J. Lewis**  
**Executive Director**



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

**FINANCIAL SECTION**

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

INDEPENDENT AUDITOR'S REPORT



**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

February 9, 2023

To the Board of Directors  
Multnomah County School District No. 7 (dba Reynolds School District)  
Multnomah County, Oregon

### **Opinions**

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, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Multnomah County School District No. 7 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Multnomah County School District No. 7's ability to continue as a going concern for twelve months beyond the basic financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the basic financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Multnomah County School District No. 7's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Multnomah County School District No. 7's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

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

### **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, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, 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**

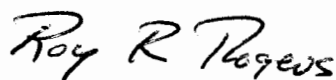
Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, as well as the introductory section and statistical section, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

#### **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our reports dated February 9, 2023 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 are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 February 9, 2023, 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.

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

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022.

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**

During the year, the District implemented Statement No. 87 of the Governmental Accounting Standards Board-Leases.

### **Financial Highlights**

- The government-wide financial statements show the assets and deferred outflows of resources of the District trailed its liabilities and deferred inflows of resources by (\$1.38) million (net position). Last year, the Total Net Position was a negative \$27.5 million (as restated) due to the Long-Term Obligations, Net Pension Liability, Net Other Post Employment Benefit Obligation (OPEB), the Pension Related Deferrals for PERS, RHIA, Stipends and Healthcare. The Total Net Position improved during the 2021-22 fiscal year primarily because of a decrease in long-term debt and deferred inflows of resources, and an increase in operating grants and contributions.
- At June 30, 2022, the District's governmental funds had a combined ending fund balances of \$44.6 million. This represents an increase of \$7.2 million from the prior year, a 19.4% increase in the District's financial position. At June 22, 2022, the District did a Partial Refunding of the 2015B (2036 maturity) General Obligation Bonds, which included a \$1.3 million cash contribution, to reduce future interest expenses.
- At June 30, 2022, the General Fund had a fund balance of \$37.9 million, including a GASB 54 reporting requirement of \$88,233, from the Early Retirement Fund. GASB 54 requires the Early Retirement Fund's ending fund balance be reported with the General Fund, rather than reporting with Other Governmental Funds.

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 the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, 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 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 5 and 6 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. All of the funds of the District are governmental 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 eight 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. The District classifies these eight 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 on pages 7 to 12 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 13 to 46 of this report.

**Required Supplementary Information, Supplementary Information, and Other information** is included with the basic financial statements and accompanying notes. The District includes additional information to assist the users of the financial statements in gaining an understanding of the District's financial position and it can be found on pages 47 to 71 of this report. Note the State of Oregon requires governmental entities to provide additional financial information that is prepared in accordance with Oregon's Budgetary Law (Budgetary Basis).



Additionally, the Federal Government and the State of Oregon require governmental entities to include additional auditor reports and schedules. The 2021-2022 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, on pages 94 and 95, 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 96 to 104 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 table below condenses the Statement of Net Position shown in the Basic Financial Statements.

Governmental Activities			
	2022	2021	Increase/Decrease
<b>Assets</b>			
Current and other Assets	\$ 68,937,597	\$ 52,435,518	\$ 16,502,079
Net Capital Assets	222,288,624	224,187,047	(1,898,423)
Total Assets	291,226,221	276,622,565	14,603,656
<b>Deferred Outflows of Resources</b>			
Pension Related Deferrals	38,329,876	49,319,681	(10,989,805)
Total Assets and Pension Related Deferrals	329,556,097	325,942,246	3,613,851
<b>Liabilities</b>			
Current Liabilities	28,984,529	22,432,049	6,552,480
Accrued Vacation Payable	357,026	267,402	89,624
Long Term Debt	238,821,897	310,842,675	(72,020,778)
Total Liabilities	268,163,452	333,542,126	(65,378,674)
<b>Deferred Inflows of Resources</b>			
Pension Related Deferrals	62,775,732	18,378,066	44,397,666
Total Liabilities and Pension Related Deferrals	330,939,184	351,920,192	(20,981,008)
<b>Net Position</b>			
Net Investment in Capital Assets	80,309,755	91,952,961	(11,643,206)
Restricted for OPEB-RHIA Assets	2,028,100	2,151,220	(123,120)
Restricted for Debt Service	6,043,199	6,346,512	(303,313)
Restricted for State and Local Programs	505,538	485,654	19,884
Restricted for Food Service	-	(909,178)	909,178
Unrestricted	(90,269,679)	(126,005,115)	35,735,436
Total Net Position	\$ (1,383,087)	\$ (25,977,946)	\$ 24,594,859

**Net investment in capital assets.** As shown in the table above, the District's current net investment in capital assets is \$80.3 million, a decrease of \$11.6 million from the prior year. The decrease is the net result of depreciation expense, capital asset additions, and reductions in long-term debt related to capital assets. The net position component includes land, construction in process, building, improvements, vehicles and equipment, net of depreciation where applicable, and net of the related debt that was incurred to acquire those assets. Information about capital assets and their related debt is available in Note 7 – Capital Assets and Note 9 – Long Term Obligations.

**Restricted net position** increased by a total of \$482,745 in 2021-22, primarily due to changes in Food Service.

**Unrestricted net position** has increased by \$35.7 million, from negative \$126 million to negative \$90.3 million. The negative balance in unrestricted net position results from the OPEB reporting requirement and further explanation can be found in Note 12 – Defined Benefit Pension Plan and Note 13 – Other Post Employment Benefit Plan.

## Statement of Activities

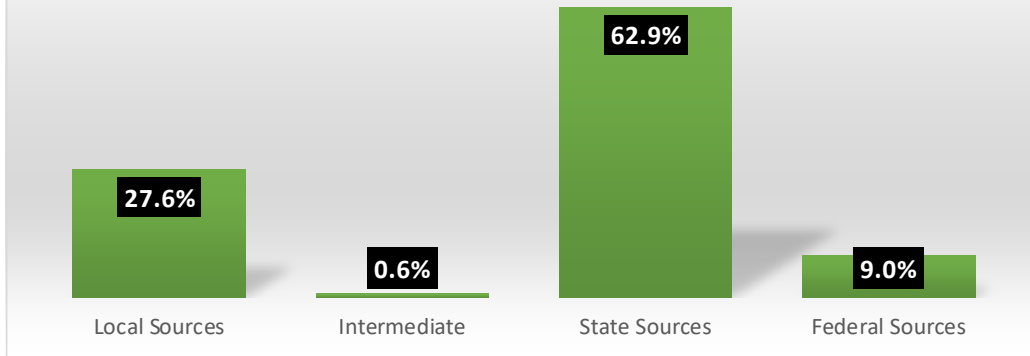
	2022	2021	Increase/Decrease
<b>Revenues</b>			
Program Revenues			
Charges for Services	\$ 1,242,194	\$ 3,999,412	\$ (2,757,218)
Operating Grants and Contributions	44,702,866	19,819,696	24,883,170
General Revenues			
Property Taxes	41,686,988	39,451,643	2,235,345
State Support	103,889,737	101,426,880	2,462,857
Intermediate Sources	1,105,283	1,419,157	(313,874)
Gain (Loss) on Equity in CAL	(8,078)	(37,989)	29,911
Miscellaneous	483,531	1,737,949	(1,254,418)
<b>Total Revenues</b>	<b>193,102,521</b>	<b>167,854,737</b>	<b>25,285,773</b>
<b>Expenses</b>			
Instruction	87,519,316	93,565,748	(6,046,432)
Support Services	61,009,790	57,558,253	3,451,537
Enterprise and Community Services	6,220,270	6,098,403	121,867
Facilities Acquisition	981,076	-	981,076
Interest on Long-Term Debt	11,270,952	11,438,939	(167,987)
(Gain) Loss on Sale of Assets	-	(215,000)	215,000
<b>Total Expenses</b>	<b>167,001,404</b>	<b>168,484,332</b>	<b>(1,444,939)</b>
Increase (decrease) in net position	26,101,117	(629,595)	26,730,712
NET POSITION - BEGINNING	(25,977,946)	(25,348,351)	(629,595)
Prior Period Adjustment	(1,506,258)	-	(1,506,258)
<b>NET POSITION - ENDING</b>	<b>\$ (1,383,087)</b>	<b>\$ (25,977,946)</b>	<b>\$ 24,594,859</b>

### Revenues

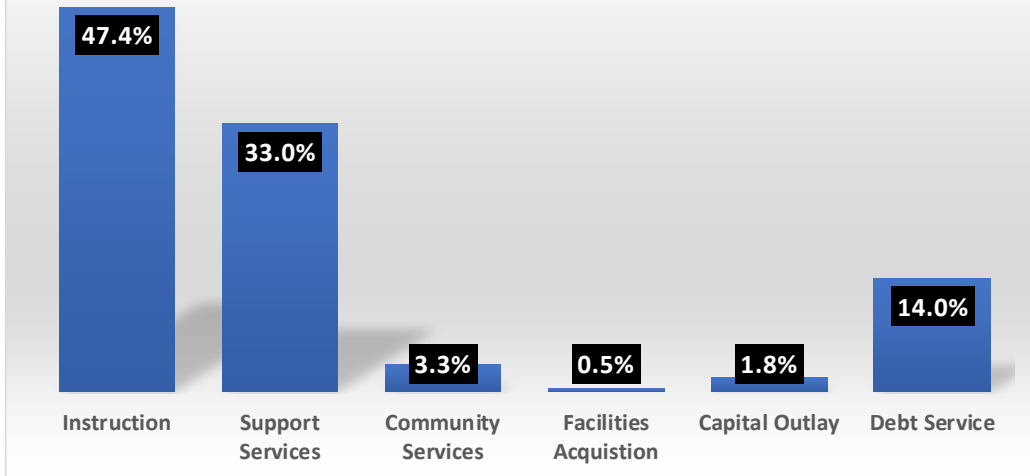
Total revenues increased by \$25.3 million from the prior year, this was primarily due to an increase in Operating Grants and Contributions.

**General Fund** Property taxes are split between General Fund tax levies, and Debt Service requirements. The State School Fund (SSF) is the District's largest revenue source. Each Oregon school district receives funding 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 the current or most recent fiscal years in the calculation.

## Sources - Governmental Activities



## Expenditures by Function - Governmental Activities



### Financial Analysis of the District's Funds

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

#### Governmental Funds

The focus of the District's *governmental funds* is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* 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 June 30, 2022, the District's governmental funds reported combined ending fund balances of \$44.6 million.

## **General Fund**

The General Fund is the primary operating fund of the District. As of June 30, 2022, the fund balance was \$37.9 million. This balance includes \$88,233 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.

## **Federal Programs Fund**

Revenues in the Federal Programs Fund increased 4.3% to \$11.5 million, while expenses increased from \$11 million in 2020-21 fiscal year to \$18.4 million in the 2021-22 fiscal year. The fund started the year without a balance and ended the year with a balance of negative \$6.9 million. The deficit balance associated with Federal Programs resulted from a timing issue where federal grant funds were not received within sixty days of the end of the fiscal year, so they could not be recognized as revenue in the fiscal year ended June 30, 2022.

## **State and Local Programs Fund**

Revenues in the State and Local Programs Fund increased 74.3% from \$9.2 million to \$16 million, expenses increased 86.7% from \$8.9 million to \$16.6 million, and net interfund transfers decreased 109.7% from a net interfund transfer in of \$2.2 million to a net interfund transfer out of \$215,987. The fund started the year with a \$3.6 million balance and ended the year with a balance of \$2.7 million.

## **Debt Service Fund**

This fund provides for the payment of principal and interest on long-term general obligation of governmental funds. Revenue source for this fund is property taxes. This fund has remained unchanged in total fund balance of \$1.28 million, due to the retirement of debt.

## **PERS Bond Fund**

This fund provides for the payment of principal and interest of PERS UAL pension obligation bond. The Revenue sources are charges to other funds. This fund has decreased in total fund balance from \$119,822 in 2020-21 fiscal year to \$111,883 in fiscal year 2021-22, primarily due the planned usage of fund balance to pay debt.

## **2015 GO Bond Debt Service Fund**

This fund provides for the payment of principal and interest on long-term general obligation of governmental funds. Revenue source for this fund is property taxes. This fund has decreased in total fund balance from \$4.95 million in 2020-21 fiscal year to \$4.65 million in fiscal year 2021-22, primarily due to the refinancing.

## **2015 GO Bond Projects Fund**

This fund manages the capital expenditures for specifically authorized projects funded by the 2015 General Obligation bonds. This fund supports school building improvements. As of June 30, 2022, this fund does not have a balance. This fund used the remaining total fund balance of \$765,581 available on July 1, 2021, by finishing the bond projects during 2021-22.

## **Capital Projects Fund**

This fund provides for the payment of principal and interest on the 2010 Full Faith and Credit Refunding Obligation which was refunding with the 2020 Full Faith and Credit Refunding in 2020-21. Revenue sources for this fund are excise tax, interest earning, sale of assets, transfers, and loan proceeds. This fund has increased in total fund balance from \$1.8 million in 2020-21 fiscal year to \$4.0 million in 2021-22, primarily due to transfers and a late grant award from ODE for the School Based Health center at Reynolds High School.

## Other Governmental Funds (Non-Major Funds)

Other Governmental Funds consists of the Nutrition Service Fund, Self Insurance Fund, and 2016 School Improvement Projects Fund. These funds have increased in total fund balance from \$153,619 in the 2020-21 fiscal year to \$866,338 in the 2021-22 fiscal year, primarily due to an increase in Federal Grants for nutrition services.

## 2016 School Improvement Project Fund

The School Improvement Projects or Qualified Zone Academy Bond (QZAB) is a tax credit bond program whereby bond investors take a tax credit in lieu of interest payments for qualified bonds under the IRS Tax Code. Projects accounted for under the QZAB include roof resurfacing, exterior block sealing, HVAC replacement, and major abatement work. This fund ended the 2020-21 fiscal year with a zero balance, primarily due completing the projects and no additional revenues. There was no activity in the 2021-22 fiscal year.

## Capital Asset and Debt Administration

### Capital assets

The District's investment in capital assets for its governmental activities as of June 30, 2022 amounts to \$221.6 million net of accumulated depreciation. This investment in capital assets includes land, buildings, equipment, and vehicles.

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

	<u>2022</u>	<u>2021</u>	<u>Increase/Decrease</u>
Land	17,752,046	17,752,046	-
Construction in Progress	-	-	-
Buildings and Improvements	198,208,759	200,606,066	(2,397,307)
Vehicles and Equipment	5,656,997	5,828,935	(171,938)
	<u>221,617,802</u>	<u>224,187,047</u>	<u>(2,569,245)</u>

Additional information on the District's capital assets can be found in Note 7 Capital assets on page 23 of this report.

**Long-term debt.** At the end of the fiscal year, the District had a total outstanding long-term debt of \$185.7 million consisting of general obligation debt and pension obligation debt, net of unamortized premium/discount. An adjustment of \$1.5 million was made to correct the reported amount of debt owed at the beginning of the fiscal year 2021-22. The total long-term debt decreased by \$11 million.

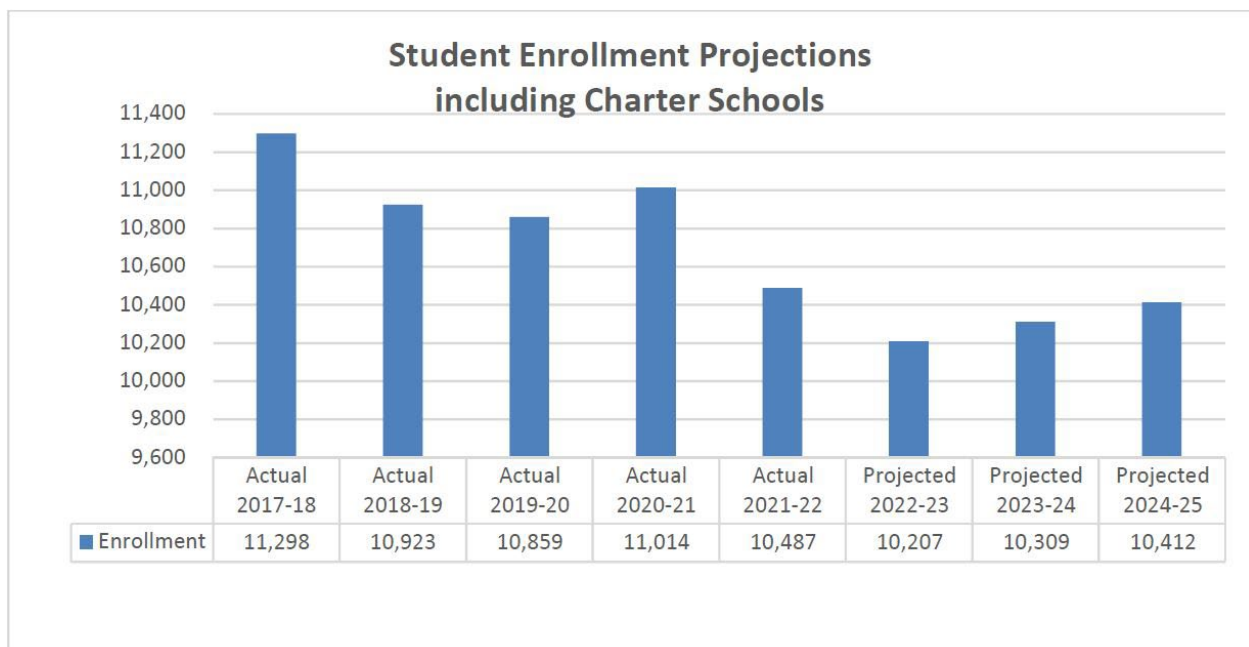
### Long-Term Debt

	<u>2022</u>	<u>2021</u>	<u>Increase/Decrease</u>
Bond Payable	168,316,725	178,039,538	(9,722,813)
Notes Payable	17,382,370	18,841,260	(1,458,890)
	<u>185,699,095</u>	<u>196,880,798</u>	<u>(11,181,703)</u>

Additional information on the District's long-term debt can be found in Note 9 on pages 24 to 27 of this report.

## Economic Factors and Next Year's Budgets

- Resources supporting District General Fund operations primarily reflect local and state revenues, with additional income from federal, county, and other sources. The State School Fund formula determines the largest segment of resources. Most funding provided by the State to the District is based on the District's average daily membership of students.
- Starting in March of 2020, The COVID-19 pandemic began making impacts and creating uncertainty during unprecedented challenges at the local, state, national, and global levels. The District continues to face challenges as a result of the pandemic and its effects on the economy.
- Enrollment in our schools is projected to decline for 2022-23. Because funding was not changed by the State, the District is planning to continue the same staffing levels and make no reductions in personnel for 2022-23. The District expects enrollment to increase in the following years.



- The costs of salaries and related benefits are expected to increase in 2022-23. Cost of living increases are from three to five percent depending on the employee group. A decrease in the PERS rate will help offset the increased staffing cost. Utility costs continue to escalate.
- For the fiscal year 2022-23, the primary source of budgeted revenue for all funds are State Sources totaling \$127.3 million or 46% of all sources. Additional budgeted major sources of funding for the District are Local Sources (including property taxes) totaling \$57.2 million or 21% of overall 2022-23 funding, and Federal Sources of \$41.7 million or 15% of overall 2022-23 funding. The District has budgeted the use of the beginning fund balance, that portion of the budget carried forward from reserves and prior year savings, in the amount of \$46.9 million or 17% of the overall 2022-23 proposed resources.
- School Board policy mandates that the District budget must, at a minimum, plan for an ending fund balance of five percent of the total adopted revenues. The Board can take formal action to waive or lower the requirement. This 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.

- The District has analyzed its financial holdings and does not anticipate any liquidity problems in the next 12 months.
- The District, through prudent fiscal management, maintains a healthy financial position to provide the quality education deserved by every child.

The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2022-23 fiscal year.

### **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 Director of Financial Services at 1204 NE 201<sup>st</sup> Ave, Fairview OR 97024. Electronic copies of this report may be found at the district website:

<https://www.reynolds.k12.or.us/fs/financial-reports>

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

BASIC FINANCIAL STATEMENTS



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

**STATEMENT OF NET POSITION**  
**June 30, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 52,372,499
Receivables:	
Accounts and Grants	11,235,572
Property Taxes	954,735
Supply Inventories & Assets Held for Resale	367,671
Other Prepaid Expenses	855,751
Equity in CAL	1,123,269
Total OPEB Asset - RHIA	2,028,100
Right-To-Use Asset, Net of Amortization	670,822
Capital Assets, Non-Depreciable	17,752,046
Capital Assets, Depreciable, Net	203,865,756
Total Assets	291,226,221
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Related Deferrals - PERS	35,507,573
OPEB Related Deferrals - Stipends	558,793
OPEB Related Deferrals - Health Care	1,640,706
OPEB Related Deferrals - RHIA	622,804
Total Deferred Outflows	38,329,876
<b>TOTAL ASSETS AND PENSION RELATED DEFERRALS</b>	<b>329,556,097</b>
<b>LIABILITIES</b>	
Accounts Payable	3,371,620
Retainage Payable	15,943
Accrued Salaries and Benefits	7,089,466
Unearned Revenue	2,937,703
Accrued Vacation Payable	357,026
Bond & Note Interest Payable	192,689
Noncurrent liabilities:	
Lease Liabilities Due within one year	71,396
Lease Liabilities Due in more than one year	604,292
Long-Term Obligations Due within one year	15,305,712
Long-Term Obligations Due in more than one year	170,393,383
Proportionate share of Net PERS Pension Liability, due in more than one year	51,679,503
Net Pension OPEB Liability - Stipends, due in more than one year	2,512,252
Net Pension OPEB Liability - Health Care, due in more than one year	13,632,467
Total Liabilities	268,163,452
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related Deferrals - PERS	58,132,867
OPEB Related Deferrals - Stipends	162,634
OPEB Related Deferrals - Health Care	3,690,031
OPEB Related Deferrals - RHIA	790,200
Total Deferred Inflows	62,775,732
<b>TOTAL LIABILITIES AND PENSION RELATED DEFERRALS</b>	<b>330,939,184</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	80,309,755
Restricted for OPEB-RHIA Asset	2,028,100
Restricted for Debt Service	6,043,199
Restricted for State & Local Programs	505,538
Unrestricted	(90,269,679)
Total Net Position	\$ (1,383,087)

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

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

**STATEMENT OF ACTIVITIES**  
**For the year ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Instruction	\$ 87,519,316	\$ 203,271	\$ 20,760,481	\$ (66,555,564)
Support Services	61,009,790	404,044	16,716,086	(43,889,660)
Community Services	6,220,270	634,879	7,226,299	1,640,908
Facilities Acquisition	981,076	-	-	(981,076)
Interest on Long-Term Debt	11,270,952	-	-	(11,270,952)
<b>Total Governmental Activities</b>	<b>\$ 167,001,404</b>	<b>\$ 1,242,194</b>	<b>\$ 44,702,866</b>	<b>(121,056,344)</b>
<b>General Revenues:</b>				
				29,969,241
				11,717,747
				103,889,737
				1,105,283
				(8,078)
				(25,961)
				509,492
<b>Total General Revenues</b>				<b>147,157,461</b>
				Change in Net Position 26,101,117
				Net Position - Beginning (25,977,946)
				Prior Period Adjustment (1,506,258)
				<b>Net Position - Ending \$ (1,383,087)</b>

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

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

**BALANCE SHEET - GOVERNMENTAL FUNDS**

June 30, 2022

	<u>GENERAL FUND</u>	<u>FEDERAL PROGRAMS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>PERS BOND FUND</u>	<u>2015 GO BOND DEBT SERVICE FUND</u>
<b>ASSETS:</b>					
Cash & Equity in Pooled Cash	\$ 31,951,240	\$ -	\$ 6,164,470	\$ 27,365	\$ 10,143,545
Receivables:					
Accounts and Grants	710,635	8,937,529	-	5,240	-
Property Taxes	695,952	-	-	-	258,783
Interfund Receivable	12,884,306	-	-	79,278	-
Prepaid	808,591	18,235	-	-	-
Inventory & Property Held for Resale	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 47,050,724</u>	<u>\$ 8,955,764</u>	<u>\$ 6,164,470</u>	<u>\$ 111,883</u>	<u>\$ 10,402,328</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 1,473,643	\$ 1,368,615	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	7,089,466	-	-	-	-
Retainage Payable	-	15,943	-	-	-
Unearned Revenue	-	-	-	-	-
Interfund Payable	-	7,563,360	4,883,577	-	5,517,510
<b>Total Liabilities</b>	<u>8,563,109</u>	<u>8,947,918</u>	<u>4,883,577</u>	<u>-</u>	<u>5,517,510</u>
<b>Deferred Inflows of Resources:</b>					
Grants	-	6,915,085	-	-	-
Property Taxes	633,233	-	-	-	234,395
<b>Total Deferred Inflows of Resources</b>	<u>633,233</u>	<u>6,915,085</u>	<u>-</u>	<u>-</u>	<u>234,395</u>
<b>Fund Balances (Deficit):</b>					
Nonspendable	808,591	18,235	-	-	-
Restricted:					
Debt Service	-	-	1,280,893	111,883	4,650,423
State & Local Programs	-	-	-	-	-
Committed:					
Early Retirement	88,233	-	-	-	-
Self Insurance	-	-	-	-	-
State & Local Programs	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	36,957,558	(6,925,474)	-	-	-
<b>Total Fund Balances (Deficit)</b>	<u>37,854,382</u>	<u>(6,907,239)</u>	<u>1,280,893</u>	<u>111,883</u>	<u>4,650,423</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 47,050,724</u>	<u>\$ 8,955,764</u>	<u>\$ 6,164,470</u>	<u>\$ 111,883</u>	<u>\$ 10,402,328</u>

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

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

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**June 30, 2022**

	<b>2015 GO BONDS PROJECTS FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>STATE &amp; LOCAL PROGRAMS FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS:</b>					
Cash & Equity in Pooled Cash	\$ 819,702	\$ 2,756,562	\$ 426,164	\$ 83,451	\$ 52,372,499
Receivables:					
Accounts and Grants	-	24,827	1,196,633	360,708	11,235,572
Property Taxes	-	-	-	-	954,735
Interfund Receivable	-	1,235,007	4,438,765	779,524	19,416,880
Prepaid	-	-	28,925	-	855,751
Inventory & Property Held for Resale	-	-	-	367,671	367,671
<b>Total Assets</b>	<b>\$ 819,702</b>	<b>\$ 4,016,396</b>	<b>\$ 6,090,487</b>	<b>\$ 1,591,354</b>	<b>\$ 85,203,108</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 84,742	\$ 24,195	\$ 412,882	\$ 7,543	\$ 3,371,620
Accrued Salaries and Benefits	-	-	-	-	7,089,466
Retainage Payable	-	-	-	-	15,943
Unearned Revenues	-	-	2,937,703	-	2,937,703
Interfund Payable	734,960	-	-	717,473	19,416,880
<b>Total Liabilities</b>	<b>819,702</b>	<b>24,195</b>	<b>3,350,585</b>	<b>725,016</b>	<b>32,831,612</b>
<b>Deferred Inflows of Resources:</b>					
Grants	-	-	-	-	6,915,085
Property Taxes	-	-	-	-	867,628
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,782,713</b>
<b>Fund Balances (Deficit):</b>					
Nonspendable	-	-	28,925	367,671	1,223,422
Restricted:					
Debt Service	-	-	-	-	6,043,199
State & Local Programs	-	-	505,538	-	505,538
Committed:					
Early Retirement	-	-	-	-	88,233
Self Insurance	-	-	-	784,524	784,524
State & Local Programs	-	-	2,205,439	-	2,205,439
Assigned	-	3,992,201	-	-	3,992,201
Unassigned	-	-	-	(285,857)	29,746,227
<b>Total Fund Balances (Deficit)</b>	<b>-</b>	<b>3,992,201</b>	<b>2,739,902</b>	<b>866,338</b>	<b>44,588,783</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 819,702</b>	<b>\$ 4,016,396</b>	<b>\$ 6,090,487</b>	<b>\$ 1,591,354</b>	<b>\$ 85,203,108</b>

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

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

**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**June 30, 2022**

TOTAL FUND BALANCES-GOVERNMENTAL FUNDS	\$	44,588,783
Capital assets are not financial resources and therefore are not reported in the governmental funds.		
Right-to-Use Assets		746,133
Accumulated Amortization		(75,311)
Cost		316,175,851
Accumulated Depreciation		<u>(94,558,049)</u>
		222,288,624
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Grant receivables uncollected or collected but not considered available		6,915,085
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.		
		867,628
The Net PERS 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.		
		(51,679,503)
The Net RHIA Asset is the difference between the total OPEB liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
		2,028,100
The Net OPEB Stipends Obligation is the difference between the total pension stipend liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
		(2,512,252)
The OPEB Liability for health care is the difference between the total healthcare benefit liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
		(13,632,467)
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.		
Net PERS Pension and OPEB Related Deferrals		
Deferred Outflows - PERS		35,507,573
Deferred Inflows - PERS		(58,132,867)
Deferred Outflows - OPEB Stipends		558,793
Deferred Inflows - OPEB Stipends		(162,634)
Deferred Outflows - OPEB Health Care		1,640,706
Deferred Inflows - OPEB Health Care		(3,690,031)
Deferred Outflows - OPEB RHIA		622,804
Deferred Inflows - OPEB RHIA		<u>(790,200)</u>
		(24,445,856)
Equity interest in the Center for Advanced Learning (CAL) is not reported in the governmental funds:		
		1,123,269
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		(357,026)
Lease liabilities (right-to-use assets)		(675,688)
Bond & Note Interest Payable		(192,689)
Debt Obligations		<u>(185,699,095)</u>
		<u>(186,924,498)</u>
TOTAL NET POSITION	\$	<u>(1,383,087)</u>

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

**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, 2022**

	<b>GENERAL FUND</b>	<b>FEDERAL PROGRAMS FUND</b>	<b>DEBT SERVICE FUND</b>	<b>PERS BOND FUND</b>	<b>2015 GO BOND DEBT SERVICE FUND</b>
<b>REVENUES:</b>					
Local Sources	\$ 31,085,035	\$ -	\$ -	\$ 9,337,551	\$ 11,834,200
Intermediate Sources	741,251	-	-	-	-
State Sources	106,683,602	-	-	-	-
Federal Sources	31,401	11,513,279	-	-	-
<b>Total Revenues</b>	<b>138,541,289</b>	<b>11,513,279</b>	<b>-</b>	<b>9,337,551</b>	<b>11,834,200</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	75,949,721	9,397,241	-	-	-
Support Services	47,338,056	8,454,032	-	-	-
Community Services	164,320	204,703	-	-	-
Facilities Acquisition	-	40,623	-	-	-
Capital Outlay	461,200	323,919	-	-	-
Debt Service - Principal	200,000	-	-	2,124,607	12,288,854
Debt Service - Interest	-	-	-	7,220,883	3,721,801
<b>Total Expenditures</b>	<b>124,113,297</b>	<b>18,420,518</b>	<b>-</b>	<b>9,345,490</b>	<b>16,010,655</b>
Revenues over (under) expenditures	14,427,992	(6,907,239)	-	(7,939)	(4,176,455)
<b>Other Financing Sources, (Uses):</b>					
Issuance of Bonds	-	-	-	-	3,956,953
Issuance Costs for Bonds	-	-	-	-	(75,872)
Transfers In	540,987	-	-	-	-
Transfers Out	(1,763,354)	-	-	-	-
<b>Total other financing sources (Uses)</b>	<b>(1,222,367)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,881,081</b>
Net Change in Fund Balance	13,205,625	(6,907,239)	-	(7,939)	(295,374)
Fund balance, beginning	24,648,757	-	1,280,893	119,822	4,945,797
<b>Fund balance, ending</b>	<b>\$ 37,854,382</b>	<b>\$ (6,907,239)</b>	<b>\$ 1,280,893</b>	<b>\$ 111,883</b>	<b>\$ 4,650,423</b>

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

**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, 2022**

<b>REVENUES:</b>	<b>2015 GO BOND PROJECTS FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>STATE &amp; LOCAL PROGRAMS FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
Local Sources	\$ 5,875	\$ 356,907	\$ 1,068,856	\$ 454,456	\$ 54,142,880
Intermediate Sources	-	-	366,510	5,687	1,113,448
State Sources	-	2,236,516	14,559,800	72,427	123,552,345
Federal Sources	-	-	-	6,125,759	17,670,439
<b>Total Revenues</b>	<b>5,875</b>	<b>2,593,423</b>	<b>15,995,166</b>	<b>6,658,329</b>	<b>196,479,112</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	-	-	6,156,661	-	91,503,623
Support Services	-	-	7,763,329	131,934	63,687,351
Community Services	-	-	224,298	5,864,528	6,457,849
Facilities Acquisition	628,336	312,117	-	-	981,076
Capital Outlay	143,120	33,136	2,498,726	-	3,460,101
Debt Service - Principal	-	905,000	-	-	15,518,461
Debt Service - Interest	-	572,850	-	-	11,515,534
<b>Total Expenditures</b>	<b>771,456</b>	<b>1,823,103</b>	<b>16,643,014</b>	<b>5,996,462</b>	<b>193,123,995</b>
Revenues over (under) expenditures	(765,581)	770,320	(647,848)	661,867	3,355,117
<b>Other Financing Sources, (Uses):</b>					
Issuance of Bonds	-	-	-	-	3,956,953
Issuance Costs for Bonds	-	-	-	-	(75,872)
Transfers In	-	1,387,502	-	50,852	1,979,341
Transfers Out	-	-	(215,987)	-	(1,979,341)
<b>Total other financing sources (Uses)</b>	<b>-</b>	<b>1,387,502</b>	<b>(215,987)</b>	<b>50,852</b>	<b>3,881,081</b>
Net Change in Fund Balance	(765,581)	2,157,822	(863,835)	712,719	7,236,198
Fund balance, beginning	765,581	1,834,379	3,603,737	153,619	37,352,585
Fund balance, ending	<u>\$ -</u>	<u>\$ 3,992,201</u>	<u>\$ 2,739,902</u>	<u>\$ 866,338</u>	<u>\$ 44,588,783</u>

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

**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, 2022**

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TOTAL NET CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS	\$	7,236,198
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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:

Expenditures for right-to-use assets	\$ 746,133	
Less current year amortization	(75,311)	
Expenditures for capital assets	3,454,239	
Less current year depreciation	(6,053,898)	
Adjustments to capital assets	<u>30,414</u>	(1,898,423)

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.

Lease financing	(746,133)	
Principal Payments on Lease Liabilities	70,445	
Proceeds from Bond Issuance	(3,956,953)	
Principal Payments on Bond Payables	14,613,461	
Principal Payments on Note Payables	<u>1,190,714</u>	11,171,534

Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Amortization of bond premiums	711,252	
Amortization of note premiums	268,176	
Accretion of discount on pension obligation bonds	<u>(138,689)</u>	840,739

Net Pension Income/(Expense) - Stipends

56,365

Net OPEB Income/(Expense) - Health Care

(964,867)

Net OPEB Income/(Expense) - RHIA

269,569

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.

34,740

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Grant receivables uncollected or collected but not considered available		6,915,085
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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.

(38,712)

Changes in equity in the Center for Advanced Learning (CAL) is not reported in the governmental funds:

(8,078)

The PERS 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.

2,576,591

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.

(89,624)

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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 26,101,117

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



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

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 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 does not have any business type activities.

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. 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. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The District has a negotiated indirect cost rate with Oregon Department of Education that is applied to grant funds as allowable by the grant, no other de minimus rate is applied. 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. 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.

**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. 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.

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**

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, pension costs, 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.

**2015 GO BOND DEBT SERVICE FUND**

This fund accounts for the payment of principal and interest for the two general obligation bonds the District received in 2015 and are to be used to finance several specific capital projects as dictated by the bonds' ballot measure. The principal revenue source is the proceeds from the bond and associated interest.

**2015 GO BOND PROJECTS FUND**

This fund accounts for major capital outlay expenditures relating to the acquisition, construction and remodeling of facilities as authorized in the 2015 general obligation bonds' ballot measure. Principal financing sources include the proceeds from the issuance of debt and earnings from investments which are accounted for in the 2015 Go Bond Debt Service fund.

**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**

**STATE AND LOCAL PROGRAMS FUND**

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

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.

**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.

The Board of Directors therefore adopted Policy DBDB whereby the Superintendent or designee is directed to manage the adopted budget in such a way as to ensure an ending fund balance of at least 5 percent of total adopted revenues.

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**

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

Financial statements 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 grants, debt service, and the OPEB RHIA asset.
- 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.

As a general rule the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the basic financial statements 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2022 there were deferred outflows representing PERS pension related deferrals, OPEB related deferrals for stipends, OPEB related deferrals for health care and OPEB related deferrals reported for RHIA reported in the statement of net position.

In addition to liabilities, the basic financial statements 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 assets 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, 2022, there were deferred inflows representing PERS pension related deferrals, OPEB related deferrals for stipends, OPEB related deferrals for health care, and OPEB related deferrals for RHIA reported in the statement of net position. The governmental funds balance sheet reports unavailable revenues 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 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.

OTHER POST-EMPLOYMENT BENEFITS (HEALTH CARE)

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.

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, ASSETS HELD FOR RESALE, AND OTHER 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 financial statements as well as the governmental fund financial statements. Under the consumption method, inventory is expensed when used. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused donated commodities at the balance sheet date is considered immaterial by management for reporting purposes.

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, 2022 management considers all accounts, including those from the public fully collectible.

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**

**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.

**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.

**CAPITAL ASSETS**

Capital assets are recorded at original cost or estimated original cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition 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

**LEASE ASSETS (RIGHT-TO-USE ASSETS)**

Lease assets are assets which the government leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the government's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

**LEASE PAYABLE**

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

**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.

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**

**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.

**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.

**E. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

**Level 1** – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

**Level 2** – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

**Level 3** – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

**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.



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

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

**BUDGETARY INFORMATION – CONTINUED**

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.

Expenditures 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 were no supplemental appropriations 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 for the year ended June 30, 2022, except for the 2015 GO Bond Debt Service Fund where Debt Service was overexpended by \$5,180,977 and Bond Issue Costs were overexpended \$75,872, Capital Projects Fund where Debt Service was overexpended by \$90,248, and the Federal Programs Fund where Facilities Acquisition and Construction was overexpended by \$324,540.

**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 not reported as revenue in the governmental funds unless 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. 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 District's equity in CAL at June 30, 2022 was \$1,123,269.

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

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**NOTE 4. JOINT VENTURE (CONTINUED)**

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.

**NOTE 5. 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. The total bank balance per the bank statements as of June 30, 2022 was \$25,288,836, of which \$250,000 was insured by FDIC with the remaining amount collateralized by the Oregon Public Funds Collateralization Program (PFCP).

*Credit Risk - Deposits*

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, 2022, none of the bank balances were exposed to custodial credit risk.

*INVESTMENTS*

The types of investments that may be invested in are restricted by State of Oregon Revised Statutes. Authorized investments include general obligations of the United States government and its agencies, obligations of the States of Oregon, California, Idaho and Washington that have a rating of AA or better, A-1 rated commercial paper and banker's acceptances, corporate bonds rated AA or better, time deposits, repurchase agreements and the Oregon State Treasurer's Local Government Investment Pool.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, 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. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2022, the fair value of the position in the **LGIP is 98.98%** of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The District booked a fair market value loss of \$208,786, for the difference between the pool fair market value and the book value.

The audited financial reports of the Oregon Short Term Fund can be found here:  
[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)  
If the link has expired please contact the Oregon Short Term Fund directly.

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

**NOTE 5. CASH AND INVESTMENTS - CONTINUED**

The Board has established investment policies to approve only certain depositories and investment instruments and has limited investments to those with maturities of no more than 36 months. The District holds investments in Municipal Bonds, US Agency Securities and US Treasuries through an investment account with a depository approved by the Board. The fair value of these securities is determined based on a level 1 classification due to their availability on open markets. At June 30, 2022, the District appeared to be in compliance with all policies regarding depositories, instruments and maturities.

*Interest Rate Risk - Investments*

Oregon Revised Statutes require investments to not exceed a maturity of 18 months from the date of anticipated use of the funds, 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 3 months.

*Credit Risk - Investments*

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, 2022, 67.45% of total investments were in the State Treasurer's Investment Pool.

Cash and Investments at June 30, 2022 (recorded at fair value) consisted of:

Cash and Investments	2022
Deposits with financial institutions	\$ 22,336,713
Oregon Local Government Investment Pool	20,260,386
Other Investments	9,775,400
Total Cash and Investments	\$ 52,372,499

There were the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	18-59
Oregon local government investment pool (LGIP)	\$ 20,260,386	\$ 20,260,386	\$ -	\$ -
US Agency Securities	9,775,400	-	9,775,400	-
Total	\$ 30,035,786	\$ 20,260,386	\$ 9,775,400	\$ -

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

**NOTE 6. 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. Revenues and expenditures for the year ended June 30, 2022 are as follows:

	Arts Tax Revenues	Arts Tax Expenditures	Music FTE Funded	Art FTE Funded	Total FTE
Alder Elementary	\$ 85,757	\$ 85,757	0.67	0.25	0.92
Glenfair Elementary	110,669	110,669	0.67	0.25	0.92
Margaret Scott Elementary	26,875	26,875	0.67	0.25	0.92
Wilkes Elementary	68,745	68,745	0.67	0.25	0.92
	<u>\$ 292,046</u>	<u>\$ 292,046</u>	<u>2.68</u>	<u>1.00</u>	<u>3.68</u>

**NOTE 7. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2022 occurred as follows:

	Balance July 1, 2021	Adjustments	Additions	Deletions	Balance June 30, 2022
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Construction in Process	\$ -	\$ -	\$ -	\$ -	\$ -
Land	17,752,046	-	-	-	17,752,046
Total Capital Assets Not being Depreciated:	<u>17,752,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,752,046</u>
Capital Assets Being Depreciated:					
Buildings and Improvement	277,558,385	36,200	2,965,958	-	280,560,543
Vehicles and Equipment	17,404,481	(29,500)	488,281	-	17,863,262
Total Capital Assets Being Depreciated:	<u>294,962,866</u>	<u>6,700</u>	<u>3,454,239</u>	<u>-</u>	<u>298,423,805</u>
Accumulated Depreciation					
Buildings and Improvement	76,952,319	121	5,399,344	-	82,351,784
Vehicles and Equipment	11,575,546	(23,835)	654,554	-	12,206,265
Total Accumulated Depreciation	<u>88,527,865</u>	<u>(23,714)</u>	<u>6,053,898</u>	<u>-</u>	<u>94,558,049</u>
Total Capital Assets Being Depreciated, Net	<u>206,435,001</u>	<u>30,414</u>	<u>(2,599,659)</u>	<u>-</u>	<u>203,865,756</u>
Governmental Activities	<u>\$ 224,187,047</u>				<u>\$ 221,617,802</u>

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

Instruction	\$ 4,617,401
Support Services	1,269,720
Community Services	166,777
	<u>\$ 6,053,898</u>

Adjustments represent updates after a comprehensive review of the capital asset register.

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

**NOTE 8. INTERFUND TRANSFERS AND INTERFUND RECEIVABLE/PAYABLES**

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 1,763,354	\$ 540,987
State and Local Programs Fund	215,987	-
Other Governmental Funds	-	50,852
Capital Projects Fund	-	1,387,502
	<u>\$ 1,979,341</u>	<u>\$ 1,979,341</u>

During the year ended June 30, 2022, \$1,979,341 was transferred to other funds; of this amount, there was a transfer of \$50,852 to the Nutrition Services Fund to match free and reduced meal and free milk programs as required, a transfer of \$1,387,502 to the Capital Projects Fund for payment of Full Faith and Credit debt service requirements, and a transfer of \$325,000 to the Early Retirement Fund for payment of stipends and post-retirement health care benefits as required by collective bargaining agreements.

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 12,884,306	\$ -
Federal Program Funds	-	7,563,360
Debt Service Fund	-	4,883,577
2015 GO Bond Debt Fund	-	5,517,510
PERS Bond Fund	79,278	-
Capital Projects Fund	1,235,007	-
State and Local Programs Fund	4,438,765	-
2015 GO Bond Project Fund	-	734,960
Other Governmental Funds	779,524	717,473
	<u>\$ 19,416,880</u>	<u>\$ 19,416,880</u>

The internal balances are recorded to show legal and operational commitments between funds.

**NOTE 9. LONG-TERM OBLIGATIONS**

**BONDS PAYABLE**

**General Obligation Bonds**

In August 2015, \$122,945,047 of general obligation bonds were issued to fund the replacement of three elementary school buildings, construction and renovation at Reynolds High School and various renovation, construction and equipment improvements to all schools. Principal and interest payments are made semiannually on June 15 and December 15 with interest rates ranging from 2% to 5%.

**Pension Obligation Bonds**

In April 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  
 MULTNOMAH COUNTY, OREGON  
 NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 9. LONG-TERM OBLIGATIONS – CONTINUED**

*Qualified Zone Academy Bonds Series 2016*

\$4,000,000 of Qualified Zone Academy bonds were issued on August 4, 2016. \$3,920,000 in proceeds were received after paying issuance costs, and annual payments totaling \$200,000 will be made through July 1, 2030.

*General Obligation Bond, Series 2020*

On June 11, 2020, \$2,054,952 in Series 2020 General Obligation Bonds were issued to provide resources to finance capital costs on a project including: furnishing, renovating and equipping classroom facilities, and other site improvements. Principal and interest payments are made semiannually on June 15 and December 15 with an interest rate of 2.07%.

*General Obligation Refunding Bond, Series 2022*

In June 2022 the District issued \$3,956,953 in General Obligation Bonds in order to retire Series 2015B General Obligation Bonds due June 15, 2023 with an average coupon rate of 4.48%. Principal and interest payments are made semiannually on December 15 and June 15 with an interest rate of 3.11%. The estimated net present value savings of the advance refunding was \$739,633.

Changes in bonds outstanding are as follows:

<u>Issue Date</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding June 30, 2021</u>	<u>Adjustments</u>	<u>Issued</u>	<u>Matured and Redeemed</u>	<u>Outstanding June 30, 2022</u>
<b><u>Bonds Payable</u></b>							
April 21, 2003	1.5-6.27	80,978,772	46,784,084	-	-	2,124,607	44,659,477
August 20, 2015	2.0-5.0	122,945,047	116,200,047	1,506,258	-	11,636,081	106,070,224
June 11, 2020	2.07	2,054,952	1,464,009	-	-	652,773	811,236
June 10, 2022	3.11	3,956,953	-	-	3,956,953	-	3,956,953
<b><u>Direct Borrowings</u></b>							
August 4, 2016	N/A	4,000,000	3,200,000	-	-	200,000	3,000,000
Subtotal			167,648,140	1,506,258	3,956,953	14,613,461	158,497,890
Premium			10,668,770	-	-	711,252	9,957,518
Accretion on pension obligation bonds			(277,372)	-	-	(138,689)	(138,683)
Total			<u>\$ 178,039,538</u>	<u>\$ 1,506,258</u>	<u>\$ 3,956,953</u>	<u>\$ 15,186,024</u>	<u>\$ 168,316,725</u>

An adjustment of \$1,506,258 was required to correct the reported amount of debt owed at July 1, 2021. See restatement at Note 19.

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

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**NOTE 9. LONG-TERM OBLIGATIONS – CONTINUED**

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

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2022-23	13,370,874	11,207,007	24,577,881
2023-24	15,781,075	5,471,728	21,252,803
2024-25	17,313,227	4,685,105	21,998,332
2025-26	18,965,261	3,823,016	22,788,277
2026-27	20,787,336	2,820,982	23,608,318
2028-32	50,842,400	17,783,915	68,626,315
2033-37	21,437,717	25,687,283	47,125,000
	<u>\$ 158,497,890</u>	<u>\$ 71,479,036</u>	<u>\$ 229,976,926</u>

**NOTES PAYABLE**

**2018 Financing Agreement Notes Payable**

In June 2018 the District entered a \$2,000,000 financing agreement with US Bank National Association to finance capital costs for furnishing, equipping and performing site improvements for the District’s transportation facility. The note is to be paid biannually with the principal of \$285,714 and the first installment of interest due in July and the remainder paid in January, totaling \$2,201,528 with the first payment made in January 2019. The last payment will be made in July 2024.

**Full Faith & Credit Obligations (Bond Anticipation) Notes Payable - Series 2020 – Refunding**

In June 2021, \$15,775,000 in Full Faith and Credit Obligations were issued. \$18,648,339, which includes the premium of \$2,873,339, was deposited into escrow. From the amount deposited, \$1,206,611 was used to finance the purchase of buses and related equipment. \$17,244,344 was used to retire the following securities: Series 2010 Full Faith and Credit Obligations. Principal payments are due annually on June 1, through 2035 with interest rates ranging from 3-4%. The refunded securities were considered defeased on December 23, 2020, the issuance date of the refunding bonds.

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

**NOTE 9. LONG-TERM OBLIGATIONS – CONTINUED**

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

Name	Interest Rates	Original Issue	Outstanding June 30, 2021	Issued	Matured and Redeemed	Outstanding June 30, 2022
Full Faith and Credit Obligation 2020	3-4%	\$ 15,775,000	\$ 14,940,000	\$ -	\$ 905,000	\$ 14,035,000
Financing Agreement	2.5%	2,000,000	1,142,856	-	285,714	857,142
			<u>16,082,856</u>	<u>-</u>	<u>1,190,714</u>	<u>14,892,142</u>
Sub-Total			16,082,856	-	1,190,714	14,892,142
Premium			<u>2,758,404</u>	<u>-</u>	<u>268,176</u>	<u>2,490,228</u>
Total			<u>\$ 18,841,260</u>	<u>\$ -</u>	<u>\$ 1,458,890</u>	<u>\$ 17,382,370</u>

Following are the annual requirements to amortize all notes payable outstanding at year end:

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2022-23	1,170,714	554,507	1,725,221
2023-24	1,210,714	511,964	1,722,678
2024-25	1,245,714	467,821	1,713,535
2025-26	1,000,000	425,850	1,425,850
2026-27	1,040,000	385,850	1,425,850
2028-32	5,580,000	1,276,650	6,856,650
2033-37	3,645,000	232,950	3,877,950
	<u>\$ 14,892,142</u>	<u>\$ 3,855,592</u>	<u>\$ 18,747,734</u>

Total long-term liability activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Adjustments	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$ 167,648,140	\$ 1,506,258	\$ 3,956,953	\$ 14,613,461	\$ 158,497,890	\$ 13,370,874
Premium	10,668,770	-	-	711,252	9,957,518	711,252
Accretion	<u>(277,372)</u>	<u>-</u>	<u>-</u>	<u>(138,689)</u>	<u>(138,683)</u>	<u>(138,684)</u>
Total	178,039,538	1,506,258	3,956,953	15,186,024	168,316,725	13,943,442
Notes Payable	16,082,856	-	-	1,190,714	14,892,142	1,170,714
Premium	2,758,404	-	-	268,176	2,490,228	191,556
Total	<u>18,841,260</u>	<u>-</u>	<u>-</u>	<u>1,458,890</u>	<u>17,382,370</u>	<u>1,362,270</u>
Total long-term debt	<u>\$ 196,880,798</u>	<u>\$ 1,506,258</u>	<u>\$ 3,956,953</u>	<u>\$ 16,644,914</u>	<u>\$ 185,699,095</u>	<u>\$ 15,305,712</u>

An adjustment of \$1,506,258 was required to correct the reported amount of debt owed at July 1, 2021.

The District has no significant default or termination clauses on any bonds or notes payable and are not subject to any acceleration clauses under GASB 88.



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

**NOTE 10. LEASE LIABILITIES (RIGHT-TO-USE ASSETS)**

In December 2020, the district entered into a 5 year lease agreement with Pacific Automation Inc. to lease copiers. On July 1, 2021 an initial lease liability was recorded of \$687,406. As of June 30, 2022, the value of the lease liability is \$636,371. The District's monthly lease is \$5,100 with payments due quarterly. The lease has an interest rate of 1.53%. The value of the right to use asset as of 6/30/22 of \$687,406 with accumulated amortization of \$55,736 is included with Equipment on the Lease Class Activities table below.

In June 2021, the district entered into a 3 year lease agreement with Quadient Leasing to lease a mailing and folding machine. On July 1, 2021 an initial lease liability was recorded of \$58,727. As of 6/30/22, the value of the lease liability is \$39,317. The District's monthly lease is \$1,653 with payments due quarterly. The lease has an interest rate of .85%. The value of the right to use asset as of 6/30/22 of \$58,727 with accumulated amortization of \$19,575 is included with Equipment on the Lease Class Activities table found below.

Changes in Lease Liability					
	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Equipment	\$ -	\$ 746,133	\$ 70,445	\$ 675,688	\$ 71,396

Principal and Interest Requirements to Maturity			
Governmental Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 71,396	\$ 9,632	\$ 81,028
2024	72,361	8,667	81,028
2025	53,430	7,765	61,195
2026	54,253	6,942	61,195
2027	55,089	6,106	61,195
2028-32	288,443	17,532	305,975
2033-34	80,716	877	81,593
Subtotal	\$ 675,688	\$ 57,521	\$ 733,209

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

**NOTE 11. RIGHT-TO-USE ASSETS**

The right-to-use assets relate to the lease liabilities in Note 10.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	At June 30, 2022		
	Lease Asset Value	Accumulated Amortization	Net Value
Equipment	\$ 746,133	\$ 75,311	\$ 670,822

GOVERNMENTAL ACTIVITIES LEASED ASSETS

Description	Balance at July 1, 2021	Additions	Disposals	Balance at June 30, 2022
Equipment	\$ -	\$ 746,133	\$ -	\$ 746,133
Total Leased Assets	<u>-</u>	<u>746,133</u>	<u>-</u>	<u>746,133</u>
Accumulated Amortization				
Equipment	-	75,311	-	75,311
Total Accumulated Amortization	<u>-</u>	<u>75,311</u>	<u>-</u>	<u>75,311</u>
Total Lease Assets, net	<u>\$ -</u>	<u>\$ 670,822</u>	<u>\$ -</u>	<u>\$ 670,822</u>

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

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**NOTE 12. DEFINED BENEFIT PENSION PLAN**

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 Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

If the link is expired please contact Oregon PERS for this information.

- 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.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
  - 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 their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

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

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**NOTE 12. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:  
*Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.  
*General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.  
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- 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.

**Contributions** – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. 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, 2022 were \$14,502,515, excluding amounts to fund employer specific liabilities. In addition approximately \$12,117 in employee contributions were paid or picked up by the District in 2021-22.

**Pension Asset or Liability** – At June 30, 2022, the District reported a net pension liability of \$51,679,503 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2019. 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. As of the measurement date of June 30, 2021 and 2020, the District's proportion was 0.43 percent and 0.49 percent, respectively. Pension expense/(income) for the year ended June 30, 2022 was (\$2,576,591).

The rates in effect for the year ended June 30, 2022 were:

- (1) Tier 1/Tier 2 – 8.97%
- (2) OPSRP general services – 5.86%

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

**NOTE 12. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 4,837,539	\$ -
Changes in assumptions	12,936,936	136,008
Net difference between projected and actual earnings on pension plan investments	-	38,257,935
Net changes in proportionate share	393,303	15,456,108
Differences between District contributions and proportionate share of contributions	<u>2,837,280</u>	<u>4,282,816</u>
Subtotal - Amortized Deferrals (below)	21,005,058	58,132,867
District contributions subsequent to measuring date	<u>14,502,515</u>	<u>-</u>
Deferred outflow (inflow) of resources	<u>\$ 35,507,573</u>	<u>\$ 58,132,867</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

Subtotal amounts related to pension as deferred outflows of resources \$21,005,058, and deferred inflows of resources, (\$58,132,867), net to (\$37,127,809) and will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ (8,545,718)
2024	(8,227,805)
2025	(8,882,333)
2026	(11,760,992)
2027	289,039
Thereafter	-
Total	<u>\$ (37,127,809)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 1, 2022. Oregon PERS produces an independently audited ACFR which can be found at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

**Actuarial Valuations** – The employer contribution rates effective July 1, 2021 through June 30, 2023, 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.

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.

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

**NOTE 12. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Actuarial Methods and Assumptions:**

Valuation date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Discount rate	6.90 percent (reduced from 7.20 percent)
Projected salary increase	3.40 percent (reduced from 3.50 percent)
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

**Assumed Asset Allocation:**

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternatives Portfolio	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	5.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2021 PERS ACFR; p. 104)

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

**NOTE 12. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Long-Term Expected Rate of Return:**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2021 PERS ACFR; p. 74)

**Discount Rate** – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2021 and 2020 was 6.90 and 7.20 percent, respectively, 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 District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 101,486,181	\$ 51,679,503	\$ 10,009,390

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

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**NOTE 12. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Changes Subsequent to the Measurement Date**

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

There are no changes subsequent to the June 30, 2021 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

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

*Plan Description:*

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

*Pension Benefits:*

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

*Death Benefits:*

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

*Contributions:*

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$2,535 per month on January 1, 2021) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2022.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>



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

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**NOTE 13. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA)**

**Plan Description:**

As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

**Funding Policy:**

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2022. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2020, 2021 and 2022 were \$75,394, \$15,082 and \$12,264, respectively, which equaled the required contributions each year.

At June 30, 2022, the District reported a net OPEB asset of \$2,028,100 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .59 percent and 1.06 percent, respectively. OPEB expense/(income) for the year ended June 30, 2022 was (\$269,569).

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

**NOTE 13. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)**

**Components of OPEB Expense/(Income):**

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (331,691)
Net Amortization of employer-specific deferred amounts from:	
Changes in proportionate share (per paragraph 64 of GASB 75)	91,887
Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
<b>Employer's Total OPEB Expense/(Income)</b>	<b>\$ (239,804)</b>

**Components of Deferred Outflows/Inflows of Resources:**

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 56,425
Changes in assumptions	39,905	30,171
Net difference between projected and actual earnings on pension plan investments	-	481,984
Net changes in proportionate share	570,635	221,620
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	610,540	790,200
District contributions subsequent to measuring date	12,264	-
Deferred outflow (inflow) of resources	\$ 622,804	\$ 790,200

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the fiscal year ended June 30, 2023.

Subtotal amounts related to OPEB as deferred outflows of resources, \$610,540, and deferred inflows of resources, (\$790,200), net to (\$179,660) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2023	\$ (55,025)
2024	137,656
2025	(110,038)
2026	(152,253)
2027	-
Thereafter	-
Total	\$ (179,660)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2021. That independently audited report was dated March 1, 2022 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/Oregon%20PERS%20-%20GASB%2075%20RHIA%20Employer%20Schedules%20-%20FY%2006-30-2021.pdf>

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

**NOTE 13. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)**

**Actuarial Methods and Assumptions:**

Valuation Date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Discount rate	6.90 percent (reduced from 7.20 percent)
Projected salary increase	3.40 percent (reduced from 3.50 percent)
Retiree healthcare participation	Healthy retirees: 32%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

**Discount Rate:**

The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2021 and 2020 was 6.90 and 7.20 percent, respectively, 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 RHIA 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

**Long-Term Expected Rate of Return:**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

**NOTE 13. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2021 PERS ACFR; p. 74)

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
District's proportionate share of the net OPEB liability (asset)	\$ (1,793,557)	\$ (2,028,100)	\$ (2,228,457)

**Changes Subsequent to the Measurement Date**

There are no changes subsequent to the June 30, 2021 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

**NOTE 14. OTHER POST EMPLOYMENT BENEFITS**

**POST RETIREMENT HEALTH CARE**

The District, as a result of collective bargaining agreements, offers post-employment health care benefits under a single-employer, defined benefit plan for all employees who have completed a specified number of years of continuous service, are eligible for full OPERS benefits, elect early retirement and were hired prior to July 1, 2006.

For eligible licensed employees the District will provide medical coverage for the lesser of seven years or until eligible for Medicare (age 65). For administrators, managers, supervisor and confidential employees, coverage is until Medicare eligibility date regardless of retirement age, assuming full OPERS coverage. For eligible classified employees with 15 years of service, coverage is provided up to the lesser of five years or until eligible for Medicare (age 65).

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

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**NOTE 14. OTHER POST EMPLOYMENT BENEFITS – CONTINUED**

The District’s post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. The plan is currently unfunded in accordance with GASB statement 75. In accordance with the terms of the plan, benefit payments are recognized when due and payable in the governmental statements. The activities of the plan are reported in the General Fund.

*Annual OPEB Cost and Total OPEB Liability:* The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. For detailed information and a table showing the components of the District’s annual OPEB costs and liabilities, see page 49.

*Actuarial Methods and Assumptions:* The Total OPEB Liability for the current year was determined as part of the July 1, 2021 actuarial valuation using the entry age normal 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. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 2.16% compounded annually; (b) no future increase in benefit payable from this program; (c) a general inflation rate of 2.4% per year, and (d) no post-retirement benefit increases and a payroll increase of 3.4%. 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 expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal proportion over the participant’s years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year. The present value of benefits accrued as of the valuation date is called the accrued liability.

At July 1, 2021, the following employees were covered by the benefit terms:

Active	1,196
Retired Members	66
Spouses of Ineligible Retirees	6
Total	1,268

*Total OPEB Liability*

The District’s total OPEB liability of \$13,632,467 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2021.

*Actuarial Assumptions and Other Inputs*

The District’s total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

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

**NOTE 14. OTHER POST EMPLOYMENT BENEFITS – CONTINUED**

*Actuarial assumptions:*

Valuation Date	July 1, 2021
Actuarial Cost Method	Entry Age Normal
Investment Return Assumption (Interest Discount)	The 2.16% investment return assumption is the rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer.
Plan Participation	100% assumed will elect coverage at retirement if eligible for district paid insurance; 55% assumed if only eligible for self-pay insurance.
Medical Care Cost Trend	3.25% in 2021, 5.00% in 2022, 5.25% in 2023, 5.00% in 2024-2025, 4.75% in 2026-2028, 4.50% in 2029-2061, 4.25% in 2062-2067, 4.00% in 2086-2072, and 3.75% from 2073 and thereafter.
Dental premiums annual trend	4.00% per year
Inflation rate	2.4% for all future years
Annual salary rate increases	3.4% for all future years

*Changes in Total OPEB Liability*

Changes of assumptions: Interest Discount, the investment return assumption was decreased from 2.21% to 2.16%.

The following table shows the changes in total OPEB pension liability for the year ending June 30, 2022:

Total OPEB Liability at June 30, 2021	\$ 15,167,567
Changes for the year:	
Service Cost	1,948,234
Interest	365,180
Changes of Benefit Terms	-
Changes from economic/demographic gains or losses	(2,554,927)
Changes of assumptions or other inputs	(103,434)
Benefit Payments	(1,190,153)
Net Changes	<u>(1,535,100)</u>
Total OPEB Liability at June 30, 2022	<u>\$ 13,632,467</u>

*Sensitivity of the total OPEB Liability to changes in discount rate:* the following presents the total OPEB liability of the District, as well as what the District's total OPEB Liability would be if it were calculated using a discount rate 1 percentage point higher and lower than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	1.16%	2.16%	3.16%
Total OPEB Liability	\$ 14,518,136	\$ 13,632,467	\$ 12,780,926

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

**NOTE 14. OTHER POST EMPLOYMENT BENEFITS - CONTINUED**

*Sensitivity of the total OPEB Liability to changes in the healthcare cost trend rates:* the following presents the total OPEB liability of the District, as well as what the District's total OPEB Liability would be if it were calculated using health care cost trend rates that are 1 percentage point higher and lower than the current healthcare cost trend rates.

	<u>1% Decrease</u>	<u>Current Healthcare Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 12,173,712	\$ 13,632,467	\$ 15,347,716

*OPEB Expense and Deferred Inflows of Resources Related to OPEB:* For the year ended June 30, 2022, the District recognized OPEB expense of \$964,867 in the government wide Statement of Activities. At June 30, 2022, the District reported deferred inflows of resources relating to the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$ (3,265,175)	\$ -
Changes in assumptions	<u>(424,856)</u>	<u>816,472</u>
Subtotal - Amortized Deferrals (below)	(3,690,031)	816,472
Contributions made subsequent to measurement date	<u>-</u>	<u>824,234</u>
Deferred outflow (inflow) of resources	<u>\$ (3,690,031)</u>	<u>\$ 1,640,706</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB health care liability in the fiscal year ended June 30, 2023.

Subtotal amounts related to OPEB health care as deferred outflows of resources, \$816,472, and deferred inflows of resources, (\$3,690,031), net to (\$2,873,559) and will be recognized in OPEB health care expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ (524,313)
2024	(524,313)
2025	(491,506)
2026	(428,803)
2027	(390,726)
Thereafter	<u>(513,898)</u>
Total	<u>\$ (2,873,559)</u>

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

**NOTE 14. OTHER POST EMPLOYMENT BENEFITS - CONTINUED**

**EARLY RETIREMENT PLAN - STIPENDS**

The District also operates a single-employer early retirement stipend plan.

At July 1, 2021, the following employees were covered by the benefit terms:

Active	640
Retired Members	37
Spouses of Ineligible Retirees	-
Total	677

The following table shows the changes in total OPEB pension liability for the year ending June 30, 2022:

Total OPEB Pension Liability at June 30, 2021	\$ 2,340,399
Changes for the year:	
Service Cost	189,207
Interest	53,832
Changes of Benefit Terms	-
Changes from economic/demographic gains or losses	111,060
Changes of assumptions or other inputs	6,318
Benefit Payments	(188,564)
Net Changes	171,853
Total OPEB Pension Liability at June 30, 2022	\$ 2,512,252

Actuarial Methods and Assumptions: The total pension liability above was determined by an actuarial valuation as of the valuation date calculated based on the discount rate and actuarial assumptions listed below, and was then projected forward/backwards to the measurement date. The unfunded accrued liability is amortized over an open period of 4 years as a percentage of payroll, and is still open.

Valuation Date	July 1, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Investment return assumption (interest discount)	2.16% per year
Demographic Assumptions	Based on Oregon PERS valuation assumptions as of December 31, 2020
Inflation Rate	2.4% per year
Salary Increases	3.4% per year

Sensitivity Analysis: The following presents the total pension liability of the plan, calculated using the discount rate as of the measurement date, as well as what the plan's total pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	1.16%	2.16%	3.16%
Total Pension Liability	\$ 2,618,449	\$ 2,512,252	\$ 2,405,045



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

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**NOTE 14. OTHER POST EMPLOYMENT BENEFITS - CONTINUED**

**EARLY RETIREMENT PLAN – STIPENDS - CONTINUED**

For the year ended June 30, 2022, the District recognized pension income of \$56,365. At June 30, 2022, the District reported deferred outflows and inflows of resources related to the early retirement plan from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ (88,475)	\$ 96,447
Changes in assumptions	(74,159)	158,025
Subtotal - Amortized Deferrals (below)	(162,634)	254,472
Contributions made subsequent to measurement date	-	304,321
Deferred outflow (inflow) of resources	\$ (162,634)	\$ 558,793

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB stipend liability in the fiscal year ended June 30, 2023.

Subtotal amounts related to OPEB health care as deferred outflows of resources, \$254,472, and deferred inflows of resources, (\$162,634), net to \$91,838 and will be recognized in OPEB health care expense as follows:

Year ending June 30,	Amount
2023	\$ 4,917
2024	4,917
2025	4,921
2026	17,548
2027	20,695
Thereafter	38,840
Total	\$ 91,838

**NOTE 15. TAX ABATEMENTS**

As of June 30, 2022, the District had material tax abatements through one program: Enterprise Zone.

**Enterprise Zone (ORS 285C.175):**

The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

For the fiscal year ended June 30, 2022, the District had abated taxes totaling \$1,303,876 under this program.

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

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**NOTE 16. 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.

**NOTE 17. 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.

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. The ultimate impact on the District's finances is not determinable.

**NOTE 18. 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 was 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.

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

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**NOTE 19. PRIOR PERIOD ADJUSTMENT**

During the process of reconciling long term debt to related debt service schedules it was determined that long term debt obligations presented on the Statement of Net Position at June 30, 2021 were not stated correctly. As a result, a prior period adjustment of \$1,506,258 is necessary to correct the Beginning Net Position on the Statement of Activities.

**NOTE 20. DEFICIT FUND BALANCE**

At June 30, 2022, the Federal Programs Fund had a deficit fund balance of \$6,907,239. The District expects this will be made up from grant reimbursement or if necessary a transfer from the General Fund in the next fiscal year.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2022

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) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.43 %	\$ 51,679,503	\$ 69,994,447	73.8 %	87.6 %
2021	0.49	107,764,505	68,860,681	156.5	75.8
2020	0.51	87,585,114	65,446,087	133.8	80.2
2019	0.61	91,931,245	63,752,102	144.2	82.1
2018	0.63	85,519,165	63,884,244	133.9	83.1
2017	0.55	82,744,959	64,947,816	127.4	80.5
2016	0.47	26,851,775	61,541,587	43.6	91.9
2015	0.48	(10,827,948)	57,457,850	(18.8)	103.6
2014	0.48	24,377,398	55,916,694	43.6	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date 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

Year Ended June 30,	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
2022	\$ 14,502,515	\$ 14,502,515	\$ -	\$ 78,758,018	18.4 %
2021	17,214,158	17,214,158	-	69,994,447	24.6
2020	16,393,674	16,393,674	-	68,860,681	23.8
2019	14,616,246	14,616,246	-	65,446,087	22.3
2018	13,901,399	13,901,399	-	63,752,102	21.8
2017	9,462,011	9,462,011	-	63,884,244	14.8
2016	8,727,974	8,727,974	-	64,947,816	13.4
2015	5,438,439	5,438,439	-	61,541,587	8.8
2014	5,136,148	5,136,148	-	57,457,850	8.9

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date 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.

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

REQUIRED SUPPLEMENTARY INFORMATION  
 June 30, 2022

OPEB - RHIA

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB - RHIA ASSET/LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset/ (liability) (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset/ (liability) (NOA/(L))	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.591 %	\$ 2,028,100	\$ 69,994,447	2.9 %	183.9 %
2021	1.056	2,151,220	68,860,681	3.1	150.1
2020	0.597	1,153,426	65,446,087	1.8	144.4
2019	0.605	675,690	63,752,102	1.1	124.0
2018	0.625	260,793	63,884,244	0.4	108.9
2017	(0.680)	(184,566)	64,947,816	(0.3)	90.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date 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

Year	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
2022	\$ 12,264	\$ 12,264	\$ -	\$ 78,758,018	0.02 %
2021	n/a	n/a	n/a	69,994,447	n/a
2020	n/a	n/a	n/a	68,860,681	n/a
2019	n/a	n/a	n/a	65,446,087	n/a
2018	n/a	n/a	n/a	63,752,102	n/a
2017	n/a	n/a	n/a	63,884,244	n/a

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date 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 CHANGES IN TOTAL LIABILITY AND RELATED RATIOS**  
**OPEB HEALTH CARE AND PENSION STIPENDS**  
**June 30, 2022**

**PLAN I (OPEB): (HEALTH CARE)**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2022	\$ 15,167,567	\$ 1,948,234	\$ 365,180	\$ -	\$ (2,658,361)	\$ (1,190,153)	\$ 13,632,467	\$ N/A	N/A
2021	12,959,779	1,710,643	498,282	-	873,970	(875,107)	15,167,567	N/A	N/A
2020	13,434,460	1,341,286	553,418	-	(1,409,171)	(960,214)	12,959,779	N/A	N/A
2019	12,791,606	1,317,100	489,002	-	(256,385)	(906,863)	13,434,460	N/A	N/A
2018	12,936,650	1,363,361	389,515	-	(623,313)	(1,274,607)	12,791,606	N/A	N/A

**PLAN II (PENSION): (STIPENDS)**  
**SCHEDULE OF CHANGES IN TOTAL OPEB PENSION LIABILITY AND RELATED RATIOS**

Year Ended June 30,	Total Pension Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Benefit Payments	Total Pension Liability - End of Year	Estimated Covered Payroll	Total Pension Liability as a % of Covered Payroll
2022	\$ 2,340,399	\$ 189,207	\$ 53,832	\$ -	\$ 117,378	\$ (188,564)	\$ 2,512,252	\$ N/A	N/A
2021	2,155,674	160,869	77,754	-	137,725	(191,623)	2,340,399	N/A	N/A
2020	2,269,973	174,473	90,686	-	(175,267)	(204,191)	2,155,674	N/A	N/A
2019	2,220,351	170,978	82,590	-	(33,776)	(170,170)	2,269,973	N/A	N/A
2018	2,266,585	135,644	66,380	-	(101,044)	(147,214)	2,220,351	N/A	N/A
2017	2,083,076	118,075	82,194	-	116,961	(133,721)	2,266,585	N/A	N/A

The amounts presented for each fiscal year are actuarially determined and rolled forward.

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 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2022**

**GENERAL FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES:</b>				
Local Sources	\$ 31,991,483	\$ 31,991,483	\$ 31,085,035	\$ (906,448)
Intermediate Sources	798,329	798,329	741,251	(57,078)
State Sources	101,567,300	101,567,300	106,683,602	5,116,302
Federal Sources	85,000	85,000	31,401	(53,599)
<b>Total Revenue</b>	<u>134,442,112</u>	<u>134,442,112</u>	<u>138,541,289</u>	<u>4,099,177</u>
<b>EXPENDITURES:</b>				
Instruction	81,265,224	81,265,224 (1)	75,949,721	5,315,503
Support Services	55,325,349	55,325,349 (1)	47,568,639	7,756,710
Community Services	460,259	460,259 (1)	164,320	295,939
Debt Service	200,000	200,000 (1)	200,000	-
Contingency	1,683,476	1,683,476 (1)	-	1,683,476
<b>Total Expenditures</b>	<u>138,934,308</u>	<u>138,934,308</u>	<u>123,882,680</u>	<u>15,051,628</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,492,196)</u>	<u>(4,492,196)</u>	<u>14,658,609</u>	<u>19,150,805</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	215,987	215,987	215,987	-
Transfers Out	(1,773,000)	(1,773,000) (1)	(1,763,354)	9,646
<b>Total Other Financing Sources (Uses)</b>	<u>(1,557,013)</u>	<u>(1,557,013)</u>	<u>(1,547,367)</u>	<u>9,646</u>
<b>Net Change in Fund Balance</b>	<u>(6,049,209)</u>	<u>(6,049,209)</u>	<u>13,111,242</u>	<u>19,160,451</u>
<b>Beginning Fund Balance</b>	<u>11,099,637</u>	<u>11,099,637</u>	<u>24,654,907</u>	<u>13,555,270</u>
<b>Ending Fund Balance</b>	<u>\$ 5,050,428</u>	<u>\$ 5,050,428</u>	<u>\$ 37,766,149</u>	<u>\$ 32,715,721</u>
Reconciliation to Governmental Fund Balance as required by GASB 54:				
Ending Fund Balance Retirement Fund			88,233	
			<u>\$ 37,854,382</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, 2022**

**FEDERAL PROGRAMS FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Federal Sources	\$ 42,399,059	\$ 42,399,059	\$ 11,513,279	\$ (30,885,780)
EXPENDITURES:				
Instruction	23,612,871	23,612,871 (1)	9,397,241	14,215,630
Support Services	14,543,720	14,543,720 (1)	8,494,034	6,049,686
Community Services	4,242,468	4,242,468 (1)	204,703	4,037,765
Facilities Acquisition and Construction	-	- (1)	324,540	(324,540)
Total Expenditures	42,399,059	42,399,059	18,420,518	23,978,541
Net Change in Fund Balance	-	-	(6,907,239)	6,907,239
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ (6,907,239)	\$ (6,907,239)

(1) Appropriation Level

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

**SUPPLEMENTARY INFORMATION**

**DEBT SERVICE FUND**

**General Obligation Bond Fund 300**

Provides for the payment of principal and interest on long-term general obligation debt of governmental funds. Principal revenue source are property taxes.

**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, 2022**

**DEBT SERVICE FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES:</b>				
Local Sources	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Debt Service	-	- (1)	-	-
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	1,280,893	1,280,893
Ending Fund Balance	\$ -	\$ -	\$ 1,280,893	\$ 1,280,893

(1) Appropriation Level

**PERS BOND FUND**

**PERS UAL Fund 350**

Provides for the payment of principal and interest on PERS UAL pension obligation bonds. Revenue source are charged to other funds.

**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, 2022**

**PERS BOND FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	\$ 9,570,490	\$ 9,570,490	\$ 9,337,551	\$ (232,939)
EXPENDITURES:				
Debt Service	9,345,490	9,345,490 (1)	9,345,490	-
Net Change in Fund Balance	225,000	225,000	(7,939)	(232,939)
Beginning Fund Balance	708,000	708,000	119,822	(588,178)
Ending Fund Balance	\$ 933,000	\$ 933,000	\$ 111,883	\$ (821,117)

(1) Appropriation Level

**2015 GO BOND DEBT FUND**

**General Obligation Bond Fund 315**

Provides for the payment of principal and interest on long-term general obligation debt of governmental funds. Principal revenue source are property taxes. This fund supports school building improvements.

**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, 2022**

**2015 GO BOND DEBT SERVICE FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES:</b>				
Local Sources	\$ 11,180,000	\$ 11,180,000	\$ 11,834,200	\$ 654,200
<b>EXPENDITURES:</b>				
Debt Service	10,829,678	10,829,678 (1)	16,010,655	(5,180,977)
Excess of Revenues Over (Under) Expenditures	350,322	350,322	(4,176,455)	(4,526,777)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Issue Costs	-	- (1)	(75,872)	(75,872)
Debt Proceeds	-	-	3,956,953	3,956,953
Total Other Financing Sources (Uses)	-	-	3,881,081	3,881,081
Net Change in Fund Balance	350,322	350,322	(295,374)	54,948
Beginning Fund Balance	6,425,199	6,425,199	4,945,797	(1,479,402)
Ending Fund Balance	<u>\$ 6,775,521</u>	<u>\$ 6,775,521</u>	<u>\$ 4,650,423</u>	<u>\$ (2,125,098)</u>

(1) Appropriation Level



## **2015 GO BOND PROJECTS FUND**

### **Capital Projects Fund 415**

With the passage of Measure 26-164, for General obligation Bond Levy May 19, 2015 bond election, the district has completed work on three elementary schools: Fairview, Wilkes and Troutdale. These schools were all built between 1926 and 1913. Reynolds High School has added 18 new classrooms. The bond has also upgrading security at several school vestibules. The fund manages the capital expenditures for specifically authorized projects funded by the 2015 General Obligation bonds.

**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, 2022**

**2015 GO BOND PROJECTS FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ -	\$ -	\$ 5,875	\$ 5,875
EXPENDITURES:				
Facilities Acquisition and Construction	1,300,000	1,300,000 (1)	771,456	528,544
Total Expenditures	1,300,000	1,300,000	771,456	528,544
Net Change in Fund Balance	(1,300,000)	(1,300,000)	(765,581)	534,419
Beginning Fund Balance	1,300,000	1,300,000	765,581	(534,419)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

## **CAPITAL PROJECTS FUND**

### **Capital Project Fund 400– Full faith and Credit Refunding Obligation, Series 2010**

Provides for the payment and of interest on the 2010 FFCRO Series. Accounts for activities related to the acquisition, construction and equipping of facilities. Revenue sources are the excise tax, interest earnings on the capital projects fund.

**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, 2022**

**CAPITAL PROJECTS FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES:</b>				
Local Sources	\$ 388,000	\$ 388,000	\$ 356,907	\$ (31,093)
State Sources	-	-	2,236,516	2,236,516
<b>Total Revenues</b>	<b>388,000</b>	<b>388,000</b>	<b>2,593,423</b>	<b>2,205,423</b>
<b>EXPENDITURES:</b>				
Facilities Acquisition and Construction	2,387,900	2,387,900 (1)	345,253	2,042,647
Debt Service	1,387,602	1,387,602 (1)	1,477,850	(90,248)
<b>Total Expenditures</b>	<b>3,775,502</b>	<b>3,775,502</b>	<b>1,823,103</b>	<b>1,952,399</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,387,502)</b>	<b>(3,387,502)</b>	<b>770,320</b>	<b>4,157,822</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	1,387,502	1,387,502	1,387,502	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,387,502</b>	<b>1,387,502</b>	<b>1,387,502</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(2,000,000)</b>	<b>(2,000,000)</b>	<b>2,157,822</b>	<b>4,157,822</b>
Beginning Fund Balance	2,000,000	2,000,000	1,834,379	(165,621)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,992,201</b>	<b>\$ 3,992,201</b>

(1) Appropriation Level

## STATE AND LOCAL PROGRAMS FUND

### **State and Local Programs Funds 251-296**

Accounts for revenues and expenditures of grants that are generally restricted for specific education projects. Principal revenue source are state and local grants.

#### **Driver's Education**

Accounts for revenues and expenditures to support the driver's education class at the high school. The principal source of revenue is received from ODOT and class fees.

#### **E-Rate**

Accounts for revenues and expenditures from the Schools and Libraries Program related to telecommunications and internet access.

#### **Energy Efficient Schools - SB 1149**

Accounts for revenues received under the Senate Bill 1149 which introduces competition into the retail electricity market of Oregon's two largest utilities, Portland General Electric and PacifiCorp.

#### **Together We Are Greater Than**

Formerly, the I Have a Dream – 2017 Alder Montessori Fund. The organization had a name change in 2018. Provides funding for Alder Montessori. (Funding no longer received from this award but remains for history purposes.)

#### **Mt Hood Cable Regulatory Commission Grant**

Accounts for revenues and expenditures relating to enhancement of technology projects throughout the district such as communications involving video, data applications. Funding source are through Multnomah County, Comcast, Frontier and Cascade Access. (Funding no longer received from this award but remains for history purposes.)

#### **Other Contracts & Grants**

Accounts for various grants received throughout the district.

#### **Contract Fuel Sales**

Accounts for revenues received from local city governments for fuel provided at an average monthly cost plus an administration fee.

#### **Student Activities**

Accounts for revenues and expenditures of all schools' student body funds. The revenue sources are participation fees, donations and fund-raising activities. Individual accounts are kept at each school; this fund summarizes all activity at year-end.

#### **Non-ASB**

Accounts for revenues and expenditures generated by fees at the school level, including donations, early childhood department, graphics department, etc.

#### **Reynolds Education Foundation**

Accounts for revenues and expenditures received from REF for classroom supplies. (Funding no longer received from this award but remains for history purposes.)

#### **Project Lead the Way**

Accounts for revenues and expenditures received from the State Board of Higher Education on behalf of the Oregon University System for the engineering and technology program. (Funding no longer received from this award but remains for history purposes.)

#### **Four Corners Tuition**

Accounts for revenue and expenditures received from other school districts as tuition payment for students attending Treatment Program. (Funding no longer received from this award but remains for history purposes.)

**Seismic Rehab Grant**

Accounts for revenues and expenditures for reinforcing the structure within RMS to better withstand seismic activity. (Funding no longer received from this award but remains for history purposes.)

**Multnomah County Agreement**

Accounts for revenues and expenditures to be used for attendance TOSA to support attendance work at Glenfair Elementary and Alder Elementary. Funding source through Multnomah County. (Funding no longer received from this award but remains for history purposes.)

**PPS / Columbia Regional Autism**

Accounts for revenues and expenditures for autism services. The primary source of revenue comes from the Columbia Regional Program who receives autism funding from the state.

**MYC Fees for Service**

Accounts for revenue and expenditures related to the Multnomah Youth Cooperative program at Reynolds Learning Academy. The primary source of revenue is local state entities that pay a fee for the services provided by students.

**Outdoor School (Measure 99)**

Accounts for the revenue and expenditures to provide outdoor school.

**CTE Pathways**

Accounts for revenues and expenditures from ODE for incentivization of high school programs to attract and graduate students from traditionally underserved populations through their CTE Programs of Study. In 2016, CTE Pathways funds were awarded to RHS Graphic Arts, Computer Information Systems, and Construction Manufacturing.

**Student Monitoring and Mentorship Grant**

Accounts for the revenues and expenditures for serving at-risk students rising from 8<sup>th</sup> to 9<sup>th</sup> grade. Interventions are instrumental to maintain a smooth path toward students achieving credits to stay on track to graduate. (Funding no longer received from this award but remains for history purposes.)

**Career Education (Measure 98)**

Accounts for revenues and expenditures dedicated to improving graduation rates through Career and Technical Education (CTE).

**PEEK-8 Physical Education Expansion K-8**

Accounts for additional revenues and expenditures allocated to hire licensed physical education teachers to support activities related to meeting the physical education instructional requirements for students as described in OAR 581-020-0250.

**Seismic Rehab Grant 2016-17**

Accounts for the revenues and expenditures related to facility upgrades to meet seismic standards. State of Oregon competitive grant through Oregon Department of Education. (Funding no longer received from this award but remains for history purposes.)

**Closing the Achievement Gap**

Accounts for revenues and expenditures relating to closing the academic achievement gap for African American learners' links between home, school and community and promoting equity for our school toward Oregon Department of Education 40-40-20 goal. (Funding no longer received from this award but remains for history purposes.)

**MYC PIC (Partners in Conservation)**

Accounts for revenues and expenditures from East Metro Soil and Conservation District, to provide funding for service learning projects for students at RLA. (Funding no longer received from this award but remains for history purposes.)

**Educator Effectiveness**

Accounts for the revenues and expenditures related to improving student achievement through effective teachers and leaders, through collaboration with educational partners and stakeholders to create a supportive state policy infrastructure focused on educator effectiveness leading to improved student learning. (Funding no longer received from this award but remains for history purposes.)

**Summative Assessment**

Accounts for revenues and expenditures to successfully transition from the state test (OAKS) to the Smarter Balanced summative assessment system for students in Grades K-9.

**Miller Family Grant**

Accounts for revenues and expenditures to expand teacher training, tutor wages, and technical assistance in order to enhance AVID programming at middle school levels.

**Improvement Planning Grant**

(Funding no longer received from this award but remains for history purposes.)

**Summer Works Grant**

The Youth Work Experience Program allows students with disabilities to learn employability skills and transition seamlessly into competitive employment. Reynolds School District received and implemented the Summer Work experience during the summer of 2017. The Summer Work experience allowed students to gain positive work skills and training in a professional environment which contributed to their successful placement today.

**Youth Transition Program**

Accounts for the revenues and expenditures related to an intergovernmental agreement in association with a youth transition program. The primary source of revenue is State of Oregon Department of Human Services.

**RLA Playground**

Accounts for revenues and expenditures to improve the RLA playground and for enhancing services to the teen parents and children by partnering with Mt. Hood as an Early Childhood Head Start Program. This is a one-time grant from MHCC. (Funding no longer received from this award but remains for history purposes.)

**HB3499 ELD Transformation & Target**

Accounts for revenues and expenditures to improve outcomes for English Language Learners (ELLs). This is an implementation grant. (Funding no longer received from this award but remains for history purposes.)

**MHCC – Early Head Start**

Accounts for revenues and expenditures to support RLA Teen Parent Day Care Center. To be used for facility improvements, staff training requirements, curriculum purchase and furniture replacement. Additionally, a separate reimbursement contract will be specifically dedicated to redesign and improve the outdoor playground space dedicated to the Teen Parent Day Care Center. Funding source through the Department of Health and Human Services for Early Head Start Partnership through MHCC. (Funding no longer received from this award but remains for history purposes.)

**Verizon Innovative Learning**

Accounts for revenues and expenditures as part of a grant awarded to select US middle schools to create innovative learning environments and document the process so others can learn from the experiences of the schools awarded the grant. The grant provides a device for every middle school student and teacher, professional development and coaching to enhance the learning environment.

**School Based Health Center**

Accounts for revenues and expenditures for construction of a school based health center located at Reynolds High School.

**Student Investment Account**

The Student Investment Account (SIA) comes from the Student Success Act. Oregon Governor Kate Brown signed House Bill 3427, the Student Success Act, into law on May 2019. The purpose of the Student Success Act was to correct underinvestment in our schools and our children and includes sweeping provisions for new and improved services for children and families.

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, 2022

STATE AND LOCAL PROGRAMS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	\$ 2,272,938	\$ 2,272,938	\$ 1,068,856	\$ (1,204,082)
Intermediate Sources	976,666	976,666	366,510	(610,156)
State Sources	31,911,567	31,911,567	14,559,800	(17,351,767)
Total Revenues	<u>35,161,171</u>	<u>35,161,171</u>	<u>15,995,166</u>	<u>(19,166,005)</u>
EXPENDITURES:				
Instruction	11,163,548	11,163,548 (1)	6,156,661	5,006,887
Support Services	15,092,548	15,092,548 (1)	7,763,329	7,329,219
Community Services	2,001,682	2,001,682 (1)	224,298	1,777,384
Facilities Acquisition and Construction	10,087,259	10,087,259 (1)	2,498,726	7,588,533
Contingencies	94,899	94,899 (1)	-	94,899
Total Expenditures	<u>38,439,936</u>	<u>38,439,936</u>	<u>16,643,014</u>	<u>21,796,922</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,278,765)</u>	<u>(3,278,765)</u>	<u>(647,848)</u>	<u>2,630,917</u>
OTHER FINANCING SOURCES (USES):				
Transfer Out	(215,987)	(215,987) (1)	(215,987)	-
Total Other Financing Sources (Uses)	<u>(215,987)</u>	<u>(215,987)</u>	<u>(215,987)</u>	<u>-</u>
Net Change in Fund Balance	(3,494,752)	(3,494,752)	(863,835)	2,630,917
Beginning Fund Balance	<u>3,502,662</u>	<u>3,502,662</u>	<u>3,603,737</u> *	<u>101,075</u>
Ending Fund Balance	<u>\$ 7,910</u>	<u>\$ 7,910</u>	<u>\$ 2,739,902</u>	<u>\$ 2,731,992</u>

(1) Appropriation Level

\* Note: State and Local Programs Fund includes Fund 260 which is accounting for the ASB funds within District System.



## **OTHER GOVERNMENTAL FUNDS**

### **Nutrition Service Fund 297**

Accounts for revenues and expenditure for the food dispensing programs. Principal revenue sources are sales of food and subsidies under the National School Lunch and Breakfast Programs received through the State of Oregon, and a transfer from the General Fund for “match”. Fresh Fruit and Vegetable Program: Accounts for revenues and expenditures for a series of grants within Nutrition Services to provide produce for individual schools.

### **Self Insurance Fund 299**

Accounts for costs incurred by the District under its general liability, including but not limited to property liability, Boiler and Machinery/Equipment Breakdown, Crime, Business Auto and Public Entity Liability. Primary source of revenue are insurance claim payments, rebates and General Fund transfers.

## **2016 School Improvement Projects Fund**

### **School Improvement Projects Fund 417 – Qualified Zone Academy Bond**

The QZAB is a tax credit bond program whereby bond investors take a tax credit in lieu of interest payments for qualified bonds under the IRS Tax Code. Projects accounted for under the QZAB Bond include roof resurfacing exterior block sealing, HVAC replacement, and major abatement work.

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

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**June 30, 2022**

	OTHER GOVERNMENTAL FUNDS			
	NUTRITION SERVICE FUND	SELF INSURANCE FUND	2016 SCHOOL IMPROVEMENT PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS:</b>				
Cash	\$ 83,451	\$ -	\$ -	\$ 83,451
Receivables:				
Accounts/Grants	355,708	5,000	-	360,708
Inter-Fund Receivable	-	779,524	-	779,524
Inventories	367,671	-	-	367,671
<b>Total Assets</b>	<b>806,830</b>	<b>784,524</b>	<b>-</b>	<b>1,591,354</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	7,543	-	-	7,543
Inter-Fund Payable	717,473	-	-	717,473
<b>Total Liabilities</b>	<b>725,016</b>	<b>-</b>	<b>-</b>	<b>725,016</b>
<b>Fund Balances:</b>				
Nonspendable	367,671	-	-	367,671
Committed	-	784,524	-	784,524
Unassigned	(285,857)	-	-	(285,857)
<b>Total Fund Balances</b>	<b>81,814</b>	<b>784,524</b>	<b>-</b>	<b>866,338</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 806,830</b>	<b>\$ 784,524</b>	<b>\$ -</b>	<b>\$ 1,591,354</b>

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2022**

	OTHER GOVERNMENTAL FUNDS			
	NUTRITION SERVICE FUND	SELF INSURANCE FUND	2016 SCHOOL IMPROVEMENT PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
Local Sources	\$ 158,901	\$ 295,555	\$ -	\$ 454,456
Intermediate Sources	5,687	-	-	5,687
State Sources	72,427	-	-	72,427
Federal Sources	6,125,759	-	-	6,125,759
<b>Total Revenues</b>	<b>6,362,774</b>	<b>295,555</b>	<b>-</b>	<b>6,658,329</b>
<b>EXPENDITURES:</b>				
Support Service	-	131,934	-	131,934
Community Services	5,864,528	-	-	5,864,528
<b>Total Expenditures</b>	<b>5,864,528</b>	<b>131,934</b>	<b>-</b>	<b>5,996,462</b>
Excess of Revenues Over (Under)				
Expenditures	498,246	163,621	-	661,867
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	50,852	-	-	50,852
<b>Total Other Financing Sources (Uses)</b>	<b>50,852</b>	<b>-</b>	<b>-</b>	<b>50,852</b>
<b>Net Change in Fund Balance</b>	<b>549,098</b>	<b>163,621</b>	<b>-</b>	<b>712,719</b>
<b>Beginning Fund Balance</b>	<b>(467,284)</b>	<b>620,903</b>	<b>-</b>	<b>153,619</b>
<b>Ending Fund Balance</b>	<b>\$ 81,814</b>	<b>\$ 784,524</b>	<b>\$ -</b>	<b>\$ 866,338</b>

**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, 2022**

**NUTRITION SERVICE FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES:</b>				
Local Sources	\$ 1,197,856	\$ 1,197,856	\$ 158,901	\$ (1,038,955)
Intermediate Sources	-	-	5,687	5,687
State Sources	229,458	229,458	72,427	(157,031)
Federal Sources	5,959,048	5,959,048	6,125,759 (2)	166,711
<b>Total Revenues</b>	<b>7,386,362</b>	<b>7,386,362</b>	<b>6,362,774</b>	<b>(1,023,588)</b>
<b>EXPENDITURES:</b>				
Support Services	25,877	25,877 (1)	-	25,877
Enterprise and Community Services	9,183,352	9,183,352 (1)	5,864,528	3,318,824
Contingencies	219,728	219,728 (1)	-	219,728
<b>Total Expenditures</b>	<b>9,428,957</b>	<b>9,428,957</b>	<b>5,864,528</b>	<b>3,564,429</b>
Excess of Revenues Over (Under) Expenditures	(2,042,595)	(2,042,595)	498,246	2,540,841
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	60,000	60,000	50,852 (2)	(9,148)
<b>Total Other Financing Sources (Uses)</b>	<b>60,000</b>	<b>60,000</b>	<b>50,852</b>	<b>(9,148)</b>
<b>Net Change in Fund Balance</b>	<b>(1,982,595)</b>	<b>(1,982,595)</b>	<b>549,098</b>	<b>2,531,693</b>
<b>Beginning Fund Balance</b>	<b>1,982,595</b>	<b>1,982,595</b>	<b>(467,284)</b>	<b>(2,449,879)</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 81,814</b>	<b>\$ 81,814</b>

(1) Appropriation Level

(2) Included in this transfer from the General Fund is the required state appropriated general purpose revenues of \$50,852 the District must transfer to the Food Service Fund for National School Lunch Support in order to meet the general cash assistance match for 2021-2022.

**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, 2022**

**SELF-INSURANCE FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 200,000	\$ 200,000	\$ 295,555	\$ 95,555
EXPENDITURES:				
Support Services	750,000	750,000 (1)	131,934	618,066
Net Change in Fund Balance	(550,000)	(550,000)	163,621	713,621
Beginning Fund Balance	550,000	550,000	620,903	70,903
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 784,524</u>	<u>\$ 784,524</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, 2022**

**2016 SCHOOL IMPROVEMENT PROJECTS FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
EXPENDITURES:				
Support Services	\$ 232,844	\$ 232,844	(1) \$ -	\$ 232,844
Net Change in Fund Balance	(232,844)	(232,844)	-	232,844
Beginning Fund Balance	<u>232,844</u>	<u>232,844</u>	<u>-</u>	<u>(232,844)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

**RETIREMENT FUND**

**Early Retirement Fund 298**

Accounts for stipends and post-retirement health care benefits as a result of collective bargaining agreements. Principal revenue source is a transfer from the General Fund.

**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, 2022**

	<u>RETIREMENT FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>EXPENDITURES:</b>				
Support Services	\$ 325,000	\$ 325,000 (1)	\$ 230,617	\$ 94,383
Total Enterprise and Comm. Services	<u>325,000</u>	<u>325,000</u>	<u>230,617</u>	<u>94,383</u>
Excess of Revenues Over (Under) Expenditures	<u>(325,000)</u>	<u>(325,000)</u>	<u>(230,617)</u>	<u>(94,383)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	94,383	94,383
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>(6,150)</u>	<u>(6,150)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,233</u>	<u>\$ 88,233</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 PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For the year ended June 30, 2022**

**GENERAL FUND**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2021	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2022
<b>Current:</b>						
2021-22	\$ 30,813,984	\$ 818,096	\$ (46,749)	\$ 8,619	\$ 29,603,799	\$ 353,959
<b>Prior Years:</b>						
2020-21	397,768	(471)	(41,391)	13,896	224,785	145,960
2019-20	164,398	(84)	(5,185)	12,316	85,052	86,562
2018-19	92,417	(46)	502	14,019	69,418	37,565
2017-18	38,953	(5)	1,689	9,509	40,220	9,936
Prior Years	<u>69,565</u>	<u>(2)</u>	<u>1,611</u>	<u>3,483</u>	<u>12,690</u>	<u>61,972</u>
Total Prior	<u>763,101</u>	<u>-608</u>	<u>(42,774)</u>	<u>53,223</u>	<u>432,165</u>	<u>341,995</u>
Total All Years	<u>\$ 31,577,085</u>	<u>\$ 817,488</u>	<u>\$ (89,523)</u>	<u>\$ 61,842</u>	<u>\$ 30,035,964</u>	<u>\$ 695,952</u>

RECONCILIATION TO REVENUE:

	<u>TOTAL</u>
Cash Collections by County Treasurers Above	\$ 30,035,964
Accrual of Receivables:	
June 30, 2021	(93,885)
June 30, 2022	62,719
Change from Prior year Unavailable Revenue, see page 12	<u>(35,557)</u>
Total Revenue	<u>\$ 29,969,241</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, 2022**

**DEBT SERVICE FUNDS**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2021	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2022
Current:						
2021-22	\$ 12,085,830	\$ 320,873	\$ (56,244)	\$ 3,381	\$ 11,573,265	\$ 138,829
Prior Years:						
2020-21	148,253	(177)	(15,140)	5,210	83,779	54,720
2019-20	48,285	(25)	(1,112)	3,686	24,980	25,903
2018-19	36,739	(19)	2,178	5,831	28,902	15,865
2017-18	15,568	(2)	1,594	4,075	16,981	4,257
Prior Years	24,255	(3)	(2,464)	1,569	4,157	19,207
Total Prior	273,100	(226)	(14,944)	20,371	158,799	119,952
Total All Years	\$ 12,358,930	\$ 320,647	\$ (71,188)	\$ 23,752	\$ 11,732,064	\$ 258,783

RECONCILIATION TO REVENUE:

	TOTAL
Cash Collections by County Treasurers Above	\$ 11,732,064
Accrual of Receivables:	
June 30, 2021	(35,550)
June 30, 2022	24,388
Change from Prior year Unavailable Revenue, see page 12	(3,155)
Total Revenue	\$ 11,717,747

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

OTHER INFORMATION

MULTNOMAH COUNTY, OREGON

OTHER SUPPLEMENTAL INFORMATION  
FORM 3211-C

For The Year Ended June 30, 2022

A. Energy bills for heating - all funds:

	<u>Objects 325 and 326</u>
Function 2545	\$ 2,112,182
Function 2550	61,743

B. Replacement of equipment - General Fund:

Include all General Fund expenditures in Object 542, except for the following exclusions:

Exclude these functions:

			<u>Amount</u>
1113, 1122 & 1132	Co-curricular activities	4150	Construction \$ -
1140	Pre-kindergarten	2550	Pupil transportation -
1300	Continuing education	3100	Food service -
1400	Summer school	3300	Community services -

**2021 - 22 DISTRICT AUDIT REVENUE SUMMARY**  
**Multnomah County School District No. 7**

**Revenue from Local Sources**

	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>
1110 Ad Valorem Taxes Levied by District	\$ 30,004,798	\$ -	\$ 11,720,902	\$ -
1130 Construction Excise Tax				186,968
1190 Penalties and Interest on Taxes	8,170		3,190	
1400 Transportation Fees	86,617			
1412 Transportation Fees - Other Dist Within State		21,459		
1500 Earnings on Investments	(170,369)		135,404	9,004
1600 Food Service		104,018		
1700 Extracurricular Activities	12,655			
1910 Rentals	3,701			160,935
1920 Contributions and Donations From Private Sources		15,132		
1970 Services Provided Other Funds			9,308,004	
1980 Fees Charged to Grants	936,882			
1990 Miscellaneous	202,581	1,382,703	4,253	5,875

**Total Revenue from Local Sources** \$ 31,085,035 \$ 1,523,312 \$ 21,171,753 \$ 362,782

**Revenue from Intermediate Sources**

	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>
2101 County School Funds	\$ 41,251	\$ -	\$ -	\$ -
2102 General ESD Revenue	700,000			
2110 Intermediate "I" Tax		327,233		
2199 Other Intermediate Sources		36,289		
2200 Restricted Revenue		8,675		
2800 Revenue in Lieu of Taxes		-	-	-
2900 Revenue for/on Behalf of the District		-	-	-

**Total Revenue from Intermediate Sources** \$ 741,251 \$ 372,197 \$ - \$ -

**Revenue from State Sources**

	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>
3101 State School Fund - General Support	\$ 102,592,166	\$ -	\$ -	\$ -
3103 Common School Fund	1,297,570			
3199 Other Unrestricted Grants-in-Aid	2,793,866	-		2,236,516
3204 Driver Education		33,705		
3299 Other Restricted Grants-in-Aid		14,598,522		

**Total Revenue from State Sources** \$ 106,683,602 \$ 14,632,227 \$ - \$ 2,236,516

**Revenue from Federal Sources**

	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>
4100 Unrestricted Revenue Direct From the Federal Government	\$ -	\$ 467,516	\$ -	\$ -
4300 Restricted Revenue From the Federal Government	31,401			
4500 Restricted Revenue From the Federal Government Through the State		17,171,498		
4810 Deferred Inflow of Resources		-		

**Total Revenue from Federal Sources** \$ 31,401 \$ 17,639,014 \$ - \$ -

**Revenue from Other Sources**

	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>
5100 Long Term Debt Financing Sources	\$ -	\$ -	\$ 3,956,953	\$ -
5200 Interfund Transfers	215,987	375,852		1,387,502
5400 Resources - Beginning Fund Balance	24,654,907	3,751,207	6,346,512	2,599,960

**Total Revenue from Other Sources** \$ 24,870,894 \$ 4,127,059 \$ 10,303,465 \$ 3,987,462

**Grand Totals**

<b>\$ 163,412,183</b>	<b>\$ 38,293,809</b>	<b>\$ 31,475,218</b>	<b>\$ 6,586,760</b>
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**2021 - 22 DISTRICT AUDIT EXPENDITURE SUMMARY**  
**Multnomah County School District No. 7**

**Fund: 100 General Fund**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$ 22,142,141	\$ 14,406,604	\$ 6,853,736	\$ 290,407	\$ 590,521	\$ -	\$ 873	\$ -
1121 Middle/Junior High Programs	10,116,918	6,483,555	3,207,187	60,999	352,300	-	12,877	
1122 Middle/Junior High School Extracurricular	45,737	34,902	9,454		1,381			
1131 High School Programs	10,381,294	6,380,206	3,097,627	587,580	311,237		4,644	
1132 High School Extracurricular	657,196	359,947	91,954	97,189	82,232		25,874	
1140 Pre-Kindergarten Programs	-							
1210 Programs for the Talented and Gifted	150,079	89,547	42,424	244	17,147		717	
1220 Restrictive Programs for Students with Disabilities	9,126,303	3,352,620	1,884,063	3,841,094	48,526			
1250 Less Restrictive Programs for Students with Disabilities	6,053,691	3,936,334	2,088,042	9,981	17,575		1,759	
1280 Alternative Education	12,079,643	823,952	401,895	10,778,245	75,551			
1291 English Language Learner - ORS336.079	5,196,719	3,475,972	1,657,437	13,287	49,924		99	
<b>Total Instruction Expenditures</b>	\$ 75,949,721	\$ 39,343,639	\$ 19,333,819	\$ 15,679,026	\$ 1,546,394	\$ -	\$ 46,843	\$ -
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$ 1,534,220	\$ 873,042	\$ 501,929	\$ 158,248	\$ 1,001	\$ -	\$ -	\$ -
2120 Guidance Services	2,534,641	1,695,956	818,958	494	19,233			
2130 Health Services	343,265	8,733	6,082	328,450				
2140 Psychological Services	1,142,071	753,776	358,122	7,353	22,820			
2150 Speech Pathology and Audiology Services	2,238,387	1,511,038	706,202	386	16,950		3,811	
2160 Other Student Treatment Services	555,624	360,216	183,365	1,706	10,337			
2190 Service Direction, Student Support Services	2,068,233	1,157,338	552,514	188,359	155,188	14,834		
2210 Improvement of Instruction Services	879,434	619,038	220,196	7,800	25,701		6,699	
2220 Educational Media Services	1,050,291	623,268	353,646		73,377			
2230 Assessment & Testing	201,182	65,597	39,366		96,219			
2240 Instructional Staff Development	587,001	247,499	119,100	195,451	20,347		4,604	
2310 Board of Education Services	234,940	40,052	15,154	139,593	13,808		26,333	
2320 Executive Administration Services	424,707	274,000	89,695	24,200	19,294		17,518	
2410 Office of the Principal Services	8,549,981	5,704,428	2,747,434	8,142	84,543		5,434	
2490 Other Support Services - School Administration	14,060			14,060				
2510 Direction of Business Support Services	273,220	138,533	72,179	24,329	36,717		1,462	
2520 Fiscal Services	1,724,344	850,433	412,148	251,843	158,893		51,027	
2540 Operation and Maintenance of Plant Services	10,324,570	3,263,401	1,927,579	3,956,048	738,492	311,607	127,443	
2550 Student Transportation Services	7,858,407	3,362,031	2,069,460	791,252	546,137	73,253	1,016,274	
2570 Internal Services	182,237	113,278	68,182		777			
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	1,517	1,457	60					
2630 Information Services	808,600	443,647	188,348	90,122	74,823		11,660	
2640 Staff Services	1,718,022	696,066	666,830	205,582	110,630		38,914	
2660 Technology Services	1,861,111	874,456	494,515	61,338	365,363	61,507	3,932	
2680 Interpretation and Translation Services	458,661	271,215	135,787	50,160	1,499			
<b>Total Support Services Expenditures</b>	\$ 47,568,726	\$ 23,948,498	\$ 12,746,851	\$ 6,504,916	\$ 2,592,149	\$ 461,201	\$ 1,315,111	\$ -
<b>Enterprise and Community Services Expenditures</b>								
3500 Custody and Care of Children Services	\$ 164,320	\$ 98,809	\$ 62,366	\$ -	\$ 3,145	\$ -	\$ -	\$ -
<b>Total Enterprise and Community Services Expenditures</b>	\$ 164,320	\$ 98,809	\$ 62,366	\$ -	\$ 3,145	\$ -	\$ -	\$ -
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -
5200 Transfers of Funds	1,763,354							1,763,354
<b>Total Other Uses Expenditures</b>	\$ 1,963,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 1,763,354
<b>Grand Total</b>	\$ 125,646,121	\$ 63,390,946	\$ 32,143,036	\$ 22,183,942	\$ 4,141,688	\$ 461,201	\$ 1,561,954	\$ 1,763,354

**2021 - 22 DISTRICT AUDIT EXPENDITURE SUMMARY**  
**Multnomah County School District No. 7**

**Fund: 200 Special Funds**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$ 6,606,161	\$ 3,528,565	\$ 1,092,348	\$ 1,535,407	\$ 447,234		\$ 2,607	\$ -
1113 Elementary Extracurricular	19,509		18	617	18,799		75	
1121 Middle/Junior High Programs	1,206,820	612,796	274,161	53,749	261,814		4,300	
1122 Middle/Junior High School Extracurricular	31,080				31,080			
1131 High School Programs	1,502,884	797,499	390,330	30,672	188,004		96,379	
1132 High School Extracurricular	230,111	4,665	800	9,131	215,515			
1140 Pre-Kindergarten Programs	29,346			29,346				
1220 Restrictive Programs for Students with Disabilities	904,140	413,133	245,349	243,667	1,593		398	
1250 Less Restrictive Programs for Students with Disabilities	567,145	320,719	217,127	28,921	378			
1271 Remediation	50,764	40,918	10,624		(778)			
1272 Title IA/D	613,558	229,366	125,392	68,114	190,686			
1280 Alternative Education	1,849,626	205,106	103,276	1,521,470	19,774			
1291 English Language Learner - ORS336.079	32,164	123	83	8,609	23,349			
1400 Summer School Programs	1,910,594	415,280	260,601	731,388	401,800		101,525	
<b>Total Instruction Expenditures</b>	<b>\$ 15,553,902</b>	<b>\$ 6,568,170</b>	<b>\$ 2,720,109</b>	<b>\$ 4,261,091</b>	<b>\$ 1,799,248</b>	<b>\$ -</b>	<b>\$ 205,284</b>	<b>\$ -</b>
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$ 1,418,128	\$ 977,421	\$ 403,712	\$ 38,426	\$ (1,431)	\$ -	\$ -	\$ -
2120 Guidance Services	1,220,842	628,356	301,971	288,565	1,950			
2130 Health Services	572,288			572,288				
2140 Psychological Services	4,000			4,000				
2190 Service Direction, Student Support Services	753,532	464,328	185,395		56,263		47,546	
2210 Improvement of Instruction Services	2,487,369	1,226,533	557,851	135,265	300,695		267,025	
2220 Educational Media Services	1,149,002	766,823	352,480	14,822	14,877			
2230 Assessment & Testing	94,201	62,038	32,163					
2240 Instructional Staff Development	2,559,269	1,623,859	725,943	184,039	14,120		11,308	
2320 Executive Administration Services	53,864			47,771	93		6,000	
2410 Office of the Principal Services	1,373,601	976,586	395,808	1,207				
2490 Other Support Services - School Administration	1,143,093	387,319	165,588	98,087			492,099	
2510 Direction of Business Support Services	215	100	67	48				
2520 Fiscal Services	144,959	61,388	26,888	56,683				
2540 Operation and Maintenance of Plant Services	1,092,157	6,771	5,735	462,750	576,899	40,002		
2550 Student Transportation Services	244,826	130,533	38,742	75,551				
2570 Internal Services	392	200	192					
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	1,239	31	8		1,200			
2630 Information Services	41,040	100	110		40,830			
2640 Staff Services	2,148	100	49		1,999			
2660 Technology Services	1,982,018	45,662	25,162	14,337	1,896,857			
2680 Interpretation and Translation Services	50,976	12,346	7,283	30,316	1,031			
2690 Other Support Services - Central	141	118	23					
2700 Supplemental Retirement Program	230,616	208,284	22,332					
<b>Total Support Services Expenditures</b>	<b>\$ 16,619,916</b>	<b>\$ 7,578,896</b>	<b>\$ 3,247,502</b>	<b>\$ 2,024,155</b>	<b>\$ 2,905,383</b>	<b>\$ 40,002</b>	<b>\$ 823,978</b>	<b>\$ -</b>
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$ 5,981,300	\$ 2,119,266	\$ 1,352,490	\$ 63,663	\$ 2,378,046	\$ -	\$ 67,835	\$ -
3200 Other Enterprise Services	11,951				11,951			
3300 Community Services	154,543	86,393	45,339	300	22,511			
3500 Custody and Care of Children Services	145,741	2,291	2,003	120,054	12,551		8,842	
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$ 6,293,535</b>	<b>\$ 2,207,950</b>	<b>\$ 1,399,832</b>	<b>\$ 184,017</b>	<b>\$ 2,425,059</b>	<b>\$ -</b>	<b>\$ 76,677</b>	<b>\$ -</b>
<b>Facilities Acquisition and Construction Expenditures</b>								
4150 Building Acquisition, Construction, and Improvement Services	\$ 2,823,266			\$ 100,182	\$ 3,170	\$ 2,675,913	\$ 44,001	\$ -
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$ 2,823,266</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,182</b>	<b>\$ 3,170</b>	<b>\$ 2,675,913</b>	<b>\$ 44,001</b>	<b>\$ -</b>
<b>Other Uses Expenditures</b>								
5200 Transfers of Funds	\$ 215,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,987
<b>Total Other Uses Expenditures</b>	<b>\$ 215,987</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 215,987</b>
<b>Grand Total</b>	<b>\$ 41,506,606</b>	<b>\$ 16,355,016</b>	<b>\$ 7,367,443</b>	<b>\$ 6,569,445</b>	<b>\$ 7,132,860</b>	<b>\$ 2,715,915</b>	<b>\$ 1,149,940</b>	<b>\$ 215,987</b>

**2021 - 22 DISTRICT AUDIT EXPENDITURE SUMMARY**  
*Multnomah County School District No. 7*

**Fund: 300 Debt Service Funds**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Other Uses Expenditures								
5100 Debt Service	\$ 25,432,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,432,017	\$ -
<b>Total Other Uses Expenditures</b>	\$ 25,432,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,432,017	\$ -
<b>Grand Total</b>	\$ 25,432,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,432,017	\$ -



2021 - 22 DISTRICT AUDIT EXPENDITURE SUMMARY  
Multnomah County School District No. 7

**Fund: 400 Capital Projects Funds**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4150 Building Acquisition, Construction, and Improvement	1,116,711			740,781	4,287	368,893	2,750	-
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$ 1,116,711	\$ -	\$ -	\$ 740,781	\$ 4,287	\$ 368,893	\$ 2,750	\$ -
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$ 1,477,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,477,850	\$ -
<b>Total Other Uses Expenditures</b>	\$ 1,477,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,477,850	\$ -
<b>Grand Total</b>	\$ 2,594,561	\$ -	\$ -	\$ 740,781	\$ 4,287	\$ 368,893	\$ 1,480,600	\$ -

# STATISTICAL SECTION

This part of Multnomah County School District NO. 7's comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information as it relates to the government's overall financial health.

## Contents

Financial Trends	72-75
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	76-83
These schedules contain information to help the reader assess the government's most significant revenue source, the property tax.	
Debt Capacity	84-85
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	86-87
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	88-91
These Schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

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

**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>2018-2019</u>
<b>Governmental activities:</b>				
Net investments in capital assets	\$ 80,309,755	\$ 91,952,961	\$ 72,508,688	\$ 64,070,731
Restricted	8,576,837	8,074,208	8,627,760	9,984,575
Unrestricted	<u>(90,269,679)</u>	<u>(126,005,115)</u>	<u>(106,484,799)</u>	<u>(98,643,116)</u>
<b>Total primary government net position</b>	<u><u>\$ (1,383,087)</u></u>	<u><u>\$ (25,977,946)</u></u>	<u><u>\$ (25,348,351)</u></u>	<u><u>\$ (24,587,810)</u></u>

	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016*</u>
<b>Governmental activities:</b>			
Net investments in capital assets	\$ 35,148,756	\$ (64,722,847)	\$ (84,665,144)
Restricted	7,928,217	7,284,100	5,845,304
Unrestricted	<u>(67,387,682)</u>	<u>32,478,107</u>	<u>51,109,620</u>
<b>Total primary government net position</b>	<u><u>\$ (24,310,709)</u></u>	<u><u>\$ (24,960,640)</u></u>	<u><u>\$ (27,710,220)</u></u>

	<u>2014-2015</u>	<u>2013-2014</u>	<u>2012-2013</u>
<b>Governmental activities:</b>			
Net investments in capital assets	\$ 44,378,505	\$ 36,972,412	\$ 32,698,203
Restricted	4,738,094	3,672,338	2,264,243
Unrestricted	<u>(58,747,877)</u>	<u>(3,522,531)</u>	<u>130,349</u>
<b>Total primary government net position</b>	<u><u>\$ (9,631,278)</u></u>	<u><u>\$ 37,122,219</u></u>	<u><u>\$ 35,092,795</u></u>

Source: Multnomah County School District No.7 Statement of Net Position

\*Note: Restated due to implementation of GASB Statement No.73 in Fiscal Year 2016-2017

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

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

	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
<b>Expenses</b>					
Instruction	\$ 87,519,316	\$ 93,565,748	\$ 87,064,036	\$ 86,538,680	\$ 83,288,226
Support services	61,009,790	57,558,253	56,016,345	54,708,811	51,500,235
Enterprise and community services	6,220,270	6,098,403	6,511,098	8,074,080	6,419,380
Facilities Acquisition	981,076	-	-	-	-
Gain (Loss) on Sale of Assets	-	(215,000)	440,462	2,912,200	-
Interest on long-term debt	11,270,952	11,438,939	11,205,390	11,083,529	11,063,373
<b>Total primary government expenses</b>	<b>167,001,404</b>	<b>168,446,343</b>	<b>161,237,331</b>	<b>163,317,300</b>	<b>152,271,214</b>
<b>Program revenues</b>					
<b>Governmental activities:</b>					
Charges for services	1,242,194	3,999,412	704,667	325,455	374,290
Operating grants and contributions	44,702,866	19,819,696	17,239,689	19,600,230	17,977,234
<b>Total primary government revenues</b>	<b>45,945,060</b>	<b>23,819,108</b>	<b>17,944,356</b>	<b>19,925,685</b>	<b>18,351,524</b>
<b>Net (Expense)/Revenue</b>					
<b>Total primary government net expense</b>	<b>(121,056,344)</b>	<b>(144,627,235)</b>	<b>(143,292,975)</b>	<b>(143,391,615)</b>	<b>(133,919,690)</b>
<b>General revenues and Other Changes in Net Position</b>					
Property taxes	41,686,988	39,451,643	35,266,193	37,465,827	36,012,407
State support	103,889,737	101,426,880	100,194,901	99,169,007	96,927,194
Intermediate sources	1,105,283	1,419,157	3,110,116	972,780	1,804,251
Other federal revenue	-	-	53,009	8,567	1,804
Miscellaneous	509,492	1,360,421	2,752,740	3,987,267	3,927,917
Loss on equity interest in CAL	(8,078)	(37,989)	(37,989)	(34,356)	-
Investment earnings	(25,961)	377,528	1,193,463	1,545,422	-
<b>Total primary government</b>	<b>147,157,461</b>	<b>143,997,640</b>	<b>142,532,433</b>	<b>143,114,514</b>	<b>138,673,573</b>
<b>Change in Net Position</b>					
<b>Total primary government</b>	<b>\$ 26,101,117</b>	<b>\$ (629,595)</b>	<b>\$ (760,542)</b>	<b>\$ (277,101)</b>	<b>\$ 4,753,883</b>
	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
<b>Expenses</b>					
Instruction	\$ 68,365,815	\$ 88,048,372	\$ 63,799,909	\$ 70,693,491	\$ 66,156,854
Support services	59,636,859	56,341,200	39,052,852	41,624,247	42,124,046
Enterprise and community services	5,508,594	6,946,986	5,145,985	5,993,003	5,210,975
Interest on long-term debt	11,099,218	10,281,714	6,993,654	6,734,328	6,697,698
<b>Total primary government expenses</b>	<b>144,610,486</b>	<b>161,618,272</b>	<b>114,992,400</b>	<b>125,045,069</b>	<b>120,189,573</b>
<b>Program revenues</b>					
<b>Governmental activities:</b>					
Charges for services	659,163	1,301,487	1,232,868	1,591,846	995,283
Operating grants and contributions	15,007,967	16,771,515	14,460,074	13,969,114	11,981,194
<b>Total primary government revenues</b>	<b>15,667,130</b>	<b>18,073,002</b>	<b>15,692,942</b>	<b>15,560,960</b>	<b>12,976,477</b>
<b>Net (Expense)/Revenue</b>					
<b>Total primary government net expense</b>	<b>(128,943,356)</b>	<b>(143,545,270)</b>	<b>(99,299,458)</b>	<b>(109,484,109)</b>	<b>(107,213,096)</b>
<b>General revenues and Other Changes in Net Position</b>					
Property taxes	33,668,002	31,670,746	30,311,983	29,291,925	28,387,733
State support	89,658,290	88,200,553	83,521,907	80,213,848	70,391,258
Intermediate sources	3,253,805	2,802,777	2,183,826	1,344,766	1,071,491
Miscellaneous	5,112,839	2,222,488	1,813,136	1,186,346	1,765,972
Investment earnings	0	1,061,381	204,198	218,294	233,117
<b>Total primary government</b>	<b>131,692,936</b>	<b>125,957,945</b>	<b>118,035,050</b>	<b>112,255,179</b>	<b>101,849,571</b>
<b>Change in Net Position</b>					
<b>Total primary government</b>	<b>\$ 2,749,580</b>	<b>\$ (17,587,325)</b>	<b>\$ 18,735,592</b>	<b>\$ 2,771,070</b>	<b>\$ (5,363,525)</b>

Source: Multnomah County School District No.7 Statement of Activities

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7

MULTNOMAH COUNTY, OREGON  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
<b>General Fund (1)</b>					
Nonspendable	\$ 808,591	\$ 535,206	\$ 228,351	\$ 4,552	\$ 21,191
Unassigned	36,957,558	24,119,701	18,730,438	17,827,909	13,599,572
Unreserved		-	-	-	-
Committed-Early retirement	88,233	(6,150)	131,981	168,186	175,072
<b>Total general fund</b>	<b>37,854,382</b>	<b>24,648,757</b>	<b>19,090,770</b>	<b>18,000,647</b>	<b>13,795,835</b>
<b>All Other Government Funds (1)</b>					
Nonspendable	414,831	470,690	373,320	319,504	174,569
Restricted for:					
Debt service	6,043,199	6,346,512	6,091,874	7,149,466	4,631,352
State & Local Programs	505,538	485,654	485,654	485,653	85,860
Federal Programs	-	-	-	-	-
Food service	-	(909,178)	896,806	1,673,766	3,211,005
Committed:					
Self-insurance	784,524	620,903	410,005	536,264	157,908
State & local programs	2,205,439	3,089,287	619,788	3,057,131	-
Assigned:					
Capital projects (2)	3,992,201	2,599,960	4,265,247	5,674,517	33,426,372
Unassigned:	(7,211,331)	-	-	-	-
<b>Total all other governmental funds</b>	<b>6,734,401</b>	<b>12,703,828</b>	<b>13,142,694</b>	<b>18,896,301</b>	<b>41,687,066</b>
<b>Total Fund Balance (Deficit)</b>	<b>\$ 44,588,783</b>	<b>\$ 37,352,585</b>	<b>\$ 32,233,464</b>	<b>\$ 36,896,948</b>	<b>\$ 55,482,901</b>
	2016-2017	2014-2015	2013-2014	2012-2013(1)	2011-2012(1)
<b>General Fund (1)</b>					
Non spendable	\$ 16,880	\$ 39,915	\$ 86,957	\$ 323,733	\$ 16,603
Unassigned	9,476,816	8,698,353	12,151,829	11,226,313	17,969,505
Unreserved	-	-	-	-	-
Committed-Early retirement	-	282,662	665,660	962,023	894,447
<b>Total general fund</b>	<b>9,493,696</b>	<b>9,020,930</b>	<b>12,904,446</b>	<b>12,512,069</b>	<b>18,880,555</b>
<b>All Other Government Funds (1)</b>					
Nonspendable	0	245,974	242,871	240,372	237,464
Restricted for:					
Debt service	3,861,213	3,045,881	2,295,228	1,930,050	872,242
Pers bond	-	-	96,643	96,657	96,676
State & local programs	426,170	347,971	481,133	105,573	70,183
Food service	2,996,717	2,451,452	1,865,109	1,540,058	1,225,142
Committed:					
Self-insurance	170,959	(1,122,766)	61,189	797,443	765,670
State & local programs			-	-	-
Assigned:					
Capital projects (2)	123,027,533	135,181,703	686,060	534,346	1,076,289
Planning activities	-	1,913,748	1,005,263	1,413,919	1,045,559
Unassigned:	-	-	-	(240,371)	(115,244)
<b>Total all other governmental funds</b>	<b>130,482,592</b>	<b>142,063,963</b>	<b>6,733,496</b>	<b>6,418,047</b>	<b>5,273,981</b>
<b>Total Fund Balance (Deficit)</b>	<b>\$ 139,976,288</b>	<b>\$ 151,084,893</b>	<b>\$ 19,637,942</b>	<b>\$ 18,930,116</b>	<b>\$ 24,154,536</b>

(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 when capital expenditures are incurred.

Source: Multnomah County School District No.7 Balance Sheet - Governmental Funds

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

REVENUES:	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Local sources	\$ 54,142,880	\$ 51,686,713	\$ 48,839,816	\$ 52,840,401	\$ 48,921,526
Intermediate sources	1,113,448	1,460,088	3,382,953	2,111,829	3,459,282
State sources	123,552,345	110,068,784	103,726,926	103,417,650	98,828,419
Federal sources	17,670,439	14,159,731	13,392,303	13,806,371	14,138,691
<b>Total Revenues</b>	<b>196,479,112</b>	<b>177,375,316</b>	<b>169,341,998</b>	<b>172,176,251</b>	<b>165,347,918</b>
<b>EXPENDITURES:</b>					
Instruction	91,503,623	89,892,333	87,933,436	84,824,634	81,853,902
Support services	63,687,351	54,911,936	56,239,249	53,348,530	50,613,339
Community services	6,457,849	5,818,021	6,542,551	7,904,523	6,308,833
Facilities acquisition	981,076	1,916,752	6,045,121	25,460,791	92,423,904
Capital Outlay	3,460,101	-	-	-	-
Debt service - Principal	15,518,461	26,928,262	8,312,823	10,503,619	7,504,054
Debt service - Interest	11,515,534	11,652,230	11,487,254	8,721,119	11,137,272
<b>Total Expenditures</b>	<b>193,123,995</b>	<b>191,119,534</b>	<b>176,560,434</b>	<b>190,763,216</b>	<b>249,841,304</b>
Excess of revenues over(under)expenditures	3,355,117	(13,744,218)	(7,218,436)	(18,586,965)	(84,493,386)
<b>Other Financing Sources(uses)</b>					
Sale of assets	-	215,000	500,000	-	-
Bond proceeds - Principal	3,956,953	18,648,339	2,054,952	-	-
Bond Issuance Cost	(75,872)	-	-	-	-
Transfer in	1,979,341	3,526,765	1,405,852	1,634,267	2,042,470
Transfer out	(1,979,341)	(3,526,765)	(1,405,852)	(1,634,267)	(2,042,470)
<b>Total other financing sources(uses)</b>	<b>3,881,081</b>	<b>18,863,339</b>	<b>2,554,952</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ 7,236,198</b>	<b>\$ 5,119,121</b>	<b>\$ (4,663,484)</b>	<b>\$ (18,586,965)</b>	<b>\$ (84,493,386)</b>
Expenditures for Capital Assets	\$ 3,460,939	\$ 4,525,078	\$ 8,150,498	\$ 28,478,652	\$ 97,211,943
Debt service as a percentage of noncapital expenditures	14.25%	20.68%	11.76%	11.85%	12.21%
<b>REVENUES:</b>	<b>2016-2017</b>	<b>2015-2016</b>	<b>2014-2015</b>	<b>2013-2014</b>	<b>2012-2013</b>
Local sources	\$ 46,622,204	\$ 43,626,462	\$ 39,991,516	\$ 38,530,637	\$ 37,487,290
Intermediate sources	4,217,842	3,327,941	2,568,301	1,685,151	1,331,199
State sources	90,498,980	89,503,854	83,521,907	80,213,848	70,391,258
Federal sources	13,496,389	14,940,162	14,460,075	13,969,114	11,981,194
<b>Total Revenues</b>	<b>154,835,415</b>	<b>151,398,419</b>	<b>140,541,799</b>	<b>134,398,750</b>	<b>121,190,941</b>
<b>EXPENDITURES:</b>					
Instruction	79,793,504	79,544,300	76,100,060	69,220,002	64,303,986
Support services	45,786,843	49,048,899	46,931,640	42,520,086	41,892,511
Community services	6,423,478	6,303,944	6,205,011	6,064,330	5,219,134
Facilities acquisition	7,216,535	2,908,147	-	-	-
Capital outlay	13,979,135	120	395,299	395,077	1,310,707
Debt service - Principal	7,015,603	7,036,611	8,315,101	8,217,897	7,171,884
Debt service - Interest	10,985,034	10,126,070	6,798,487	6,444,915	7,052,048
<b>Total Expenditures</b>	<b>171,200,132</b>	<b>154,968,091</b>	<b>144,745,598</b>	<b>132,862,307</b>	<b>126,950,270</b>
Excess of revenues over(under)expenditures	(16,364,717)	(3,569,672)	(3,634,328)	1,536,443	(5,759,329)
<b>Other Financing Sources(uses)</b>					
Sale of assets	6,019	-	-	-	-
Bond proceeds - Principal	2,000,000	122,918,047	-	-	-
Bond proceeds - Premium	4,000,000	14,963,285	-	-	-
Transfer in	1,640,038	1,785,538	2,104,038	1,512,000	1,221,612
Transfer out	(1,640,038)	(1,785,538)	(2,104,038)	(1,512,000)	(1,221,612)
<b>Total other financing sources(uses)</b>	<b>6,006,019</b>	<b>137,881,332</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (10,358,698)</b>	<b>\$ 134,311,660</b>	<b>\$ (4,203,799)</b>	<b>\$ 1,536,443</b>	<b>\$ (5,759,329)</b>
Expenditures for Capital Assets	\$ 3,460,939	\$ 5,385,844	\$ 4,328,311	\$ 1,138,031	\$ 153,140,039
Debt service as a percentage of noncapital expenditures	10.73%	11.47%	10.76%	11.13%	-54.31%

(1) Revenues are recognized when susceptible to accrual.

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

Source: Multnomah County School District No. 7 Statement of Revenues, Expenditures and Changes in Fund Balances

Note: Expenditures for capital assets is from the Reconciliation of the Governmental Funds schedule.

Debt services as a percentage of noncapital expenditures is calculated by dividing Principal and interest by the sum of total expenditures less expenditures for capital assets.

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

**PROPERTY VALUE ASSESSED VALUATION**

FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY	TOTAL	TOTAL DIRECT TAX RATE (1)	ASSESSMENT YEAR
2021-2022	\$ 6,745,443,430	\$ 423,077,730	\$ 259,973,200	\$ 37,425,900	\$ 7,465,920,260	6.08	2020
2020-2021	6,447,834,550	400,761,750	253,049,700	35,456,370	7,137,102,370	6.01	2020
2019-2020	6,144,803,000	381,606,240	203,651,600	34,539,120	6,764,599,960	5.74	2019
2018-2019	5,885,468,070	389,933,280	197,091,400	34,954,880	6,507,447,630	6.26	2018
2017-2018	5,626,909,630	393,593,720	235,732,253	32,406,050	6,288,641,653	6.29	2017
2016-2017	5,421,521,380	363,234,124	191,471,500	35,339,570	6,011,566,574	6.05	2016
2015-2016	5,241,684,480	346,408,946	147,579,800	30,494,280	5,766,167,506	5.97	2015
2014-2015	5,124,794,780	336,867,935	143,189,250	26,341,960	5,631,193,925	5.81	2014
2013-2014	4,843,711,490	287,376,223	136,396,360	26,695,760	5,294,179,833	6.02	2013
2012-2013	4,725,916,280	281,603,418	137,325,400	25,628,140	5,170,473,238	5.99	2012

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

Source: <https://www.multco.us/assessment-taxation/reports-and-data>  
 Taxing District Values Report (M50 - Oregon Ballot Measure 50)  
 Reynolds School District  
 Multnomah County email: [dem.dart.application.support@multco.us](mailto:dem.dart.application.support@multco.us)

Continued on Page 77

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

FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY	Total	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY
2021-2022	\$ 6,745,443,430	\$ 423,077,730	\$ 259,973,200	\$ 37,425,900	\$ 7,465,920,260	90.35 %	5.67 %	3.48 %	0.50 %
2020-2021	6,447,834,550	400,761,750	253,049,700	35,456,370	7,137,102,370	90.34	5.62	3.55	0.50
2019-2020	6,144,803,000	381,606,240	203,651,600	34,539,120	6,764,599,960	90.84	5.64	3.01	0.51
2018-2019	5,885,468,070	389,933,280	197,091,400	34,954,880	6,507,447,630	90.44	5.99	3.03	0.54
2017-2018	5,626,909,630	393,593,720	235,732,253	32,406,050	6,288,641,653	89.48	6.26	3.75	0.52
2016-2017	5,421,521,380	363,234,124	191,471,500	35,339,570	6,011,566,574	90.18	6.04	3.19	0.59
2015-2016	5,241,684,480	346,408,946	147,579,800	30,494,280	5,766,167,506	90.90	6.01	2.56	0.53
2014-2015	5,124,794,780	336,867,935	143,189,250	26,341,960	5,631,193,925	91.01	5.98	2.54	0.47
2013-2014	4,843,711,490	287,376,223	136,396,360	26,695,760	5,294,179,833	91.49	5.43	2.58	0.50
2012-2013	4,725,916,280	281,603,418	137,325,400	25,628,140	5,170,473,238	91.40	5.45	2.66	0.50

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

Source: <https://www.multco.us/assessment-taxation/reports-and-data>  
 Taxing District Values Report (M50 - Oregon Ballot Measure 50)  
 Reynolds School District  
 Multnomah County email: [dcm.dart.application.support@multco.us](mailto:dcm.dart.application.support@multco.us)

Continued from Page 76



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

FISCAL YEAR	PROPERTY VALUE TRUE CASH VALUATION					RATIO OF ASSESSED VALUATION TO TRUE CASH VALUATION
	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY	TOTAL	
2021-2022	\$ 12,254,158,240	\$ 447,841,320	\$ 305,299,783	\$ 74,814,010	\$ 13,082,113,353	57.07 %
2020-2021	11,177,694,470	432,147,210	290,138,407	68,521,710	11,968,501,797	59.63
2019-2020	10,587,872,190	405,412,040	234,416,421	65,525,850	11,293,226,501	59.90
2018-2019	10,111,730,100	410,098,360	222,800,584	67,442,170	10,812,071,214	60.19
2017-2018	9,012,880,030	405,731,152	266,741,142	57,028,690	9,742,381,014	64.55
2016-2017	7,956,510,240	377,714,504	212,276,505	45,731,770	8,592,233,019	69.97
2015-2016	7,118,441,620	362,161,236	181,401,855	39,130,860	7,701,135,571	74.87
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

Source: <https://www.multco.us/assessment-taxation/reports-and-data>  
 Taxing District Values Report (M5 - 1990 Oregon Ballot Measure 5)  
 Reynolds School District  
 Multnomah County email: [dcm.dart.application.support@multco.us](mailto:dcm.dart.application.support@multco.us)

Continued on Page 79

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

<u>ASSESSMENT YEAR</u>	<u>FISCAL YEAR</u>	<u>REAL PROPERTY</u>	<u>PERSONAL PROPERTY</u>	<u>PUBLIC UTILITY PROPERTY</u>	<u>MANUFACTORY</u>
2021	2021-2022	93.67 %	3.42 %	2.33 %	0.57 %
2020	2020-2021	93.39	3.61	2.42	0.57
2019	2019-2020	93.75	3.59	2.08	0.58
2018	2018-2019	93.52	3.79	2.06	0.62
2017	2017-2018	92.51	4.16	2.74	0.59
2016	2016-2017	92.60	4.40	2.47	0.53
2015	2015-2016	92.43	4.70	2.36	0.51
2014	2014-2015	93.23	4.41	1.95	0.41
2013	2013-2014	92.91	4.60	2.03	0.46
2012	2012-2013	92.87	4.65	2.04	0.44

Source: <https://www.multco.us/assessment-taxation/reports-and-data>  
 Taxing District Values Report (M5 - 1990 Oregon Ballot Measure 5)  
 Reynolds School District  
 Multnomah County email: [dcm.dart.application.support@multco.us](mailto:dcm.dart.application.support@multco.us)

Continued from Page 78

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
 LARGEST TAXPAYERS WITHIN DISTRICT  
 CURRENT AND NINE YEARS AGO

	2021-2022		2012-2013	
	ASSESSED VALUATION	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION	ASSESSED VALUATION	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION
<u>PRIVATE ENTERPRISES</u>				
Boeing Company	\$ 463,663,900	6.21	\$ 171,247,570	3.26
FedEx Ground Package System, Inc	117,251,930	1.57	15,069,100	0.29
Albertson's Distribution Center (1)	58,902,910	0.79	44,650,170	0.85
The Boeing Company, Inc.	55,266,280	0.74	28,387,730	0.54
U S National Bank of Oregon	50,317,430	0.67	35,892,530	0.68
Comcast Corporation	48,855,000	0.65	28,940,100	0.55
IP Eat One, LLC	34,275,510	0.46	21,079,320	0.40
US Bancorp	31,120,180	0.42		
Cascade Corporation	30,898,380	0.41	27,185,060	0.52
Western B Northwest Oregon, LLC	30,907,360	0.41	-	0.00
Townsend Farms, Inc	30,314,490	0.41	31,747,960	0.60
Owens Corning Foam	26,357,270	0.35	26,653,380	0.51
<u>PUBLIC UTILITIES</u>				
Portland General Electric Company	106,789,420	1.43	48,732,000	0.93
SUB TOTAL	1,084,920,060		479,584,920	
ALL OTHER TAXPAYERS	6,381,000,200	85.47	4,774,798,593	90.87
TOTAL	<u>\$ 7,465,920,260</u>	<u>100.00%</u>	<u>\$ 5,254,383,513</u>	<u>100.00%</u>

Source: Multnomah County: [dcm.dart.application.support@multco.us](mailto:dcm.dart.application.support@multco.us)

(1) Albertson's Distribution Center Legal Entity/Name changed  
 2022: at RREEF DPIF 17505 NE San Rafael, LLC 2  
 013: ABS OR-O DC LLC

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
 LARGEST TAXPAYERS WITHIN MULTNOMAH COUNTY

		2022		
TAXPAYER	BUSINESS/SERVICE	ASSESSED VALUATION (1)	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION	TAX (2)
Portland General Electric Co.	Electrical Utility	\$ 797,053,050	0.83%	\$ 13,684,327
Port of Portland	Airport, Marine, Property Mgmt.	737,510,200	0.77%	16,132,930
PacifiCorp (PP&L)	Electrical Utility	692,992,000	0.72%	12,055,234
Boeing Company	Manufacturing	463,663,900	0.48%	7,427,249
Alaska Airlines Inc.	Airline	371,870,800	0.39%	5,969,490
Lumen Technologies Inc	Telecommunications	328,167,000	0.34%	5,684,621
Weston Investment Co LLC	Real Estate	306,029,830	0.32%	7,301,467
Verizon Communications Inc	Telecommunications	274,503,000	0.28%	4,744,236
Comcast Corporation	Telecommunications	263,963,000	0.27%	4,614,899
Northwest Natural Gas Co	Natural Gas Utility	228,629,970	0.24%	3,961,378
Subtotal - ten of County's largest taxpayers		4,464,382,750	4.63%	81,575,831
All other County's taxpayers		<u>91,881,672,320</u>	<u>95.37%</u>	
Total County		<u><u>\$ 96,346,055,070</u></u>	<u><u>100.00%</u></u>	

(1) Assessed value does not exclude offsets such as urban renewal and farm tax credits.

(2) Tax amount is the total tax paid by the taxpayer within the boundaries of the District and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

Source: Multnomah County: [dcn.dart.application.support@multco.us](mailto:dcn.dart.application.support@multco.us)

Source: <https://www.multco.us/assessment-taxation/reports-and-data> (Total County)

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

	Dollars per \$1,000 True Cash Value				
	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
DIRECT:					
Reynolds School District #7 Permanent Rate	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46
Reynolds School District #7 Bond	1.62	1.55	1.27	1.80	1.83
<b>Weighted Average Direct (1)</b>	<b>6.08</b>	<b>6.01</b>	<b>5.74</b>	<b>6.26</b>	<b>6.29</b>
Overlapping:					
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	7.31	7.34	7.24	7.28	7.23
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	0.47	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	-	-	-	-	-
	23.63	23.64	23.56	23.60	23.55
<b>Totals*</b>	<b>\$ 29.71</b>	<b>\$ 29.66</b>	<b>\$ 29.30</b>	<b>\$ 29.87</b>	<b>\$ 29.84</b>

	Dollars per \$1,000 True Cash Value				
	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
DIRECT:					
Reynolds School District #7 Permanent Rate	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46
Reynolds School District #7 Bond	1.59	1.51	1.35	1.56	1.52
<b>Weighted Average Direct (1)</b>	<b>6.05</b>	<b>5.97</b>	<b>5.81</b>	<b>6.02</b>	<b>5.99</b>
Overlapping:					
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	7.06	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	0.05
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	-	-	-	-	-
	23.39	20.90	20.90	20.90	20.46
<b>Totals*</b>	<b>\$ 29.44</b>	<b>\$ 26.87</b>	<b>\$ 26.71</b>	<b>\$ 26.92</b>	<b>\$ 26.45</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.

Source: Multnomah County Departments of Assessment and Taxation. <https://multco.us/assessment-taxation/reports-and-data>

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
 PROPERTY TAX LEVIES AND COLLECTION (1)  
 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
2021-2022	\$ 30,834,056	\$ 12,065,758	\$ 42,899,814	\$ 39,042,973	91 %	\$ 2,962,670	42,005,643	98 %
2020-2021	29,628,174	11,107,556	40,735,730	38,982,796	96	508,028	39,490,824	97
2019-2020	28,244,785	8,295,681	36,540,466	34,828,872	95	509,382	35,338,254	97
2018-2019	27,397,656	11,396,874	38,794,530	37,068,788	96	1,227,794 (2)	38,296,582	99
2017-2018	26,418,350	11,319,952	37,738,302	35,880,974	95	483,816	36,364,790	96
2016-2017	25,270,192	9,346,815	34,617,007	32,934,681	95	505,947	33,440,628	97
2015-2016	24,240,220	8,411,994	32,652,214	31,006,462	95	556,610	31,566,662	97
2014-2015	24,521,780	6,424,434	30,946,214	29,341,706	95	582,181	29,928,351	97
2013-2014	22,161,422	7,843,056	30,004,478	28,383,146	95	641,236	29,024,382	97
2012-2013	21,561,091	7,511,441	29,072,532	27,448,672	94	693,388	28,142,060	97

Source: Multnomah County Departments of Assessment and Taxation

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

(2) This number includes the COMAST pay off from litigation.

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

FISCAL YEAR	GENERAL BONDED DEBT OUTSTANDING							GENERAL BONDED DEBT TO ASSESSED VALUATION(3)	GENERAL BONDED DEBT TO TRUE CASH VALUE(3)
	GENERAL OBLIGATION BONDS	PENSION OBLIGATION BONDS	FULL FAITH & CREDIT OBLIGATION BOND	TOTAL	LESS GO BOND DEBT SERVICE FUND	LESS PERS BOND FUND	NET GENERAL BONDED DEBT		
2022	\$ 110,838,413	\$ 44,659,477	\$ 17,892,142	\$ 173,390,032	\$ 4,650,423	\$ 111,883	\$ 168,627,726	2.26 %	1.41 %
2021	128,332,826	46,506,712	19,282,856	194,122,394	6,089,724	119,822	187,912,848	2.63	1.57
2020	135,560,024	48,500,998	22,908,042	206,969,064	5,911,090	180,783	200,877,191	2.81	1.78
2019	127,310,047	51,064,881	17,930,000	196,304,928	6,917,468	231,998	189,155,462	2.80	1.67
2018	132,010,047	53,223,817	18,680,000	203,913,864	4,482,333	149,019	199,282,512	3.06	1.84
2017	136,300,047	55,395,492	19,400,000	211,095,539	3,739,462	121,751	207,234,326	3.30	2.13
2016	140,200,047	57,576,475	20,090,000	217,866,522	2,943,206	102,675	214,820,641	3.57	2.50
2015	21,320,000	59,755,777	20,760,000	101,835,777	2,295,228	96,624	99,443,925	1.72	1.29
2014	26,685,000	61,933,567	21,410,000	110,028,567	1,930,050	96,657	108,001,860	1.92	1.29
2013	31,665,000	64,106,549	22,040,000	117,811,549	872,242	96,676	116,842,631	2.21	1.53

**Legal Debt Margin Calculation for Fiscal Year 2021-2022:**

Real Market Value	\$ 13,082,113,353
Debt Limit (7.95%) (1)	1,040,028,012
Amount of Debt Applicable to Debt Limit	<u>(117,664,056)</u>
Legal Debt Margin	<u>\$ 922,363,956</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
2022	0.29 %	\$ 209	\$ 203	\$ 951,495,893	\$ 782,868,167	82.28 %
2021	0.33	233	226	951,495,893	763,780,673	80.27
2020	0.32	237	229	897,811,507	709,898,659	79.07
2019	0.36	255	247	859,559,662	658,682,471	76.63
2018	0.38	243	234	774,519,291	585,363,829	75.58
2017	0.43	251	245	683,082,525	483,800,013	70.83
2016	0.48	261	256	612,240,278	405,005,952	66.15
2015	0.52	271	267	663,263,104	448,442,463	67.61
2014	0.25	129	126	608,723,401	509,279,476	83.66
2013	0.29	141	139	601,378,272	493,376,412	82.04

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

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
OVERLAPPING GROSS BONDED DEBT  
June 30, 2022

<b>REYNOLDS SCHOOL DISTRICT</b>			
<b>Real Market Value of Subject Issuer is: \$11,952,074,916 as of 1/1/2021</b>			
Net Property-tax Backed Debt of Subject Issuer is:	\$ 171,657,497	Ratio of Net Property-tax Backed Debt to Real Market Value is:	1.44%
Net Property-tax Backed Debt of Overlapping Issuers is:	\$ 132,335,458	Ratio of Total Net Property-tax Backed Debt to Real Market Value is:	2.54%

OVERLAPPING GOVERNMENT	REAL MARKET VALUATION	GROSS BONDED DEBT (1)	NET DIRECT DEBT (2)	PERCENT WITHIN SCHOOL DISTRICT (3)	OVERLAPPING	
					GROSS BONDED DEBT (1)	NET DIRECT DEBT (2)
City of Fairview	\$ 1,374,292,874	\$ 12,083,607	\$ 6,378,607	100.00%	\$ 12,083,607	\$ 6,378,607
City of Gresham	15,543,627,395	78,083,065	56,278,065	28.50	22,252,736	16,038,573
City of Portland	161,495,805,276	738,727,223	407,674,643	1.72	12,680,992	6,998,143
City of Troutdale	2,620,779,563	9,230,000	9,230,000	97.72	9,019,131	9,019,131
City of Wood Village	589,377,975	3,285,000	3,285,000	100.00	3,285,000	3,285,000
Corbett Water District	510,074,800	454,269	454,269	4.82	21,911	21,911
Metro	358,995,131,497	897,955,000	873,470,000	3.33	29,895,616	29,080,437
Mt. Hood Community College	52,650,969,601	105,667,863	76,545,000	22.70	23,987,239	17,376,174
Multnomah County	186,758,200,567	627,742,035	627,742,035	6.40	40,174,235	40,174,235
Multnomah City RFPD 10	1,150,505,519	1,154,878	1,154,878	14.12	163,121	163,121
Multnomah ESD	189,445,330,222	81,533,416	60,233,416	6.31	5,143,943	3,800,126
Port of Portland	390,565,299,889	45,725,000	-	3.06	1,399,276	-
<b>Overlapping Gross Bonded Debt</b>	<b>1,361,699,395,178</b>	<b>2,601,641,356</b>	<b>2,122,445,913</b>		<b>160,106,807</b>	<b>132,335,458</b>
Reynolds School District	<u>11,952,074,916</u>	<u>171,657,497</u>	<u>171,657,497</u>	100.00	<u>171,657,497</u>	<u>171,657,497</u>
<b>Overlapping Gross Bonded Debt</b>	<b><u>\$ 1,373,651,470,094</u></b>	<b><u>\$ 2,773,298,853</u></b>	<b><u>\$ 4,416,549,323</u></b>		<b><u>\$ 331,764,304</u></b>	<b><u>\$ 303,992,955</u></b>

Source: Oregon State Treasury  
<http://https://www.oregon.gov/treasury/oregon-bonds/municipal-debt-advisory/Pages/Overlapping-Debt-Request.aspx>

- (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  
MULTNOMAH COUNTY, OREGON  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN YEARS

FISCAL YEAR	POPULATION (3)	PERSONAL INCOME (4)	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2022	831,446	\$ 59,386,030,550	\$ 71,425 (1)	3.80% (2)
2021	820,421	59,808,690,900	72,900 (1)	5.70 (2)
2020	811,857	57,792,841,403	71,186 (1)	15.30 (4)
2019	807,555	51,662,523,570	63,974 (1)	3.60 (4)
2018	811,880	46,967,258,000	57,850 (4)	3.80 (4)
2017	808,781	44,261,349,006	54,726 (4)	3.80 (4)
2016	803,741	41,838,737,755	52,055 (4)	4.60 (4)
2015	790,230	40,299,359,310	50,997 (4)	5.10 (4)
2014	778,604	37,338,733,424	47,956 (4)	6.00 (4)
2013	766,649	34,789,764,971	45,379 (4)	7.00 (4)

Sources:

- (1) <https://datausa.io/profile/geo/multnomah-county-or>
- (2) <https://fred.stlouisfed.org/series/ORMULT1URN>
- (3) <https://worldpopulationreview.com/us-counties/or/multnomah-county-population>
- (4) U.S Census Bureau, American Community Survey & Proximity One

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
 SAMPLE OF PRINCIPAL INDUSTRIES IN SCHOOL DISTRICT (1)  
 CURRENT AND NINE YEARS AGO

Employer	2021			2012		
	Employees	Rank	% of Total City	Employees	Rank	% of Total City
Amazon.com	5,523	1	48.75%			
FedEx Ground (2)	1189	2	10.50%	699	1	14.72%
Walsh Trucking Co., LTD	398	3	3.51%	220	2	4.63%
Home Depot USA, Inc.	165	4	1.46%	162	6	3.41%
Wolcott Plumbing	152	7	1.34%			
Tube Specialties	140	5	1.24%	191	4	4.02%
Brand Safeway Services	137	6	1.21%			
Travel Centers of America	125	8	1.10%	125	7	2.63%
Edgefield McMenamins	120	9	1.06%	120	8	2.53%
Fuji Farms, Inc	102	10	0.90%	202	3	4.25%
Toyo Tanso USA, Inc.				165	5	3.48%
Albertson's, Inc.				100	9	2.11%
Safeway, Inc.				92	10	1.94%
Totals	<u>8,051</u>		<u>71.07%</u>	<u>2,076</u>		<u>43.72%</u>

(1) Information from the City of Troutdale is presented as a sample of the Principal Employers in the District. The Reynolds School District encompasses multiple cities, in whole and in part.

See Overlapping Gross Bonded Debt Schedule.

Source: City of Troutdale ACFR 2020-21

<https://www.troutdaleoregon.gov/finance/page/city-budgetacfr>

(2) FedEx Ground Package System, Inc.

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7

MULTNOMAH COUNTY, OREGON

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION - GENERAL FUND - LAST TEN FISCAL YEARS

	2021- 2022	2020- 2021	2019- 2020	2018- 2019	2017- 2018	2016- 2017	2015- 2016	2014- 2015	2013- 2014	2012- 2013
<b>Instruction:</b>										
Primary K-5	205.66	205.66	220.42	208.53	199.34	208.28	197.70	200.42	187.24	177.50
Middle/Junior high programs	82.80	88.30	85.46	80.13	91.50	88.50	92.00	90.50	94.71	88.00
High school programs	87.50	87.50	85.00	83.50	87.83	90.99	98.99	98.83	96.51	91.50
High school programs extracurricular	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Programs for the talented and gifted	1.00	1.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Restrictive programs for student with disabilities	30.00	30.00	31.00	35.88	35.88	35.14	40.50	38.94	35.47	32.19
Transition programs	7.00	7.00	6.00	5.06	5.84	5.84	8.34	10.13	11.71	13.25
Life skills	29.63	30.44	33.25	30.88	30.06	36.34	30.41	30.97	38.36	40.19
Functional living skills	19.22	19.22	16.72	16.28	15.50	13.56	8.59	9.50	8.50	4.25
Less restrictive programs for students with disabilities	72.28	71.96	62.84	57.12	56.31	57.12	57.29	50.86	42.09	38.80
Less restrictive charter schools	3.10	3.10	3.88	3.85	2.70	2.70	3.90	4.20	3.60	3.60
Alternative Education	13.60	13.60	15.35	15.35	15.35	15.85	18.60	18.60	17.75	2.00
Reynolds learning academy west	-	-	-	-	-	-	-	-	-	21.12
English second language programs	50.76	51.27	50.20	48.15	71.33	78.08	80.18	68.21	53.12	45.13
<b>Total Instruction</b>	<b>603.55</b>	<b>610.05</b>	<b>611.62</b>	<b>586.23</b>	<b>613.14</b>	<b>633.89</b>	<b>638.00</b>	<b>622.66</b>	<b>590.56</b>	<b>559.03</b>
<b>Support services</b>										
Attendance and social work services	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	3.00
Student safety	16.91	16.91	16.16	16.16	16.16	16.16	17.94	15.09	15.20	12.64
Guidance services	25.50	25.50	25.50	25.50	25.50	25.50	27.00	27.00	27.90	27.00
Health services	1.34	1.34	2.16	3.16	3.06	3.25	1.63	0.00	1.90	1.00
Psychological services	11.00	11.00	11.00	10.00	10.00	11.00	9.30	9.30	9.29	9.30
Speech pathology and audiology services	21.25	21.25	20.25	19.25	19.40	21.88	17.54	18.38	17.97	16.10
Other student treatment services	6.20	6.20	7.40	6.60	6.60	6.94	7.00	8.14	7.93	8.88
Service direction-Student support services	11.50	11.75	8.42	8.42	8.42	8.55	7.55	8.75	8.31	8.31
Improvement of Instructional Services	1.50	1.75	-	-	-	-	-	-	-	-
Teaching and Learning	3.00	2.75	4.50	4.50	4.50	4.50	4.50	4.75	4.50	4.50
Educational media services	14.03	14.03	14.06	13.69	13.69	13.75	14.25	14.19	14.18	13.59
Assessment & testing	2.00	2.00	2.00	2.50	2.50	1.50	5.00	5.50	3.00	1.00
Instructional Staff Development	2.00	2.00	1.00	-	-	-	-	-	-	-
Board of education services	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	-
Office of the Superintendent	1.50	1.50	1.75	1.75	1.50	1.50	1.50	1.50	1.50	2.00
Building Administration	90.15	90.15	88.98	88.98	93.72	94.70	98.48	96.23	89.08	83.62
Direction of business support services	2.10	2.00	-	-	-	-	-	-	-	-
Fiscal services	9.00	9.00	10.40	9.40	10.15	11.40	10.90	10.70	10.40	10.69
Operation and maintenance of plant services	-	-	-	-	-	-	-	12.20	10.20	11.00
Risk Management	1.00	1.00	1.00	1.00	-	-	-	-	-	-
Facilities Direction	2.10	2.00	1.89	2.88	3.22	3.07	3.95	-	-	-
Facilities Upkeep	53.25	52.75	54.75	52.00	54.10	53.00	53.00	-	-	-
Grounds maintenance	5.25	4.25	4.25	4.00	4.00	4.00	5.00	5.00	5.00	4.50
Maintenance Services	6.00	6.00	8.00	-	-	-	-	-	-	-
Building fixed costs	-	-	-	-	-	-	-	-	-	45.00
Custodial Services	-	-	-	-	-	-	-	43.25	46.00	-
Safety Program	-	-	-	-	-	1.00	1.00	-	-	-
Transportation	76.33	61.83	77.73	73.73	76.58	80.65	74.30	86.12	83.55	85.50
Transportation-special Ed	11.12	7.09	10.57	11.51	10.94	12.15	12.35	0.28	0.28	0.71
Distributive services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Print, publish, duplication services	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.00
Grant Development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Communication	3.00	3.00	2.25	2.25	1.50	1.50	1.50	1.50	1.50	1.00
Staff services	7.00	6.00	6.00	6.00	6.00	6.50	6.50	6.90	6.50	6.00
Recruitment Services	-	-	-	-	-	0.00	1.50	-	-	-
Technology services	12.10	12.00	12.20	11.20	10.20	10.20	9.45	9.70	8.20	9.00
Other Support Services	-	-	-	-	-	0.25	0.25	-	-	-
Interpretation & Translation Services	5.13	5.13	6.00	4.63	-	-	-	-	-	-
<b>Total Support Services</b>	<b>406.26</b>	<b>386.18</b>	<b>404.22</b>	<b>385.11</b>	<b>388.25</b>	<b>399.44</b>	<b>397.89</b>	<b>390.98</b>	<b>377.89</b>	<b>366.34</b>
<b>Community services</b>										
Custody and care of children services	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.00	2.00	2.00
<b>Total Community Services</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
<b>Total FTE</b>	<b>1012.31</b>	<b>998.73</b>	<b>1018.34</b>	<b>973.84</b>	<b>1003.89</b>	<b>1035.83</b>	<b>1038.39</b>	<b>1015.64</b>	<b>970.45</b>	<b>927.37</b>

Source: 2021-22 Reynolds School District Adopted Budget (page 133)

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

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

YEAR ENDED JUNE 30, 2022

**LICENSED PROFESSIONAL SALARY PLAN**

<b>LEVEL</b>	<b>BACHELORS</b>	<b>BACHELORS</b>	<b>BACHELOR</b>	<b>BA+60</b>	<b>BA+90</b>	<b>BA+120</b>
		<b>+20</b>	<b>S+40</b>	<b>MASTER</b>	<b>MASTERS</b>	<b>MASTERS</b>
				<b>S</b>	<b>+24</b>	<b>+45</b>
0	45,242	46,546	47,588	50,578	52,395	53,662
1	47,154	48,552	49,596	52,829	54,672	56,008
2	49,086	50,577	51,636	55,108	56,972	58,379
3	51,106	52,700	53,761	57,495	59,377	60,856
4	53,091	54,774	55,853	59,829	61,733	63,290
5	55,103	56,891	57,968	62,208	64,130	65,763
6	57,120	59,007	60,091	64,584	66,532	68,244
7	59,169	61,164	62,252	67,006	68,972	70,757
8	61,263	63,340	64,438	69,454	71,437	73,306
9	63,241	65,537	66,652	71,929	73,944	75,881
10		67,065	70,043	74,435	76,467	78,494
11			71,674	76,939	78,999	81,097
12				79,518	81,617	83,794
13				81,370	84,332	86,500
14						88,515

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

<b>LEVEL</b>	<b>BACHELORS</b>	<b>BACHELORS</b>	<b>BACHELOR</b>	<b>BA+60</b>	<b>BA+90</b>	<b>BA+120</b>	<b>TOTAL</b>
		<b>+20</b>	<b>S+40</b>	<b>MASTER</b>	<b>MASTERS</b>	<b>MASTERS</b>	
				<b>S</b>	<b>+24</b>	<b>+45</b>	
0	7	2	0	26	0	2	37
1	6	1	3	18.5	0	2	30.5
2	7	1	0	23	1	2	34
3	2	0	0	11	4	4	21
4	2	0	0	19	0	4.6	25.6
5	3	1	0	13	2	2.9	21.9
6	5	0	0	21	0	2	28
7	3	1	0	13.5	2	4	23.5
8	3	2	0	11	9	3	28
9	1	0	0	20	3	2	26
10	0	0	1	7	4	5	17
11	1.6	0	0	10	4	8	23.6
12	0	2	0	10	2	4	18
13	1	0	0	12	11	7	31
14	2	2	3	73	65.5	137.6	283.1
<b>Total</b>	<b>43.6</b>	<b>12</b>	<b>7</b>	<b>288</b>	<b>107.5</b>	<b>190.1</b>	<b>648.2</b>

Source: Reynolds School District Human Capital Management

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

FISCAL YEAR	ADMw (1)	STUDENT ENROLLMENT (2)	COST PER PUPIL (3)	LICENSED STAFF	PUPIL-TEACHER RATIO	Number of students graduated (4)	
						Reynolds High School	Reynolds Learning Academy
2021-2022	13,913.29	9,198	\$ 17,718	648.2	14.19	446	62
2020-2021	14,240.23	9,340	16,149	647.2	14.43	447	45
2019-2020	13,092.29	9,800	15,996	639.2	15.33	465	68
2018-2019	13,246.23	9,837	17,438	601.3	16.36	450	32
2017-2018	13,646.74	10,104	13,683	617.6	16.59	436	32
2016-2017	14,027.36	10,284	12,123	647.7	15.88	458	63
2015-2016	14,079.67	10,416	9,915	674.1	15.45	484	59
2014-2015	13,689.86	10,648	12,137	659.5	16.15	460	63
2013-2014	13,396.97	10,669	11,042	624.0	17.10	461	62
2012-2013	13,140.49	10,373	10,741	587.8	17.65	363	28

FISCAL YEAR	NUMBER OF TYPE A LUNCHES SERVED			NUMBER OF BREAKFASTS SERVED		
	PAID	FREE	REDUCED PRICE	PAID	FREE	REDUCED PRICE
2021-2022	-	820,869	-	-	447,749	-
2020-2021	-	287,315	- (5)	-	282,647	-
2019-2020	99,798	693,389	29,773	32,748	445,102	9,407
2018-2019	120,378	878,563	43,283	42,951	515,536	13,149
2017-2018	79,675	959,572	44,360	12,059	578,691	13,076
2016-2017	57,826	891,329	35,804	10,040	593,551	13,503
2015-2016	70,660	1,074,545	40,851	9,056	611,734	13,297
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

Sources:

- (1) ADMw is from ODE ADMW Breakout report excluding Charter Schools.  
<https://www.oregon.gov/ode/schools-and-districts/grants/Pages/School-District-and-ESD-payment-Statements.aspx>
- (2) Enrollment is the ODE Student Enrollment Report number, excluding Charter Schools  
<https://www.oregon.gov/ode/reports-and-data/students/Pages/Student-Enrollment-Reports.aspx>
- (3) 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
- (4) Graduated Students are not formally available from ODE Graduation Rate Report as Oregon Certificate Awarded until January  
<https://www.oregon.gov/ode/reports-and-data/students/Pages/Cohort-Graduation-Rate.aspx>
- (5) All meals were free during FY 2020-2021, and due to the pandemic, the numbers were low.  
 Reynolds School District and Nutrition Service

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
 CAPITAL ASSET INFORMATION - LAST TEN FISCAL YEARS

	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>2018-2019</u>	<u>2017-2018</u>
Elementary Schools					
Buildings	11	11	11	11	11
Square Feet	694,429	694,429	694,429	694,429	599,731
Capacity	6,139	6,139	6,139	6,139	5,599
Enrollment	3,897	4,197	4,647	4,809	4,961
Middle Schools					
Buildings	3	3	3	3	3
Square Feet	411,811	411,811	411,811	411,811	411,811
Capacity	2,416	2,416	2,416	2,416	2,416
Enrollment	2,184	2,312	2,388	2,307	2,244
High Schools					
Buildings	2	2	2	2	2
Square Feet	365,416	365,416	365,416	365,416	334,837
Capacity	2,495	2,495	2,495	2,495	2,495
Enrollment	2,775	2,831	2,765	2,721	3,045
Administrative					
Buildings	1	1	1	1	1
Square Feet	12,500	12,500	12,500	12,500	12,500
	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>2013-2014</u>	<u>2012-2013</u>
Elementary Schools					
Buildings	11	11	11	11	11
Square Feet	599,731	599,731	599,731	599,731	599,731
Capacity	5,599	5,599	5,599	5,599	5,599
Enrollment	5,131	5,179	5,202	4,670	4,580
Middle Schools					
Buildings	3	3	3	3	3
Square Feet	411,811	411,811	411,811	411,811	411,881
Capacity	2,416	2,416	2,416	2,416	2,416
Enrollment	2,318	2,299	2,448	2,431	2,424
High Schools					
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	2,910	3,097	3,129	2,938	2,799
Administrative					
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

Enrollment is the ODE Student Enrollment Report, excluding Charter Schools

<https://www.oregon.gov/ode/reports-and-data/students/Pages/Student-Enrollment-Reports.aspx>

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

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS



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12700 SW 72<sup>nd</sup> Ave. Tigard, OR 97223  
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February 9, 2023

### **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, 2022, and have issued our report thereon dated February 9, 2023. 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 as noted below:

1. Expenditures were within authorized appropriations except as noted on page 20.
2. GO Bond Debt Service Fund Principal and Interest were not separately itemized in line item budget detail.
3. Fund 292 - Student Investment Account (SIA) Grant Program included revenues and expenditures related to other state grant programs.



**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.

We noted one matter involving the internal control structure and its operation that we consider to be a significant deficiency and two matters that we consider to be material weaknesses under standards established by the American Institute of Certified Public Accountants, which are noted in the schedule of findings and questioned cost on pages 101-103.

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.



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

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

GRANT COMPLIANCE REVIEW

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended June 30, 2022**

Federal Grantor	Program Title	Pass through Grantor	AL Number	Pass Through Entity Number	Grant Period	Expenditures	Passed Through to Subrecipients
<b><u>US Department of Education:</u></b>							
	Title IA - YR 20-21	Oregon State Department of Education	84.010	58352	7/1/19-9/30/21	342,482	NA
	Title IA - YR 21-22	Oregon State Department of Education	84.010	67061	7/1/20-9/30/22	3,024,093	NA
	PPD District Engagement Part 20-21	Oregon State Department of Education	84.010	60424	7/1/20-9/30/22	174,121	NA
	PPD District Engagement Part 19-20 - Supplement	Oregon State Department of Education	84.010	65147	7/1/20-9/30/22	440,995	NA
	PPD District Engagement Part 20-21	Oregon State Department of Education	84.010	68007	10/1/21-9/30/23	51,875	NA
						<u>4,033,566</u>	
	IDEA Extended Assessment	Oregon State Department of Education	84.027	73227	7/1/21-6/30/22	1,648	NA
	IDEA Extended Assessment Supplement	Oregon State Department of Education	84.027	73620	7/1/21-9/30/22	1,649	NA
	IDEA Part B YR 20-21	Oregon State Department of Education	84.027	60739	7/1/20-9/30/22	220,245	NA
	IDEA Part B YR 20-21	Oregon State Department of Education	84.027	68470	7/1/21-9/30/23	118,725	NA
	IDEA Part B YR 21-22	Oregon State Department of Education	84.027	68719	7/1/22-9/30/24	1,068,346	NA
	Columbia Regional Autism	Columbia Regional Program (PPS)	84.027		7/1/21-6/30/2022	235,813	NA
						<u>1,646,426</u>	
					<b>Special Education Cluster (IDEA) Total:</b>	<u><b>1,646,426</b></u>	
	SPIG Personnel Development Grant	Oregon State Department of Education	84.323	56883	10/01/21-9/30/22	19,925	NA
						<u>19,925</u>	
	Title III English Language Acquisition YR 20-21	Oregon State Department of Education	84.365	58503	7/1/20-9/30/22	61,677	NA
	Title III English Language Acquisition YR 21-22	Oregon State Department of Education	84.365	67162	7/1/21-9/30/23	190,394	NA
						<u>252,071</u>	
	Title IIA Improving Teacher Quality YR 20-21	Oregon State Department of Education	84.367	58845	7/1/20-9/30/22	13,295	NA
	Title IIA Improving Teacher Quality YR 21-22	Oregon State Department of Education	84.367	67495	7/1/21-9/30/23	600,711	NA
						<u>614,006</u>	
	SIG Implementation - Glenfair YR 5	Oregon State Department of Education	84.377	46889	7/1/20-9/30/22	23,289	NA
						<u>23,289</u>	
	Title IV Student Support and Academic Enrichment	Oregon State Department of Education	84.424	58655	7/1/20-9/30/22	107,420	NA
	Title IV Student Support and Academic Enrichment	Oregon State Department of Education	84.424	66851	7/1/21-9/30/23	303,232	NA
						<u>410,652</u>	
	COVID-19 - LEA ESSER II	Oregon State Department of Education	84.425 D	64671	3/13/20-9/30/23	10,848,156	822,171
	COVID-19 - LEA ESSER III	Oregon State Department of Education	84.425 D	64975	3/13/20-9/30/24	133,738	133,738
						<u>10,981,894</u>	<u>955,909</u>
	Title VII Indian Education YR 19-20	Direct	84.060A	S060A202099	7/1/19-6/30/21	5,040	NA
						<u>5,040</u>	
<b><u>Federal Emergency Management Agency</u></b>							
	FEMA - 4499-DR-OR	Oregon Office of Emergency Management	97.036	N/A		219,406	NA
						<u>219,406</u>	
<b><u>Institute of Museum and Library Services</u></b>							
	COVID 19-Institute of Museum and Library Services	State Library of Oregon	45.312	N/A	2020-2021	5,000	NA
<b><u>Department of Health and Human Services</u></b>							
	RFA 4708 Summer Work	Oregon Department of Human Services	84.126A	84.125A		34,661	NA
	Oregon Youth Transition Programs	Oregon Department of Human Services	84.126A	160745	7/1/2021-6/30/223	176,849	NA
						<u>211,510</u>	
<b><u>US Department of Agriculture:</u></b>							
	National School Breakfast	Oregon State Department of Education	10.553	N/A	7/1/22-6/30/23	1,143,102	NA
						<u>1,143,102</u>	
	USDA Commodities	Oregon State Department of Education	10.555	N/A	7/1/22-6/30/23	467,516	NA
	National School Lunch Program	Oregon State Department of Education	10.555	N/A	7/1/22-6/30/23	4,048,547	NA
	NSLP Supply Chain Assistance	Oregon State Department of Education	10.555	N/A	7/1/22-6/30/23	184,334	NA
						<u>4,700,397</u>	

Summer Feeding Program	Oregon State Department of Education	10.559	N/A	7/1/22-6/30/23	48,361	NA
					<u>48,361</u>	
Fresh Fruit and Vegetable Program	Oregon State Department of Education	10.582	61361	10/1/2021-9/30/22	4,293	NA
					<u>4,293</u>	
				<b>Total Child Nutrition Cluster:</b>	<b>5,896,153</b>	
COVID-19 - CACFP COVID Sponsor	Oregon State Department of Education	10.558	N/A	7/1/22-6/30/23	8,498	NA
Child and Adult Care Food Program	Oregon State Department of Education	10.558	N/A	7/1/21-6/30/22	33,466	NA
					<u>41,964</u>	
Snap State and Local	Oregon State Department of Education	10.649	N/A	7/1/22-6/30/23	5,814	NA
					<u>5,814</u>	
<b>US Department of Defense:</b>						
Passed Through Junior Reserve Officers' Training Corp		12.556	N/A	2021-22	31,401	NA
					<u>31,401</u>	
<b>Total Federal Financial Assistance</b>					<b>\$ 24,398,117</b>	<b>\$ 955,909</b>
		Total Federal Awards expended, above		\$	24,398,117	
		Accruals/Deferrals			(6,727,677)	
		Total Federal Revenue Recognized		\$	<u>17,670,439</u>	



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February 9, 2023

To the Board of Directors  
Multnomah County School District No. 7 (dba Reynolds School District)  
Multnomah County, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Multnomah County School District No. 7 (the District), as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 9, 2023.

**Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-FS-1 and 2022-FS-2 that we consider to be material weaknesses.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statements. 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*.

### **Reynold's School District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the response.

### **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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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February 9, 2023

To the Board of Directors  
Multnomah County School District No. 7 (dba Reynolds School District)  
Multnomah County, Oregon

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

***Opinion on Each Major Federal Program***

We have audited Multnomah County School District No. 7's (the District's) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.



*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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



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

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
FAIRVIEW, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2022

**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 515(d)(2) of the Uniform Guidance?

yes  no

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?

yes  no

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

yes  none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?

yes  no

**IDENTIFICATION OF MAJOR PROGRAMS**

**AL NUMBER**

84.425D  
10.553, 10.555, 10.559, 10.582

**NAME OF FEDERAL PROGRAM CLUSTER**

ESSER  
CNC

Dollar threshold used to distinguish between type A and B programs

\$750,000

Auditee qualified as low-risk auditee?

yes  no

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
FAIRVIEW, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2022

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**2022-FS-1 – Material Weakness – Completeness of Financial Records**

Condition: We noted several financial statement areas where material adjustments needed to be made to correctly state balances correctly and journal entries were not made until prompted by the audit team. The most significant areas included Grant Receivables, Deferred Grant Revenues, Unearned Grant Revenues and Operating Grant Revenues.

Criteria: Grant Receivables that are not collected within 60 days after year end must be considered unavailable resources for paying current liabilities and are thus not recognized as current operating revenues of the fiscal period. Unavailable revenues are presented as deferred revenue on the governmental fund balance sheet until the corresponding grant receivable is paid. Advance payments for grants must be considered unearned revenue until the grant expenditures are incurred.

Effect: Unrecognized unearned revenue and unrecognized deferred revenue misstates current financial requirements by overstating revenues and ending fund balances in governmental fund financial statements and budget to actual schedules.

Cause: Certain District employees were not familiar with the accounting principles and methods required to properly recognize unearned revenue and deferred revenue.

Recommendations: We recommend the District actively monitor unspent grant proceeds and receivable activity to ensure available revenue is recognized when the grant expenditures have been incurred.

Management's Response: The District will review its processes to ensure accounts are correctly reconciled to the general ledger periodically throughout the year and at year end.

**2022-FS-2 – Material Weakness – Accuracy of Financial Records**

Condition: We found several instances of inaccurate account balances. Material areas included overpaid payroll liabilities which were not reclassified as prepaid expenses, activities occurring near year end being posted to the wrong fiscal year, and the District's Schedule of Expenditures of Federal Awards (SEFA) being initially prepared based on receipt of revenues during the audit year instead of the amount of grant expenditures.

Criteria: Accounting transactions and records need to be reviewed for accuracy, and necessary correcting entries need to be made without reliance on auditors to catch errors.

Effect: Uncorrected trial balance and SEFA errors can result in inaccurate balances and other information on the financial report.

Cause: A review process was not set up to catch errors such as negative balances on the trial balance, transactions being posted to the wrong period, and inaccurate information on the SEFA.

Recommendations: We recommend the District actively monitor all accounting transactions as well as the balances on the trial balance and SEFA to ensure accuracy and that all activity is recorded in the correct fiscal period.

Management's Response: The District will review its processes to ensure accounts are correctly reconciled to the general ledger periodically throughout the year and at year end.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
FAIRVIEW, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2022

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**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**2022-001 – Significant Deficiency – Approvals of Reimbursement Requests**

Federal Program: CNC (AL#10.553, 10.555, 10.559, and 10.582)

Condition: There was no evidence that a review of reimbursement requests was done by an independent individual who was not involved in the preparation process.

Criteria: A second individual not involved in the reimbursement request preparation process should review the request prior to it being submitted to the granting agency.

Effect: Without a secondary review, the chances are increased that a reimbursement request could be submitted for the wrong amount or at the wrong time per the grant agreement.

Cause: The District did not establish a process for implementing a secondary review.

Recommendations: We recommend the District establish and document procedures to make sure a second individual independent of the reimbursement request preparation process reviews each request for accuracy and timing before the request is submitted, and provides a signature or initials and date of review on the documentation.

**Management's Response:**

The District has implemented an approval process subject to administrator approval for submission of reimbursement claims. The Grant Program Supervisor will prepare reimbursement claim documents and the Director of Finance will review and submit the reimbursement claims. A paper trail will be implemented; a copy of the email will be sufficient.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
FAIRVIEW, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2022

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

1. BASIS OF PRESENTATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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