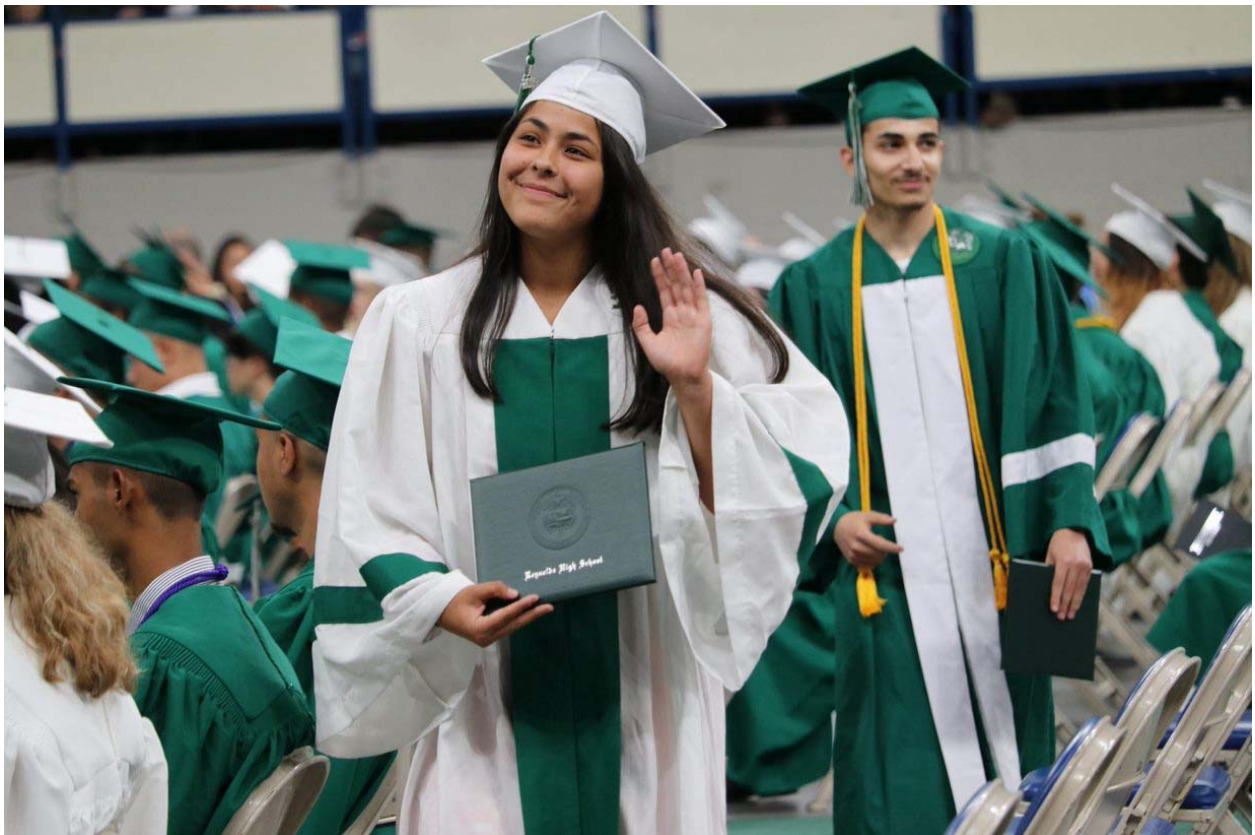


MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7
MULTNOMAH COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019



MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7
MULTNOMAH COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY:

CHRISTINA WEINARD, DIRECTOR OF FINANCIAL SERVICES

REGINA SAMPSON, SENIOR ACCOUNTANT

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

PAGE

I INTRODUCTORY SECTION

Letter of Transmittal	i
Organizational Chart	viii
Elected Officials	ix

II FINANCIAL SECTION

Independent Auditors' Report	1
------------------------------	---

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis	4a-4i
--------------------------------------	-------

BASIC FINANCIAL STATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of the Net Pension Liability (PERS)	44
Schedule of Contributions (PERS)	44
Schedule of Changes in Total OPEB Liability and Related Ratios –	
Health Care	45
Stipends	45
Schedule of Revenues, Expenditures, and Changes in Fund Balances –	
Budget and Actual:	
General Fund	46
Federal Programs Fund	47

SUPPLEMENTARY INFORMATION

Schedules of Revenues, Expenditures, and Changes in Fund Balances –	
Budget and Actual:	
Debt Service Fund	48

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

	<u>PAGE</u>
<u>SUPPLEMENTARY INFORMATION (CONTINUED)</u>	
PERS Bond Fund	49
2015 GO Bond Debt Service Fund	50
2015 GO Bond Projects Fund	51
Schedules of Revenues, Expenditures, and Changes in Fund Balances –	
Budget and Actual (Continued):	
Capital Projects Fund	52
2016 School Improvement Projects Fund	53
Nonmajor Governmental Funds Combining Statements:	
Combining Balance Sheet – Non Major Funds	54
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	55
Schedule of Revenues, Expenditures, and Changes in Fund Balances –	
Budget and Actual:	
Nutrition Service Fund	56
State and Local Programs Fund	57
Self-Insurance Fund	58
Retirement Fund	59
Schedule of Property Tax Transactions and	
Balances of Taxes Uncollected:	
– General Fund	60
– Debt Service Fund	61
Schedule of Expenditures of Federal Awards	62
 <u>III STATISTICAL SECTION</u>	
Net Position by Component	64
Changes in Net Position	65
Fund Balances, Governmental Funds	66
Changes in Fund Balances	67
Assessed Value and Actual Value of Taxable Property	68
Largest Taxpayers within District	72
Property tax rates- Direct and Overlapping Governments	73
Property Tax Levies and Collection	74
Ratios of General Bonded Debt Outstanding and Legal Debt Margin	75
Direct and Overlapping Gross Bonded Debt	76
County-Wide Demographic and Economic Statistics	77
Principal Industries in Multnomah County Area	78
Full-Time Equivalent District Employees by Function- General Fund	79
Licensed Professional Salary Plan	80
Operating Statistics	81
Capital Asset Information	82

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7
MULTNOMAH COUNTY, OREGON
T A B L E O F C O N T E N T S (CONTINUED)

REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS

Independent Auditors' Report Required by Oregon State Regulations 83

GRANT COMPLIANCE REVIEW

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 *Government Auditing Standards* 85

Report on Compliance with Requirements Applicable to each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance 87

Schedule of Findings and Questioned Costs 89



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

December 11, 2019

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Reynolds School District (Multnomah County School District No. 7) for the fiscal year ended June 30, 2019. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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

The District's management has established a comprehensive framework that is designed both to protect the assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statement in conformity with 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.

Independent Audit

The provisions of Oregon Revised Statutes require an independent audit of the financial records and fiscal affairs of the District. The auditors selected by the Board of Education, Pauly, Rogers and Company, P.C., have completed their audit of the financial statements and, accordingly, have issued an unqualified ("clean") opinion on the Reynolds School District's financial statements for the year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

The Single Audit Act of 1984 and the Single Audit Act Amendments of 1996 require state and local governments that expend \$500,000 or more in federal assistance in a year have a special form of audit conducted for that year. Reynolds School District has issued a report on these requirements and the requirements of the implementing circular, U.S. Office of Management and Budget's Circular A-133, Audits of State and Local Government. Pauly, Rogers and Company, P.C. has also provided various required reports. These reports are located in the Single Audit Section of this report.

Management's Discussion and Analysis

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

PROFILE OF THE DISTRICT

Mission Statement:

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

Vision:

Each and every child prepared for a world yet to be imagined.

General Background

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

The District has 11 elementary, three middle, one high school, one alternative school and six alternative programs, serving 10,977 students from a diverse geographic region and from various backgrounds. The students of Reynolds speak more than 68 languages.

The District also has three sponsored charter schools. In May of 1999, the State of Oregon passed Oregon's Charter School Law (ORS 338) which permits parents, teachers, or community members to contract with the school District or the State as a sponsor for the operation of a charter school. The charter schools are financed by a portion of the State School Funds distributed to the District and any revenue they can raise themselves. The District is allowed to withhold 5 – 20% of its State School Funds, per Average Daily Membership Weighted (ADMw). 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 5.8 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, two chief officers, and 48 principals, vice-principals, and district administrators. The District employs 1,145.40 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.

Geography and Population

The District spans from 141st 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 is required to adopt a final budget by no later than the close of the fiscal year. The Oregon Department of Revenue govern 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 assure that the District Budget Document and fiscal practices address the budget goals set by the Board of Education.

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

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

Budgetary appropriations may not be legally over-expended except in the case of reimbursable grant expenditures and trust monies which could not be reasonably estimated at the time the budget was adopted. After budget approval, the Board may approve supplemental appropriations if any occurrence, condition or need exists which had not been anticipated at the time the budget was adopted. Supplemental budgets must be submitted to the Board for approval by the Board.

Cash Management

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

FACTORS AFFECTING FINANCIAL CONDITION

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.

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.

According to the Office of Economic Analysis (OEA), Oregon has averaged 2 percent job growth or 2,000 jobs for the month and the state says it is past the peak growth rates and expansion. Importantly, such gains remain strong enough to hold unemployment down and account for ongoing population growth.

Economic Forecast Summary

		Quarterly					Annual				
		2019:1	2019:2	2019:3	2019:4	2020:1	2018	2019	2020	2021	2022
Personal Income, Nominal	U.S.	3.6	3.8	4.4	4.7	5.0	4.5	4.2	4.6	4.5	4.4
% change	Oregon	5.3	4.4	5.6	5.9	5.6	4.9	5.0	5.5	5.3	5.0
Wages and Salaries, Nominal	U.S.	4.5	4.6	4.6	4.4	4.4	4.5	4.5	4.4	4.3	4.4
% change	Oregon	9.5	5.7	6.0	5.5	5.9	5.0	5.9	5.8	5.4	5.0
Population	U.S.	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
% change	Oregon	1.3	1.3	1.2	1.2	1.2	1.3	1.3	1.2	1.2	1.1
Housing Starts	U.S.	1.21	1.21	1.23	1.25	1.25	1.25	1.23	1.28	1.33	1.35
<i>U.S. millions, Oregon thousands</i>	Oregon	19.4	20.7	21.1	21.3	21.4	19.7	20.6	21.8	23.2	23.9
Unemployment Rate	U.S.	3.8	3.6	3.5	3.5	3.5	3.9	3.6	3.6	3.8	4.0
	Oregon	4.4	4.4	4.4	4.4	4.4	4.2	4.4	4.4	4.7	4.9
Total Nonfarm Employment	U.S.	1.7	1.5	1.1	0.9	1.0	1.7	1.6	1.0	0.5	0.4
% change	Oregon	2.6	2.0	1.6	1.6	1.7	2.0	2.1	1.6	1.3	0.9
Private Sector Employment	U.S.	2.0	1.7	1.3	1.0	0.8	1.9	1.8	0.9	0.5	0.3
% change	Oregon	2.5	2.1	1.7	1.6	1.7	3.3	2.2	1.6	1.4	0.9

<https://www.oregon.gov/das/OEA/Documents/forecast0519.pdf>

K-12 Revenue

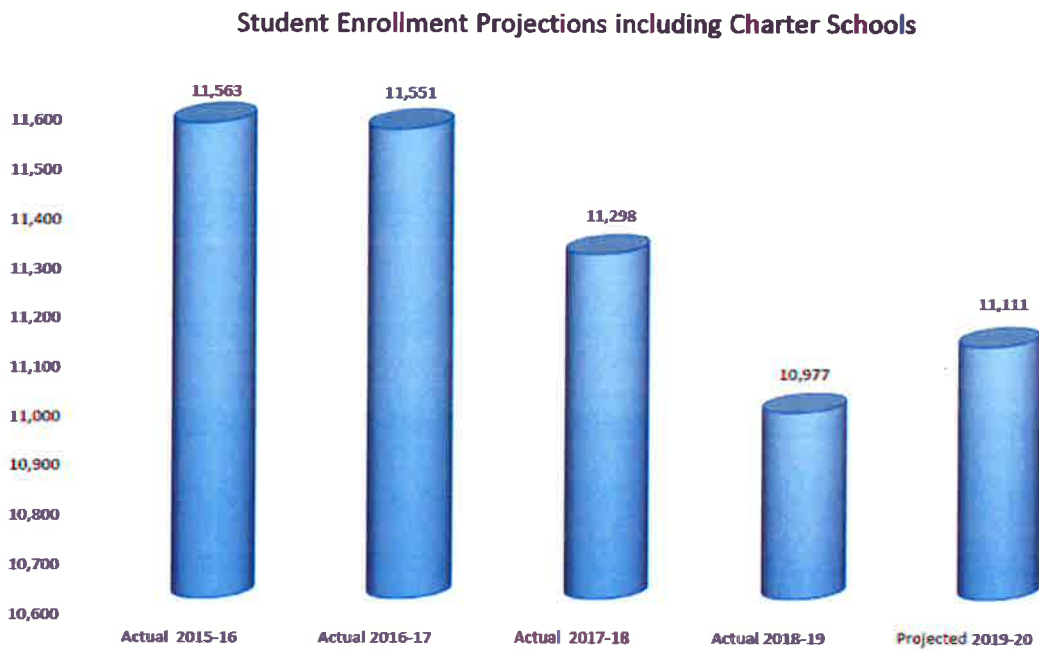
Although Oregon has an improving economy, K-12 is far from stable. The 2019-21 Biennium budget from Governor Kate Brown is at \$9.00 billion with a 49/51 split between 2019-20 and 2020-21. In May 2019, the voters in Oregon voted in favor of House Bill 3427, The Student Success Act. This will bring about 10 million to Reynolds School District in the 2020-21 school year for the Student Investment Account.

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 this will provide some changes to the current PERS system. Starting in July 2020, a portion of contributors 6% will be 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 six years.

The District continues to meet the goal of using current year revenues for current year expenses while maintaining 5% ending fund balance per Board Policy. The goal of the District will be to continue the practice of only spending down fund balances on one-time expenditures such as capital and other non-labor costs.

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

Enrollment in our schools has been declining in recent years, and the projected enrollment for 2019-20 anticipates there will be an increase in overall enrollment. The following chart displays student population for four years based on actual enrollment as of October each year and projected enrollment for 2019 -20:



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

LONG-TERM FINANCIAL PLANNING

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

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. The final element of the Bond Program is the design and construction of secure vestibules in 12 other schools within the District. The district has completed the majority of the projects and is doing the final bond work during the 2019-20 fiscal year.

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

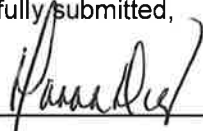
For schools that are not part of the 2015 G.O. Bonds proceeds, the District will continue to annually increase capital improvements to sites and facilities to maintain District's assets. During the 2019-20 and 2020-21 fiscal years the district is working on a new Facilities Master Plan.

ACKNOWLEDGMENTS

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

Respectfully submitted,

Signed:



Dr. Danna Diaz, Superintendent

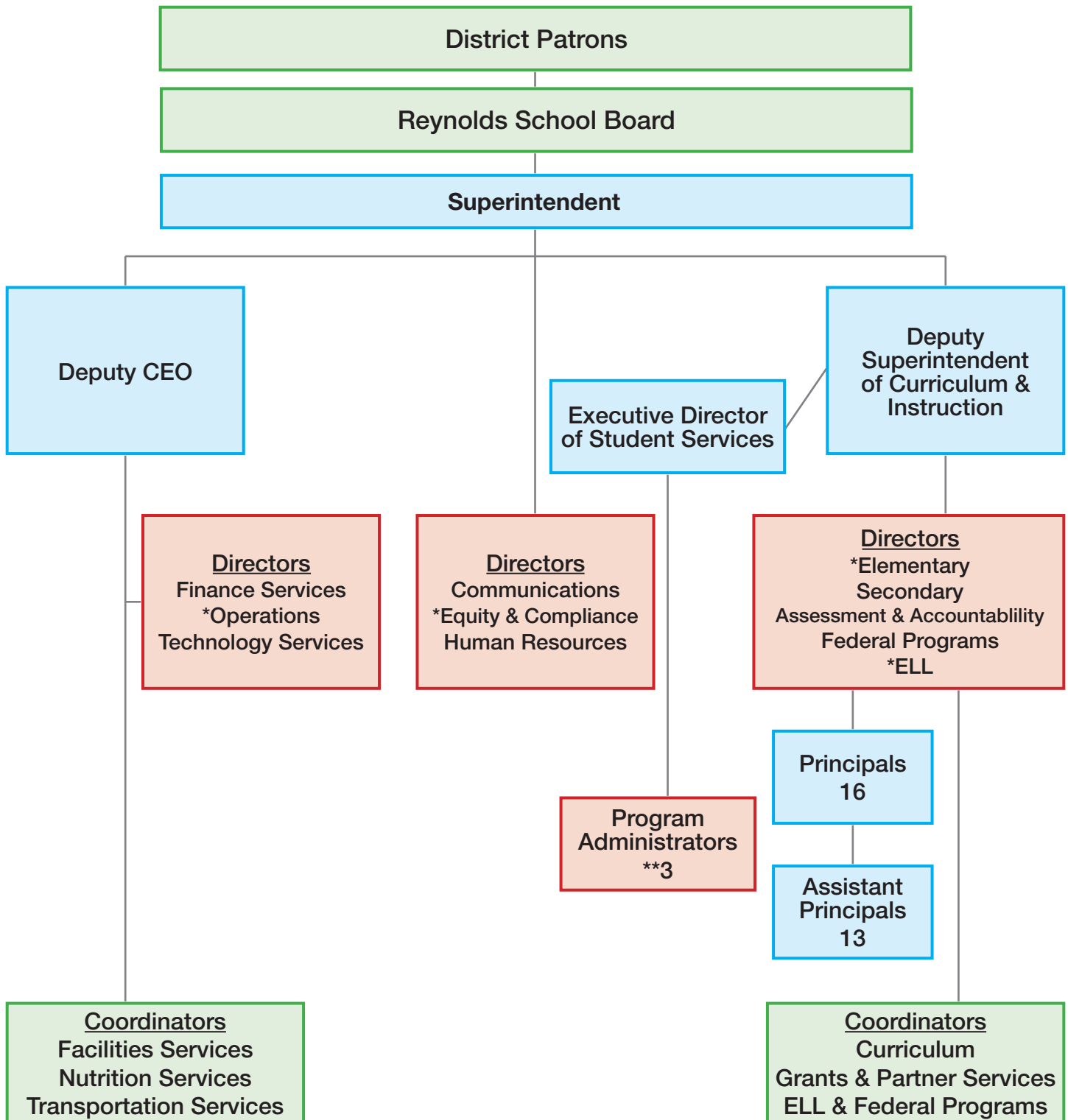
Signed:



Christina Weinard, Director of Finance

REYNOLDS SCHOOL DISTRICT ORGANIZATIONAL CHART 2018-19

Reynolds School District
Organizational Chart
Administrators 2018-2019



*Unfunded Position

**1 Unfunded Position

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7
MULTNOMAH COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2019



Valerie Tewksbury (*Chair*)
Position 1
Term ends: June 30, 2021



Yesenia Delgado
Position 5
Term ends: June 30, 2019



Diego Hernandez
Position 2
Term ends: June 30, 2021



Dane Nickerson (*Vice Chair*)
Position 6
Term ends: June 30, 2019



John Lindenthal
Position 3
Term ends: June 30, 2021



Ricki Ruiz
Position 7
Term ends: June 30, 2019



Joseph Teeny
Position 4
Term ends: June 30, 2021

The above Board Members receive mail at the address below:

Dr. Danna Diaz, Superintendent

Administrative Office
1204 N.E. 201st Avenue
Fairview, Oregon 97024



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

December 9, 2019

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Multnomah County School District No. 7 (the District), as of and for the year ended June 30, 2019, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 83 *Certain Asset Retirement Obligations* and GASB Statement No. 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* for the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

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

Other Information

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

Reports on Legal and Other Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 9, 2019 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 9, 2019, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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



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

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

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, 2019.

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.

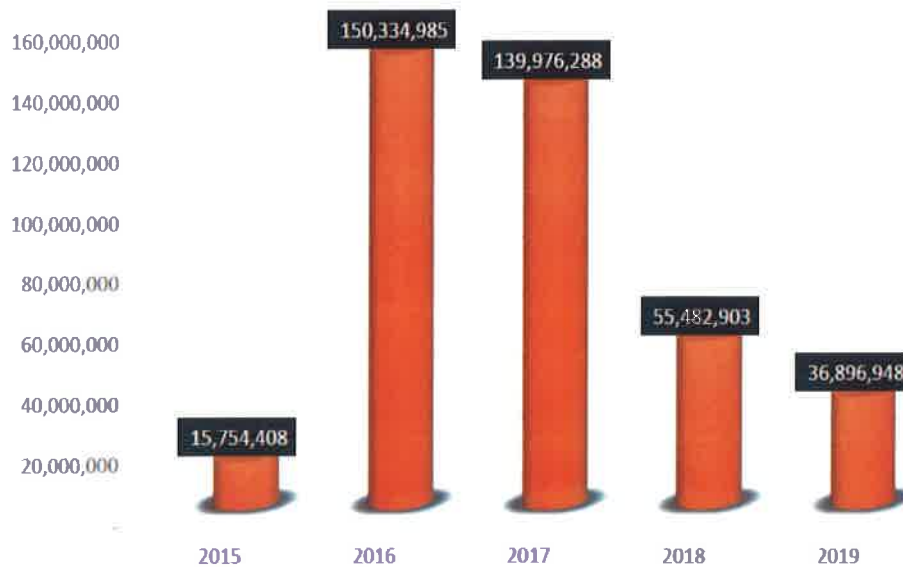
NEW ACCOUNTING STANDARDS IMPLEMENTED

During the year, the District implemented a new accounting standard: GASB Statement No. 88, Certain Disclosures related to Debt, Including Direct Borrowing and Direct Placement. The District anticipates no financial impact as a result of implementing GASB 88. Additional information about the District's pension and OPEB obligations and assets is located in required supplementary information on page 44 and 45.

Financial Highlights

- The government-wide financial statements, the assets and deferred outflows of resources of the District trailed its liabilities and deferred inflows of resources by (\$24.59) million net position. This is because the Net Pension Liability, the Net Other Post Employment Benefit Obligation, the Pension Related Deferrals for PERS RHIA, Stipends and Healthcare have increased. The increase is caused by the new accounting standards implemented during the year.
- At June 30, 2019, the District's total net position decreased by \$277,101 in the District's financial position as compared to the prior year. In another words, the gap between Assets and Liabilities in 17-18 was smaller and the gap has increased in the current year.
- At June 30, 2019, the District's governmental funds reported combined ending fund balances of \$36,896,948. This represents a decrease of \$18,585,955 from the prior year, a 33.5% decrease of in the District's financial position as compared to the prior year. The District has completed its fourth year of a \$125 million capital spending bond approved by the voters in May 2015.

Combined Fund Balance



- At June 30, 2019, the General Fund had a fund balance of \$18,000,647, including a GASB 54 reporting requirement of \$168,186 from 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 Government funds as in prior years.

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

Government-Wide Financial Statements are designed to provide readers with a broad overview of the District's finances in a manner similar to private-sector businesses.

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). As is typical for a school district, the Reynolds School District has governmental

activities, such as regular and special education programs, child nutrition services, transportation, administration, and facilities improvements and construction. These activities are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues. The District does not have any business-type activities.

The government-wide financial statements can be found on pages 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 four major governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Capital Projects Fund and Other Governmental Funds. The District classifies these four funds as major funds.

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

The basic governmental fund financial statements can be found beginning on pages 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 43 of this report.

Other information is included on the basic financial statements and accompanying notes. The State of Oregon requires governmental entities to provide financial information prepared in accordance with Oregon's Budgetary Law (Budgetary Basis). The District also includes additional supplemental information to assist the users of the financial statements in gaining an understanding of the District's financial position. Other information (both required and additional) can be found on pages 44 to 61 of this report.

Additionally, the Federal Government and the State of Oregon require Governmental entities to include additional auditor reports and schedules. The 2018-2019 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 62 and 63, 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 83 to 87 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			
	2019	2018	Increase/Decrease
Assets			
Current and other Assets	\$ 54,250,464	\$ 93,128,056	\$ (38,877,592)
Net Capital Assets	224,147,050	201,895,594	22,251,456
Total Assets	278,397,514	295,023,650	(16,626,136)
Deferred Outflows of Resources			
Pension Related Deferrals	47,105,462	44,782,812	2,322,650
Total Assets and Pension Related Deferrals	325,502,976	339,806,462	(14,303,486)
Liabilities			
Current Liabilities	24,051,010	43,928,424	(19,877,414)
Long Term Liabilities	312,549,792	314,569,359	(2,019,567)
Total Liabilities	336,600,802	358,497,783	(21,896,981)
Deferred Inflows of Resources			
Pension Related Deferrals	13,489,984	5,619,388	7,870,596
Total Liabilities and Pension Related Deferrals	350,090,786	364,117,171	(14,026,385)
Net Position			
Net Investment in Capital Assets	64,070,731	35,148,756	28,921,975
Restricted for OPEB-RHIA Assets	675,690	-	675,690
Restricted for Debt Service	7,149,466	4,631,352	2,518,114
Restricted for State and Local Programs	485,653	85,860	399,793
Restricted for Food Service	1,673,766	3,211,005	(1,537,239)
Unrestricted	(98,643,116)	(67,387,682)	(31,255,434)
Total Net Position	\$ (24,587,810)	\$ (24,310,709)	\$ (277,101)

Net investment in capital assets. As shown in the table above, the District's current net investment in capital assets is \$64.07 million, an increase of \$28.92 million over the prior year. The increase is the result of capital asset additions from bond capital projects and seismic capital grants. The \$64.07 million 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 increase by a total of \$2.06 million in 2018-19, primarily due to increases in Debt Service, OPEB-RHIA Assets, State and Local Programs and a decrease in Food Service.

Unrestricted net position has decreased by 31.26 million, from a negative \$67.39 million to negative \$98.64 million. The decrease in unrestricted net position results from the OPEB reporting requirement and further explanation can be found in note 10 – Defined Benefit Pension Plan and Note 11 – Other Post Employment Benefit Plan.

Statement of Activities

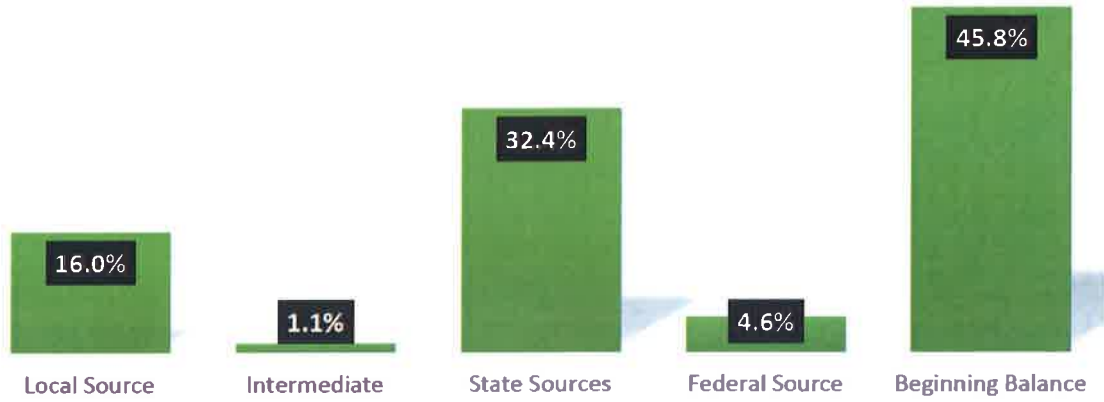
	2019	2018	Increase/Decrease
Revenues			
Program Revenues			
Charges for Services	\$ 325,455	\$ 374,290	(48,835)
Operating Grants and Contributions	19,600,230	17,977,234	1,622,996
General Revenues			
Property Taxes	37,465,827	36,012,407	1,453,420
State Support	99,169,007	96,927,194	2,241,813
Intermediate Sources	972,780	1,804,251	(831,471)
Miscellaneous	2,594,700	3,929,721	(1,335,021)
Total Revenues	160,127,999	157,025,097	3,102,902
Expenses			
Instruction	86,538,680	83,288,226	3,250,454
Support Services	54,708,811	51,500,235	3,208,576
Enterprise and Community Services	8,074,080	6,419,380	1,654,700
Interest on Long-Term Debt	11,083,529	11,063,373	20,156
Total Expenses	160,405,100	152,271,214	8,133,886
Increase (decrease) in net position	(277,101)	4,753,883	(5,030,984)
NET POSITION - BEGINNING, RESTATED	(24,310,709)	(29,064,592)	4,753,883
NET POSITION - ENDING	\$ (24,587,810)	\$ (24,310,709)	\$ (277,101)

Revenues

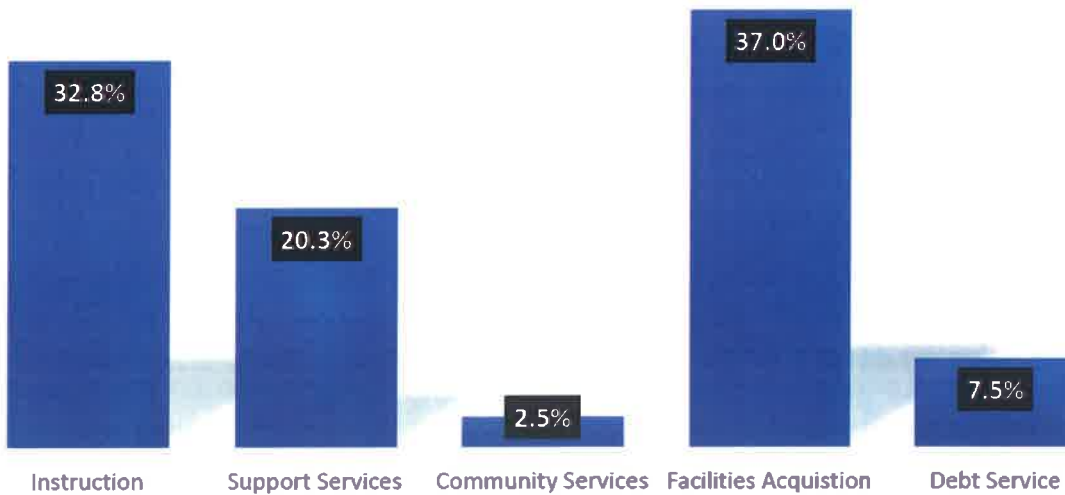
Total revenues increased \$3.1 million from the prior year, is a net result in an increase in the State School Fund funding received, an increase in Operating Grants and Contributions, as well as Property Taxes, offset by a decrease in the Charges for Services, Intermediate Source and Miscellaneous.

General Fund revenues account for approximately 76.41% of all funds revenues. Property taxes are split between General Fund tax levies, and Debt Service requirements. The State School Fund (SSF) is the largest revenue source at \$97,823,391 or 59% of total revenues. 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.

Revenues by Source - 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, *unreserved fund balance* and any unused *budgeted contingencies* may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$36,896,948.

General Fund

The General Fund is the primary operating fund of the District. At the end of the current fiscal year, the total ending fund balance was \$18,000,646. This amount represents \$17,832,461 of the General Fund and \$168,186 of the Early Retirement Fund. GASB 54 requires the Early Retirement Fund's ending fund balance be reported with the General Fund, instead of reporting with Other Government Funds as in prior years.

Federal Programs Fund

Revenues and expenditures in the Federal Programs Fund decreased from \$8,433,881 in 2017-18 fiscal year, to \$8,373,131 in 2018-19 fiscal year due to a decrease in Federal Grants.

Special Revenue Fund

The Special Revenue Fund consists of Nutrition Services, State and Local Programs and Self Insurance Funds. This fund has decrease in total fund balance from \$6,722,046 in 2017-18 fiscal year, to \$6,072,318 in 2018-19 fiscal year, primarily due to a decrease in contracts and revenues.

Capital Asset and Debt Administration

Capital assets

The District's investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$224,147,050 net of accumulated depreciation. This investment in capital assets includes land, buildings, equipment, and vehicles.

Capital Assets (Net of Depreciation includes the following):

	2019	2018	Increase/Decrease
Land	18,236,549	18,236,549	-
Construction in Progress	-	118,974,579	(118,974,579)
Buildings and Improvements	202,387,729	61,573,227	140,814,502
Vehicles and Equipment	3,522,772	3,111,239	411,533
	<u>224,147,050</u>	<u>201,895,594</u>	<u>22,251,456</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 \$214,186,450 consisting of general obligation debt and pension obligation debt, net of unamortized premium/discount.

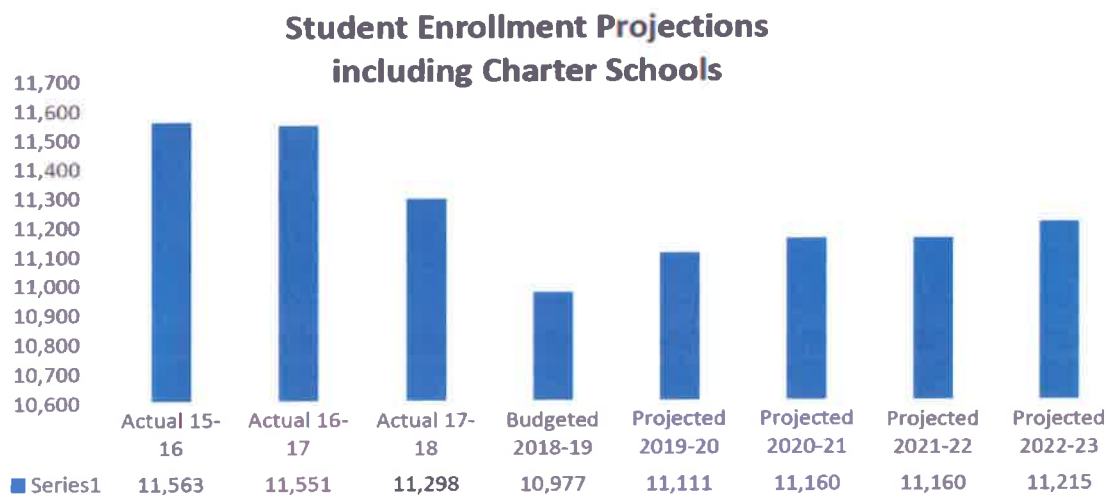
Long-Term Debt for the year ended June 30, 2019

	2019	2018	Increase/Decrease
Bond Payable	193,550,728	201,258,102	(7,707,374)
Notes Payable	20,635,722	21,733,401	(1,097,679)
	214,186,450	222,991,503	(8,805,053)

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.
- Enrollment in our schools has been declining in recent years, and the projected enrollment for 2019-20 anticipates that there will be an increase in overall enrollment.



- The Oregon state economy is continuing to improve, with the unemployment rate for Oregon as of June 2019 was keeping steady at 3.6%, which is consistent with the rates seen over the last 12 months, according to the Bureau of Labor Statistics.
- The costs of salaries and related benefits are expected to increase in 2019-20. The utility costs continue to escalate.

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

The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2019-20 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 Finance Service at 1204 NE 201st Ave, Fairview OR 97024. Electronic copies of this report may be found at the district website:

<http://www.reynolds.k12.or.us/dept/business.html>.

Respectfully submitted,

Signed: _____

Dr. Danna Diaz, Superintendent

Signed: _____

Christina Weinard, Director of Finance

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, 2019

	Governmental Activities
ASSETS	
Cash and Investments	\$ 45,068,475
Receivables:	
Accounts and Grants	5,838,057
Property Taxes	1,136,861
Supply Inventories & Assets Held for Resale	308,829
Other Prepaid Expenses	15,227
Equity in CAL	1,207,325
Total OPEB Asset - RHIA	675,690
Capital Assets, Non-Depreciable	18,236,549
Capital Assets, Depreciable, Net	205,910,501
Total Assets	278,397,514
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Deferrals - PERS	45,854,455
OPEB Related Deferrals - Stipends	287,735
OPEB Related Deferrals - Health Care	960,214
OPEB Related Deferrals - RHIA	3,058
Total Deferred Outflows	47,105,462
TOTAL ASSETS AND PENSION RELATED DEFERRALS	325,502,976
LIABILITIES	
Accounts Payable	7,180,505
Retainage Payable	23,366
Accrued Salaries and Benefits	6,334,634
Unearned Revenue	917,989
Accrued Vacation Payable	124,379
Bond & Note Interest Payable	197,800
Noncurrent liabilities:	
Due within one year	9,272,337
Due in more than one year	204,914,114
Proportionate share of Net Pension Liability (PERS)	91,931,245
Total OPEB Liability - Stipends	2,269,973
Total OPEB Liability - Health Care	13,434,460
Total Liabilities	336,600,802
DEFERRED INFLOWS OF RESOURCES	
Pension Related Deferrals - PERS	12,509,770
OPEB Related Deferrals - Stipends	105,336
OPEB Related Deferrals - Health Care	681,933
OPEB Related Deferrals - RHIA	192,945
Total Deferred Inflows	13,489,984
TOTAL LIABILITIES AND PENSION RELATED DEFERRALS	350,090,786
NET POSITION	
Net Investment in Capital Assets	64,070,731
Restricted for OPEB-RHIA Asset	675,690
Restricted for Debt Service	7,149,466
Restricted for State & Local Programs	485,653
Restricted for Food Service	1,673,766
Unrestricted	(98,643,116)
Total Net Position	\$ (24,587,810)

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, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Instruction	\$ 86,538,680	\$ 470	\$ 3,847,680	\$ (82,690,530)
Support Services	54,708,811	37,222	2,122,780	(52,548,809)
Community Services	8,074,080	287,763	13,629,770	5,843,453
Interest on Long-Term Debt	11,083,529	-	-	(11,083,529)
Total Governmental Activities	\$ 160,405,100	\$ 325,455	\$ 19,600,230	(140,479,415)

General Revenues:

Property Taxes Levied for General Purposes	26,335,319
Property Taxes Levied for Debt Service	11,130,508
Other Federal Revenue	8,567
State Support	99,169,007
Intermediate Sources	972,780
Earnings on Investments	1,545,422
Gain (Loss) on Sale of Assets	(2,912,200)
Loss on Equity - CAL	(34,356)
Miscellaneous	3,987,267
Total General Revenues	140,202,314
Change in Net Position	(277,101)
Net Position - Beginning	(24,310,709)
Net Position - Ending	\$ (24,587,810)

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, 2019

	<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>
ASSETS:					
Cash & Equity in Pooled Cash	\$ 16,636,846	\$ -	\$ 7,819,314	\$ 152,720	\$ 5,558,367
Receivables:					
Accounts and Grants	903,951	1,805,897	26,163	-	28,716
Property Taxes	812,593	-	184,757	-	139,511
Interfund Receivable	11,819,473	-	-	79,278	-
Prepaid	4,552	-	-	-	-
Inventory & Property Held for Resale	-	-	-	-	-
Total Assets	\$ 30,177,415	\$ 1,805,897	\$ 8,030,234	\$ 231,998	\$ 5,726,594
LIABILITIES, AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 4,359,846	\$ 369,822	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	6,334,634	-	-	-	-
Retainage Payable	-	-	-	-	-
Interfund Payable	-	1,309,368	4,712,717	-	1,837,336
Total Liabilities	10,694,480	1,679,190	4,712,717	-	1,837,336
Deferred Inflows of Resources:					
Deferred Grants	757,588	126,707	-	-	-
Unavailable Revenue:					
Property Taxes	724,700	-	167,997	-	121,310
Total Deferred Inflows of Resources	1,482,288	126,707	167,997	-	121,310
Fund Balances (Deficit):					
Nonspendable	4,552	-	-	-	-
Restricted:					
Debt Service	-	-	3,149,520	231,998	3,767,948
State & Local Programs	-	-	-	-	-
Food Service	-	-	-	-	-
Committed:					
Early Retirement	168,186	-	-	-	-
Self Insurance	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	17,827,909	-	-	-	-
Total Fund Balances (Deficit)	18,000,647	-	3,149,520	231,998	3,767,948
Total Liabilities and Fund Balances	\$ 30,177,415	\$ 1,805,897	\$ 8,030,234	\$ 231,998	\$ 5,726,594

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, 2019

	2015 GO BONDS PROJECTS FUND	CAPITAL PROJECTS FUND	2016 SCHOOL IMPROVEMENT PROJECT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash & Equity in Pooled Cash	\$ 14,074,102	\$ 288,423	-	\$ 538,703	\$ 45,068,475
Receivables:					
Accounts and Grants	53,285	83,195	-	2,936,850	5,838,057
Property Taxes	-	-	-	-	1,136,861
Interfund Receivable	-	113,288	1,055,756	3,218,381	16,286,176
Prepaid	-	-	-	10,675	15,227
Inventory & Property Held for Resale	-	-	-	308,829	308,829
Total Assets	\$ 14,127,387	\$ 484,906	\$ 1,055,756	\$ 7,013,438	\$ 68,653,625
LIABILITIES, AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 1,546,196	\$ 43	\$ -	\$ 904,598	\$ 7,180,505
Accrued Salaries and Benefits	-	-	-	-	6,334,634
Retainage Payable	20,538	-	-	2,828	23,366
Interfund Payable	8,426,755	-	-	-	16,286,176
Total Liabilities	9,993,489	43	-	907,426	29,824,681
Deferred Inflows of Resources:					
Deferred Grants	-	-	-	33,694	917,989
Unavailable Revenue:					
Property Taxes	-	-	-	-	1,014,007
Total Deferred Inflows of Resources	-	-	-	33,694	1,931,996
Fund Balances (Deficit):					
Nonspendable	-	-	-	319,504	324,056
Restricted:					
Debt Service	-	-	-	-	7,149,466
State & Local Programs	-	-	-	485,653	485,653
Food Service	-	-	-	1,673,766	1,673,766
Committed:					
Early Retirement	-	-	-	-	168,186
Self Insurance	-	-	-	536,264	536,264
Assigned	4,133,898	484,863	1,055,756	3,057,131	8,731,648
Unassigned	-	-	-	-	17,827,909
Total Fund Balances (Deficit)	4,133,898	484,863	1,055,756	6,072,318	36,896,948
Total Liabilities and Fund Balances	\$ 14,127,387	\$ 484,906	\$ 1,055,756	\$ 7,013,438	\$ 68,653,625

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, 2019

TOTAL FUND BALANCES-GOVERNMENTAL FUNDS	\$	36,896,948
<p>Capital assets are not financial resources and therefore are not reported in the governmental funds.</p>		
Cost	\$	301,540,656
Accumulated Depreciation	<u>(77,393,606)</u>	224,147,050
<p>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.</p>		
		1,014,007
<p>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.</p>		
		(91,931,245)
<p>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.</p>		
		675,690
<p>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.</p>		
		(2,269,973)
<p>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.</p>		
		(13,434,460)
<p>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.</p>		
<p style="padding-left: 40px;">Net PERS Pension and OPEB Related Deferrals</p>		
Deferred Outflows - PERS	45,854,455	
Deferred Inflows - PERS	(12,509,770)	
Deferred Outflows - OPEB Stipends	287,735	
Deferred Inflows - OPEB Stipends	(105,336)	
Deferred Outflows - OPEB Health Care	960,214	
Deferred Inflows - OPEB Health Care	(681,933)	
Deferred Outflows - OPEB RHIA	3,058	
Deferred Inflows - OPEB RHIA	<u>(192,945)</u>	33,615,478
<p>Equity interest in the Center for Advanced Learning (CAL) is not reported in the governmental funds:</p>		
		1,207,325
<p>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.</p>		
<p style="padding-left: 40px;">Long term Liabilities:</p>		
Accrued Vacation Payable	(124,379)	
Bond & Note Interest Payable	(197,800)	
Debt Obligations	<u>(214,186,451)</u>	<u>(214,508,630)</u>
TOTAL NET POSITION	\$	<u>(24,587,810)</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, 2019

REVENUES:	GENERAL FUND	FEDERAL PROGRAMS FUND	DEBT SERVICE FUND	PERS BOND FUND	2015 GO BOND DEBT SERVICE FUND
Local Sources	\$ 29,273,617	\$ -	\$ 5,623,925	\$ 8,178,468	\$ 5,977,560
Intermediate Sources	394,539	-	-	-	-
State Sources	99,229,044	-	-	-	-
Federal Sources	62,436	8,373,131	-	-	-
Total Revenues	128,959,636	8,373,131	5,623,925	8,178,468	5,977,560
EXPENDITURES:					
Current:					
Instruction	76,211,460	5,348,944	-	-	-
Support Services	46,688,956	2,866,111	-	-	-
Community Services	177,832	158,076	-	-	-
Facilities Acquisition	-	-	-	-	-
Debt Service	322,310	-	5,084,500	8,095,490	4,081,850
Total Expenditures	123,400,558	8,373,131	5,084,500	8,095,490	4,081,850
Revenues over (under) expenditures	5,559,078	-	539,425	82,978	1,895,710
Other Financing Sources, (Uses):					
Transfers In	280,000	-	-	-	-
Transfers Out	(1,634,267)	-	-	-	-
Total other financing sources (Uses)	(1,354,267)	-	-	-	-
Net Change in Fund Balance	4,204,811	-	539,425	82,978	1,895,710
Fund balance, beginning	13,795,836	-	2,610,095	149,020	1,872,238
Fund balance, ending	\$ 18,000,647	\$ -	\$ 3,149,520	\$ 231,998	\$ 3,767,948

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, 2019

REVENUES:	2015 GO BOND PROJECTS FUND	CAPITAL PROJECTS FUND	2016 SCHOOL IMPROVEMENT PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Local Sources	\$ 908,455	\$ 503,333	\$ -	\$ 2,375,043	\$ 52,840,401
Intermediate Sources	-	-	-	1,717,290	2,111,829
State Sources	-	-	-	4,188,606	103,417,650
Federal Sources	-	-	-	5,370,804	13,806,371
Total Revenues	908,455	503,333	-	13,651,743	172,176,251
EXPENDITURES:					
Current:					
Instruction	-	-	-	3,264,230	84,824,634
Support Services	-	-	274,148	3,519,305	53,348,520
Community Services	-	-	-	7,568,615	7,904,523
Facilities Acquisition	25,460,791	-	-	-	25,460,791
Debt Service	-	1,639,588	-	-	19,223,738
Total Expenditures	25,460,791	1,639,588	274,148	14,352,150	190,762,206
Revenues over (under) expenditures	(24,552,336)	(1,136,255)	(274,148)	(700,407)	(18,585,955)
Other Financing Sources, (Uses):					
Transfers In	-	1,303,588	-	50,679	1,634,267
Transfers Out	-	-	-	-	(1,634,267)
Total other financing sources (Uses)	-	1,303,588	-	50,679	-
Net Change in Fund Balance	(24,552,336)	167,333	(274,148)	(649,728)	(18,585,955)
Fund balance, beginning	28,686,234	317,530	1,329,904	6,722,046	55,482,903
Fund balance, ending	\$ 4,133,898	\$ 484,863	\$ 1,055,756	\$ 6,072,318	\$ 36,896,948

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, 2019

TOTAL NET CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS \$ (18,585,955)

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 capital assets	\$ 28,478,652	
Less current year depreciation	<u>(3,314,996)</u>	25,163,656

The amount by which cost of assets disposed exceeded accumulated depreciation in the current period

Cost of assets disposed	(8,125,263)	
Accumulated depreciation	<u>5,213,063</u>	(2,912,200)

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.

Principal Payments on Bond Payables	7,095,532	
Principal Payments on Note Payables	<u>1,035,714</u>	8,131,246

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	750,530	
Amortization of note premiums	61,965	
Accretion of discount on pension obligation bonds	<u>(138,689)</u>	673,806

Net Pension Expense - Stipends (43,663)

Net OPEB Expense - Health Care (730,138)

Net OPEB Expense - RHIA 485,803

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. 8,963

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. (734,481)

Changes in equity in the Center for Advanced Learning (CAL) is not reported in the governmental funds: (34,356)

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. (11,688,812)

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. (10,970)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (277,101)

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2016 SCHOOL IMPROVEMENT PROJECTS FUND

This fund accounts for major capital outlay expenditures relating to the acquisition, construction and rehabilitation of Qualified Zone Academy Bond eligible facilities. Principal financing sources include the proceeds from the issuance of debt.

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

Additionally, there is the following other fund type:

FIDUCIARY FUNDS

In the prior year, Fiduciary Funds reported private scholarships donated to the district. These funds fully dissolved in 2017-18 and therefore are not reported in the current year.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

NET POSITION

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

- Net Investment in Capital Assets – consists of all capital assets reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There is net position restricted for special projects.
- Unrestricted – consists of all other assets that are not included in the other categories previously mentioned.

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

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 position 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, 2019 there were deferred outflows of \$45,854,455 representing PERS pension related deferrals, \$287,735 representing OPEB related deferrals for stipends, \$960,214 representing OPEB related deferrals for health care and \$3,058 representing 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2019, there were deferred inflows of \$12,509,770 representing PERS pension related deferrals, \$105,336 representing OPEB related deferrals for stipends, \$681,933 representing OPEB related deferrals for health care, and \$192,945 representing OPEB related deferrals for RHIA reported in the statement of net position. The governmental funds balance sheet reports unavailable revenues of \$1,931,996 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

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 AND PREPAID ITEMS

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

ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables are comprised primarily of claims for reimbursement of costs under various federal, state and local grants. Amounts due from Federal agencies are considered by management to be fully collectible. An allowance for uncollectible accounts receivable from the public is established when management determines that collection is unlikely to occur. At June 30, 2019 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

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

LONG TERM OBLIGATIONS

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

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

RETIREMENT PLANS

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

USE OF ESTIMATES

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

RETAINAGE PAYABLE

Retainage payable is comprised of amounts of the contract price for construction that are withheld from payment until construction work is substantially complete.

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - 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.

BUDGETARY INFORMATION – CONTINUED

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 was one supplemental appropriation during the year. Budget amounts shown in the budgetary financial statements reflect the original and final amended budget. Expenditures of the various funds were within authorized appropriations.

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, 2019 was \$1,207,325.

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.

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

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, 2019 was \$1,429,455, 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, 2019, 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. We intend to measure these investments at book value since it approximates fair value. 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. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. 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.

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, 2019, the District appeared to be in compliance with all policies regarding depositories, instruments and maturities.

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

NOTE 5. CASH AND INVESTMENTS - CONTINUED

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 36 months, within the time frame of the anticipated use of funds.

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. Municipal bond investments held by the District are rated AA+/AAA.

Concentration of Credit Risk

At June 30, 2019, 68% of total investments were in the State Treasurer's Investment Pool, and 32% in treasury obligations and US government agency securities. State statutes do not limit the percentage of investments in these instruments.

Cash and Investments at June 30, 2019 (recorded at fair value) consisted of:

	2019
Cash and Investments	
Deposits with financial institutions	\$ 1,429,455
Oregon Local Government Investment Pool	29,505,055
Other Investments	14,133,965
Total Cash and Investments	\$ 45,068,475

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)	\$ 29,505,055	\$ 29,505,055	\$ -	\$ -
US Agency Securities	14,133,965	10,142,945	3,991,020	-
Total	\$ 43,639,020	\$ 39,648,000	\$ 3,991,020	\$ -

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

NOTE 6. ARTS TAX

In November 2012, voters in the District 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 District 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, 2019 are as follows:

	Arts Tax Revenues	Arts Tax Expenditures	Music FTE Funded	Art FTE Funded	Total FTE
Alder Elementary	\$ 79,148	\$ 74,207	1.34	0.25	1.59
Glenfair Elementary	126,270	99,312	0.67	0.25	0.92
Margaret Scott Elementary	88,317	67,374	1.34	0.25	1.59
Wilkes Elementary	100,804	87,841	0.67	0.25	0.92
	<u>\$ 394,539</u>	<u>\$ 328,734</u>	<u>4.02</u>	<u>1</u>	<u>5.02</u>

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 occurred as follows:

	Balance July 1, 2018	Adjustments	Additions	Deletions	Balance June 30, 2019
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Construction in Process	\$ 118,974,579	\$ (118,974,579)	\$ -	\$ -	\$ -
Land	18,236,549	-	-	-	18,236,549
Total Capital Assets Not being Depreciated:	<u>137,211,128</u>	<u>(118,974,579)</u>	<u>-</u>	<u>-</u>	<u>18,236,549</u>
Capital Assets Being Depreciated:					
Buildings and Improvement	130,691,710	118,974,579	27,227,461	(7,675,263)	269,218,487
Vehicles and Equipment	13,284,429	-	1,251,191	(450,000)	14,085,620
Total Capital Assets Being Depreciated:	<u>143,976,139</u>	<u>118,974,579</u>	<u>28,478,652</u>	<u>(8,125,263)</u>	<u>283,304,107</u>
Accumulated Depreciation					
Buildings and Improvement	69,118,483	-	2,475,338	(4,763,063)	66,830,758
Vehicles and Equipment	10,173,190	-	839,658	(450,000)	10,562,848
Total Accumulated Depreciation	<u>79,291,673</u>	<u>-</u>	<u>3,314,996</u>	<u>(5,213,063)</u>	<u>77,393,606</u>
Total Capital Assets Being Depreciated, Net	<u>64,684,466</u>	<u>-</u>	<u>25,163,656</u>	<u>(2,912,200)</u>	<u>205,910,501</u>
Governmental Activities	<u>\$ 201,895,594</u>				<u>\$ 224,147,050</u>

During 2018-19, deletions were made for buildings and equipment, and a loss on sale of assets resulted from the removal of three elementary schools that were replaced with 2015 Bond Funds.

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

Instruction	\$ 2,528,398
Support Services	695,274
Community Services	91,324
	<u>\$ 3,314,996</u>

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

NOTE 8. INTERFUND TRANSFERS AND INTERFUND RECEIVABLE/PAYABLES

	Transfers Out	Transfers In
General Fund	\$ 1,634,267	\$ 280,000
Capital Projects	-	1,303,588
Other Governmental Funds	-	50,679
	\$ 1,634,267	\$ 1,634,267

During the year ended June 30, 2019, \$1,634,267 was transferred to other funds including \$50,679 transferred to the Nutrition Services Fund to match free and reduced meal and free milk programs as required, \$1,303,588 transferred to the Capital Projects Fund for payment of Full Faith and Credit Refunding obligations, and \$280,000 transferred to the Early Retirement Fund for payment of insurance benefits and stipends as required by negotiated contracts. The Early Retirement Fund is rolled into the General Fund for reporting purposes.

	Receivable	Payable
General Fund	\$ 11,819,473	\$ -
Federal Program Funds	-	1,309,368
Debt Service Fund	-	4,712,717
2015 GO Bond Debt Fund	-	1,837,336
PERS Bond Fund	79,278	-
Capital Projects Fund	113,288	-
2015 GO Bond Project Fund	-	8,426,755
2016 School Improvements Fund	1,055,756	-
Other Governmental Funds	3,218,381	-
	\$ 16,286,176	\$ 16,286,176

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

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

NOTE 9. LONG-TERM OBLIGATIONS CONTINUED

Advance Refunding Bonds

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

Qualified Zone Academy Bonds Series 2004

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

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.

Changes in bonds outstanding are as follows:

<u>Issue Date</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding June 30, 2018</u>	<u>Adjustments</u>	<u>Issued</u>	<u>Matured and Redeemed</u>	<u>Outstanding June 30, 2019</u>
<u>Bonds Payable</u>							
March 1, 2005	3.0-5.0	\$ 32,500,000	\$ 9,590,000	\$ -	\$ -	\$ 4,605,000	\$ 4,985,000
April 21, 2003	1.5-6.27	80,978,772	53,223,817	-	-	2,158,936	51,064,881
August 20, 2015	2.0-5.0	122,945,047	122,420,047	-	-	95,000	122,325,047
<u>Direct Borrowings</u>							
July 1, 2004	N/A	2,100,000	122,310	-	-	122,310	-
August 4, 2016	N/A	4,000,000	<u>3,714,286</u>	<u>85,714</u>	<u>-</u>	<u>200,000</u>	<u>3,600,000</u>
	Subtotal		189,070,460	85,714	-	7,181,246	181,974,928
	Premium		12,881,080	-	-	750,530	12,130,550
	Accretion on pension obligation bonds		<u>(693,439)</u>	<u>-</u>	<u>-</u>	<u>(138,689)</u>	<u>(554,750)</u>
	Total		<u>\$ 201,258,101</u>	<u>\$ 85,714</u>	<u>\$ -</u>	<u>\$ 7,793,087</u>	<u>\$ 193,550,728</u>

The adjustment of \$85,714 is a result of a comprehensive review by management of amortization.

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

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
2020	\$ 7,532,822	\$ 10,579,967	\$ 18,112,789
2021	8,257,975	10,752,565	19,010,540
2022	8,779,607	10,912,383	19,691,990
2023	9,324,477	11,072,262	20,396,739
2024	15,680,000	5,456,740	21,136,740
2025-29	83,825,000	13,914,036	97,739,036
2030-34	36,269,445	29,701,305	65,970,750
2035-36	12,305,602	16,614,397	28,919,999
	<u>\$ 181,974,928</u>	<u>\$ 109,003,655</u>	<u>\$ 290,978,583</u>

NOTES PAYABLE

Full Faith & Credit Obligations (Bond Anticipation) Notes Payable - Series 2010 - Refunding

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

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.

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

Name	Interest Rates	Original Issue	Outstanding June 30, 2018	Issued	Matured and Redeemed	Outstanding June 30, 2019
Full Faith and Credit Obligation	2-5%	\$23,850,000	\$ 18,680,000	\$ -	\$ 750,000	\$ 17,930,000
Financing Agreement	2.5%	2,000,000	2,000,000	-	285,714	1,714,286
Sub-Total			20,680,000	-	1,035,714	19,644,286
Premium			1,053,401	-	61,965	991,436
Total			<u>\$ 21,733,401</u>	<u>\$ -</u>	<u>\$ 1,097,679</u>	<u>\$ 20,635,722</u>

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

NOTE 9. LONG-TERM OBLIGATIONS – CONTINUED

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

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2020	\$ 1,065,714	\$ 907,328	\$ 1,973,042
2021	1,095,714	867,448	1,963,162
2022	1,185,714	826,368	2,012,082
2023	1,165,714	781,688	1,947,402
2024	1,210,714	730,320	1,941,034
2025-29	5,590,716	2,903,714	8,494,430
2030-34	6,765,000	1,439,000	8,204,000
2035	1,565,000	78,250	1,643,250
	<u>\$ 19,644,286</u>	<u>\$ 8,534,116</u>	<u>\$ 28,178,402</u>

Total long-term liability activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Adjustments	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$ 189,070,460	\$ 85,714	\$ -	\$ 7,181,246	\$ 181,974,928	\$ 7,532,822
Premium	12,881,080	-	-	750,530	12,130,550	750,525
Accretion	(693,439)	-	-	(138,689)	(554,750)	(138,689)
Total	<u>201,258,101</u>	<u>85,714</u>	<u>-</u>	<u>7,793,087</u>	<u>193,550,728</u>	<u>8,144,658</u>
Notes Payable	20,680,000	-	-	1,035,714	19,644,286	1,065,714
Premium	1,053,401	-	-	61,965	991,436	61,965
Total	<u>21,733,401</u>	<u>-</u>	<u>-</u>	<u>1,097,679</u>	<u>20,635,722</u>	<u>1,127,679</u>
Total long-term debt	<u>\$ 222,991,503</u>	<u>\$ 85,714</u>	<u>\$ -</u>	<u>\$ 8,890,766</u>	<u>\$ 214,186,451</u>	<u>\$ 9,272,337</u>

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.

NOTE 10. 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 Comprehensive Annual Financial

Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>

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

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

NOTE 10. DEFINED BENEFIT PENSION PLAN – CONTINUED

- 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 on or more of the following contributions are met:
- member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

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

NOTE 10. 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.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv. **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

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, 2015 actuarial valuation, which became effective July 1, 2017. 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, 2019 were \$14,616,246, excluding amounts to fund employer specific liabilities. In addition, approximately \$6,450 in employee contributions were paid or picked up by the District in 2018-2019.

Pension Asset or Liability

At June 30, 2019, the District reported a net pension liability of \$91,931,245 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. 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 dates of June 30, 2018 and 2017, the District's proportion was .61 and .63 percent, respectively. Pension expense for the year ended June 30, 2019 was \$11,688,812.

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

NOTE 10. DEFINED BENEFIT PENSION PLAN – CONTINUED

The rates in effect for the year ended June 30, 2019 were:

- (1) Tier 1/Tier 2 – 13.20%
- (2) OPSRP-General Services – 7.87%
- (3) PERS-UAL - 12.15%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 3,127,226	\$ -
Changes in assumptions	21,373,840	-
Net difference between projected and actual earnings on pension plan investments	-	(4,082,267)
Net changes in proportionate share	6,730,685	(2,331,837)
Differences between District contributions and proportionate share of contributions	6,458	(6,095,666)
Subtotal - Amortized Deferrals (below)	31,238,209	(12,509,770)
District contributions subsequent to measurement date	14,616,246	-
Deferred outflow (inflow) of resources	\$ 45,854,455	\$ (12,509,770)

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, 2020.

Subtotal amounts related to pension as deferred outflows of resources, \$31,238,209, and deferred inflows of resources, (\$12,509,770), net to \$18,728,439 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2020	\$ 11,466,134
2021	8,103,655
2022	(1,323,764)
2023	167,866
2024	314,548
Thereafter	-
Total	\$ 18,728,439

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2019. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2017 through June 30, 2019, 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 10. DEFINED BENEFIT PENSION PLAN - CONTINUED

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2016 rolled forward to June 30, 2018
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent (changed from 7.50 percent)
Projected salary increase	3.50 percent overall payroll growth
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/1.15%) in accordance with Moro decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Date Scale.

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 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	13.5%	21.5%	17.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

Source: June 30, 2018 PERS CAFR; p. 98

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

NOTE 10. 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 July 2015, revised as of June 7, 2017, the PERS Board reviewed its 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	Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		2.50%

Source: June 30, 2018 PERS CAFR; p. 72

Discount Rate – The discount rate used to measure the total pension liability, as of the measurement dates June 30, 2018 and 2017 was 7.20 and 7.50, 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 7.20 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

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

NOTE 10. DEFINED BENEFIT PENSION PLAN – CONTINUED

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 153,634,479	\$ 91,931,245	\$ 41,000,276

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, 2018 Measurement Date that meet this requirement and 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.

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

NOTE 10. DEFINED BENEFIT PENSION PLAN – CONTINUED

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. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2019.

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.

<https://www.oregon.gov/pers/emp/pages/GASB.aspx>

NOTE 11. 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 0.53% of annual covered OPERF payroll and 0.45% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions subsequent to measurement date for RHIA are included in the PERS contributions (see Note 10) for all reporting years, and equaled the required contributions each year.

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

NOTE 11. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) - CONTINUED

At June 30, 2019, the District reported a net OPEB liability/(asset) of (\$675,690) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2018, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2016. Consistent with GASB Statement No. 75, paragraph 59(a), The District's proportion of the net OPEB liability/(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, 2018 and 2017, the District's proportion was .61 percent and .62 percent, respectively. OPEB Income for the year ended June 30, 2019 was \$66,108.

Components of OPEB Expense/(Income):

Employer OPEB Expense for Measurement Period

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (63,419)
Net Amortization of employer-specific deferred amounts from:	
Changes in proportionate share (per paragraph 64 of GASB 75)	(2,689)
Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-

Employer's Total OPEB Expense/(Income)	\$ (66,108)
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Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 38,293
Changes in assumptions	-	2,144
Net difference between projected and actual earnings on pension plan investments	-	145,677
Net changes in proportionate share	3,058	6,831
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	3,058	192,945
District contributions subsequent to measurement date	-	-
Deferred outflow (inflow) of resources	\$ 3,058	\$ 192,945

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2020.

Subtotal amounts related to OPEB as deferred outflows of resources, \$3,058, and deferred inflows of resources (\$192,945), net to (\$189,887) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2020	\$ (64,002)
2021	(62,795)
2022	(48,608)
2023	(14,482)
2024	-
Thereafter	-
Total	\$ (189,887)

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

NOTE 11. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) - CONTINUED

District contributions subsequent to measurement date for RHIA are included in the PERS contributions (see Note 10) and are not booked separately as RHIA deferred outflows.

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, 2018. That independently audited report was dated March 1, 2019 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2019/GASB-75-RHIA-YE-06-30-2018.pdf>

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2016 rolled forward to June 30, 2018
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent overall payroll growth
Retiree healthcare participation	Healthy retirees: 38%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2018 and 2017, was 7.20 percent and 7.50 percent, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from 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 liability.

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

NOTE 11. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) - 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 July 2015, revised as of June 7, 2017, 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
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		2.50%

Source: June 30, 2018 PERS CAFR; p. 72

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

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ (393,420)	\$ (675,690)	\$ (915,958)

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

NOTE 11. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) - CONTINUED

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2018 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

NOTE 12. 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).

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 45.

Actuarial Methods and Assumptions: The Total OPEB Liability for the current year was determined as part of the July 1, 2018 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 3.58% compounded annually; (b) no future increase in benefit payable from this program; (c) a general inflation rate of 2.5% per year, and (d) no post-retirement benefit increases and a payroll increase of 3%. 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, 2017, the following employees were covered by the benefit terms:

Active	1,218
Retired Members	92
Spouses of Ineligible Retirees	7
Total	<u>1,317</u>

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

NOTE 12. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

Total OPEB Liability

The District's total OPEB liability of \$13,434,460 was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions and Other Inputs

The District's total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial assumptions:

Valuation Date	July 1, 2017 rolled forward to June, 30 2018
Actuarial Cost Method	Entry Age Normal
Investment Return Assumption (Interest Discount)	The 3.87% investment return assumption is the December 29, 2016 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; 40% assumed if only eligible for self-pay insurance.
Moda Medical Premium annual trend rate	8.0% increase in October 2017 with later increases reducing annually by 0.5% to 5% and stable thereafter
Kaiser Medical Premium annual	5% increase in all future years
Dental premiums annual trend rate	2% in October 2017 with later increases rising annually by 0.5% to 3% and stable thereafter.
Inflation rate	2.5% for all future years
Annual salary rate increases	3.5% for all future years
Health care premium	
Beginning in 2018, a 40% excise tax will be imposed under the Affordable Care Act on employers in the aggregate value of medical coverage exceeds a threshold limit. This excise tax is not included in the calculations because it is believed to be immaterial in regard to the OPEB plan.	

Changes in Total OPEB Liability

Changes of assumptions: Interest Discount, the investment return assumption was increased from 3.58% to 3.87%. For instance, the drop rate for retirees self-paying for coverage was increased from 5% to 10% based on district experience from 2010 to 2016.

Total OPEB Liability at June 30, 2018	\$ 12,791,606
Changes for the year:	
Service Cost	1,317,100
Interest	489,002
Changes of Benefit Terms	-
Changes from economic/demographic gains or losses	-
Changes of assumptions or other inputs	(256,385)
Benefit Payments	<u>(906,863)</u>
Net Changes	<u>642,854</u>
Total OPEB Liability at June 30, 2019	<u>\$ 13,434,460</u>

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

NOTE 12. OTHER POST EMPLOYMENT BENEFITS - CONTINUED

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.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	2.87%	3.87%	4.87%
Total OPEB Liability	\$ 14,340,373	\$ 13,434,460	\$ 12,582,192

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	\$ 12,159,527	\$ 13,434,460	\$ 14,923,003

OPEB Expense and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2019, the District recognized OPEB expense of \$730,138 in the government wide Statement of Activities. At June 30, 2019, the District reported deferred inflows of resources relating to the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	(681,933)
Subtotal - Amortized Deferrals (below)	-	(681,933)
Contributions made subsequent to measurement date	960,214	-
Deferred outflow (inflow) of resources	<u>\$ 960,214</u>	<u>\$ (681,933)</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, 2020.

Subtotal amounts related to OPEB health care as deferred outflows of resources, \$0, and deferred inflows of resources, (\$681,933), net to (\$681,933) and will be recognized in OPEB health care expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2020	\$(115,750)
2021	(115,750)
2022	(115,750)
2023	(115,750)
2024	(115,750)
Thereafter	(103,183)
Total	<u>\$(681,933)</u>

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

NOTE 12. OTHER POST EMPLOYMENT BENEFITS - CONTINUED

EARLY RETIREMENT PLAN - STIPENDS

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

At July 1, 2017, the following employees were covered by the benefit terms:

Active	660
Retired Members	18
Spouses of Ineligible Retirees	0
Total	678

The following table shows the changes in total OPEB pension liability for the year ending June 30, 2019:

Total OPEB Pension Liability at June 30, 2018	\$ 2,220,351
Changes for the year:	
Service Cost	170,978
Interest	82,590
Changes of Benefit Terms	-
Changes from economic/demographic gains or losses	-
Changes of assumptions or other inputs	(33,776)
Benefit Payments	(170,170)
Net Changes	49,622
Total OPEB Pension Liability at June 30, 2019	\$ 2,269,973

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, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Investment return assumption (interest discount)	3.87% per year
Demographic Assumptions	Based on Oregon PERS valuation assumptions as of December 31, 2016
Inflation Rate	2.5% per year
Salary Increases	3.5% 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
	2.87%	3.87%	4.87%
Total Pension Liability	\$ 2,390,592	\$ 2,269,973	\$ 2,151,769

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

NOTE 12. OTHER POST EMPLOYMENT BENEFITS - CONTINUED

EARLY RETIREMENT PLAN – STIPENDS - CONTINUED

For the year ended June 30, 2019, the District recognized a pension expense of \$43,663. At June 30, 2019, the District reported deferred outflows and inflows of resources related to the early retirement plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ (12,015)
Changes in assumptions	83,544	(93,321)
Subtotal - Amortized Deferrals (below)	83,544	(105,336)
Contributions made subsequent to measurement date	204,191	-
Deferred outflow (inflow) of resources	\$ 287,735	\$ (105,336)

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, 2020.

Subtotal amounts related to OPEB health care as deferred outflows of resources, \$83,544, and deferred inflows of resources, (\$105,336), net to (\$21,792) and will be recognized in OPEB health care expense as follows:

Year ending June 30,	Amount
2020	\$ (5,714)
2021	(5,714)
2022	(5,714)
2023	(5,714)
2024	(5,714)
Thereafter	6,778
Total	\$ (21,792)

NOTE 13. TAX ABATEMENTS

As of June 30, 2019, 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, 2019, the District had abated taxes totaling \$1,046,490 under this program.

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

NOTE 14. 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 15. COMMITMENTS AND CONTINGENCIES

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

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

NOTE 16. 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

REQUIRED SUPPLEMENTARY INFORMATION

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

REQUIRED SUPPLEMENTARY INFORMATION

At June 30, 2019

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
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	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
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.

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, 2019

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
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
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, 2019

GENERAL FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 27,575,939	\$ 27,575,939	\$ 29,273,617	\$ 1,697,678
Intermediate Sources	2,157,805	2,157,805	394,539	(1,763,266)
State Sources	96,033,527	96,033,527	99,229,044	3,195,517
Federal Sources	75,000	75,000	62,436	(12,564)
Total Revenue	<u>125,842,271</u>	<u>125,842,271</u>	<u>128,959,636</u>	<u>3,117,365</u>
EXPENDITURES:				
Instruction	76,896,680	76,896,680 (1)	76,211,460	685,220
Support Services	50,659,312	50,559,312 (1)	46,402,070	4,157,242
Community Services	158,288	258,288 (1)	177,832	80,456
Debt Service	408,025	408,025 (1)	322,310	85,715
Contingency	1,000,000	1,000,000 (1)	-	1,000,000
Total Expenditures	<u>129,122,305</u>	<u>129,122,305</u>	<u>123,113,672</u>	<u>6,008,633</u>
Excess of Revenues Over (Under) Expenditures	(3,280,034)	(3,280,034)	5,845,964	9,125,998
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,643,588)	(1,643,588) (1)	(1,634,267)	9,321
Total Other Financing Sources (Uses)	<u>(1,643,588)</u>	<u>(1,643,588)</u>	<u>(1,634,267)</u>	<u>9,321</u>
Net Change in Fund Balance	<u>(4,923,622)</u>	<u>(4,923,622)</u>	<u>4,211,697</u>	<u>9,135,319</u>
Beginning Fund Balance	<u>9,894,588</u>	<u>9,894,588</u>	<u>13,620,764</u>	<u>3,726,176</u>
Ending Fund Balance	<u>\$ 4,970,966</u>	<u>\$ 4,970,966</u>	<u>\$ 17,832,461</u>	<u>\$ 12,861,495</u>
Reconciliation to Governmental Fund Balance as required by GASB 54:				
Ending Fund Balance Retirement Fund			168,186	
			<u>\$ 18,000,647</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, 2019

FEDERAL PROGRAMS FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Federal Sources	\$ 1,016,981	\$ 1,016,981	\$ 8,373,131	\$ 7,356,150
Total Revenues	<u>1,016,981</u>	<u>1,016,981</u>	<u>8,373,131</u>	<u>7,356,150</u>
EXPENDITURES:				
Instruction	6,051,915	6,051,915 (1)	5,348,944	702,971
Support Services	3,921,891	3,821,891 (1)	2,866,111	955,780
Community Services	286,362	386,362 (1)	158,076	228,286
Total Expenditures	<u>10,260,168</u>	<u>10,260,168</u>	<u>8,373,131</u>	<u>1,887,037</u>
Excess of Revenues Over (Under) Expenditures	(9,243,187)	(9,243,187)	-	(9,243,187)
Beginning Fund Balance	<u>90,357</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance	<u>\$ (9,152,830)</u>	<u>\$ (9,243,187)</u>	<u>\$ -</u>	<u>\$ (9,243,187)</u>

(1) Appropriation Level

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7
MULTNOMAH COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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, 2019

DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	\$ 3,024,250	\$ 3,024,250	\$ 5,623,925	\$ 2,599,675
Total Revenues	3,024,250	3,024,250	5,623,925	2,599,675
EXPENDITURES:				
Debt Service	5,084,500	5,084,500 (1)	5,084,500	-
Total Expenditures	5,084,500	5,084,500	5,084,500	-
Excess of Revenues Over (Under) Expenditures	(2,060,250)	(2,060,250)	539,425	2,599,675
Beginning Fund Balance	2,300,000	2,300,000	2,610,095	310,095
Ending Fund Balance	\$ 239,750	\$ 239,750	\$ 3,149,520	\$ 2,909,770

(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, 2019

	<u>PERS BOND FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 7,970,490	\$ 7,970,490	\$ 8,178,468	\$ 207,978
Total Revenues	<u>7,970,490</u>	<u>7,970,490</u>	<u>8,178,468</u>	<u>207,978</u>
EXPENDITURES:				
Debt Service	8,095,490	8,095,490 (1)	8,095,490	-
Total Expenditures	<u>8,095,490</u>	<u>8,095,490</u>	<u>8,095,490</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	(125,000)	(125,000)	82,978	207,978
Beginning Fund Balance	<u>125,000</u>	<u>125,000</u>	<u>149,020</u>	<u>24,020</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,998</u>	<u>\$ 231,998</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, 2019

2015 GO BOND DEBT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 4,513,532	\$ 4,513,532	\$ 5,977,560	\$ 1,464,028
Total Revenues	<u>4,513,532</u>	<u>4,513,532</u>	<u>5,977,560</u>	<u>1,464,028</u>
EXPENDITURES:				
Debt Service	<u>4,081,850</u>	<u>4,081,850</u> (1)	<u>4,081,850</u>	<u>-</u>
Total Expenditures	<u>4,081,850</u>	<u>4,081,850</u>	<u>4,081,850</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	431,682	431,682	1,895,710	1,464,028
Beginning Fund Balance	<u>1,559,843</u>	<u>1,559,843</u>	<u>1,872,238</u>	<u>312,395</u>
Ending Fund Balance	<u>\$ 1,991,525</u>	<u>\$ 1,991,525</u>	<u>\$ 3,767,948</u>	<u>\$ 1,776,423</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, 2019**

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	\$ 421,500	\$ 421,500	\$ 908,455	\$ 486,955
Bond Proceeds	2,000,000	2,000,000	-	(2,000,000)
Total Revenues	<u>2,421,500</u>	<u>2,421,500</u>	<u>908,455</u>	<u>(1,513,045)</u>
EXPENDITURES:				
Facilities Acquisition and Construction	35,296,500	35,296,500 (1)	25,460,791	9,835,709
Total Expenditures	<u>35,296,500</u>	<u>35,296,500</u>	<u>25,460,791</u>	<u>(9,835,709)</u>
Excess of Revenues Over (Under) Expenditures	(32,875,000)	(32,875,000)	(24,552,336)	8,322,664
Beginning Fund Balance	<u>32,875,000</u>	<u>32,875,000</u>	<u>28,686,234</u>	<u>(4,188,766)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,133,898</u>	<u>\$ 4,133,898</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, 2019

CAPITAL PROJECTS FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 142,000	\$ 142,000	\$ 503,333	\$ 361,333
Total Revenues	<u>142,000</u>	<u>142,000</u>	<u>503,333</u>	<u>361,333</u>
EXPENDITURES:				
Facilities Acquisition and Construction	1,000	1,000 (1)	-	1,000
Debt Service	<u>1,639,588</u>	<u>1,639,588 (1)</u>	<u>1,639,588</u>	<u>-</u>
Total Expenditures	<u>1,640,588</u>	<u>1,640,588</u>	<u>1,639,588</u>	<u>1,000</u>
Excess of Revenues Over (Under) Expenditures	(1,498,588)	(1,498,588)	(1,136,255)	362,333
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>1,303,588</u>	<u>1,303,588</u>	<u>1,303,588</u>	<u>-</u>
Net Change in Fund Balance	(195,000)	(195,000)	167,333	362,333
Beginning Fund Balance	<u>195,000</u>	<u>195,000</u>	<u>317,530</u>	<u>122,530</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 484,863</u>	<u>\$ 484,863</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, 2019

2016 SCHOOL IMPROVEMENT PROJECTS FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES:				
Support Services	1,010,000	1,010,000 (1)	274,148	735,852
Total Expenditures	1,010,000	1,010,000	274,148	735,852
Net Change in Fund Balance	(1,010,000)	(1,010,000)	(274,148)	735,852
Beginning Fund Balance	1,010,000	1,010,000	1,329,904	(319,904)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,055,756</u>	<u>\$ (1,055,756)</u>

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

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019**

	SPECIAL REVENUE FUNDS			
	NUTRITION SERVICE FUND	STATE AND LOCAL PROGRAMS FUND	SELF INSURANCE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS:				
Cash	\$ 172,655	\$ 366,048	\$ -	\$ 538,703
Receivables:				
Accounts/Grants	942,469	1,845,471	148,910	2,936,850
Inter-Fund Receivable	958,634	1,859,743	400,004	3,218,381
Prepaid Expenses	-	10,675	-	10,675
Inventories	308,829	-	-	308,829
Total Assets	2,382,587	4,081,937	548,914	7,013,438
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	381,653	510,295	12,650	904,598
Retainage Payable	-	2,828	-	2,828
Total Liabilities	381,653	513,123	12,650	907,426
Deferred Inflows of Resources				
Unearned Revenue	18,339	15,355	-	33,694
Total Liabilities and Deferred Revenue	399,992	528,478	12,650	941,120
Fund Balances:				
Nonspendable	308,829	10,675	-	319,504
Restricted	1,673,766	485,653	-	2,159,419
Committed	-	-	536,264	536,264
Assigned	-	3,057,131	-	3,057,131
Total Fund Balances	1,982,595	3,553,459	536,264	6,072,318
Total Liabilities and Fund Balances	\$ 2,382,587	\$ 4,081,937	\$ 548,914	\$ 7,013,438

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

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, 2019

	SPECIAL REVENUE FUNDS			
	NUTRITION SERVICE FUND	STATE AND LOCAL PROGRAMS FUND	SELF INSURANCE FUND	NONMAJOR GOVERNMENTAL FUNDS
REVENUES:				
Local Sources	\$ 357,401	\$ 1,603,079	\$ 414,563	\$ 2,375,043
Intermediate Sources	-	1,717,290	-	1,717,290
State Sources	89,568	4,099,038	-	4,188,606
Federal Sources	5,370,804	-	-	5,370,804
Total Revenues	<u>5,817,773</u>	<u>7,419,407</u>	<u>414,563</u>	<u>13,651,743</u>
EXPENDITURES:				
Instruction	-	3,264,230	-	3,264,230
Support Service	-	3,483,098	36,207	3,519,305
Community Services	7,271,431	297,184	-	7,568,615
Total Expenditures	<u>7,271,431</u>	<u>7,044,512</u>	<u>36,207</u>	<u>14,352,150</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,453,658)</u>	<u>374,895</u>	<u>378,356</u>	<u>(700,407)</u>
Other Financing Sources, -Uses:				
Transfers In	50,679	-	-	50,679
Total Other Financing Sources (Uses)	<u>50,679</u>	<u>-</u>	<u>-</u>	<u>50,679</u>
Net Change in Fund Balance	(1,402,979)	374,895	378,356	(649,728)
Beginning Fund Balance	<u>3,385,574</u>	<u>3,178,564</u> *	<u>157,908</u>	<u>6,722,046</u>
Ending Fund Balance	<u>\$ 1,982,595</u>	<u>\$ 3,553,459</u>	<u>\$ 536,264</u>	<u>\$ 6,072,318</u>

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

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, 2019

NUTRITION SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 317,000	\$ 317,000	\$ 357,401	\$ 40,401
Intermediate Sources	55,850	55,850	-	(55,850)
State Sources	20,000	28,640	89,568	60,928
Federal Sources	5,213,469	5,258,467	5,370,804 (2)	112,337
Total Revenues	5,606,319	5,659,957	5,817,773	157,816
EXPENDITURES:				
Enterprise and Community Services	8,361,319	8,414,957 (1)	7,271,431	1,143,526
Contingencies	300,000	300,000 (1)	-	300,000
Total Expenditures	8,661,319	8,714,957	7,271,431	1,443,526
Excess of Revenues Over (Under) Expenditures	(3,055,000)	(3,055,000)	(1,453,658)	1,601,342
OTHER FINANCING SOURCES (USES):				
Transfers In	60,000	60,000	50,679 (2)	(9,321)
Total Other Financing Sources (Uses)	60,000	60,000	50,679	(9,321)
Net Change in Fund Balance	(2,995,000)	(2,995,000)	(1,402,979)	1,592,021
Beginning Fund Balance	2,995,000	2,995,000	3,385,574	390,574
Ending Fund Balance	\$ -	\$ -	\$ 1,982,595	\$ 1,982,595

(1) Appropriation Level

(2) Included in this transfer from the General Fund is the required state appropriated general purpose revenues of \$50,679 the District must transfer to the Food Service Fund for National School Lunch Support in order to meet the general cash assistance match for 2018-2019

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, 2019

STATE AND LOCAL PROGRAMS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	\$ 1,446,011	\$ 1,355,109	\$ 1,603,079	\$ 247,970
Intermediate Sources	2,431,399	2,250,973	1,717,290	(533,683)
State Sources	2,773,304	4,429,727	4,099,038	(330,689)
Total Revenues	6,650,714	8,035,809	7,419,407	(616,402)
EXPENDITURES:				
Instruction	3,615,173	3,615,173 (1)	3,264,230	350,943
Support Services	4,862,658	6,144,373 (1)	3,483,098	2,661,275
Community Services	440,637	440,637 (1)	297,184	143,453
Contingencies	545,021	545,021 (1)	-	545,021
Total Expenditures	9,463,489	10,745,204	7,044,512	3,700,692
Excess of Revenues Over (Under) Expenditures	(2,812,775)	(2,709,395)	374,895	3,084,290
OTHER FINANCING SOURCES (USES):				
Transfers In	1,554	1,554	-	(1,554)
Total Other Financing Sources (Uses)	1,554	1,554	-	(1,554)
Net Change in Fund Balance	(2,811,221)	(2,707,841)	374,895	3,082,736
Beginning Fund Balance	2,811,221	2,707,841	3,178,564 *	470,723
Ending Fund Balance	\$ -	\$ -	\$ 3,553,459	\$ 3,553,459

(1) Appropriation Level

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

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, 2019

SELF-INSURANCE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 356,518	\$ 356,518	\$ 414,563	\$ 58,045
Total Revenues	<u>356,518</u>	<u>356,518</u>	<u>414,563</u>	<u>58,045</u>
EXPENDITURES:				
Support Services	<u>496,518</u>	<u>496,518 (1)</u>	<u>36,207</u>	<u>460,311</u>
Total Expenditures	<u>496,518</u>	<u>496,518</u>	<u>36,207</u>	<u>460,311</u>
Excess of Revenues Over (Under) Expenditures	(140,000)	(140,000)	378,356	518,356
Beginning Fund Balance	<u>140,000</u>	<u>140,000</u>	<u>157,908</u>	<u>17,908</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 536,264</u>	<u>\$ 536,264</u>

(1) Appropriation Level

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7
MULTNOMAH COUNTY, OREGON

OTHER INFORMATION

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, 2019

	<u>RETIREMENT FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
Support Services	\$ 450,000	\$ 450,000 (1)	\$ 286,886	\$ 163,114
Total Enterprise and Comm. Services	<u>450,000</u>	<u>450,000</u>	<u>286,886</u>	<u>163,114</u>
Excess of Revenues Over (Under) Expenditures	(450,000)	(450,000)	(286,886)	(163,114)
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>	<u>-</u>
Net Change in Fund Balance	(170,000)	(170,000)	(6,886)	163,114
Beginning Fund Balance	<u>170,000</u>	<u>170,000</u>	<u>175,072</u>	<u>5,072</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,186</u>	<u>\$ 168,186</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, 2019**

GENERAL FUND

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2018	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2019
Current:						
2018-19	\$ 27,397,656	\$ 720,765	\$ (213,231)	\$ 8,113	\$ 26,061,702	\$ 410,071
Prior Years:						
2017-18	402,529	(2,158)	(95,708)	11,194	121,332	198,841
2016-17	185,574	1,009	(12,846)	10,693	94,995	87,417
2015-16	139,504	1,538	(14,486)	13,106	97,653	38,933
2014-15	156,563	3,619	(10,643)	9,778	144,331	7,748
Prior Years	<u>544,216</u>	<u>13,996</u>	<u>(3,475)</u>	<u>3,204</u>	<u>460,366</u>	<u>69,583</u>
Total Prior	<u>1,428,386</u>	<u>18,004</u>	<u>(137,158)</u>	<u>47,975</u>	<u>918,677</u>	<u>402,522</u>
Total All Years	<u>\$ 28,826,042</u>	<u>\$ 738,769</u>	<u>\$ (350,389)</u>	<u>\$ 56,088</u>	<u>\$ 26,980,379</u>	<u>\$ 812,593</u>

RECONCILIATION TO REVENUE:

	<u>TOTAL</u>
Cash Collections by County Treasurers Above	\$ 26,980,379
Accrual of Receivables:	
June 30, 2018	(130,310)
June 30, 2019	87,893
Change from Prior year Unavailable Revenue, see page 12	(734,481)
Taxes in Lieu	<u>131,838</u>
Total Revenue	<u>\$ 26,335,319</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, 2019**

DEBT SERVICE FUNDS

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2018	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2019
Current:						
2018-19	\$ 11,396,874	\$ 299,824	\$ 79,853	\$ 3,375	\$ 11,007,086	\$ 173,192
Prior Years:						
2017-18	169,951	(925)	(38,483)	4,797	51,989	85,201
2016-17	67,922	373	(4,035)	3,955	35,136	32,333
2015-16	48,401	534	(5,016)	4,548	33,888	13,511
2014-15	47,743	1,106	(3,137)	2,989	44,120	2,369
Prior Years	<u>168,351</u>	<u>4,536</u>	<u>(3,207)</u>	<u>1,038</u>	<u>143,984</u>	<u>17,662</u>
Total Prior	<u>502,368</u>	<u>5,624</u>	<u>(53,878)</u>	<u>17,327</u>	<u>309,117</u>	<u>151,076</u>
Total All Years	<u>\$ 11,899,242</u>	<u>\$ 305,448</u>	<u>\$ 25,975</u>	<u>\$ 20,702</u>	<u>\$ 11,316,203</u>	<u>\$ 324,268</u>

RECONCILIATION TO REVENUE:	TOTAL
Cash Collections by County Treasurers Above	\$ 11,316,203
Accrual of Receivables:	
June 30, 2018	(51,956)
June 30, 2019	34,961
Taxes in Lieu	<u>(168,700)</u>
Total Revenue	<u>\$ 11,130,508</u>

RECONCILIATION TO RECEIVABLES BY FUND:	TOTAL
Debt Service Fund	\$ 184,757
2015 GO Bond Debt Service Fund	<u>139,511</u>
Total Debt Service Funds Receivables	<u>\$ 324,268</u>

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

**SCHEDULE OF EXPENDURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019**

Federal Grantor	Program Title	Pass through Grantor	CFDA Number	Pass Through Entity Number	Grant Period	Expenditures	Passed Through to Subrecipients
US Department of Education - Special Revenue Fund:							
	Title IA YR 18/19	Oregon State Department of Education	84.010	50473	07/01/2018-09/30/2019	4,034,731	NA
	Title IA YR 17/18	Oregon State Department of Education	84.010	45683	07/01/2017-09/30/2018	521,812	NA
	Title 1 A/D 18/19	Oregon State Department of Education	84.010	51441	09/30/2018-09/30/2020	21,551	NA
	Title 1 A/D 18/19	Oregon State Department of Education	84.010	51460	09/30/2018-09/30/2020	43,102	NA
	Title 1 A/D 18/19	Oregon State Department of Education	84.010	51480	09/30/2018-09/30/2020	254,720	NA
					Total	4,875,917	
	IDEA Part B YR 18/19	Oregon State Department of Education	84.027	49947	07/01/2018-09/30/2020	1,503,107	NA
	IDEA Part B YR 17/18	Oregon State Department of Education	84.027	45250	07/01/2017-09/30/2019	341,130	NA
	SPR & I IDEA Part B	Oregon State Department of Education	84.027	49606	07/01/2018-06/30/2019	10,960	NA
	Post School Outcomes - Interviews	Oregon State Department of Education	84.027	48484	6/1/2017-9/30/2017	202	NA
	IDEA Enhancement 2018-19 Formula	Oregon State Department of Education	84.027	51359	10/01/2018-09/30/2019	12,731	NA
	IDEA Extended Assessment 2018-19 Formula	Oregon State Department of Education	84.027	49180	07/01/2018-06/30/2019	2,198	NA
	IDEA Pre School Grant 2016-17	Oregon State Department of Education	84.173	40672	07/01/2016-09/30/2018	6,099	NA
	IDEA Pre School Grant 2017-18	Oregon State Department of Education	84.173	45495	07/01/2017-09/30/2019	12,961	NA
	IDEA Pre School Grant 2018-19	Oregon State Department of Education	84.173	50180	07/01/2018-09/30/2020	11,162	NA
					Total	1,900,550	
	Title X - Education for Homeless Children & Youth	Oregon State Department of Education	84.196	46128	07/01/2017-06/30/2019	115,539	NA
						115,539	
	Title III English Language Acquisition 17/18	Oregon State Department of Education	84.365	44249	07/01/2017-09/30/2018	379,766	NA
	Title III Immigrant 17-19	Oregon State Department of Education	84.365	48113	07/01/2017-09/30/2019	9,289	NA
					Total	389,054	
	Title IIA Improving Teacher Quality 18/19	Oregon State Department of Education	84.367	49396	07/01/2018-09/30/2019	204,636	NA
	Title IIA Improving Teacher Quality 17/18	Oregon State Department of Education	84.367	45899	07/01/2017-09/30/2018	250,127	NA
					Total	454,763	
	School Improvement Grant - Glenfair	Oregon State Department of Education	84.377	46144	07/01/2017-12/31/2018	91,328	NA
	School Improvement Grant - Glenfair	Oregon State Department of Education	84.377	46864	07/01/2018-09/30/2019	301,109	NA
	School Improvement Grant - M. Scott	Oregon State Department of Education	84.377	46857	07/01/2018-09/30/2019	353,766	NA
						746,203	
	Title IV Student Support and Academic Enrichment	Oregon State Department of Education	84.424	47812	07/01/2017-09/30/2019	75,132	
	Title IV Student Support and Academic Enrichment	Oregon State Department of Education	84.424	50812	07/01/2018-09/30/2019	85,658	
						160,790	
	Fresh Fruit and Vegetable Program - Alder	Oregon State Department of Education	10.582	50614	10/01/2018-09/30/2019	17,113	NA
	Fresh Fruit and Vegetable Program - Davis	Oregon State Department of Education	10.582	50615	10/01/2018-09/30/2019	15,583	NA
	Fresh Fruit and Vegetable Program - Fairview	Oregon State Department of Education	10.582	50616	10/01/2018-09/30/2019	14,105	NA
	Fresh Fruit and Vegetable Program - Glenfair	Oregon State Department of Education	10.582	50617	10/01/2018-09/30/2019	18,194	NA
	Fresh Fruit and Vegetable Program - Hartley	Oregon State Department of Education	10.582	50618	10/01/2018-09/30/2019	18,120	NA
	Fresh Fruit and Vegetable Program - Margaret Scott	Oregon State Department of Education	10.582	50619	10/01/2018-09/30/2019	18,917	NA
	Fresh Fruit and Vegetable Program - Salish Ponds	Oregon State Department of Education	10.582	50620	10/01/2018-09/30/2019	16,611	NA
	Fresh Fruit and Vegetable Program - Wilkes	Oregon State Department of Education	10.582	50621	10/01/2018-09/30/2019	16,422	NA
	Fresh Fruit and Vegetable Program - Woodland	Oregon State Department of Education	10.582	50622	10/01/2018-09/30/2019	17,826	NA
	Fresh Fruit and Vegetable Program - Alder	Oregon State Department of Education	10.582	46342	10/01/2017-09/30/2018	1,666	NA
	Fresh Fruit and Vegetable Program - Davis	Oregon State Department of Education	10.582	46616	10/01/2017-09/30/2018	1,532	NA
	Fresh Fruit and Vegetable Program - Fairview	Oregon State Department of Education	10.582	46615	10/01/2017-09/30/2018	1,538	NA
	Fresh Fruit and Vegetable Program - Glenfair	Oregon State Department of Education	10.582	46614	10/01/2017-09/30/2018	1,894	NA
	Fresh Fruit and Vegetable Program - Hartley	Oregon State Department of Education	10.582	46613	10/01/2017-09/30/2018	1,759	NA
	Fresh Fruit and Vegetable Program - Margaret Scott	Oregon State Department of Education	10.582	46612	10/01/2017-09/30/2018	1,533	NA
	Fresh Fruit and Vegetable Program - Salish Ponds	Oregon State Department of Education	10.582	46611	10/01/2017-09/30/2018	1,741	NA
	Fresh Fruit and Vegetable Program - Wilkes	Oregon State Department of Education	10.582	46610	10/01/2017-09/30/2018	1,896	NA
					Total	166,451	

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

**SCHEDULE OF EXPENDURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019**

Federal Grantor	Program Title	Pass through Grantor	CFDA Number	Pass Through Entity Number	Grant Period	Expenditures	Passed Through to Subrecipients
<u>Department of Health and Human Services</u>							
	Foster Care Transportation	Oregon State Department of Education	93.658	47525	7/1/2017-6/30/2019	40,820	
					Total	<u>40,820</u>	
<u>Direct Federal Grants</u>							
	Title VII Indian Education YR 18/19		84.060A	S060A 182099	07/01/2018-06/30/2019	8,868	NA
					Total	<u>8,868</u>	
<u>US Department of Agriculture - Special Revenue Fund:</u>							
	USDA Commodities	Oregon State Department of Education	10.555	N/A	2018-2019	368,731	NA
	National School Lunch Program	Oregon State Department of Education	10.555	N/A	2018-2019	3,249,725	NA
	Summer Feeding Program	Oregon State Department of Education	10.559	N/A	2018-2019	106,388	NA
	National School Breakfast	Oregon State Department of Education	10.553	N/A	2018-2019	<u>1,167,627</u>	NA
					Total	<u>4,892,471</u>	
	Child Care	Oregon State Department of Education	10.558	N/A	2018-2019	249,676	NA
	State Administrative Expenses for Child Nutrition	Oregon State Department of Education	10.560	NA	2018-2019	<u>8,568</u>	NA
					Total	<u>258,244</u>	
Total Federal Financial Assistance						<u>\$ 14,009,672</u>	

Total federal awards expended, above	\$	14,009,672
Accruals/Deferrals		<u>(203,301)</u>
Total federal revenue recognized	\$	<u>13,806,371</u>

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7
MULTNOMAH COUNTY, OREGON

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	64
Revenue Capacity These schedules contain information to help the reader assess the government's most significant locate revenue sources, the property tax.	68
Debt Capacity 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.	75
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	77
Operating Information 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.	81
Sources: Unless Otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	82

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

	<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016*</u>	<u>2014-2015</u>
Governmental activities:					
Invested in capital assets, net or related debt	\$ 64,070,731	\$ 35,148,756	\$ (64,722,847)	\$ (84,665,144)	\$ 44,378,505
Restricted	9,308,885	7,928,217	7,284,100	5,845,304	4,738,094
Unrestricted	<u>(97,967,426)</u>	<u>(67,387,682)</u>	<u>32,478,107</u>	<u>51,109,620</u>	<u>(58,747,877)</u>
Total primary government net position	<u>\$ (24,587,810)</u>	<u>\$ (24,310,709)</u>	<u>\$ (24,960,640)</u>	<u>\$ (27,710,220)</u>	<u>\$ (9,631,278)</u>

	<u>2013-2014</u>	<u>2012-2013</u>	<u>2011-2012</u>	<u>2010-2011</u>	<u>2009-2010</u>
Governmental activities:					
Invested in capital assets, net or related debt	\$ 36,972,412	\$ 32,698,203	\$ 30,190,718	\$ 27,693,771	\$ 27,480,759
Restricted	3,672,338	2,264,243	1,300,464	1,142,164	5,061,043
Unrestricted	<u>(3,522,531)</u>	<u>130,349</u>	<u>8,500,101</u>	<u>12,370,361</u>	<u>6,936,460</u>
Total primary government net position	<u>\$ 37,122,219</u>	<u>\$ 35,092,795</u>	<u>\$ 39,991,283</u>	<u>\$ 41,206,296</u>	<u>\$ 39,478,262</u>

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

*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)

	<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>
Expenses					
Instruction	\$ 86,538,680	\$ 83,288,226	\$ 68,365,815	\$ 88,048,372	\$ 63,799,909
Support services	54,708,811	51,500,235	59,636,859	56,341,200	39,052,852
Enterprise and community services	8,074,080	6,419,380	5,508,594	6,946,986	5,145,985
Loss on equity interest in CAL	-	-	-	-	-
Interest on long-term debt	11,083,529	11,063,373	11,099,218	10,281,714	6,993,654
Total primary government expenses	<u>160,405,100</u>	<u>152,271,214</u>	<u>144,610,486</u>	<u>161,618,272</u>	<u>114,992,400</u>
Program revenues					
Governmental activities:					
Charges for services	325,455	374,290	659,163	1,301,487	1,232,868
Operating grants and contributions	19,600,230	17,977,234	15,007,967	16,771,515	14,460,074
Total primary government revenues	<u>19,925,685</u>	<u>18,351,524</u>	<u>15,667,130</u>	<u>18,073,002</u>	<u>15,692,942</u>
Net (Expense)/Revenue					
Total primary government net expense	<u>140,479,415</u>	<u>133,919,690</u>	<u>128,943,356</u>	<u>143,545,270</u>	<u>99,299,458</u>
General revenues and Other Changes in Net Assets					
Property taxes	37,465,827	36,012,407	33,668,002	31,670,746	30,311,983
State support	99,169,007	96,927,194	89,658,290	88,200,553	83,521,907
Intermediate sources	972,780	1,804,251	3,253,805	2,802,777	2,183,826
Other federal revenue	8,567	1,804	-	-	-
Miscellaneous	3,952,911	3,927,917	5,112,839	2,222,488	1,813,136
Gain (Loss) on Sale of Assets	(2,912,200)	-	-	-	0
Investment earnings	1,545,422	-	-	1,061,381	204,198
Total primary government	<u>140,202,314</u>	<u>138,673,573</u>	<u>131,692,936</u>	<u>125,957,945</u>	<u>118,035,050</u>
Change in Net Position					
Total primary government	<u>\$ (277,101)</u>	<u>\$ 4,753,883</u>	<u>\$ 2,749,580</u>	<u>\$ (17,587,325)</u>	<u>\$ 18,735,592</u>
	<u>2013-2014</u>	<u>2012-2013</u>	<u>2011-2012</u>	<u>2010-2011</u>	<u>2009-2010</u>
Expenses					
Instruction	\$ 70,693,491	\$ 66,156,854	\$ 63,964,595	\$ 63,190,614	\$ 58,097,568
Support services	41,624,247	42,124,046	38,681,405	38,152,331	32,807,833
Enterprise and community services	5,993,003	5,210,975	4,389,777	4,866,276	4,653,983
Loss on equity interest in CAL	-	-	60,573	43,976	42,545
Interest on long-term debt	6,734,328	6,697,698	6,644,672	6,623,305	6,705,030
Total primary government expenses	<u>125,045,069</u>	<u>120,189,573</u>	<u>113,741,022</u>	<u>112,876,502</u>	<u>102,306,959</u>
Program revenues					
Governmental activities:					
Charges for services	1,591,846	995,283	842,597	1,439,364	1,491,329
Operating grants and contributions	13,969,114	11,981,194	12,974,914	15,716,230	13,825,203
Total primary government revenues	<u>15,560,960</u>	<u>12,976,477</u>	<u>13,817,511</u>	<u>17,155,594</u>	<u>15,316,532</u>
Net (Expense)/Revenue					
Total primary government net expense	<u>109,484,109</u>	<u>107,213,096</u>	<u>99,923,511</u>	<u>95,720,908</u>	<u>86,990,427</u>
General revenues and Other Changes in Net Assets					
Property taxes	29,291,925	28,387,733	27,083,913	26,255,760	25,976,489
State support	80,213,848	70,391,258	69,601,801	61,867,057	66,164,872
Intermediate sources	1,344,766	1,071,491	230,292	1,120,472	1,041,417
Other federal revenue	-	-	35,611	6,843,229	5,139,732
Miscellaneous	1,186,346	1,765,972	1,014,390	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-
Investment earnings	218,294	233,117	225,572	90,233	244,248
Total primary government	<u>112,255,179</u>	<u>101,849,571</u>	<u>98,191,579</u>	<u>96,176,751</u>	<u>98,566,758</u>
Change in Net Position					
Total primary government	<u>\$ 2,771,070</u>	<u>\$ (5,363,525)</u>	<u>\$ (1,731,932)</u>	<u>\$ 455,843</u>	<u>\$ 11,576,331</u>

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

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

	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
General Fund (1)					
Non spendable	\$ 4,552	\$ 21,191	\$ 16,880	\$ 26,816	\$ 39,915
Unassigned	17,827,909	13,599,572	9,476,816	7,980,779	8,698,353
Unreserved	-	-	-	-	-
Committed-Early retirement	168,186	175,072	-	263,428	282,662
Total general fund	<u>18,000,647</u>	<u>13,795,835</u>	<u>9,493,696</u>	<u>8,271,023</u>	<u>9,020,930</u>
All Other Government Funds (1)					
Nonspendable	319,504	174,569	0	245,974	242,871
Restricted for:					
Debt service	7,149,466	4,631,352	3,861,213	3,045,881	2,295,228
Pers bond	-	-	-	-	96,643
State & local programs	485,653	85,860	426,170	347,971	481,133
Food service	1,673,766	3,211,005	2,996,717	2,451,452	1,865,109
Committed:					
Self insurance	536,264	157,908	170,959	(1,122,766)	61,189
Assigned:					
Capital projects(2)	8,731,648	33,426,372	123,027,533	135,181,703	686,060
Planning activities	-	-	-	1,913,748	1,005,263
State & local programs	-	-	-	-	-
Reserved, Reported in:					
Debt service	-	-	-	-	-
Capital projects(2)	-	-	-	-	-
Unassigned	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Total all other governmental funds	<u>18,896,301</u>	<u>41,687,066</u>	<u>130,482,592</u>	<u>142,063,963</u>	<u>6,733,496</u>
Total Fund Balance (Deficit)	<u>\$ 36,896,948</u>	<u>\$ 55,482,901</u>	<u>\$ 139,976,288</u>	<u>\$ 150,334,986</u>	<u>\$ 15,754,426</u>

	2013-2014	2012-2013(1)	2011-2012(1)	2010-2011(1)	2009-2010
General Fund (1)					
Non spendable	\$ 86,957	\$ 323,733	\$ 16,603	\$ -	\$ -
Unassigned	12,151,829	11,226,313	17,969,505	17,969,505	-
Unreserved	-	-	-	-	16,005,498
Committed-Early retirement	665,660	962,023	894,447	888,238	-
Total general fund	<u>12,904,446</u>	<u>12,512,069</u>	<u>18,880,555</u>	<u>18,857,743</u>	<u>16,005,498</u>
All Other Government Funds (1)					
Nonspendable	240,372	237,464	222,567	222,567	-
Restricted for:					
Debt service	1,930,050	872,242	19,060	122,608	-
Pers bond	96,657	96,676	94,593	92,967	-
State & local programs	105,573	70,183	76,372	59,265	-
Food service	1,540,058	1,225,142	1,110,439	816,199	-
Committed:					
Self insurance	797,443	765,670	388,914	329,121	-
Assigned:					
Capital projects(2)	534,346	1,076,289	1,708,440	2,692,076	-
Planning activities	1,413,919	1,045,559	786,104	-	-
State & local programs	-	-	-	443,570	-
Reserved, Reported in:					
Debt service	-	-	-	-	1,216,120
Capital projects(2)	-	-	-	-	3,844,923
Unassigned	(240,371)	(115,244)	(206,702)	(354,144)	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	1,773,754
Total all other governmental funds	<u>6,418,047</u>	<u>5,273,981</u>	<u>4,199,787</u>	<u>4,424,229</u>	<u>6,834,797</u>
Total Fund Balance (Deficit)	<u>\$ 19,322,493</u>	<u>\$ 17,786,050</u>	<u>\$ 23,080,342</u>	<u>\$ 23,281,972</u>	<u>\$ 22,840,295</u>

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

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

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

REVENUES:	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Local sources	\$ 52,840,401	\$ 48,921,526	\$ 46,622,204	\$ 43,626,462	\$ 39,991,516
Intermediate sources	2,111,829	3,459,282	4,217,842	3,327,941	2,568,301
State sources	103,417,650	98,828,419	90,498,980	89,503,854	83,521,907
Federal sources	13,806,371	14,138,691	13,496,389	14,940,162	14,460,075
Miscellaneous	-	-	-	-	-
Total Revenues	<u>172,176,251</u>	<u>165,347,918</u>	<u>154,835,415</u>	<u>151,398,419</u>	<u>140,541,799</u>
EXPENDITURES:					
Current:					
Instruction	84,824,634	81,853,902	79,793,504	79,544,300	76,100,060
Support services	53,348,520	50,613,339	45,786,843	49,048,899	46,931,640
Community services	7,904,523	6,308,833	6,423,478	6,303,944	6,205,011
Facilities acquisition	25,460,791	92,423,904	7,216,535	2,908,147	-
Capital outlay	-	-	13,979,135	120	395,299
Debt service	19,223,738	18,641,326	18,000,637	17,162,681	15,113,588
Contingency	-	-	-	-	-
Total Expenditures	<u>190,762,206</u>	<u>249,841,304</u>	<u>171,200,132</u>	<u>154,968,091</u>	<u>144,745,598</u>
Excess of revenues over(under)expenditures	(18,585,955)	(84,493,386)	(16,364,717)	(3,569,672)	(3,634,328)
Other Financing Sources(uses)					
Sale of fixed assets	-	-	6,019	-	-
Bond proceeds - Principal	-	-	2,000,000	122,918,047	-
Bond proceeds - Premium	-	-	4,000,000	14,963,285	-
Transfer in	1,634,267	2,042,470	1,640,038	1,785,538	2,104,038
Transfer out	(1,634,267)	(2,042,470)	(1,640,038)	(1,785,538)	(2,104,038)
Total other financing sources(uses)	<u>-</u>	<u>-</u>	<u>6,006,019</u>	<u>137,881,332</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (18,585,955)</u>	<u>\$ (84,493,386)</u>	<u>\$ (10,358,698)</u>	<u>\$ 134,311,660</u>	<u>\$ (4,203,799)</u>
Debt services as a percentage of noncapital expenditures	13.16%	13.43%	13.64%	12.72%	11.69%

REVENUES:	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Local sources	\$ 38,530,637	\$ 37,487,290	\$ 34,668,929	\$ 34,290,748	\$ 33,450,417
Property taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Intergovernmental-state and intermediate	-	-	-	-	-
Intermediate sources	1,685,151	1,331,199	428,478	551,164	1,076,439
State sources	80,213,848	70,391,258	69,601,801	63,381,118	68,993,853
Federal sources	13,969,114	11,981,194	13,010,525	20,928,492	15,624,530
Miscellaneous	-	-	-	-	-
Total Revenues	<u>134,398,750</u>	<u>121,190,941</u>	<u>117,709,733</u>	<u>119,151,522</u>	<u>119,145,239</u>
EXPENDITURES:					
Current:					
Instruction	69,220,002	64,303,986	61,648,389	62,119,506	57,087,964
Support services	42,520,086	41,892,511	38,209,858	38,437,385	33,096,862
Community services	6,064,330	5,219,134	5,001,905	5,307,455	4,474,238
Facilities acquisition	-	-	-	151	6,620
Capital outlay	395,077	1,310,707	428,706	146,432	85,669
Debt service	14,662,812	14,223,932	13,804,988	13,558,060	14,212,045
Contingency	-	-	-	-	-
Total Expenditures	<u>132,862,307</u>	<u>126,950,270</u>	<u>119,093,846</u>	<u>119,568,989</u>	<u>108,963,398</u>
Excess of revenues over(under)expenditures	1,536,442	(5,759,329)	(1,384,113)	(417,467)	10,181,841
Other Financing Sources(uses)					
Sale of fixed assets	-	-	-	-	-
Bond proceeds - Principal	-	-	-	-	-
Bond proceeds - Premium	-	-	-	-	-
Transfer in	1,512,000	1,221,612	905,000	1,361,230	1,907,415
Transfer out	(1,512,000)	(1,221,612)	(905,000)	(1,125,667)	(1,907,415)
Total other financing sources(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,563</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 1,536,442</u>	<u>\$ (5,759,329)</u>	<u>\$ (1,384,113)</u>	<u>\$ (181,904)</u>	<u>\$ 10,181,841</u>
Debt services as a percentage of noncapital expenditures	12.45%	12.77%	13.17%	12.81%	15.01%

(1) Revenues are recognized when susceptible to accrual.
 (2) Includes state replacement/transportation reimbursement and basic school support.

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 ASSESSED VALUATION(1)					TOTAL DIRECT TAX RATE(2)
	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY	TOTAL	
2018-2019	\$ 5,885,468,070	\$ 389,933,280	\$ 197,091,400	\$ 34,954,880	\$ 6,507,447,630	6.05
2017-2018	5,626,909,630	393,593,720	235,732,253	32,406,050	6,288,641,653	6.05
2016-2017	5,421,521,380	363,234,124	191,471,500	35,339,570	6,011,566,574	6.05
2015-2016	5,241,684,480	346,408,946	147,579,800	30,494,280	5,766,167,506	5.97
2014-2015	5,124,794,780	336,867,935	143,189,250	26,341,960	5,631,193,925	5.81
2013-2014	4,843,711,490	287,376,223	136,396,360	26,695,760	5,294,179,833	6.02
2012-2013	4,725,916,280	281,603,418	137,325,400	25,628,140	5,170,473,238	5.99
2011-2012	4,690,143,800	269,291,585	133,792,203	31,264,220	5,124,491,808	5.78
2010-2011	4,641,108,010	270,473,980	121,268,200	32,171,640	5,065,021,830	5.60
2009-2010	4,546,180,850	270,767,097	116,049,620	38,752,020	4,971,749,587	5.60

(1) Source: Multnomah County.
 (2) per \$1,000 of assessed value.
 NA=not available

FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY	Total	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY
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
2011-2012	4,690,143,800	269,291,585	133,792,203	31,264,220	5,124,491,808	91.52	5.25	2.61	0.61
2010-2011	4,641,108,010	270,473,980	121,268,200	32,171,640	5,065,021,830	91.63	5.34	2.39	0.64
2009-2010	4,641,108,010	270,473,980	121,268,200	32,171,640	5,065,021,830	91.63	5.34	2.39	0.64

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

FISCAL	YEAR	PROPERTY VALUE TRUE CASH VALUATION(1)					RATIO OF ASSESSED VALUATION TO TRUE CASH VALUATION
		REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY	TOTAL	
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
2011-2012		7,093,887,970	339,389,202	142,223,180	39,619,160	7,615,119,512	67.29
2010-2011		7,512,693,890	311,255,620	123,448,708	40,609,810	7,988,008,028	63.41
2009-2010		7,871,198,630	308,896,717	118,390,975	41,836,890	8,340,323,212	59.61

(1) Source: Multnomah County.
 (2) per \$1,000 of assessed value.
 NA=not available

FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY
2018-2019	93.52 %	3.79 %	2.06 %	0.62 %
2017-2018	92.51	4.16	2.74	0.59
2016-2017	92.60	4.40	2.47	0.53
2015-2016	92.43	4.70	2.36	0.51
2014-2015	93.23	4.41	1.95	0.41
2013-2014	92.91	4.60	2.03	0.46
2012-2013	92.87	4.65	2.04	0.44
2011-2012	93.16	4.46	1.87	0.52
2010-2011	94.05	3.90	1.55	0.51
2009-2010	94.38	3.70	1.42	0.50

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

	2018		2008	
	ASSESSED VALUATION	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION	ASSESSED VALUATION	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION
PRIVATE ENTERPRISES				
Albertson's LLC	\$ 289,735.55	0.00%	\$ -	0.00%
Albertson's Stores Sub LLC	831,062	0.01	-	0.00
American Honda Motor Co Inc	284,463	0.00	276,058	0.01
Austell Columbia Gorge	422,595	0.01	-	0.00
Boeing CO	3,956,820	0.06	2,969,613	0.06
Boeing Company The Inc	524,094	0.01	540,847	0.01
Boyd Coffee Co	-	0.00	259,324	0.01
Boyd Future Associates LLC	280,484	0.00	-	0.00
Cascade Corporation	466,740	0.01	468,312	0.01
Comcast Corporation	656,252	0.01	-	0.00
Catellus Development Corp	-	0.00	346,793	0.01
Chelsea Financing Partnership LP	-	0.00	311,497	0.01
CPF/BDI Townsend LLC	-	0.00	367,880	0.01
Fedex Ground Package System Inc	1,637,422	0.03	-	0.00
Fred Meyer Stores Inc	239,117	0.00	-	0.00
Henningsen Cold Storage Co	464,493	0.01	-	0.00
Icon Owner Pool 1 West LLC	441,541	0.01	-	0.00
Interco Print LLC	-	0.00	187,846	0.00
IP Eat One LLC	428,239	0.01	370,083	0.01
Merix Corp	-	0.00	281,470	0.01
MIREF Gateway LLC	475,849	0.01	-	0.00
Nacco Materials Handling	261,789	0.00	244,767	0.01
New Albertson's Inc	-	0.00	773,934	0.02
Owens Corning Foam Insulation LLC	341,401	0.01	-	0.00
PLDAB LLC	508,101	0.01	-	0.00
Port of Portland	-	0.00	218,215	0.00
Prologis	-	0.00	312,992	0.01
RR Donnelley Norwest Inc	-	0.00	477,601	0.01
Salish Lake LLC	-	0.00	176,448	0.00
Sandy Cascade LLC	300,782	0.00	244,492	0.01
The Harris Soup Co	266,857	0.00	255,051	0.01
Townsend Distribution LP	404,103	0.01	-	0.00
Townsend Farms Inc	578,238	0.01	435,789	0.01
Toyo Tanso USA Inc	-	0.00	282,499	0.01
U S Nat'l Bak of Oregon	721,811	0.01	748,405	0.02
Union Pacific Railroad Co	224,931	0.00	-	0.00
US Bancorp	662,297	0.01	334,051	0.01
Walton CWOR Commerce	-	0.00	35,787	0.00
Western B Northwest OR LLC	436,073	0.01	-	0.00
Wilcal Wood LLC	-	0.00	215,606	0.00
Wood Village Retail I LLC	280,114	0.00	-	0.00
<u>PUBLIC UTILITIES</u>				
Portland General Electric Co.	1,253,721	0.02	710,906	0.01
Northwest Natural Gas Co	-	0.00	245,067	0.01
Verizon Northwest INC	-	0.00	442,135	0.01
SUB TOTAL	17,639,126		12,533,470	
All OTHER TAXPAYERS	6,489,808,504	99.73	4,804,400,113	99.74
TOTAL	\$ 6,507,447,630	100.00%	\$ 4,816,933,583	100.00%

Source: Multnomah County Department of Assessment and Taxation

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				
	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
DIRECT:					
Reynolds School District #7 Permanent Rate	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46
Reynolds School District #7 Bond	1.80	1.83	1.59	1.51	1.35
Weighted Average Direct (1)	6.26	6.29	6.05	5.97	5.81
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	7.28	7.23	7.06	4.58	4.58
City of Troutdale	3.77	3.77	3.77	3.77	3.77
Metro	0.10	0.10	0.10	0.10	0.10
Mt Hood Community College	0.49	0.49	0.49	0.49	0.49
Multnomah County	4.34	4.34	4.34	4.34	4.34
Multnomah ESD	0.46	0.46	0.46	0.46	0.46
Port of Portland	0.07	0.07	0.07	0.07	0.07
Rockwood Water PUD	0.00	0.00	0.00	0.00	0.00
	23.60	23.55	23.39	20.90	20.90
Totals*	\$ 29.87	\$ 29.84	\$ 29.44	\$ 26.87	\$ 26.71

	Dollars per \$1,000 True Cash Value				
	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
DIRECT:					
Reynolds School District #7 Permanent Rate	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46
Reynolds School District #7 Bond	1.56	1.52	1.32	1.13	1.14
Weighted Average Direct (1)	6.02	5.99	5.78	5.60	5.60
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	4.58	4.58	4.58	4.58	4.58
City of Troutdale	3.77	3.77	3.77	3.77	3.77
Metro	0.10	0.10	0.10	0.10	0.10
Mt Hood Community College	0.49	0.05	0.49	0.49	0.49
Multnomah County	4.34	4.34	4.34	4.34	4.34
Multnomah ESD	0.46	0.46	0.46	0.46	0.46
Port of Portland	0.07	0.07	0.07	0.07	0.07
Rockwood Water PUD	0.00	0.00	0.00	0.00	0.00
	20.90	20.46	20.90	20.90	20.90
Totals*	\$ 26.92	\$ 26.45	\$ 26.68	\$ 26.50	\$ 26.51

*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.

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

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR			COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY			TOTAL COLLECTIONS TO DATE	
	GENERAL FUND	DEBT SERVICE FUND	TOTAL	CURRENT YEAR	PERCENTAGE OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS	AMOUNT	PERCENTAGE OF LEVY
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
2011-2012	21,528,899	6,468,756	27,997,655	26,284,880	94	480,176	26,765,056	96
2010-2011	21,544,198	5,492,395	27,036,593	25,522,290	94	760,380	26,282,670	97
2009-2010	21,238,822	5,451,587	26,690,409	25,083,658	94	783,862	25,867,520	97

Source: Multnomah County Departments of Assessment and Taxation

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

(2) This number includes the COMCAST 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

GENERAL BONDED DEBT OUTSTANDING										
FISCAL YEAR	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		RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUATION(3)	RATIO OF NET GENERAL BONDED DEBT TO TRUE CASH VALUE(3)
							BONDED	DEBT	%	%
2018-2019	\$ 127,310,047	\$ 51,064,881	\$ 17,930,000	\$ 196,304,928	\$ 6,917,468	\$ 231,998	\$ 189,155,462	2.91	0.02	
2017-2018	132,010,047	53,223,817	18,680,000	203,913,864	4,482,333	149,019	199,282,512	3.17	2.05	
2016-2017	136,300,047	55,395,492	19,400,000	211,095,539	3,739,462	121,751	207,234,326	3.45	2.41	
2015-2016	140,200,047	57,576,475	20,090,000	217,866,522	2,943,206	102,675	214,820,641	3.73	2.79	
2014-2015	21,320,000	59,755,777	20,760,000	101,835,777	2,295,228	96,624	99,443,925	1.77	1.19	
2013-2014	26,685,000	61,933,567	21,410,000	110,028,567	1,930,050	96,657	108,001,860	2.04	1.41	
2012-2013	31,665,000	64,106,549	22,040,000	117,811,549	872,242	96,676	116,842,631	2.26	1.54	
2011-2012	36,280,000	66,253,579	22,655,000	125,188,579	19,060	94,593	125,074,926	2.44	1.64	
2010-2011	40,580,000	68,360,186	23,260,000	132,200,186	122,608	92,967	131,984,611	2.61	1.65	
2009-2010	44,720,000	70,416,051	-	115,136,051	1,119,385	96,735	113,919,931	2.29	1.37	

Legal Debt Margin Calculation for Fiscal Year 2018-2019:

Real Market Value	\$ 8,592,233,019
Debt Limit (7.95%)(1)	683,082,525
Amount of Debt Applicable to Debt Limit	(207,234,326)
Legal Debt Margin	<u>\$ 475,848,199</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
2018-2019	0.38 %	\$ 243	\$ 234	\$ 859,559,662	\$ 670,404,200	77.99 %
2017-2018	0.43	251	245	774,519,291	575,236,779	74.27
2016-2017	0.48	261	256	683,082,525	475,848,199	69.66
2015-2016	12.25	2,598	2,818	612,211,658	397,288,342	64.89
2014-2015	0.25	129	126	663,263,104	563,819,179	85.01
2013-2014	0.29	141	139	608,723,401	500,721,541	82.26
2012-2013	0.34	154	152	601,378,272	484,535,641	80.57
2011-2012	0.37	165	165	605,402,001	480,327,075	79.34
2010-2011	0.42	176	176	635,046,638	503,062,027	79.22
2009-2010	0.39	156	155	663,055,695	549,135,764	82.82

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
 DIRECT AND OVERLAPPING GROSS BONDED DEBT
 June 30, 2019

REYNOLDS SCHOOL DISTRICT			
Real Market Value of Subject Issuer is: \$10,822,695,463 as of 1/1/2018			
Net Property-tax Backed Debt of Subject Issuer is:	\$ 198,463,864	Ratio of Net Property-tax Backed Debt to Real Market Value is:	1.83%
Net Property-tax Backed Debt of Overlapping Issuers is:	\$ 80,576,070.00	Ratio of Total Net Property-tax Backed Debt to Real Market Value is:	258%

OVERLAPPING GOVERNMENT	2017				OVERLAPPING	
	REAL MARKET VALUATION	GROSS(1) BONDED DEBT	NET(2) DIRECT DEBT	PERCENT WITHIN SCHOOL DISTRICT(3)	GROSS(1) BONDED DEBT	NET(2) DIRECT DEBT
City of Fairview	\$ 1,197,034,085.00	\$ 3,606,607.00	\$ 3,606,607.00	100.00%	\$ 3,606,607.00	\$ 3,606,607.00
City of Gresham	14,227,848,511	63,373,076	32,211,613	28.16	17,847,886	9,071,821
City of Portland	152,291,301,307	730,277,274	300,122,106	1.71	12,495,774	5,135,389
City of Troutdale	2,331,863,007	10,885,000	10,885,000	97.64	10,628,212	10,628,212
Corbett Water District	484,345,810	797,632	797,632	4.68	37,354	37,354
Metro	331,648,968,470	836,005,000	819,020,000	3.26	27,281,351	26,727,080
Mt. Hood Community College	48,698,376,214	53,819,068	20,660,000	22.22	11,960,696	4,591,458
Multnomah County	175,598,998,220	330,220,117	330,220,117	6.16	20,352,456	20,352,456
Multnomah Cty RFPD 10	1,081,651,922	3,019,182	3,019,182	14.10	425,693	425,693
Multnomah ESD	177,897,232,702	26,825,000	-	6.08	1,631,953	-
Port of Portland	359,418,340,514	58,452,781	-	3.01	1,760,130	-
Rockwood Water PUD	6,976,959,150	4,655,000	-	59.62	2,775,525	-
TOTAL OVERLAPPING	<u>1,271,852,919,912</u>	<u>2,121,935,737</u>	<u>1,520,542,257</u>		<u>110,803,637</u>	<u>80,576,070</u>
TOTAL	<u>\$ 1,271,852,919,912</u>	<u>\$ 2,121,935,737</u>	<u>\$ 1,520,542,257</u>		<u>\$ 110,803,637</u>	<u>\$ 80,576,070</u>

Source: Municipal Debt Advisory Commission, State of Oregon.

- (1) Gross bonded debt includes all bonds backed by a general obligation pledge including self-supporting general obligation bonds and limited tax debt.
 (2) Net direct debt including all tax-supported bonds. Self-supporting bonds are excluded.

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

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

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7
MULTNOMAH COUNTY, OREGON
 COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

FISCAL YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2018-2019	807,555	\$ 51,662,523,570	\$ 63,974	3.60%
2017-2018	811,880	46,967,258,000	57,850	3.80
2016-2017	808,781	44,261,349,006	54,726	3.80
2015-2016	803,741	41,838,737,755	52,055	4.60
2014-2015	790,230	40,299,359,310	50,997	5.10
2013-2014	778,604	37,338,733,424	47,956	6.00
2012-2013	766,649	34,789,764,971	45,379	7.00
2011-2012	760,235	33,763,556,820	44,412	7.70
2010-2011	749,699	31,695,774,322	42,278	8.50
2009-2010	737,290	29,791,677,030	40,407	9.80

Source: U.S. Census Bureau, American Community Survey & Proximity One

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7
MULTNOMAH COUNTY, OREGON
Principal Industries In Multnomah County Area
CURRENT AND TEN YEARS AGO

Industry	2018			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Educational services and Health Care	120,655	1	24 %	98,072	1	22 %
Trade, Transportation, and utilities	100,322	2	20	92,891	2	21
Professional Services	86,015	3	17	68,309	3	15
Leisure and hospitality	60,054	4	12	47,648	4	11
Manufacturing	35,195	5	7	37,222	5	8
Finance and insurance, real estate and rental and leasing	30,711	6	6	31,162	6	7
Construction	25,260	7	5	21,402	7	5
Public Administration	17,044	8	3	19,116	8	4
Information	12,413	9	2	12,220	9	3
Subtotal of Largest Industries	487,669		95	428,042		95
All Other Industries	24,536		5	21,477		5
Total Multnomah County Employment	512,205		100 %	449,519		100 %

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

	2018-19	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Instruction:										
Primary K-5	208.53	199.34	208.28	197.70	200.42	187.24	177.50	178.73	114.10	104.00
Intermediate program 4-5									55.80	54.50
Middle/Junior high programs	80.13	91.50	88.50	92.00	90.50	94.71	88.00	87.26	84.96	77.50
High school programs	83.50	87.83	90.99	98.99	98.83	96.51	91.50	92.49	89.21	82.20
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	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	1.70	2.50
Restrictive programs for student with disabilities	35.88	35.88	35.14	40.50	38.94	35.47	32.19	72.56	109.54	103.95
Transition programs	5.06	5.84	5.84	8.34	10.13	11.71	13.25			
Life skills	30.88	30.06	36.34	30.41	30.97	38.36	40.19			
Functional living skills	16.28	15.50	13.56	8.59	9.50	8.50	4.25			
Less restrictive programs for students with disabilities	57.12	56.31	57.12	57.29	50.86	42.09	38.80	98.85	76.95	85.94
Less restrictive charter schools	3.85	2.70	2.70	3.90	4.20	3.60	3.60			
Alternative Education	15.35	15.35	15.85	18.60	18.60	17.75	2.00	6.00	6.00	6.00
Reynolds learning academy west							21.12	12.20	12.00	11.00
English second language programs	48.15	71.33	78.08	80.18	68.21	53.12	45.13	45.12	49.75	52.89
Total Instruction	586.23	613.14	633.89	638.00	622.66	590.56	559.03	594.71	601.01	581.48
Support services										
Attendance and social work services	2.50	2.50	2.50	2.50	2.50	2.50	3.00	1.00	1.00	0.50
Student safety	16.16	16.16	16.16	17.94	15.09	15.20	12.64	14.50	13.89	14.06
Guidance services	25.50	25.50	25.50	27.00	27.00	27.90	27.00	31.00	27.50	28.15
Health services	3.16	3.06	3.25	1.63	0.00	1.90	1.00		2.00	
Psychological services	10.00	10.00	11.00	9.30	9.30	9.29	9.30	3.00	3.00	3.00
Speech pathology and audiology services	19.25	19.40	21.88	17.54	18.38	17.97	16.10	16.81	18.65	18.90
Other student treatment services	6.60	6.60	6.94	7.00	8.14	7.93	8.88	6.60	7.02	
Service direction-Student support services	8.42	8.42	8.55	7.55	8.75	8.31	8.31	2.60	7.10	6.95
Director of instruction									3.00	2.00
Teaching and Learning	4.50	4.50	4.50	4.50	4.75	4.50	4.50	4.50		
Educational media services	13.69	13.69	13.75	14.25	14.19	14.18	13.59	13.11	11.30	12.22
Assessment & testing	2.50	2.50	1.50	5.00	5.50	3.00	1.00		2.00	
Board of education services	0.50	0.50	0.50	0.50	0.50	0.50				
Executive administration services										3.19
Office of the Superintendent	1.75	1.50	1.50	1.50	1.50	1.50	2.00	2.00	2.00	
Building Administration	88.98	93.72	94.70	98.48	96.23	89.08	83.62	80.04	76.57	78.40
Direction of business support services									4.50	2.50
Fiscal services	9.40	10.15	11.40	10.90	10.70	10.40	10.69	9.86	5.00	4.00
Operation and maintenance of plant services					12.20	10.20	11.00	11.00	11.00	11.00
Risk Management	1.00									
Facilities Direction	2.88	3.22	3.07	3.95						
Facilities Upkeep	52.00	54.10	53.00	53.00						
Grounds maintenance	4.00	4.00	4.00	5.00	5.00	5.00	4.50	4.50	4.00	4.00
Building fixed costs							45.00	45.00	45.00	46.00
Custodial Services					43.25	46.00				
Safety Program			1.00	1.00						
Transportation	73.73	76.58	80.65	74.30	86.12	83.55	85.50	90.50	90.50	90.50
Transportation-special Ed	11.51	10.94	12.15	12.35	0.28	0.28	0.71	0.71	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	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00
Grant Development	1.00	1.00	1.00	1.00	1.00					
Communication	2.25	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00	
Staff services	6.00	6.00	6.50	6.50	6.90	6.50	6.00	6.00	5.00	5.00
Recruitment Services			0.00	1.50						
Technology services	11.20	10.20	10.20	9.45	9.70	8.20	9.00	11.83	9.83	8.13
Other Support Services			0.25	0.25						
Interpretation & Translation Services	4.63									
Total Support Services	385.11	388.25	399.44	397.89	390.98	377.89	366.34	357.56	353.57	340.50
Community services										
Community services										
Custody and care of children services	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00		
Total Community Services	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00	0.00	0.00
Total FTE	973.84	1003.89	1035.83	1038.39	1015.64	970.45	927.37	954.27	954.58	921.98

Source: Reynolds School District Adopted Budget

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

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7
MULTNOMAH COUNTY, OREGON
 LICENSED PROFESSIONAL SALARY PLAN
 YEAR ENDED JUNE 30, 2019

LEVEL	BACHELORS	BACHELORS +20	BACHELORS+40	BA+60	BA+90	BA+120
				MASTERS	MASTERS+24	MASTERS+45
0	\$ 41,453	\$ 42,647	\$ 43,602	\$ 46,342	\$ 48,007	\$ 49,167
1	43,204	44,486	45,442	48,405	50,093	51,317
2	44,975	46,341	47,311	50,492	52,201	53,489
3	46,827	48,286	49,259	52,679	54,404	55,759
4	48,644	50,187	51,174	54,818	56,563	57,990
5	50,488	52,126	53,114	56,998	58,759	60,255
6	52,336	54,064	55,058	59,175	60,959	62,529
7	54,213	56,041	57,038	61,395	63,195	64,830
8	56,132	58,036	59,041	63,637	65,454	67,166
9	57,945	60,048	61,069	65,905	67,751	69,526
10		61,448	64,177	68,201	70,063	71,919
11			65,672	70,495	72,382	74,305
12				72,849	74,781	76,776
13				74,556	77,270	79,256
14						81,102

LICENCED STAFF PER LEVEL AND EDUCATION IN FULL-TIME EQUIVALENT EMPLOYEES-JUNE 2019

LEVEL	BACHELORS	BACHELORS +20	BACHELORS+40	BA+60	BA+90	BA+120	TOTAL
				MASTERS	MASTERS+24	MASTERS+45	
0	2	0	0	8	0	1	11
1	3	0	0	3	1	1	8
2	2	0	0	7	1	3	13
3	1	0	1	14	2	3	21
4	2.33	0	1	19	2	4.5	28.83
5	3	2	1	16	6.5	2	30.5
6	2	3	0	18.5	4	1	28.5
7	0	0	0	11	4	8.2	23.2
8	1	0	0	9	4.5	6	20.5
9	1	2	0	14	4	2.5	23.5
10	2	0	0	9.5	3	6.3	20.8
11	1	0	1	10.5	3.5	5	21
12	0	0	1	7	5	9.5	22.5
13	1	0	0	12	11	7	31
14	1	3	4	67.3	74.42	148.25	297.97
Total	22.33	10	9	225.8	125.92	208.25	601.3

Source: Reynolds School District Human Capital Management

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

FISCAL YEAR	STUDENT ENROLLMENT(1)	COST PER PUPIL(2)	LICENSED STAFF	PUPIL-TEACHER RATIO	Number of students graduated (3)	
					Reynolds High School	Reynolds Learning Academy
2018-2019	9,837	\$ 17,438	601.3	16.36	TBD	TDB
2017-2018	10,104	13,683	617.6	16.59	436	32
2016-2017	10,284	12,123	647.7	15.88	458	63
2015-2016	10,416	9,915	674.1	15.45	484	59
2014-2015	10,648	12,137	659.5	16.15	460	63
2013-2014	10,669	11,042	623.95	17.10	461	62
2012-2013	10,373	10,741	587.83	17.65	363	28
2011-2012	10,367	10,115	564.18	18.38	451	32
2010-2011	10,351	10,227	563.9	18.36	373	17
2009-2010	10,483	9,030	583	17.98	457	23

FISCAL YEAR	NUMBER OF TYPE A LUNCHES SERVED			NUMBER OF BREAKFASTS SERVED		
	PAID	FREE	REDUCED PRICE	PAID	FREE	REDUCED PRICE
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
2011-2012	159,423	939,127	78,322	32,463	511,679	34,465
2010-2011	184,563	926,037	84,385	23,713	401,643	29,344
2009-2010	203,683	851,957	111,098	23,345	354,058	35,934

(1) Student Enrollment is the ODE Student Enrollment Report number excluding Charter Schools and Out of District

(2) 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.

(3) Graduated Students are not formally available until January, 2020.

TBD = Data not yet finalized

Sources: Reynolds School District and Nutrition Service

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

	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
SCHOOLS					
ELEMENTARY					
Buildings	11	11	11	11	11
SQUARE FEET	694,429	599,731	599,731	599,731	599,731
CAPACITY	6,139	5,599	5,599	5,599	5,599
ENROLLMENT	4,809	4,961	5,131	5,179	5,202
MIDDLE					
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	2,307	2,244	2,318	2,299	2,448
HIGH					
Buildings	2	2	2	2	2
SQUARE FEET	365,416	334,837	334,837	334,837	334,837
CAPACITY	2,495	2,495	2,495	2,495	2,495
ENROLLMENT	2,721	3,045	2,910	3,097	3,129
AMINISTRATIVE					
Buildings	1	1	1	1	1
SQUARE FEET	12,500	12,500	12,500	12,500	12,500

	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
SCHOOLS					
ELEMENTARY					
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	4,670	4,580	4,579	4,595	4,676
MIDDLE					
Buildings	3	3	3	3	3
SQUARE FEET	411,811	411,881	411,881	411,881	411,881
CAPACITY	2,416	2,416	2,416	2,416	2,416
ENROLLMENT	2,431	2,424	2,425	2,446	2,457
HIGH					
Buildings	2	2	2	2	2
SQUARE FEET	334,837	334,837	334,837	334,837	334,837
CAPACITY	2,495	2,495	2,495	2,495	2,495
ENROLLMENT	2,938	2,799	2,821	2,708	2,762
AMINISTRATIVE					
Buildings	1	1	1	1	1
SQUARE FEET	12,500	12,500	12,500	12,500	12,500

Enrollment is the ODE Student Enrollment Report number excluding Charter Schools for 2018-19

Sources: Reynolds School District Facilities Services Department

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7
MULTNOMAH COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS



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

December 9, 2019

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, 2019, and have issued our report thereon dated December 9, 2019. 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.

OAR 162-10-0230 Internal Control

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

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

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

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

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7
MULTNOMAH COUNTY, OREGON

GRANT COMPLIANCE REVIEW



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December 9, 2019

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and fiduciary funds of Multnomah County School District No. 7 as of and for the year ended June 30, 2019, and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 9, 2019.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



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



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December 9, 2019

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

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

Report on Compliance for Each Major Federal Program

We have audited Multnomah County School District No. 7's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2019. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Multnomah County School District No. 7, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7
MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2019

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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
MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2019

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

CFDA NUMBER **NAME OF FEDERAL PROGRAM CLUSTER**

10.553, 10.555,
10.559 Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7
MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. **BASIS OF PRESENTATION**

The schedule of expenditures of federal awards in this report 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 District.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule of expenditures of federal awards 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 District has elected not to use the ten percent de minimis indirect cost rate as allowed under Uniform Guidance, since they already have a negotiated indirect cost rate with the Oregon Department of Education, and therefore is not allowed to use the de minimis rate.