

Multnomah Education Service District

Fiscal Year 2014-2015 Quarterly Report

For the second quarter ending December 31, 2014

Includes the December Monthly Board Financial Report

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Guide

The MESD Quarterly report presents the year-to-date resources, requirements, and cash balances of the district for all funds combined. It is also compares the current year-to-date activity to the same time for the previous two years. Fund resources are composed of beginning fund balances, revenues, and transfers from other funds. Fund requirements are composed of expenditures, transfers to other funds, and ending fund balances. Only expenditures and transfers are available to be spent through Board adopted appropriation.

The quarterly report lay out is similar to an income statement and is illustrated in the individual fund financial reports at the end of this document:

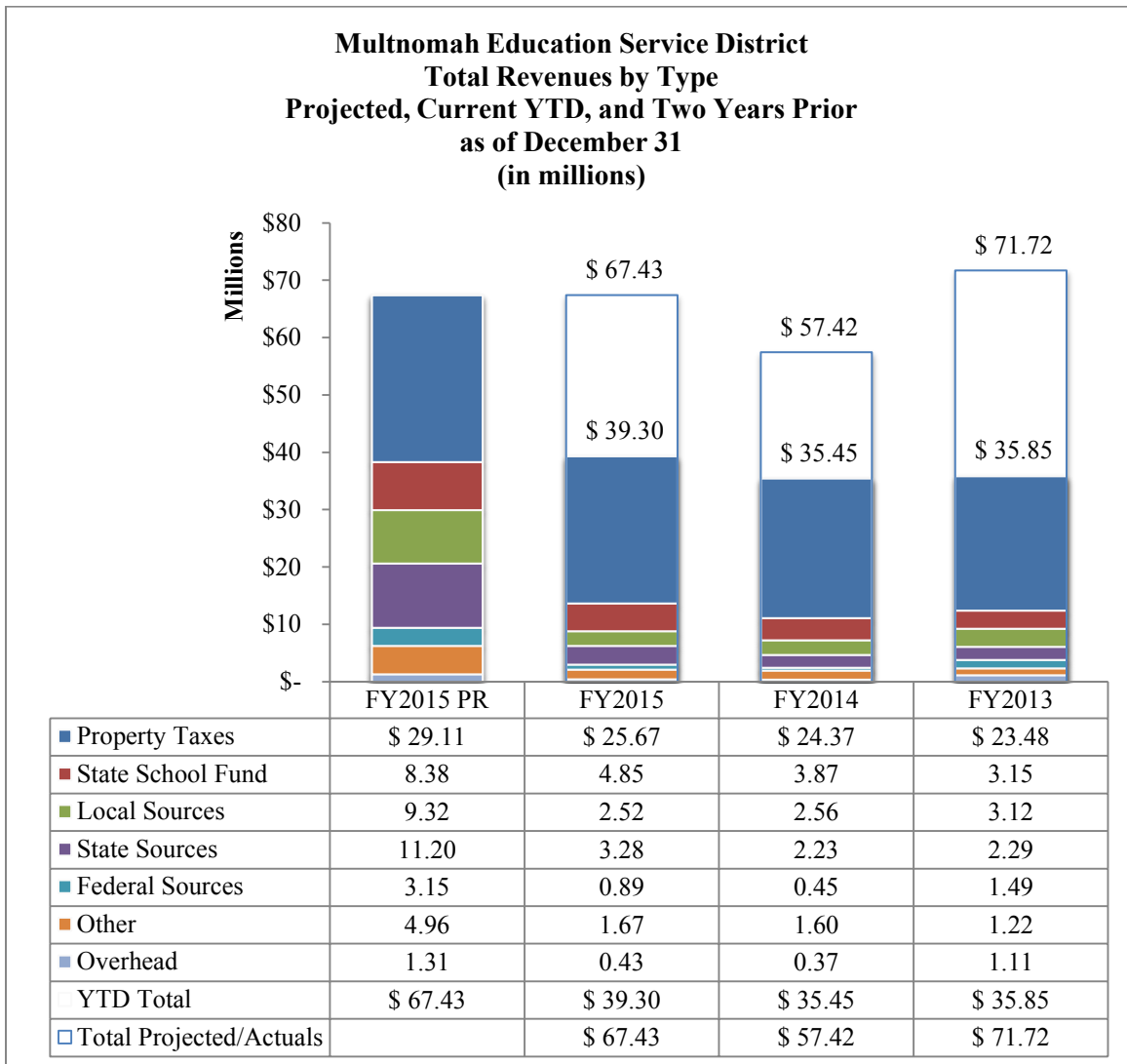
- **Total Revenues** categorized by major type: Property Taxes; State School Fund; Local, State, and Federal Sources; Other Revenues; and, Overhead. Each type is colored separately on the graph. The graph also outlines the total actual revenues received in previous years and what MESD projects for this year. If there are large fluctuations in a revenue type between this year and last year, the report will provide a narrative to explain the difference.
- **Total Expenditures and Transit Payments** categorized by major type: Transit Payments; Personnel Costs; Services & Supplies; Debt Service; Capital Outlay; and, Overhead Charges. Amounts set aside for contingencies may also be included. Similar to the Total Revenues graph, each major type is colored separately. Total actual expenditures and transit payments for previous years and what MESD plans to spend this year are outlined. Expenditures and transit payments are combined on this graph to show the total amount ‘going out’ of the District. Explanations for large fluctuations are better presented by separating expenditures from transits.
 - **Expenditures by Department** is similar to the two previous graphs and shows the expenses related to providing services and operations.
- **Transits by District** reflects the amount of SSF and other fund balances our component districts have or will request to be paid directly to them in lieu of MESD services. Transit amounts in the Resolutions Services Fund are funded by SSF revenues. Component districts can request up to 50% of the SSF revenues, less the 10% allocated to the District for general operations.
- **Inter-fund Transfers** reported by fund. This chart identifies the incoming and outgoing transfer of revenues between funds to pay for District operations and capital equipment outlay.
- **Fund Balance** reported by fund. Fund balance is similar to what is referred to as ‘owner’s equity’ in the private sector. It is equal to Assets (cash, money owed to the District and other assets) less Liabilities (what the District owes others).

In addition the quarterly report contains:

- **Cash Balances** reported for the District as a whole, and for each fund. Cash is one part of fund balance. MESD pools the cash into one account, but it is helpful to see the balances by fund.
- **Upcoming issues** identified by the Business Services Director and presented as a point of discussion.
- The **monthly financial report** showing our year-to-date revenues and expenditures compared to last year and to what we project for this year at the fund level.

Total Revenues

MESD revenues at the end of the second quarter total \$39.3 million. This amount is \$3.9 million or 9% more than this time last year.

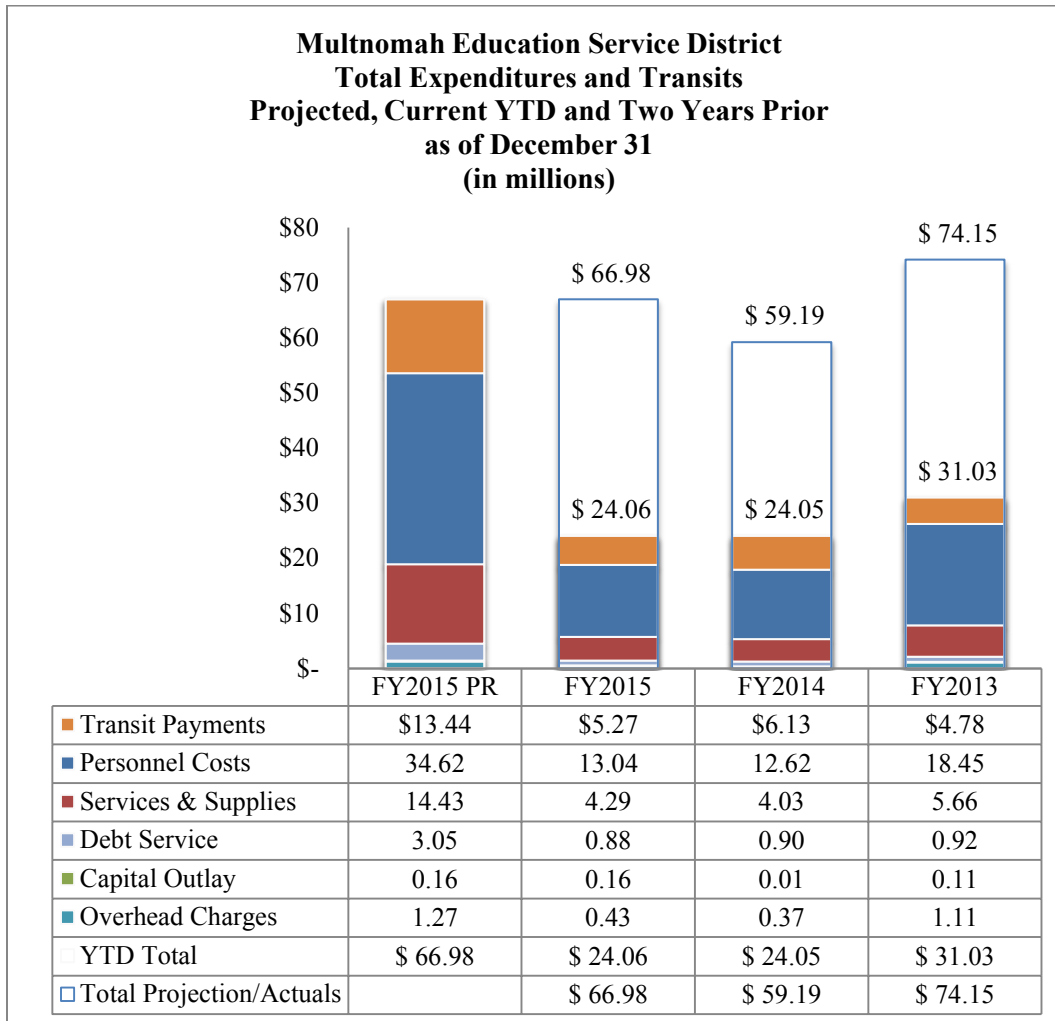


**Multnomah Education Service District
 Increase (decrease) in Revenues from Prior Year**

	<u>Change</u>	<u>FY2015</u>	<u>FY2014</u>
Property Taxes	1,293,059	25,668,055	24,374,996
State School Fund	986,935	4,852,958	3,866,023
Local Sources	(33,014)	2,524,100	2,557,114
State Sources	1,043,549	3,276,931	2,233,382
Federal Sources	436,397	887,691	451,293
Other	68,508	1,666,446	1,597,937
Overhead	61,823	427,438	365,615
Total	3,857,257	39,303,619	35,446,362
percent change	9.8%		

Total Expenditures and Transit Payments

MESD *expenditures* at the end of the second quarter equal \$18.8 million or 4.8% more than this time last year. Transit payments to our component districts, shown in orange on the graph below, are 14% lower in total this time last year and increase the total funds going out to \$24.1 million. Total expenditures and transit payments for the agency are less than \$6 thousand more than last December.



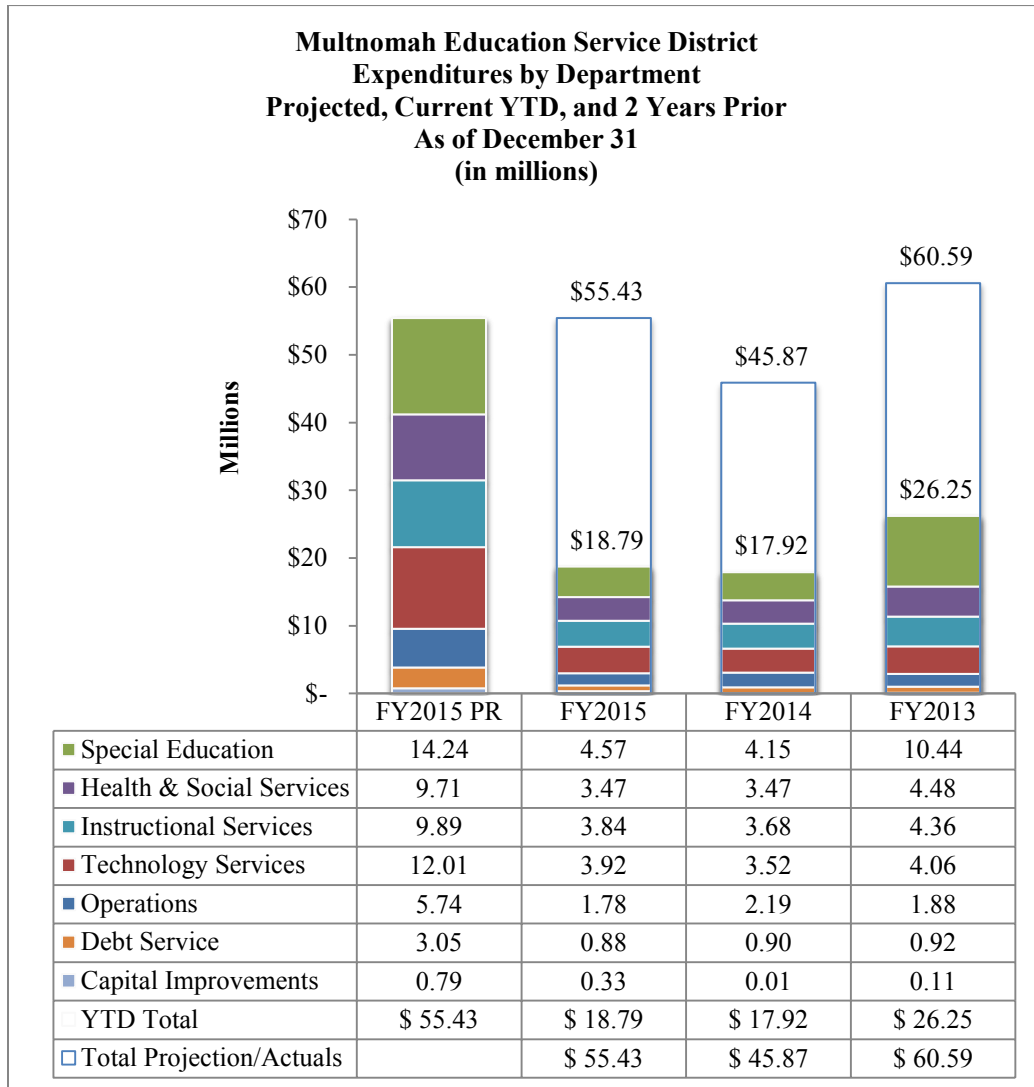
**Multnomah Education Service District
 Increase (Decrease) in Expenditures & Transits from Prior Year**

	Change	Percent	FY2015	FY2014
Transit Payments	(855,167)	-14.0%	5,270,773	6,125,939
Personnel Costs	411,534	3.3%	13,035,804	12,624,270
Services & Supplies	266,175	6.6%	4,291,448	4,025,273
Debt Service	(25,682)	-2.8%	875,493	901,175
Capital Outlay	147,218	1853.9%	155,159	7,941
Overhead Charges	61,823	16.9%	427,438	365,615
Total	5,902	0.0%	24,056,115	24,050,213

Expenditures by department and transit payments are discussed separately on the following pages.

Expenditures by Department

The largest net decrease of expenditures within a department occurs in Facilities. This is expected because we are no longer paying the lease payments for the Thompson building.



Limiting our view to operations, facilities services shows the biggest decrease from this time last year.

Operations Departments	FY2015 PR	FY2015	FY2014	FY2013
Administration	\$ 3,530,775	\$ 880,239	\$ 855,164	\$ 795,949
Facilities Services	566,527	187,746	564,182	420,945
Business Services	846,615	371,198	406,330	345,033
Human Resources	793,091	336,010	365,761	317,904
Operations YTD Total	\$ 5,737,008	\$ 1,775,192	\$ 2,191,437	\$ 1,879,831

Transit payments by District

The table below reflects the most current transit request amounts from the District Service Plan and the year to date payments as of the time of this report. Current requests for Resolution transits are 6.8% higher than last year.

**Multnomah Education Service District
 Transit Payments by District - Second Quarter
 Current Budget and YTD for Current and 2 Years Prior**

	<u>FY 2015 - BU</u>	<u>FY 2015 - PR</u>	<u>FY 2015 YTD</u>	<u>FY 2014 YTD</u>	<u>FY 2013 YTD</u>
Fund 1: Resolution Services					
Centennial	-	-	-	-	-
Corbett	300,000	300,000	-	-	-
David Douglas	1,124,936	1,103,099	327,559	250,000	-
Gresham-Barlow	2,097,537	2,097,537	2,215,362	2,147,667	171,000
Parkrose	-	-	-	-	-
Portland Public	8,269,931	8,269,931	2,727,852	2,538,897	2,381,550
Reynolds	1,603,887	1,603,887	-	-	-
Riverdale	64,324	64,324	-	-	-
Fund 1: Resolution Services Total	13,460,615	13,438,778	5,270,773	4,936,564	2,552,550
Fund 2: Contracted Services					
EI/ECSE	-	-	-	316,204	698,272
FLS	-	-	-	-	1,352,909
Medicaid	-	-	-	873,172	176,755
Fund 2: Contracted Services Total	-	-	-	1,189,376	2,227,936
Grand Total	13,460,615	13,438,778	5,270,773	6,125,939	4,780,486

Inter-fund Transfers

The following budgeted inter-fund transfers have occurred as of December 31:

Interfund Transfers	From	To	Current Budget	Projected	Actuals	Budget Remaining
SSF Revenue 10% ORS 334.177	Resolution	Operating	\$ 3,570,989	\$ 3,749,902	\$ 3,052,101	\$ 518,888
Computer replacement - Districts	Resolution	Facilities & Equip.	80,000	80,000	80,000	-
Wheatley School Facilities	Contracted	Facilities & Equip.	334,000	334,000	45,971	288,029
Facilities & Equipment Reserve	Operating	Facilities & Equip.	115,000	115,000	115,000	-
Debt Service - 2004 GO Bond	Operating	Debt Service	546,630	546,630	546,630	-
PERS Reserve	Risk Mgt	Operating	65,708	65,708	65,708	-
		Totals	<u>\$ 4,712,327</u>	<u>\$ 4,891,240</u>	<u>\$ 3,905,411</u>	<u>\$ 806,916</u>

Most budgeted transfers are completed during the first month of the fiscal year with the exception of the ongoing 10% of property tax/SSF revenue transferred from Resolution to Operating. New this year is a budgeted transfer from Contracted Services to Facilities to pay for equipment and materials for the new Wheatley School.

Fund Balance

Total fund balances for the MESD's governmental funds are shown below:

Multnomah Education Service District							
Total Fund Balance as of December 31, 2014							
	Fund 1: Resolution	Fund 2: Contracted	Fund 3: Debt	Fund 4: Facilities	Fund 6: Operating	Fund 7: Risk	All Funds
Cash and Cash Equiv.	\$ 16,750,316	\$ (1,052,280)	\$ 733,043	\$ 1,515,589	\$ 6,233,940	\$ 503,440	\$ 24,684,048
Accounts Receivable	54,953	4,667,300	-	-	149,032	-	4,871,285
Loan Receivable	-	12,085	-	-	-	-	12,085
Medicaid Match	-	80,095	-	-	-	-	80,095
Inventory/Prepaid	-	-	-	-	45,981	-	45,981
Accounts Payable	(261)	(12,101)	-	-	(52,718)	-	(65,080)
Accrued Payroll	-	-	-	-	(1,603,747)	-	(1,603,747)
Total Fund Balance	\$ 16,805,008	\$ 3,695,099	\$ 733,043	\$ 1,515,589	\$ 4,772,488	\$ 503,440	\$ 28,024,667

Definitions of fund balances and their purpose:

- Fund 1 – Resolution funds belonging to the districts to fund activities on the service plan that will be carried forward or paid to districts.
- Fund 2 – Restricted or assigned funds associated with contracts and grants.
- Fund 3 – Funding set aside to repay PERS and the 2004 Refunding debt service during the year.
- Fund 4 – Funding set aside for facilities improvements and maintenance or capital purchases of major software or equipment.
- Fund 6 – Operating fund balance. A minimum level is maintained each year to offset the cost of payroll expenses until property taxes are received in November.
- Fund 7 – Risk fund balance set aside for property & liability insurance and potential claims.

Cash Balance

Total cash balance in the District's governmental funds has increased \$320 thousand since December 2013.

Multnomah Education Service District			
Cash and Cash Equivalents - Governmental Funds			
	at 12-31-14	at 12-31-13	at 12-31-12
Bank Statement Balance	\$ 2,196,813	\$ 2,149,642	\$ 2,049,298
adjustment for outstanding items	441,620	(603,398)	(2,421,145)
Local Government Investment Pool (LGIP)	21,404,304	22,355,141	20,308,367
adjust for Funds in Agency Pass-Thru Fund	(105,835)	(189,720)	(358,245)
Local Government Investment Pool (LGIP) - PERS Bond	743,667	649,555	559,166
Petty Cash	3,479	2,680	8,750
Total Cash and Cash Equivalents - Govtl Funds	\$ 24,684,048	\$ 24,363,900	\$ 20,146,191
Change from prior year	\$ 320,148	\$ 4,217,709	

The change in cash and cash equivalents is best reviewed by fund.

**Multnomah Education Service District
 Change in Cash and Cash Equivalents by Fund - Governmental Funds**

	Change	at 12-31-14	at 12-31-13
Fund 1: Resolution Services	\$ 2,679,714	\$ 16,750,316	\$ 14,070,602
Fund 2: Contracted Services	(2,947,549)	(1,052,280)	1,895,269
Fund 3: Debt Service	195,090	733,043	537,953
Fund 4: Facilities Acquisition & Improvements	(356,335)	1,515,589	1,871,924
Fund 6: Operating	784,443	6,233,940	5,449,497
Fund 7: Risk Management Reserve	(35,215)	503,440	538,655
Total	\$ 320,148	\$ 24,684,048	\$ 24,363,900

The most dramatic variance is in Contracted Services primarily due to the large \$3.6 million one-time payment of FLS and Medicaid cash balance that occurred in FY2012-13. Because of that large disbursement to our Districts, the timing of revenue reimbursements for grants and contract expenditures is more pronounced. Although the Contracted Services fund has a negative claim on cash balance, there are over \$4.6 million in outstanding receivables at December 31.

**Multnomah Education Service District
 Accounts Receivable Aging by Fund**

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 120	Total
Fund 2: Contracted Services						
E2 Foundation	\$ -	\$ -	\$ -	\$ -	\$ 215,261	\$ 215,261
Gresham-Barlow School District	28,662	-	-	-	-	28,662
METRO	135,876	-	-	-	-	135,876
Oregon DHS	-	235,650	721,518	344,220	2,677,833	3,979,221
Portland Public Schools	107,953	54,648	-	-	-	162,601
Other	106,438	36,216	655	-	2,370	145,679
Fund 2: Total	378,929	326,514	722,173	344,220	2,895,464	4,667,300
Fund 1: Resolution Services	51,412	200	-	3,342	-	54,954
Fund 4: Facilities & Equipment	-	-	-	-	-	-
Fund 6: Operating	72,419	61,345	13,877	(72)	1,463	149,032
Total	\$ 502,760	\$ 388,059	\$ 736,050	\$ 347,490	\$ 2,896,927	\$ 4,871,286
Percent of total	10%	8%	15%	7%	59%	

Oregon DHS OR-Case receivable: The Business Office recently became aware that the outstanding balance for OR-Case may not be correct and that there are up to 5 months of provider payments that have not been sent to DHS for reimbursement. We have enlisted Joanne Ossanna, our temporary internal auditor, to reconcile the current balance, and Maureen Phelps, our senior accountant, to assist staff to bring our receivables current. Our staff is working diligently to ensure all outstanding items are sent to DHS prior to June 30.

Upcoming Issues

2015-16 Budget: Business Services is meeting weekly with other departments to prepare the 2015-16 Budget. Staff will begin to enter projected staffing requirements in the beginning of February. Our first Budget Committee meeting is March 19th for Orientation.

Multnomah Education Service District
Monthly Board Financial Report
as of December 31, 2014

This report represents the combined efforts of the Business Services Department and the Board Finance Committee to help increase understanding of MESD finances. It is presented in five parts:

1. **Summary of Budget and Actual Expenditures by Fund and Major Function**
Compares the current budget to the year to date actual expenditures at the legal level of budgetary control.
2. **Monthly Cash Dashboard**
Depicts the MESD's cash balances by month and compares the current fiscal year against the prior fiscal year.
3. **Monthly Revenues Dashboard**
Provides three views of MESD's revenues and compares the current fiscal year against the prior fiscal year.
4. **Monthly Expenditures Dashboard**
Depicts the MESD's year to date actual expenditures, and the expenditures by category for the MESD's major funds.
5. **Individual Fund Financial Reports**
Provides the current financial status for each of the MESD's funds including; the current budget, projected actual revenues and expenditures, year to date actual revenues and expenditures, and the percentage of year to date to the projections. The prior year to date is shown for comparison.

If you have any comments or suggestions, please contact Doana Anderson, Director of Business Services at danderso@mesd.k12.or.us or (503) 257-1520

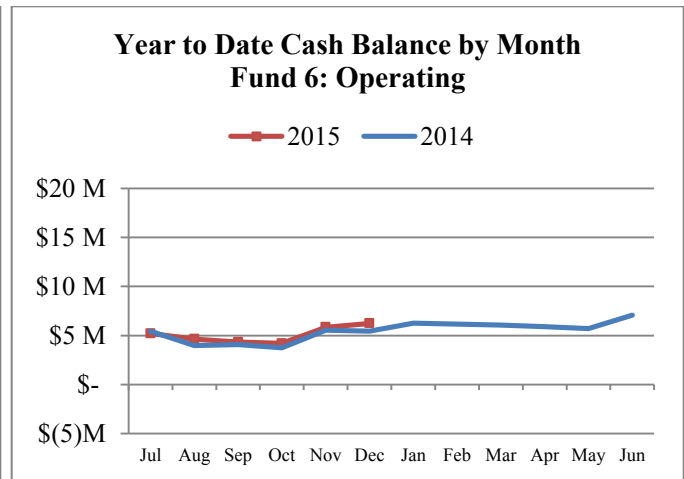
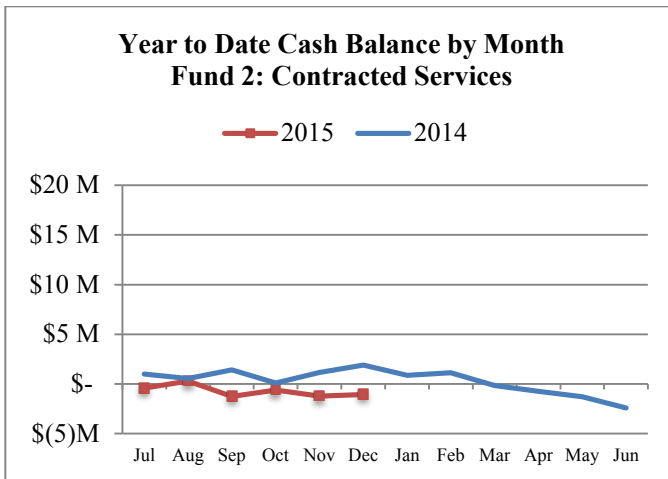
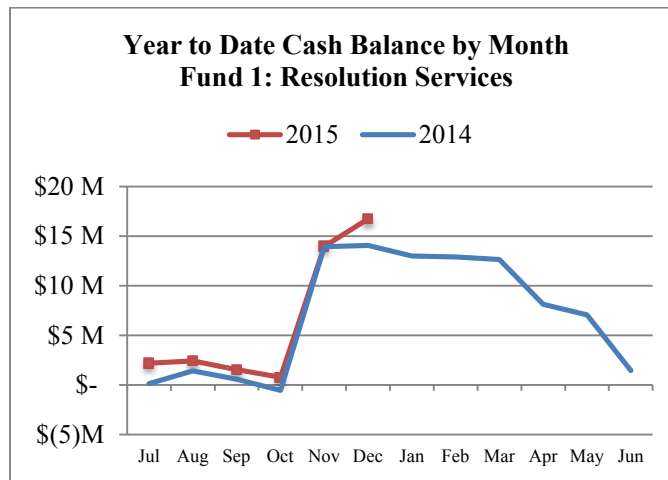
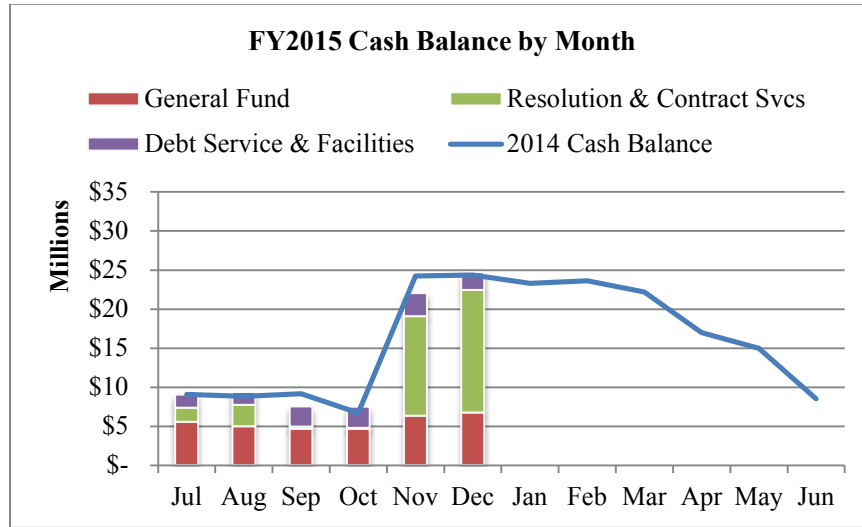
**Multnomah Education Service District
Monthly Board Financial Report
As of December 31, 2014**

Summary of Budget and Actual Expenditures by Fund and Major Function

Current Budget vs Actual Total Expenses	Current Budget	Dec 31 2014 YTD Actuals	Dec 31 2014 Balance
Fund: 1 Resolution Services			
1000 Instruction	\$ 6,050,697	\$ 1,715,622	\$ 4,335,075
2000 Support Services	13,154,697	5,140,791	8,013,906
3000 Enterprise & Community Services	5,725	906	4,819
5000 Other Uses	13,460,615	5,270,773	8,189,842
5200 Transfers Out	3,650,989	3,132,101	518,888
6000 Contingencies	1,485,001	-	1,485,001
Fund: 1 Resolution Services Total	\$ 37,807,724	\$ 15,260,193	\$ 22,547,531
Fund: 2 Contracted Services			
1000 Instruction	\$ 8,159,433	\$ 2,713,102	\$ 5,446,331
2000 Support Services	9,099,137	3,076,372	6,022,765
3000 Enterprise & Community Services	11,993,011	2,078,193	9,914,818
5200 Transfers Out	334,000	45,971	288,029
Fund: 2 Contracted Services Total	\$ 29,585,581	\$ 7,913,639	\$ 21,671,942
Fund: 6 Operating			
2000 Support Services	\$ 4,953,241	\$ 2,191,232	\$ 2,762,009
3000 Enterprise & Community Services	552,518	290,226	262,292
5200 Transfers Out	661,630	493,274	168,356
6000 Contingencies	400,000	-	400,000
Fund: 6 Operating Total	\$ 6,567,389	\$ 2,974,732	\$ 3,592,657
Fund: 3 Debt Service			
5100 Debt Service	\$ 3,051,004	\$ 875,493	\$ 2,175,511
Fund: 3 Debt Service Total	\$ 3,051,004	\$ 875,493	\$ 2,175,511
Fund: 4 Facilities & Equipment Reserve			
1000 Instruction	\$ 50,000	\$ 45,274	\$ 4,726
2000 Support Services	337,000	280,720	56,280
4000 Facilities Acquisition/Construction	398,000	-	398,000
Fund: 4 Facilities & Equipment Reserve Total	\$ 785,000	\$ 325,994	\$ 459,006
Fund: 7 Risk Management Reserve			
2000 Support Services	\$ 669,456	\$ 546,852	\$ 122,604
5200 Transfers Out	65,708	65,708	-
Fund: 7 Risk Management Reserve Total	\$ 735,164	\$ 612,560	\$ 122,604

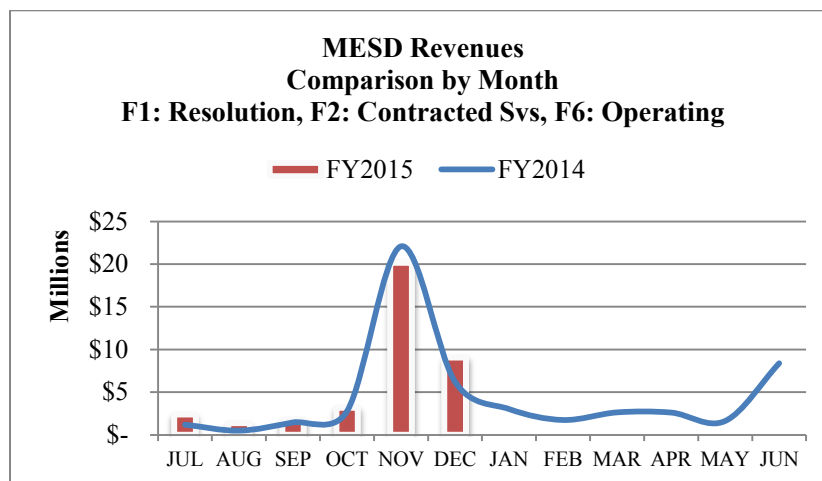
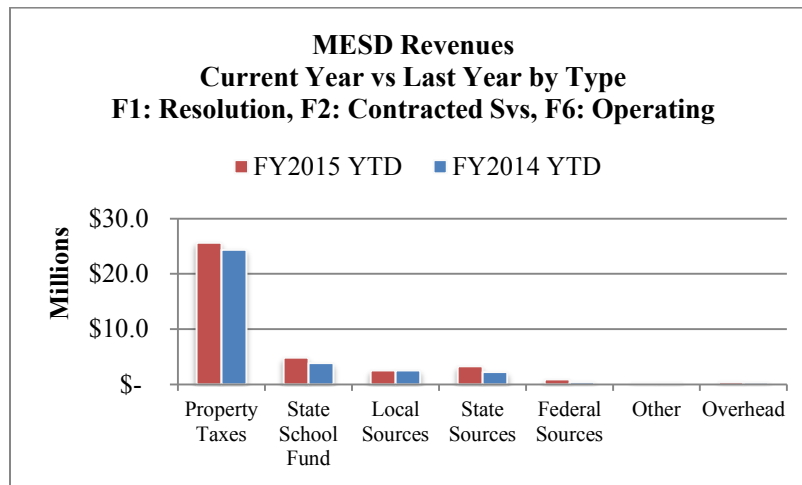
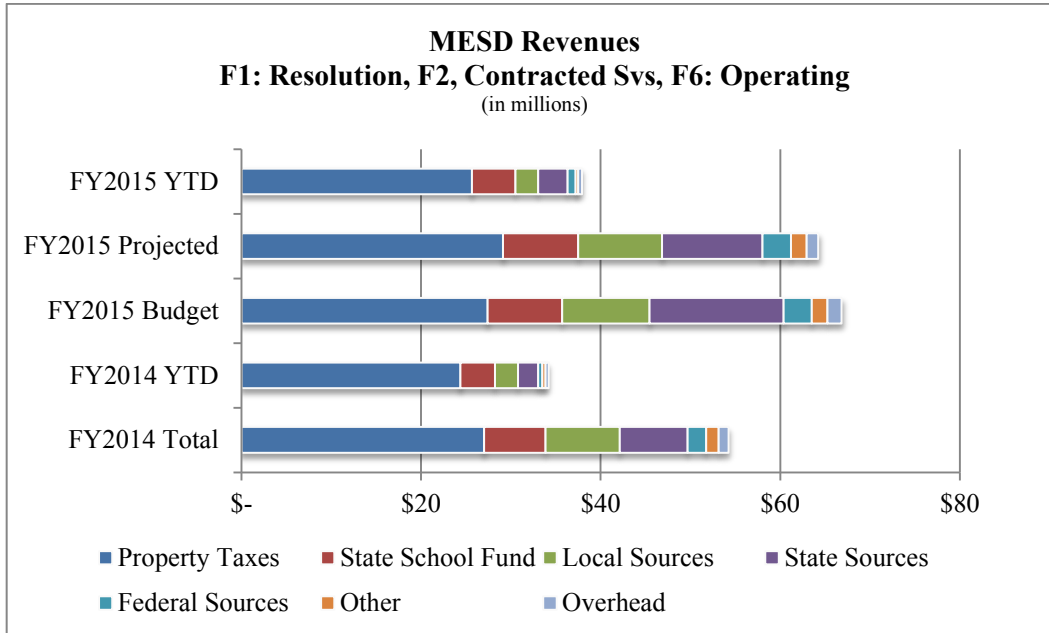
**Multnomah Education Service District
Monthly Board Financial Report
As of December 31, 2014**

Monthly Dashboard - Cash



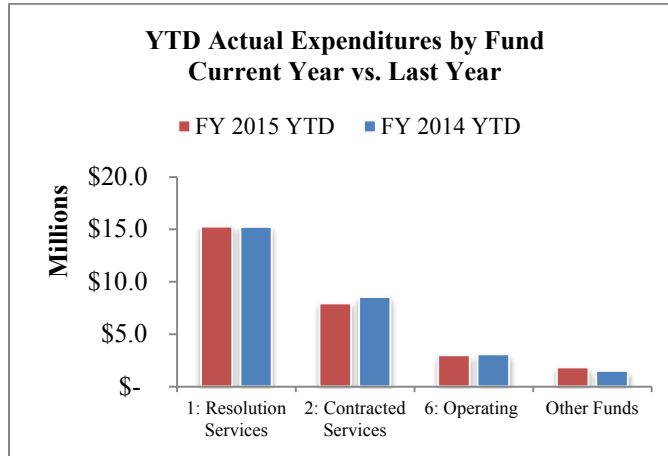
**Multnomah Education Service District
Monthly Board Financial Report
As of December 31, 2014**

Monthly Dashboard - Revenues

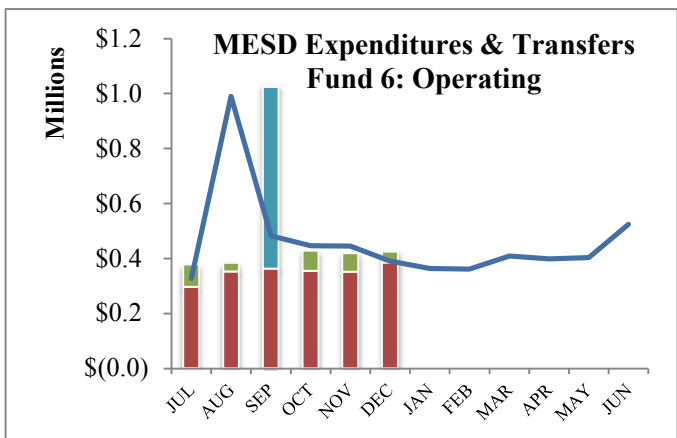
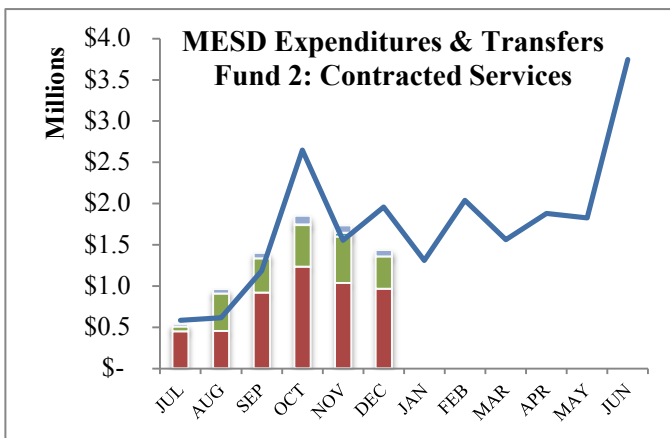
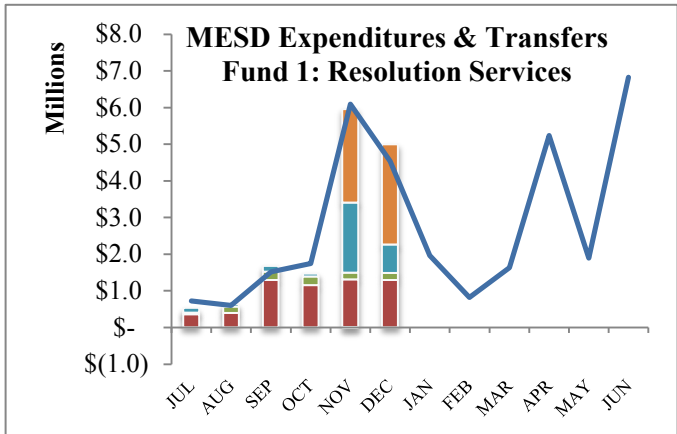
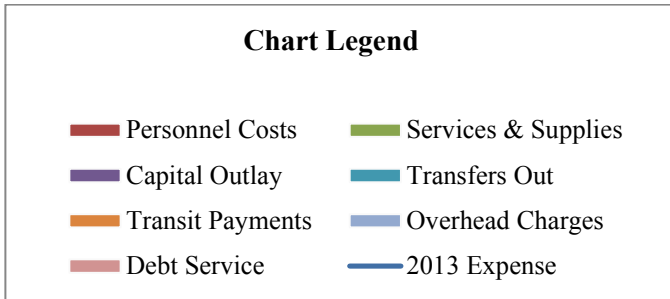


**Multnomah Education Service District
Monthly Board Financial Report
As of December 31, 2014**

Monthly Dashboard – Expenditures & Transfers Out



Expense by Category



Note: Budgeted transfers normally posted in July or August were recorded in September this year.

**Multnomah Education Service District
Board Financial Report
Fund 1: Resolution Services**

	Fiscal Year 2013-2014			Fiscal Year 2014-2015			
	Year End Actuals	YTD Dec 2013	% of Total	Current Budget	Projected Actual	YTD Dec 2014	% of Projected
Revenues							
Property Taxes	27,001,138	24,374,996	90.27 %	27,394,000	29,114,027	25,668,056	88.16 %
State School Fund	6,850,158	3,866,023	56.44 %	8,315,886	8,384,995	4,852,958	57.88 %
Local Sources	53,415		0.00 %		2,236	30,199	1,350.58 %
State Sources	(2,699)		0.00 %				0.00 %
Other Revenues	106,568	49,460	46.41 %	636,455	636,455	51,519	8.09 %
Total Revenues	34,008,580	28,290,479	83.19 %	36,346,341	38,137,713	30,602,732	80.24 %
Expenditures							
Instruction	5,881,729	2,455,076	41.74 %	6,050,697	5,904,091	1,715,631	29.06 %
Support Services	12,124,741	4,930,699	40.67 %	13,154,697	13,503,086	5,140,797	38.07 %
Enterprise & Community Services	6,713	4,910	73.14 %	5,725	725	906	124.97 %
Contingencies			0.00 %	1,485,001	1,485,001		0.00 %
Total Expenditures	18,013,183	7,390,685	41.03 %	20,696,120	20,892,903	6,857,334	32.82 %
Other Financing Sources (Uses)							
Apportionment of Funds	(12,131,957)	(4,936,564)	40.69 %	(13,460,615)	(13,438,778)	(5,270,773)	39.22 %
Transfers Out	(3,465,130)	(2,904,102)	83.81 %	(3,650,989)	(3,829,902)	(3,132,101)	81.78 %
Total Other Financing Sources (Uses)	(15,597,087)	(7,840,666)	50.27 %	(17,111,604)	(17,268,680)	(8,402,874)	48.66 %
Net Change in Fund Balance	398,330	13,059,149		(1,461,383)	(23,870)	15,342,540	
Beginning Fund Balances	1,063,052	1,063,052		1,461,383	1,461,383	1,461,382	
Ending Fund Balances	1,461,382	14,122,202			1,437,513	16,803,922	

The Resolution Services Fund accounts for the various programs provided to the component districts as specified by the resolutions. The sources of revenues for this fund come exclusively from local property taxes and the State School Fund. In accordance with Oregon Revised Statute 334.177, a maximum of 10% of these revenues are transferred to the Operating Fund and used to pay for the general operating costs of the agency. The remaining 90% is apportioned to the eight component school districts according to average daily membership weighted (ADMw).

**Multnomah Education Service District
Board Financial Report
Fund 2: Contracted Services**

	Fiscal Year 2013-2014			Fiscal Year 2014-2015			
	Year End Actuals	YTD Dec 2013	% of Total	Current Budget	Projected Actual	YTD Dec 2014	% of Projected
Revenues							
Local Sources	8,134,730	2,557,114	31.43 %	9,500,138	9,521,919	2,462,847	25.87 %
State Sources	7,553,606	2,233,383	29.57 %	14,942,165	11,307,397	3,276,930	28.98 %
Federal Sources	2,079,395	451,291	21.70 %	3,139,914	3,171,099	887,691	27.99 %
Investment Earnings	1,492	1,157	77.55 %			1,207	0.00 %
Sales of Goods & Services	6,996	1,923	27.49 %	8,372	8,372	2,124	25.37 %
Other Revenues	1,081,634	210,931	19.50 %	985,238	971,460	170,451	17.55 %
Total Revenues	18,857,853	5,455,799	28.93 %	28,575,827	24,980,247	6,801,250	27.23 %
Expenditures							
Instruction	6,515,446	1,977,759	30.35 %	8,159,433	7,243,682	2,713,110	37.45 %
Support Services	7,121,943	2,911,590	40.88 %	9,099,137	8,285,004	3,076,366	37.13 %
Enterprise & Community Services	5,307,167	1,695,248	31.94 %	11,993,011	8,128,321	2,078,197	25.57 %
Total Expenditures	18,944,556	6,584,597	34.76 %	29,251,581	23,657,007	7,867,673	33.26 %
Other Financing Sources (Uses)							
Apportionment of Funds	(1,189,376)	(1,189,376)	100.00 %				0.00 %
Transfers Out	(770,980)	(770,980)	100.00 %	(334,000)	(334,000)	(45,971)	13.76 %
Total Other Financing Sources (Uses)	(1,960,356)	(1,960,356)	100.00 %	(334,000)	(334,000)	(45,971)	13.76 %
Net Change in Fund Balance	(2,047,036)	(3,089,132)		(1,009,754)	989,239	(1,112,387)	
Beginning Fund Balances	6,854,522	6,854,522		4,807,487	4,807,487	4,807,486	
Ending Fund Balances	4,807,486	3,765,389		3,797,733	5,796,726	3,695,099	

The Contracted Services Fund accounts for activities carried on for the benefit of participating local school districts, as well as food dispensing programs. The fund is self-supporting through grants and other reimbursements, mainly from the state and participating school districts. A maximum surcharge of 10% is added to the cost of services from this fund in order to cover the operating costs of the agency. Where grants specify a different overhead rate the lower rate is applied.

**Multnomah Education Service District
Board Financial Report
Fund 3: Debt Service**

	Fiscal Year 2013-2014			Fiscal Year 2014-2015			
	Year End Actuals	YTD Dec 2013	% of Total	Current Budget	Projected Actual	YTD Dec 2014	% of Projected
Revenues							
Services to Other Funds	2,416,256	892,503	36.94 %	2,504,374	2,504,374	1,026,385	40.98 %
Total Revenues	2,416,256	892,503	36.94 %	2,504,374	2,504,374	1,026,385	40.98 %
Expenditures							
Debt Service	2,927,360	901,175	30.78 %	3,051,004	3,051,004	875,493	28.70 %
Total Expenditures	2,927,360	901,175	30.78 %	3,051,004	3,051,004	875,493	28.70 %
Other Financing Sources (Uses)							
Transfers In	546,606	546,606	100.00 %	546,630	546,630	546,630	100.00 %
Total Other Financing Sources (Uses)	546,606	546,606	100.00 %	546,630	546,630	546,630	100.00 %
Net Change in Fund Balance	35,501	537,933				697,522	
Beginning Fund Balances	19	19		35,521	35,521	35,521	
Ending Fund Balances	35,521	537,953		35,521	35,521	733,043	

The Debt Service Fund accounts for the principal and interest payments associated with the agency's two bond issues. The OSBA Limited Tax Pension Obligations, Series 2004 were sold to fund the District's Public Employees Retirement System (PERS) unfunded actuarial liability. A benefit expense is applied to all payrolls to generate the funds necessary to pay this debt service. The funding is then recognized in the Debt Service Fund as revenue for services to other funds. The second issue is the Full Faith & Credit Refunding Obligations, Series 2004. This general obligation issue refunded the 1997 Certificates of Participation (COP) originally used to fund the construction of Alpha High School and Arata Creek School. The debt service payment is funded by at transfer from the Operating Fund.

**Multnomah Education Service District
Board Financial Report
Fund 4: Facilities & Equipment Reserve**

	Fiscal Year 2013-2014			Fiscal Year 2014-2015			
	Year End Actuals	YTD Dec 2013	% of Total	Current Budget	Projected Actual	YTD Dec 2014	% of Projected
Revenues							
Local Sources	83,172		0.00 %			15,046	0.00 %
Total Revenues	83,172		0.00 %			15,046	0.00 %
Expenditures							
Instruction			0.00 %	50,000	50,000	45,273	90.55 %
Support Services	142,475	70	0.05 %	337,000	337,000	280,719	83.30 %
Facilities Acquisition/Construction	235,065	7,941	3.38 %	398,000	398,000		0.00 %
Total Expenditures	377,540	8,011	2.12 %	785,000	785,000	325,992	41.53 %
Other Financing Sources (Uses)							
Transfers In	80,000	80,000	100.00 %	529,000	579,000	240,971	41.62 %
Total Other Financing Sources (Uses)	80,000	80,000	100.00 %	529,000	579,000	240,971	41.62 %
Net Change in Fund Balance	(214,369)	71,989		(256,000)	(206,000)	(69,975)	
Beginning Fund Balances	1,799,934	1,799,934		1,585,565	1,585,565	1,585,564	
Ending Fund Balances	1,585,564	1,871,923		1,329,565	1,379,565	1,515,588	

This fund accounts for facility acquisitions and improvements as well as major maintenance projects. In addition, it also accounts for the accumulation of resources for future acquisition of major software, equipment and furniture. It is funded primarily by transfers from the Operating and Resolution Funds.

**Multnomah Education Service District
Board Financial Report
Fund 6: Operating**

	Fiscal Year 2013-2014			Fiscal Year 2014-2015			
	Year End Actuals	YTD Dec 2013	% of Total	Current Budget	Projected Actual	YTD Dec 2014	% of Projected
Revenues							
Local Sources	67,103		0.00 %	209,985	209,985	16,004	7.62 %
Investment Earnings	77,938	28,090	36.04 %	75,000	75,000	34,636	46.18 %
Sales of Goods & Services	29	29	100.00 %			24	0.00 %
Other Revenues	130,271	69,368	53.25 %	45,300	45,300	43,157	95.27 %
Overhead Revenues	1,087,745	365,615	33.61 %	1,574,988	1,305,615	427,438	32.74 %
Total Revenues	1,363,086	463,102	33.97 %	1,905,273	1,635,900	521,259	31.86 %
Expenditures							
Support Services	4,998,325	2,536,477	50.75 %	4,953,241	4,978,733	2,191,237	44.01 %
Enterprise & Community Services			0.00 %	552,518	551,746	290,225	52.60 %
Transfers Out			0.00 %		(168,356)	(168,356)	100.00 %
Contingencies			0.00 %	400,000	400,000		0.00 %
Total Expenditures	4,998,325	2,536,477	50.75 %	5,905,759	5,762,123	2,313,106	40.14 %
Other Financing Sources (Uses)							
Transfers In	4,240,351	3,679,323	86.77 %	3,636,697	3,815,610	3,117,809	81.71 %
Transfers Out	(546,606)	(546,606)	100.00 %	(661,630)	(661,630)	(661,630)	100.00 %
Total Other Financing Sources (Uses)	3,693,745	3,132,717	84.81 %	2,975,067	3,153,980	2,456,179	77.88 %
Net Change in Fund Balance	58,510	1,059,339		(1,025,419)	(972,243)	664,336	
Beginning Fund Balances	4,049,641	4,049,641		4,108,152	4,108,152	4,108,151	
Ending Fund Balances	4,108,151	5,108,981		3,082,733	3,135,909	4,772,488	

The Operating fund accounts for the indirect operating costs of the agency. In accordance with Oregon Revised Statute 334.177, 10% of local revenues from the Resolution Services fund are transferred to this fund. In addition, a maximum 10% surcharge in the Contracted Services Fund is credited to this fund as overhead revenue.

**Multnomah Education Service District
Board Financial Report
Fund 7: Risk Management Reserve**

	Fiscal Year 2013-2014			Fiscal Year 2014-2015			
	Year End Actuals	YTD Dec 2013	% of Total	Current Budget	Projected Actual	YTD Dec 2014	% of Projected
Revenues							
Other Revenues	103,846	101,027	97.29 %		91,857	91,857	100.00 %
Services to Other Funds	591,364	243,451	41.17 %	609,456	609,456	245,086	40.21 %
Total Revenues	695,210	344,478	49.55 %	609,456	701,313	336,943	48.04 %
Expenditures							
Support Services	609,245	503,367	82.62 %	669,456	669,348	546,856	81.70 %
Total Expenditures	609,245	503,367	82.62 %	669,456	669,348	546,856	81.70 %
Other Financing Sources (Uses)							
Transfers Out	(84,241)	(84,241)	100.00 %	(65,708)	(65,708)	(65,708)	100.00 %
Total Other Financing Sources (Uses)	(84,241)	(84,241)	100.00 %	(65,708)	(65,708)	(65,708)	100.00 %
Net Change in Fund Balance	1,724	(243,131)		(125,708)	(33,743)	(275,616)	
Beginning Fund Balances	777,333	777,333		779,057	779,057	779,057	
Ending Fund Balances	779,057	534,202		653,349	745,314	503,440	

The purpose of this fund is to pay for costs associated with risk management activities including insurance premiums, activities to prevent or minimize exposure and incurred losses. A benefit expense is applied to all payrolls to generate the funds necessary to support these activities. The funding is then recognized in the Risk Management Fund as revenue for services to other funds. In the 2010-11 fiscal year a \$450 thousand PERS reserve was established in this fund to help offset the anticipated sharp increase in future PERS costs to the Operating Fund beginning in 2011-12. Annual transfers to the Operating Fund are intended to offset PERS costs as follows: 80% in 2011-12, 60% in 2012-13, 40% in 2013-14, 30% in 2014-15, and 10% in 2015-16.