

Special Meeting and Budget Work  
Session  
Tuesday, December 17, 2024 6:00 PM

Dr. Matthew Prophet Education Center - Board  
Auditorium  
501 N. Dixon St  
Portland, OR 97227

## **Agenda**

1. 6:00 pm - Call to Order / Introductions
2. 6:05 pm - Consent Agenda - Resolutions 7020 through 7022 Vote - Public comment accepted
  - 2.(a) Resolution 7020 - Adoption of the Index to the Minutes
  - 2.(b) Resolution 7021 - Expenditure Contracts
  - 2.(c) Resolution 7022 - Authorization for Off-Campus Activities
3. 6:10 pm - Annual Comprehensive Financial Report Presentation (Resolution 7023)  
Vote - Public comment accepted
4. 6:30 pm - Audit Committee Report
5. 6:50 pm - Review Draft General Obligation Bond Referral Language
6. 7:20 pm - Review Fall Measure of Academic Progress (MAP) Data
7. 7:40 pm - Budget Work Session to Establish Priorities
8. 8:40 pm - Adjourn

**RESOLUTION No. 7020**

Adoption of the Index to the Minutes

The Following Index to the Minutes are offered for Adoption:

- December 03, 2024 – Regular Meeting



## Index to the Minutes

*(Draft for Approval)*

### Regular Meeting

December 03, 2024

*This document is a record of the actions taken by the Board of Education. In accordance with ORS 192.650, the District's official School Board Meeting Minutes are maintained via video recording and may be viewed at <https://youtu.be/3bkoRihNqFY>*

*This meeting held at the Dr. Matthew Prophet Education Center (Prophet Center) located at 501 N Dixon St. Portland, OR 97217 and streamed live at: <https://www.youtube.com/@ppsboardofeducation/live>*

#### Board Member Attendance

Present: Chair Eddie Wang; Vice-Chair Michelle DePass; Directors Julia Brim-Edwards, Herman Greene, Gary Hollands, Andrew Scott, and Patte Sullivan; Student Representative JJ Kunsevi

Absent: None

### INDEX

Agenda .....	02
Public Comment .....	02
Statements for the Record .....	NA
Actions Taken .....	02

#### **Resolutions Adopted**

7007	Resolution Authorizing the Parent Advisory Committee: Distribution of Donations for Staffing Charter .....	04
7008	Resolution to Support Amending the Oregon School Boards Association Dues Schedule ....	08
7009	Resolution to Support Amending the OSBA 2023 Bylaws .....	09
7010	Resolution to Support Amending the Oregon School Boards Association's Bylaws Relating to Composition of the Board of Directors .....	10
7011	Resolution to Support Katrina Doughty for the Oregon School Board Association Board of Directors Position 17 .....	11
7012	Resolution to Support Jose Gamero-Georgeson for the Oregon School Board Association Board of Directors Position 19 .....	12
7013	Resolution Approving Amended Collaboration Agreement Between Center for Black Excellence and Portland Public Schools .....	13
7014	Expenditure Contracts .....	14
7015	Revenue Contracts .....	15
7016	Authorizing Off-Campus Travel .....	17
7017	Adoption of the Index to the Minutes .....	18
7018	Dismissal of a Contract Educator .....	19
7019	Resolution Approving the Operating Agreement between Portland Public Schools and The Fund for Portland Public Schools .....	20

## Agenda

Time Started	Agenda Title
6:03 pm	Called to Order by Board Chair Eddie Wang
6:04 pm	Board Member Declarations to be Considered for Board Leadership
6:05 pm	Superintendent's Report
6:16 pm	Student Representative's Report
6:20 pm	Parent Advisory Committee (PAC): Distribution of Donations for Staffing Charter (Resolution 7007)
6:34 pm	Resolution Approving the Operating Agreement between Portland Public Schools and The Fund for Portland Public Schools (Resolution 7019)
7:03 pm	Public Comment
7:16 pm	Comments from our Union Partners
7:23 pm	Board Committee and Conference Reports
7:42 pm	Discussion: 2025 General Obligation Bond
8:13 pm	Discussion: Board Stipends
8:30 pm	First Reading of a New Policy - Student Use of Personal Electronic Devices in Schools X-XX-XXX-P
9:34 pm	Oregon School Board Association (OSBA) Recommendations and Elections
9:36 pm	Consent Agenda: Resolutions 7013 through 7018
9:38 pm	Other Business / Committee Referrals
9:41 pm	Adjourn

## Student and Public Comment

### General Student Comment

None

### General Public Comment

- *Jamie Incorvia*
- *Dwayne Thomas*
- *Jan Watt*

## Action Items

- **Resolution 7007 - Resolution Authorizing the Parent Advisory Committee: Distribution of Donations for Staffing Charter**

Director Brim-Edwards moved and Director DePass seconded the motion to approve Resolution Number 7007. The motion was put to a voice vote and passed (7 yes – 0 no).

Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Herman Greene: Yes, Director Gary Hollands: Yes, Director Andrew Scott: Yes, Director Patte Sullivan: Yes, Director Eddie Wang: Yes, Student Representative Kunsevi: Yes (Unofficial)

- **Revising the Draft Student Use of Personal Electronic Devices in Schools X-XX-XXX-P offered for a first reading**

Director DePass moved and Director Sullivan seconded the motion to amend the draft Student Use of Personal Electronic Devices in Schools X-XX-XXX-P offered for a first reading. The amendment deletes section 2(a) and amends 2(b) to read "Personal Electronic Devices must be "off and away" throughout the school day so that the device cannot disrupt students or the learning environment unless otherwise permitted under this policy or the related Administrative Directive." The motion was put to a voice vote and passed (4 yes – 3 no).

Director Julia Brim-Edwards: No, Director Michelle DePass: Yes, Director Herman Greene: No, Director Gary Hollands: No, Director Andrew Scott: Yes, Director Patte Sullivan: Yes, Director Eddie Wang: Yes, Student Representative Kunsevi: No (Unofficial)

- **Resolution 7019 - Resolution Approving the Operating Agreement between Portland Public Schools and The Fund for Portland Public Schools**

Director Brim-Edwards moved and Director Hollands seconded the motion to approve Resolution 7019. The motion was put to a voice vote and passed (7 yes – 0 no).

Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Herman Greene: Yes, Director Gary Hollands: Yes, Director Andrew Scott: Yes, Director Patte Sullivan: Yes, Director Eddie Wang: Yes, Student Representative Kunsevi: Yes (Unofficial)

- **Oregon School Board Association Resolutions 7008 through 7013**

Director Greene moved and Director Scott seconded the motion to approve the Resolutions 7008 through 7012. The motion was put to a voice vote and passed (7 yes – 0 no).

Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Herman Greene: Yes, Director Gary Hollands: Yes, Director Andrew Scott: Yes, Director Patte Sullivan: Yes, Director Eddie Wang: Yes, Student Representative Kunsevi: Yes (Unofficial)

- **Consent Agenda – Resolutions 7013 through 7018**

Director Hollands moved and Director Greene seconded the motion to approve the Consent Agenda, including Resolutions 7013 through 7018. The motion was put to a voice vote and passed (7 yes – 0 no).

Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Herman Greene: Yes, Director Gary Hollands: Yes, Director Andrew Scott: Yes, Director Patte Sullivan: Yes, Director Eddie Wang: Yes, Student Representative Kunsevi: Yes (Unofficial)

**RESOLUTION No. 7007**

Resolution Authorizing the Parent Advisory Committee: Distribution of Donations for Staffing Charter

**RECITALS**

- A. On May 7, 2024, the Portland Public Schools Board of Education passed the Districtwide Advocacy and Fundraising Policy 7.10.020-P which requires that donations to fund staff positions may be collected only by a districtwide foundation.
- B. Policy 7.10.020-P requires that a formula for distribution of funding to individual schools shall be developed by a Parent Advisory Committee and approved by the Board.
- C. Policy 7.10.020-P also requires that Portland Public Schools establish a Parent Advisory Committee to develop a recommended formula for the distribution of any funding to individual schools, which would be shared with school administrators for feedback and a recommendation made to the Board of Education for its approval.

**RESOLUTION**

The Portland Public School Board of Education hereby adopts the Parent Advisory Committee: Distribution of Donations for Staffing Charter as reflected in Exhibit A.



## **Parent Advisory Committee (PAC): Distribution of Donations for Staffing Charter**

### **Purpose Statement**

To provide a recommendation to the Board of Education for distribution of donations for staff positions to fulfill the intention of the [Districtwide Advocacy and Fundraising Policy](#) (7.10.020-P).

### **Context**

In May 2024, the PPS Board of Education (the Board) passed an amendment to 7.10.020-P Districtwide Advocacy and Fundraising Policy. Excerpt below:

*Local School Foundations and school or program fundraising:*

*An inclusive districtwide foundation, designated by the Board of Education, shall serve as the districtwide advocacy and fundraising entity and serve as the fiscal agent for the Local School Foundations (LSFs).*

*Fundraising for Staff and Contracted Staff:*

*Effective July 1, 2024, donations for staff positions may be collected only by the designated districtwide foundation in a single, combined fund account. Donations shall be accepted from Local School Foundations, Independent School Foundations, nonprofits, corporations/businesses and individuals. A formula for the distribution of any funding to individual schools shall be developed in advance of the school year by a Parent Advisory Committee, shared with school administrators for feedback, and a recommendation made to the Board of Education for its approval.*

### **Executive Sponsor for Project:**

Deborah Kafoury, Chief of Staff

### **Project Lead:**

Robyn Faraone, Director, Strategic Partnerships



**Committee Membership**

The Parent Advisory Committee (PAC) is composed of no more than eleven members: nine parents/caregivers plus two students with at least one representative from each of the following:

1. Cleveland Cluster
2. Franklin Cluster
3. Grant Cluster
4. Jefferson Cluster
5. Lincoln Cluster
6. McDaniel Cluster
7. Multiple Pathways to Graduation
8. Roosevelt Cluster
9. Wells Cluster
10. Student
11. Student

Selection & Leadership: From an applicant pool, members are selected and appointed by the Board. The Board Chair shall select two board members to review applications and recommend representatives to the Board to serve on the committee. The Student Representative will be invited to participate in the selection of committee members. A Committee chairperson will be appointed annually by the Board and will not hold that position for more than three years. The chairperson will serve as the sole point of contact between the Committee and District staff between meetings.

Representative Group: Committee shall reflect District demographics, including racial/ethnic and socio-economic diversity, and experiences with special education. Representatives will include a mix of parents/guardians of students from elementary, middle and high schools.

Terms: Members will initially be appointed to staggered terms of one and two years with all subsequent terms being two years. Each member may serve up to four years total on the Committee. Student members will be appointed to a one-year term.



**Conflicts of Interest:**

- All Committee members shall employ discretion, avoid conflicts of interest and the appearance of conflicts of interest, and exercise care in representing the views of their broader Cluster community, not solely their personal views or interests.
- The Committee members shall receive no direct or indirect compensation from the District for their services as members of the Committee.
- The Committee members may not have an active or pending contract with the District, including being an employee, director or owner of an entity with an active or pending contract with the District, nor enter into a contract during their term on the Committee.
- The Committee may not include any employee or official of the District, or any vendor, contractor or consultant of the District.

**Time Commitment:**

The Committee time commitment will vary depending on the time of year. We anticipate having bi-weekly meetings for eight weeks (January - February) before making a final recommendation to the Board. Following that period, the committee will most likely meet quarterly. The PPS Strategic Partnerships Department will be responsible for scheduling meetings and will provide support and project management, including defining and aligning scope, collecting data and progress updates, and coordinating community engagement.

**Deliverables:**

A recommendation to the Board of Education for distribution of fundraised dollars for staff positions to fulfill the commitment of the [Districtwide Advocacy and Fundraising Policy](#) (7.10.020-P).

**Resolution No. 7008**

Resolution to Support Amending the Oregon School Boards Association Dues Schedule

**RECITALS**

- A. Portland Public Schools is a member of the Oregon School Boards Association.
- B. The Oregon School Boards Association requests the Portland Public Schools Board of Education cast its vote for the Resolution to Amend the OSBA Dues Schedule.

**RESOLVED**

The Portland Public Schools Board of Education supports the Resolution to Amend the OSBA Dues Schedule.

**Resolution No. 7009**

Resolution to Support Amending the OSBA 2023 Bylaws

**RECITALS**

- A. Portland Public Schools is a member of the Oregon School Boards Association.
- B. The Oregon School Boards Association requests the Portland Public Schools Board of Education cast its vote for the Resolution to Amend the OSBA 2023 Bylaws.

**RESOLVED**

The Portland Public Schools Board of Education supports the Resolution to Amend the OSBA 2023 Bylaws.

**RESOLUTION No. 7010**

Resolution to Support Amending the Oregon School Boards Association's Bylaws Relating to  
Composition of the Board of Directors

**RECITALS**

- A. Portland Public Schools is a member of the Oregon School Boards Association.
- B. The Oregon School Boards Association requests the Portland Public Schools Board of Education cast its vote for the Resolution to Amend Oregon School Boards Association's Bylaws Relating to Composition of the Board of Directors.

**RESOLVED**

The Portland Public Schools Board of Education supports the Resolution to Amend Oregon School Boards Association's Bylaws Relating to Composition of the Board of Directors.

**RESOLUTION No. 7011**

Resolution to Support Katrina Doughty for the Oregon School  
Board Association Board of Directors Position 17

**RECITALS**

- A. Portland Public Schools is a member of the Oregon School Boards Association.
- B. The Oregon School Boards Association requests the Portland Public Schools Board of Education cast its vote for OSBA governance positions.

**RESOLVED**

Portland Public Schools Board of Education supports Katrina Doughty for the OSBA Board of Directors Position 17.

**RESOLUTION No. 7012**

Resolution to Support Jose Gamero-Georgeson for the Oregon  
School Board Association Board of Directors Position 19

**RECITALS**

- A. Portland Public Schools is a member of the Oregon School Boards Association.
- B. The Oregon School Boards Association requests the Portland Public Schools Board of Education cast its vote for OSBA governance positions.

**RESOLVED**

Portland Public Schools Board of Education supports Jose Gamero-Georgeson for the OSBA Board of Directors Position 19.

## **RESOLUTION No. 7013**

### Resolution Approving Amended Collaboration Agreement Between Center for Black Excellence and Portland Public Schools

#### **RECITALS**

- A. On September 20, 2022, the Portland Public Schools Board of Education adopted Resolution No. 6581, approving the agreement to collaborate with the Center for Black Excellence ("CBE") to advance Black student excellence at Portland Public Schools.
- B. In the original Cooperation Agreement, the parties agreed that PPS would appoint six members to the 13-person CBE Board. The parties now agree that the CBE Board structure should be revised to have PPS appoint two ex-officio members in order to avoid potential conflicts of interest for the PPS-appointed Board members.
- C. The parties remain fully committed to the mission of the CBE and the collaboration with each other to advance the PPS Albina projects, including providing robust community engagement, fundraising, and synergy between CBE and the CBSE to advance a culture of Black excellence, unify and elevate the Black educational experience, and improve outcomes for Black students, families, and educators.

#### **RESOLUTION**

The Portland Public Schools Board of Education hereby authorizes the Superintendent or their designee to enter into the Amended Cooperation Agreement attached hereto as Exhibit A and to select two (2) members to serve as ex-officio members of the CBE Board.

**RESOLUTION No. 7014**

Expenditure Contracts that Exceed \$150,000 for Delegation of Authority

**RECITAL**

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) enter into contracts and approve payment for products, materials, supplies, capital outlay, equipment, and services whenever the total amount exceeds \$150,000 per contract, excepting settlement or real property agreements. Contracts meeting this criterion are listed below.

**RESOLUTION**

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

**NEW CONTRACTS**

<b>Contractor</b>	<b>Contract Term</b>	<b>Contract Type</b>	<b>Description of Services</b>	<b>Contract Amount</b>	<b>Responsible Admin, Funding Source</b>	<b>Certified Business</b>
Columbia River Painting, LLC	12/4/24 through 12/3/27	Flexible Services FSCP 95847	Flexible Services Contractor Pool – District-wide painting services on an as-needed basis Request for Proposals 2024-028	Not to Exceed \$1,000,000	D. Jung Funding Source Varies	MBE, WBE, ESB
Clean Edge Painting	12/4/24 through 12/3/27	Flexible Services FSCP 95864	Flexible Services Contractor Pool – District-wide painting services on an as-needed basis Request for Proposals 2024-028	Not to Exceed \$1,000,000	D. Jung Funding Source Varies	ESB
Advanced Technology Group, Inc.	12/4/24 through 12/3/27	Flexible Services FSCP 95840	Flexible Services Contractor Pool – District-wide painting services on an as-needed basis Request for Proposals 2024-028	Not to Exceed \$1,000,000	D. Jung Funding Source Varies	No
Bacharach Construction, Inc.	12/4/24 through 12/3/27	Flexible Services FSCP 95843	Flexible Services Contractor Pool – District-wide painting services on an as-needed basis Request for Proposals 2024-028	Not to Exceed \$1,000,000	D. Jung Funding Source Varies	No
eCIFM Solutions, Inc.	12/4/24 through 10/30/27	Digital Resource DR 95824	Hosting and managed services for TRIRIGA software. Special Class Procurement – Software/Hardware Maintenance PPS-47-0288(11)	\$577,596	D. Jung Fund 101 Dept. 5592	No

\*A Certified Business is a for-profit business certified as a Minority-Owned Businesses (MBE), Women-Owned Businesses (WBE), Emerging Small Businesses (ESB), and/or Service-Disabled Veteran Businesses (SDV) by the State of Oregon Certification Office for Business Inclusion and Diversity.

**NEW COOPERATIVE PURCHASING AGREEMENTS**

<b>Contractor</b>	<b>Contract Term, Renewal Options</b>	<b>Administering Contracting Agency</b>	<b>Description of Goods or Services</b>	<b>Estimated Spend During Contract Term</b>	<b>Responsible Administrator, Funding Source</b>
McKinstry Essention, LLC	12/4/24 through 12/3/28	Port of Portland COA 95900	Technical energy audits, identification of energy conservations measures, and system improvement recommendations for multiple District sites.	\$1,000,000	D. Jung Fund 101 Dept. 5592

**NEW INTERGOVERNMENTAL AGREEMENTS (“IGAs”)**

No New IGAs

**AMENDMENTS TO EXISTING CONTRACTS**

<b>Contractor</b>	<b>Amendment Term</b>	<b>Contract Type</b>	<b>Description of Services</b>	<b>Amendment Amount; New Contract Amount</b>	<b>Responsible Administrator, Funding Source</b>	<b>Certified Business</b>
Organization for Educational Technology & Curriculum (OETC)	12/4/24 through 1/2/26	Cooperative Contract COA 90341 Amendment 1	Purchase of education focused audio equipment. This amendment adds funds to the contract.	\$1,000,000 \$3,439,800	D. Wolff Funding Source Varies	No
PortionPac Chemical Corp.	12/4/24 through 7/31/25	Cooperative Contract COA 92405 Amendment 2	Food safety and sanitation systems, service plan, just-in-time delivery of detergents, dispensing equipment, and educational accessories for District-wide use. This amendment adds funds and extends the end date	\$120,000 \$819,000	D. Jung Fund 202 Dept. 5570	No

**RESOLUTION No. 7015**

Revenue Contracts that Exceed \$150,000 for Delegation of Authority

**RECITAL**

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) enter into contracts, except as otherwise expressly authorized. Contracts exceeding \$150,000 per contractor are listed below.

**RESOLUTION**

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

**NEW REVENUE CONTRACTS**

No new Revenue Contracts

**NEW INTERGOVERNMENTAL AGREEMENTS (“IGAs”)**

<b>Contractor</b>	<b>Contract Term</b>	<b>Contract Type</b>	<b>Description of Services</b>	<b>Contract Amount</b>	<b>Responsible Admin, Funding Source</b>
David Douglas School District	8/21/24 through 6/30/25	Intergovernmental Agreement / Revenue IGA/R 95904	Columbia Regional Inclusive Services will provide DDSD school age classroom services for Deaf/Hard of Hearing regionally eligible students.	\$203,350	J. Buno
State of Oregon	2/22/24 through 6/30/25	Intergovernmental Agreement / Revenue IGA/R 95946	Roosevelt HS – Emergency Medical Responder Project	\$246,644	J. Buno

**AMENDMENTS TO EXISTING CONTRACTS**

No new Amendments

**RESOLUTION No. 7016**

Authorization for Off-Campus Activities

**RECITAL**

Portland Public Schools (“District”) Policy 6.50.010-P (“Off-Campus Activities”) requires the Board of Education (“Board”) consent to student out-of-state travel.

**RESOLUTION**

The Board has reviewed the request for out-of-state travel. All required documents have been submitted to the Risk Management Department. The Superintendent recommends that the Board consent to the student out-of-state travel for the below request:

**AUTHORIZATION FOR OFF-CAMPUS ACTIVITIES**

<b>Date(s)</b>	<b>School, Course, &amp; Number of Students</b>	<b>Purpose of Travel</b>	<b>Travel Destination</b>	<b>Estimated Cost</b>	<b>Equitable Field Trip Fund; %</b>
12/6/2024	Roosevelt HS MECHA, 20	Learn about leadership amongst latin@s in vet medicine	Seattle, WA	\$69	N/A
12/17-12/22/24	Wells HS Women’s Basketball, 12	The Nike Tournament of Champions	Phoenix, AZ	\$1800	N/A

**RESOLUTION No. 7017**

Adoption of the Index to the Minutes

The Following Index to the Minutes are offered for Adoption:

- November 19, 2024 – Special Meeting and Work Session

**RESOLUTION No. 7018**

Dismissal of a Contract Educator

**RECITALS**

The Board has reviewed the evidence submitted along with the Superintendent's recommendation for the dismissal of a contract educator.

**RESOLUTION**

The Board of Education affirms the Superintendent's recommendation to dismiss the contract teacher from employment with PPS. The District will notify the employee in writing of the Board's decision.

**RESOLUTION No. 7019**

Resolution Approving the Operating Agreement between Portland Public Schools and The Fund for  
Portland Public Schools

**RECITALS**

- A. Established in 2019, The Fund for PPS is the sole 501(c)(3) non-profit organization actively fundraising on behalf of Oregon's largest PK-12 public school district.
- B. PPS has agreed to provide certain support services The Fund pursuant to a proposed Operating Agreement, which describes the responsibilities and expectations between the Fund and PPS to advance the interests and promote the mission of PPS.

**RESOLUTION**

The Portland Public School Board of Education authorizes the Superintendent or her designee to enter the Operating Agreement as reflected in Exhibit A.

## Exhibit A

# OPERATING AGREEMENT BETWEEN PORTLAND PUBLIC SCHOOLS AND THE FUND FOR PORTLAND PUBLIC SCHOOLS

This Operating Agreement (this “Agreement”) is dated December 7, 2024 (the “Effective Date”), between **Portland Public Schools** (“PPS”) and **The Fund for Portland Public Schools**, an Oregon nonprofit corporation (the “Fund”).

## RECITALS

1. This Agreement describes the responsibilities and expectations between the Fund and PPS to advance the interests and promote the mission of PPS.
2. The Fund desires that certain PPS employees provide certain services to support the operations of the The Fund.
3. PPS is willing to and agrees to provide certain services to support the operations of the Fund.

## AGREEMENT

For adequate consideration, the parties agree as follows:

### **1. Roles and Responsibilities**

1.1. The Fund Responsibilities. The Fund agrees to advance the interests and promote the mission of PPS by fostering financial support for PPS and to carry on other educational and charitable activities associated with this mission as allowed by law.

1.2. Services Provided by PPS. PPS agrees to provide certain administrative support, including some governance support, donor relations, accounting, and other administrative support to The Fund (the “Services”).

1.3. Reasonable Access. The Fund grants PPS and its relevant employees reasonable access to its premises, offices, equipment, books of account, and other records and facilities, as applicable, to enable PPS and to perform the Services.

1.4. Performance Standards of PPS. PPS will use commercially reasonable efforts to perform the Services in accordance with this Agreement and with (a) any governing documents, policies, procedures, and agreements of the Fund as may be applicable to PPS and which have been provided to PPS and the Employees, and (b) applicable law.

1.4. Performance Standards of the Fund. The Fund shall (a) cooperate in good faith with PPS and facilitate PPS’s performance of the Services and (b) comply with applicable law.

### **2. Employees**

2.1. PPS employees and contractors will perform the Services. The Fund and PPS agree that their respective employees and contractors will collaborate with each other to ensure collaborative work to advance the mission of The Fund in supporting PPS.

2.2. Conflict in Duties. In the event that either Party, or any District employee performing work on behalf of the Fund, believes that a conflict exists between the duties of a District employee performing Services on behalf of the Fund and the duties to be performed on behalf of the District, the employee shall immediately cease performing Services and inform the Superintendent, or their designee, who shall inform the Chairperson of the Fund Board and consult with legal counsel for the District, if appropriate. The Superintendent or their designee shall determine if the perceived conflict can be resolved.

### **3. Facilities**

The Fund may be located at the District's facility at 501 North Dixon Street, Portland, Oregon 97227, or at another suitable location. The District shall provide reasonable facilities at no additional cost to the Fund and at the District's discretion, as long as there is sufficient space available.

### **4. Reimbursement of fees and costs**

4.1. Generally. The Parties acknowledge and agree that, even though activities performed by the Fund create goodwill and financial support for and are solely for the benefit of PPS, The Fund for PPS will primarily cover its own costs.

4.2. Reimbursement of Costs. The Fund will reimburse PPS for the reasonable value of the Services.. PPS will invoice the Fund quarterly.

4.3. Special Projects. The Fund will reimburse PPS for any Fund special projects that are supported by PPS and in addition to the Services. Costs and allocations between The Fund and PPS for special projects will be agreed upon on a project-by-project basis.

### **5. Term and Termination**

5.1. Term. The term of this Agreement shall be from July 1, 2024, through June 30, 2026, unless terminated sooner as provided herein. This Agreement shall become effective upon execution by all Parties and approval by the PPS Board of Education. This Agreement will automatically renew for a 12-month period on June 30 of each calendar year unless either party provides 30 days' notice in writing of its intent to terminate.

5.2. Effect of Termination. The termination of this Agreement, for any reason, shall not release The Fund from any payment or indemnification obligation that has already accrued. Following the termination of this Agreement, PPS shall invoice the Fund for any outstanding payments due and owing under this Agreement, and The Fund shall pay such invoices within 30 days.

### **6. Independence of the Parties**

6.1. Generally. Notwithstanding anything contained herein, PPS shall at all times exercise its discretion and independent judgment as to the ultimate management of PPS and its employees and contractors, and The Fund shall at all times exercise its discretion and independent judgment as to the ultimate management of The Fund and its employees and contractors.

6.2. Independent Contractor. This Agreement does not create a joint venture, partnership, agency, or employer/employee relationship between PPS or its employees and the Fund and its employees. Neither party has any right or authority to assume or create any obligation on behalf of or in the name of the other party or to bind the other party to any contract, agreement or undertaking with any third party.

6.4. Reporting; Taxes. The Fund for PPS shall prepare and file its own tax returns as an independent 501(c)(3) organization.

## **7. Contractors**

7.1. Subcontracting/assignment. PPS shall not subcontract, assign, delegate, or transfer any of its duties, rights or interests under this Agreement without the prior written consent of The Fund. The Fund may withhold such consent for any or no reason. If the Fund consents to an assignment, delegation, transfer, or subcontract, then, in addition to any other provisions in this Agreement, PPS shall require any permitted subcontractor to be bound by all the terms and conditions of this Agreement.

## **8. Indemnification**

8.1. Indemnification by the Fund. The Fund agrees, at its expense, to indemnify, defend and hold harmless PPS, its directors, officers, agents, employees, contractors, successors, and assigns, with respect to any third-party claim, suit, demand, cause of action, debt, cost, loss, damage, liability, judgment, settlement, interest, award, penalty, fine, cost or expenses of any kind (including reasonable attorneys' fees) (collectively, "Losses") arising out of or related to (a) any breach by the Fund of any term or condition of this Agreement, (b) The Fund's operations, or (c) The Fund's negligence, recklessness, or willful misconduct.

8.2. Indemnification by PPS. PPS agrees, at its expense, to indemnify, defend and hold harmless the Fund, its directors, officers, agents, employees, successors, and assigns, with respect to any third-party claims, suit, demand, cause of action, debt, cost, loss, damage, liability, judgment, settlement, interest, award, penalty, fine, cost or expenses (including reasonable attorneys' fees) (collectively "Losses"), arising out of or related to (a) any breach by PPS of any term or condition of this Agreement or (b) PPS's negligence, recklessness, or willful misconduct. PPS's indemnification obligation under this section 8.2 is subject to any limitations under the Oregon Constitution and Oregon Tort Claims Act (ORS 30.260 to 30.300).

## **9. Miscellaneous**

9.1. No Third-Party Beneficiaries. Nothing in this Agreement is intended, nor shall it be deemed, to confer upon any person other than PPS or the Fund any rights or remedies.

9.2. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

9.3. Captions. The Section titles contained in this Agreement are inserted for convenience of reference only, and they neither form a part of this Agreement nor are to be used in the construction or interpretation thereof.

9.4. Notices. All notices and other communications under this Agreement shall be in writing to be effective, signed by the party giving it, and shall be addressed to a party at its address of record or such other address given by a party by notice to the other party. Notice shall be deemed delivered (a) upon actual delivery when mailed certified mail, return receipt requested, postage prepaid, or when hand delivered to the address indicated, or (b) three days after acceptance for delivery by a nationally recognized express delivery service to the address indicated. A copy of all notices sent under this section, shall also be sent by email to the designated recipient at each organization.

9.5. Governing Law. This Agreement shall be construed and interpreted and the rights of the parties determined in accordance with the local laws of the State of Oregon, without regard to its conflict of law rules.

9.6. Severability. If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected, and shall be enforced to the greatest extent permitted by law.

9.7. No Waiver. The failure of a party to insist upon strict performance of any obligation under this Agreement or to exercise any right or remedy, regardless of how long such failure shall continue, shall not be a waiver of such party's right to demand strict compliance in the future unless such waiver is written and signed by the party giving it.

9.8. Entire Agreement; Amendments. This Agreement constitutes the complete agreement between the parties with respect to its subject matter, and supersedes all prior and contemporaneous understandings and agreements, oral and written, between the parties relating to its subject matter. This Agreement may not be modified or altered except by a written instrument duly executed by both parties.

*[signature page follows]*

This Agreement is dated as of the Effective Date.

**PORTLAND PUBLIC SCHOOL DISTRICT, SCHOOL  
DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON**

By: \_\_\_\_\_  
Its: Emily Courtnage, Director of Purchasing and Contracting

**THE FUND FOR PORTLAND PUBLIC SCHOOLS, an Oregon nonprofit corporation**

By: \_\_\_\_\_  
Its: Dr. Christine Pitts, Secretary

**RESOLUTION No. 7021**Expenditure Contracts that Exceed \$150,000 for Delegation of Authority**RECITAL**

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) enter into contracts and approve payment for products, materials, supplies, capital outlay, equipment, and services whenever the total amount exceeds \$150,000 per contract, excepting settlement or real property agreements. Contracts meeting this criterion are listed below.

**RESOLUTION**

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

**NEW CONTRACTS**

No New Contracts

<b>Contractor</b>	<b>Contract Term</b>	<b>Contract Type</b>	<b>Description of Services</b>	<b>Contract Amount</b>	<b>Responsible Admin, Funding Source</b>	<b>Certified Business</b>
Ameresco, Inc.	12/18/24 through 12/31/26	Energy Savings Performance Contract ESPC 95955	Full digital control upgrades at 18 District sites. Request for Proposals 2022-007	\$16,792,485	D. Jung Fund 459 Dept. 5511 Project DS018	No

\*A Certified Business is a for-profit business certified as a Minority-Owned Businesses (MBE), Women-Owned Businesses (WBE), Emerging Small Businesses (ESB), and/or Service-Disabled Veteran Businesses (SDV) by the State of Oregon Certification Office for Business Inclusion and Diversity.

**NEW COOPERATIVE PURCHASING AGREEMENTS**

No New Cooperative Purchasing Agreements

**NEW INTERGOVERNMENTAL AGREEMENTS (“IGAs”)**

<b>Contractor</b>	<b>Contract Term</b>	<b>Contract Type</b>	<b>Description of Services</b>	<b>Contract Amount</b>	<b>Responsible Administrator, Funding Source</b>
City of Portland	7/1/24 through 6/30/29	Intergovernmental Agreement IGA 95967	Administration of the District’s Construction Workforce Equity Program.	\$425,000	D. Jung Fund 459 Dept. 5511 Project DF122
Gresham-Barlow School District	7/1/24 through 6/30/25	Intergovernmental Agreement IGA 95974	Columbia Regional Inclusive Services will provide regional services to eligible individuals with Autism Spectrum Disorder.	\$283,000	J. Buno Fund 205 Dept. 5433 Grant G2308

**AMENDMENTS TO EXISTING CONTRACTS**

No New Amendments

**RESOLUTION No. 7022**

Authorization for Off-Campus Activities

**RECITAL**

Portland Public Schools (“District”) Policy 6.50.010-P (“Off-Campus Activities”) requires the Board of Education (“Board”) consent to student out-of-state travel.

**RESOLUTION**

The Board has reviewed the request for out-of-state travel. All required documents have been submitted to the Risk Management Department. The Superintendent recommends that the Board consent to the student out-of-state travel for the below request:

**AUTHORIZATION FOR OFF-CAMPUS ACTIVITIES**

<b>Date(s)</b>	<b>School, Course, &amp; Number of Students</b>	<b>Purpose of Travel</b>	<b>Travel Destination</b>	<b>Estimated Cost</b>	<b>Equitable Field Trip Fund; %</b>
1/1-1/5/25	Jefferson HS Women’s Basketball, 15	Basketball tournament	Walnut Creek, CA	\$1500	N/A
1/9-1/12/25	Lincoln HS Speech & Debate, 12	National Competition	Arizona State University	\$500	N/A

## **RESOLUTION No. 7023**

### Acceptance of the Annual Comprehensive Financial Report, Reports to Management and the Report on Requirements for Federal Awards

#### **RECITALS**

- A. The Board of Education is committed to accountability for how Portland Public Schools spends its tax dollars and other resources, and recognizes that transparency, accuracy, and timeliness in financial reporting are important components of financial accountability.
- B. The District Auditor, Talbot, Korvola & Warwick, LLP, has completed their independent audit of the financial reporting for the year ended June 30, 2024, and provides assurance that the District's accounting and reporting are in compliance with generally accepted accounting principles.

#### **RESOLUTION**

The Board of Education accepts the Annual Comprehensive Financial Report, Reports to Management, and Report on Requirements for Federal Awards of School District No. 1J, Multnomah County, Oregon for the fiscal year ended June 30, 2024, and authorizes the reports to be distributed to required state and federal agencies and filed for future reference.

# Portland Public Schools

*Financial Statement Audit & Single Audit – June 30, 2024*

Board of Education

Audit Committee Meeting – December 16, 2024

Special Meeting – December 17, 2024



# The Audit

- Auditing standards generally accepted in the United States of America (“GAAS”)
- *Government Auditing Standards* issued by the Comptroller General of the United States (“GAS”)
- Audit Timing
  - Interim Fieldwork – 5/5/2024 through 5/24/2024
  - Final Fieldwork – Began 10/7/2024
- Single Audit
  - \$108.6 million of federal expenditures
  - 4 Major Programs (52% of federal expenditures)
    - AL# 84.334 - Gaining Early Awareness and Readiness for Undergraduate Programs
    - AL# 84.425 - Education Stabilization Fund
    - AL# 93.600 - Head Start
    - AL# 97.036 - Public Assistance (Presidentially Declared Disasters)

# Financial Statement Audit Results

- Independent Auditor's Report
  - Unmodified - Financial statements are presented fairly in accordance with U.S. generally accepted accounting principles ("GAAP")
- Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Oregon State Regulations
  - 1 finding related to reporting of teacher experience noted.

# Single Audit Results

- 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
  - No control deficiencies noted
- Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
  - Unmodified opinion

# Required Communications

- Significant accounting practices, including policies, estimates, and disclosures
  - Implementation of GASB 100, *Accounting Changes and Error Corrections*
  - Significant accounting estimates
    - Investments
    - Allowance for doubtful accounts
    - Depreciation
    - Self-insurance claims
    - Amortization of bond premiums and discounts
    - Other Post Employment Benefits (OPEB) related balances
    - Pension related balances

# Required Communications

- No auditor proposed adjusting journal entries
- No uncorrected misstatements identified
- Not aware of any consultations with other accountants
- Recently issued GASB standards
  - GASB Statement No. 101, *Compensated Absences*
  - GASB Statement No. 102, *Certain Risk Disclosures*
  - GASB Statement No. 103, *Financial Reporting Model Improvements*
  - GASB Statement No. 104, *Disclosure of Certain Capital Assets*
- Shared responsibility for independence
- Management representation letter



Questions?

# Thank You

## Contact Information:

Dan Miley, Partner

[dmiley@tkw.com](mailto:dmiley@tkw.com)

(503) 274-2849

Talbot, Korvola & Warwick, LLP

14945 SW Sequoia Parkway, Suite 150

Portland, Oregon 97224





PORTLAND PUBLIC SCHOOLS

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

Portland Public Schools  
School District No. 1J,  
Multnomah County, Oregon

[www.pps.net](http://www.pps.net)

501 N DIXON STREET, PORTLAND, OREGON 97227



PORTLAND  

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**Public Schools**

PORTLAND PUBLIC SCHOOLS

# **Annual Comprehensive Financial Report**

For the year ended June 30, 2024

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

*Prepared by the Finance Department*

# SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

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## Table of Contents

### SECTION I - INTRODUCTORY SECTION

Letter of Transmittal	1
Principal Officials	9
Organizational Chart	10
ASBO Certificate of Excellence in Financial Reporting	11
GFOA Certificate of Achievement for Excellence in Financial Reporting	12

### SECTION II - FINANCIAL SECTION

<b>Independent Auditor's Report</b>	13
<b>Management's Discussion and Analysis</b>	17
<b>Basic Financial Statements</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Position	28
Statement of Activities	30
<b>Fund Financial Statements</b>	
Balance Sheet	31
Reconciliation of the Balance Sheet to the Statement of Net Position	33
Statement of Revenues, Expenditures, and Changes in Fund Balances	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	36
<b>Proprietary Financial Statements</b>	
Statement of Net Position	37
Statement of Revenues, Expenses, and Changes in Net Position	38
Statement of Cash Flows	39
<b>Notes to the Basic Financial Statements</b>	40
<b>Required Supplementary Information</b>	
Schedule of Changes in the District's Total OPEB Liability and Related Ratios-RHIS	86
Schedule of the District's Proportionate Share of Net OPEB Liability (Asset) and District Contributions-RHIA	88
Schedule of the District's Proportionate Share of Net Pension Liability (Asset) and District Contributions	90
Schedule of Changes in the District's Total Pension Liability and Related Ratios-Stipend	92
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	94
Special Revenue Fund	96
<b>Supplementary Information</b>	
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Debt Service Fund	98
Capital Projects Fund	99
Self Insurance Fund	100

# SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON

Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

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## Table of Contents (continued)

### SECTION III - STATISTICAL SECTION

#### Financial Trends Information

Condensed Statement of Net Position	101
Changes in Net Position	103
Fund Balances of Governmental Funds	105
Changes in Fund Balances of Governmental Funds	107

#### Revenue Capacity Information

Assessed Values of Taxable Property within School District No.1J Boundaries	109
Direct and Overlapping Property Tax Rates	111
Principal Property Tax Payers for Multnomah County, Taxing District 311 - Portland Public School District	112
Principal Property Tax Payers for Multnomah County, Taxing District 170 - Multnomah County	113
Property Tax Levies and Collections	114

#### Debt Capacity Information

Ratios of Outstanding Debt by Type	115
Direct and Overlapping Governmental Activities Debt	117
Legal Debt Margin Information	118

#### Demographic and Economic Information

Demographic and Economic Statistics	119
Principal Employers for the Portland Metro Area	120

#### Operating Information

Full Time Equivalent District Employees by Assignment/Function	121
Meal and Transportation Services Provided	123
School Building and Student Enrollment Information	124

### SECTION IV - SINGLE AUDIT SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	126
Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	128
Schedule of Expenditures of Federal Awards	131
Notes to Schedule of Expenditures of Federal Awards	134
Schedule of Findings and Questioned Costs	135
Summary of Prior Year Findings and Questioned Costs	137

### SECTION V - COMPLIANCE SECTION

Independent Auditor's Report Required by Oregon State Regulations	138
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**Myong Leigh**  
**Interim Chief Financial Officer**

**PORTLAND PUBLIC SCHOOLS**  
501 N. Dixon, Portland, OR 97227  
Phone: (503) 916-3115 • Fax: (503) 916-2125

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December 12, 2024

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of School District No.1J, Multnomah County, Oregon (Portland Public Schools or the District or PPS) for the fiscal year ended June 30, 2024, together with the audit opinions of our auditors as required by Oregon Revised Statutes. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with District management. We believe the financial statements and related information reflecting the financial position and results of the operations of the District are stated fairly in all material aspects. All disclosures necessary to enable the reader to gain an understanding of the District’s financial affairs have been included.

To provide a reasonable basis for making these representations, District management has established and maintains an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Our internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal control structure is subject to periodic evaluation by management. We believe our internal control structure adequately safeguards the assets and provides reasonable assurance of proper recording of all financial transactions. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

### **Financial Report Presentation**

The financial statements of the District are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the governing body and establishes governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are discussed in Note 1 of these financial statements.

Designed to meet the needs of a broad spectrum of financial statement readers, this Annual Comprehensive Financial Report (ACFR) is divided into five major sections:

The **Introductory Section** includes the table of contents, this transmittal letter, the District’s organizational chart, and copies of certificates awarded for Portland Public Schools’ fiscal year 2022-23 ACFR.

The **Financial Section** includes the Independent Auditor’s Report, Management’s Discussion and Analysis (MD&A), the basic financial statements including notes to the basic financial statements, required supplementary information (RSI), and supplementary information including major fund financial statements.

The **Statistical Section** includes selected financial and demographic information, generally presented on a multi-year basis. These schedules are designed to improve the understandability and usefulness of the information presented in the financial section.

The **Single Audit Section** includes reports from the independent auditor regarding compliance requirements of the U.S. Office of Management and Budget (OMB) Uniform Guidance Compliance Supplement for major federal programs.

The **Compliance Section** contains the independent auditor’s report required by the Minimum Standards for Audits of Oregon Municipal Corporations.

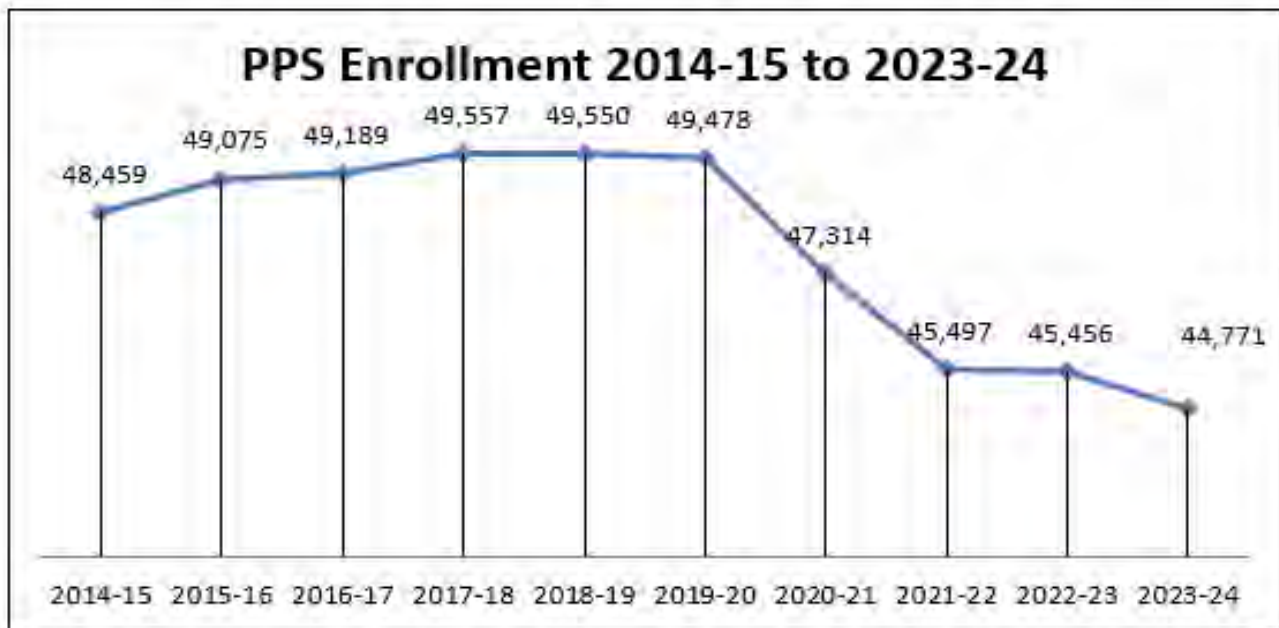
GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District’s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

**Profile of the District**

Portland Public Schools, founded in 1851, is a PreK-12 urban school district in Portland, Oregon. The District has no component units and is not a component unit of any other government. With more than 44,500 students in 113 schools and other programs, it is one of the largest school districts in the Pacific Northwest, and the largest and oldest school district in Oregon. With highly trained teachers and staff, an engaged parent community, strong partnerships, and a focus on closing the racial educational achievement gap, the PPS graduation rate continues to be higher than the State of Oregon average graduation rate. Thanks to Portland voters, school improvement general obligation bonds are fueling the modernization of our aging school buildings for 21st century learning.

The District covers an area of over 152 square miles, including portions of the cities of Portland (total population 630,498), Lake Oswego (total population 39,924), and Milwaukie (total population 21,594), based on 2023 estimates by the U.S. Census Bureau Population Estimates Program (PEP). The District maintains 90 campuses with more than 300 buildings and a total floor area of nearly 10 million square feet. The median age of PPS school buildings is 85 years for elementary schools, 85 years for middle schools, and 98 years for high schools. Please see Schedule 17 of the Statistical Section for additional details on each building’s size, age and enrollment.

Student enrollment as of October 2023 was 44,771. Enrollment counts are compiled annually on or about the first of October as required by the State of Oregon. An enrolled student is defined as a student who attends one or more schools or programs within the District. Regardless of the number of schools or programs attended, each student is counted only once; the counts are not duplicated.



Source: Enrollment by Program Type, Grade, and Race/Ethnicity Reports - <https://www.pps.net/Page/942>

<b>October 2023 Portland Public Schools Student Enrollment (by Program Type)</b>				
<b>Program Type</b>	<b>Number of Schools/Programs</b>		<b>Enrollment Distribution</b>	
<b>Regular Schools and Programs</b>				
Elementary Schools	56	20,421	45.61%	
Middle Schools	15	7,388	16.50%	
High Schools	9	13,144	29.36%	
<b>Subtotal - Regular Schools</b>	<b>80</b>	<b>40,953</b>	<b>91.47%</b>	
PPS Alternative Programs	5	1,352	3.02%	
<b>Subtotal - Schools and Alternative Programs</b>	<b>85</b>	<b>42,305</b>	<b>94.49%</b>	
Community-Based Programs	8	759	1.70%	
Special Services Programs	15	376	0.84%	
Public Charter Programs	5	1,331	2.97%	
<b>Grand Total</b>	<b>113</b>	<b>44,771</b>	<b>100.00%</b>	

Source: Enrollment by Program Type, Grade, and Race/Ethnicity Reports - <https://www.pps.net/Page/942>

The District continues to experience an enrollment decline from a recent high of 49,557 in the fiscal year 2017-18 to 44,771 in fiscal year 2023-24. Demographic studies conducted by Portland State University (PSU) project enrollment levels to continue to decrease. The PSU “Middle Series Forecast” scenario estimates enrollment reaching a low of 38,562 in fiscal year 2032-33. Additional details regarding enrollment projections may be found at: <https://www.pps.net/Page/1834>.

### **The Board of Education**

An elected seven-member board establishes and oversees the District’s policies. The Board of Education is the chief governing body and is exclusively responsible for its public decisions. A list of board members can be found on page 9 of this report. The chief administrative officer of the District is the Superintendent, who is appointed by the Board. The Board of Education is accountable for all fiscal matters that significantly affect operations. Dr. Kimberlee Armstrong is the Superintendent of Portland Public Schools. Mr. Guadalupe Guerrero served as the chief administrative officer of the district from July 2023 - February 2024, and Dr. Sandra Husk served as interim chief administrative officer from February 2024 - June 30, 2024.

### **Budgetary Controls**

Under Oregon Revised Statutes (33.710), school districts are municipal corporations empowered to provide elementary and secondary educational services for the children residing within their boundaries. Portland Public Schools fulfills 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 transportation and feeding of students in accordance with District, State and Federal program guidelines. This report includes all funds of the District.

The District is required by the State of Oregon to adopt an annual budget for all funds subject to the requirements of Municipal Audit Law as outlined in the 2023 Oregon Revised Statutes 297.405 to 297.555 and 297.990. The budget for each fund is a plan for the financial operations to be conducted during the coming fiscal year and is adopted annually, before July 1, by the Board of Education after certification by the Multnomah County Tax Supervising and Conservation Commission. The level of budgetary control, that is the level at which expenditure cannot legally exceed the appropriated amount, is established by major function categories: Instruction, Support Services, Enterprise & Community Services, Facilities Acquisition & Construction, Debt Service, Transfers Out, Contingency and Ending Fund Balance. After adoption, the budget may be amended through procedures specified in State statute and Board policy.

### **District Budget Principles**

The District's governing body adopted budget principles, by way of resolution number 5229 at its March 8, 2016 meeting. These principles remain in effect today. Exhibit A to that resolution provides details for each of the principles, but for the sake of brevity, only the principles are presented below. These principles, along with the District's Vision, System shifts and the Board adopted goals, shape the financial planning and analysis activities for the district.

- Providing Students with an Exceptional Educational Experience and Ensuring their Academic Success Should Drive the Budget Process
- Decisions Should Be Driven by Data
- Base Resourcing Decisions on Cost-Effectiveness
- Prioritize the Core Program in All Schools
- Critically Re-Examine Patterns of Spending
- Provide Every Student with Equitable Access
- Take a Long-Term Perspective
- Be Transparent

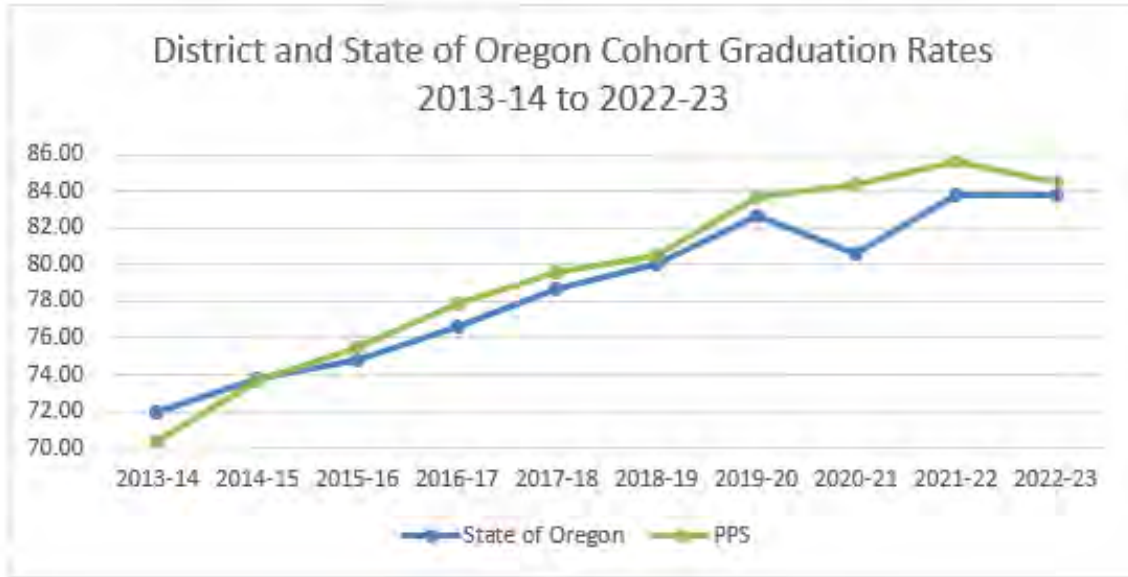
### **Service Efforts and Accomplishments**

On June 25, 2019, the Board of Education passed resolution number 5909, Portland Public Schools reImagined: Preparing Our Students to Lead Change and Improve the World as the District's Vision. This Vision focuses on what we want to be true for our graduates and includes four main areas: a Graduate Portrait, Educator Essentials, System Shifts and Core Values.

On June 28, 2022, the Board adopted by resolution number 6538, Portland Public Schools Board Goals for 2022-27. These include the following academic goals for our students that align with the community and District vision of the Graduate Portrait:

- Third Grade Reading
- Fifth Grade Mathematics
- Eighth Grade Readiness
- High School Graduation

The Vision, strategic plan, accountability metrics and theory of action will continue to shape and define the financial planning and decision making as well as serve as the District's roadmap.



Source: ODE Cohort Graduation Rates - <https://www.oregon.gov/ode/reports-and-data/students/Pages/Cohort-Graduation-Rate.aspx>

The PPS four-year graduation rate continues to outpace the average graduation rate for the State of Oregon. The graduation rate for the PPS Class of 2023 (the most recent year available from the Oregon Department of Education) was 84.45%, exceeding the average graduation rate for the State of Oregon Class of 2023 of 81.32%.

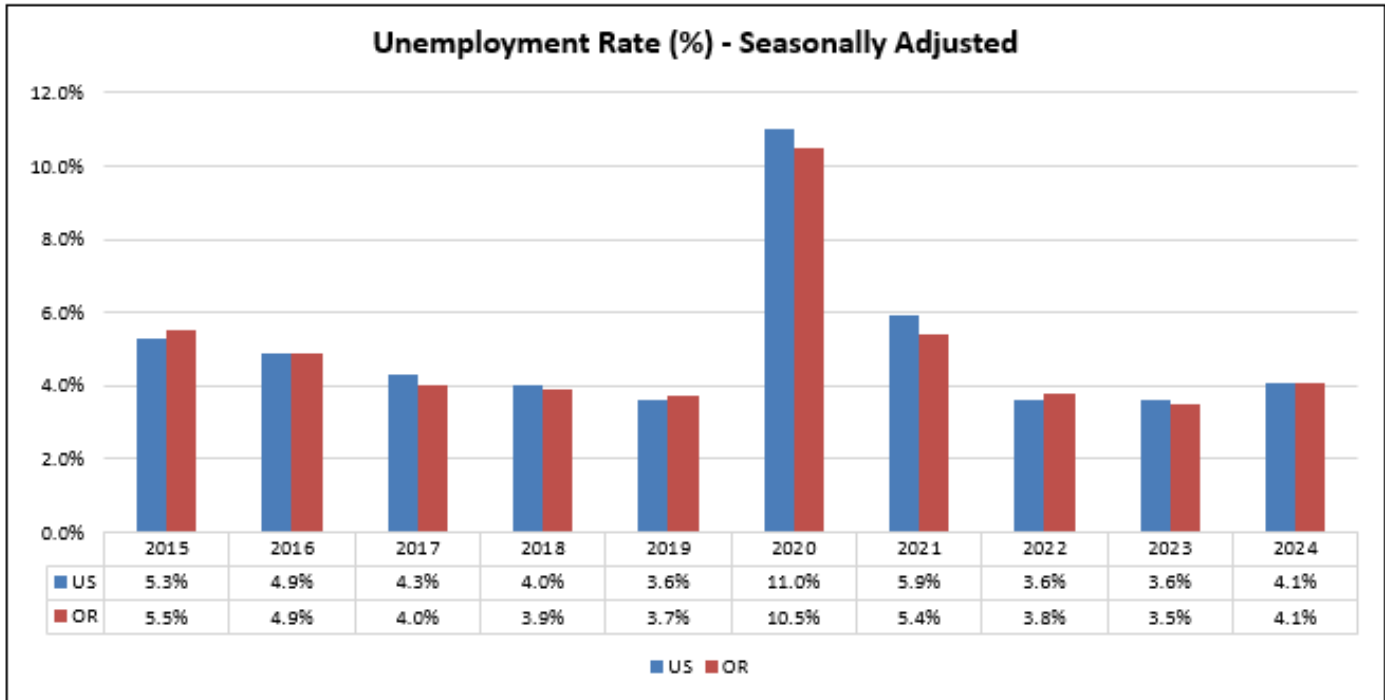
**Factors Affecting Financial Condition**

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

PPS derives approximately 81% of its General Fund revenues from the State School Fund and the allocation of certain property taxes within the associated funding distribution formula. Approximately 53% percent of the State School Fund money comes via the appropriation made by the state legislature, while the remainder is from statewide local property tax collections. The state budget and the legislative appropriation are highly dependent upon state revenues through income taxes. The outlook for the state economy is a leading indicator for the health of this revenue stream and is, therefore, of great importance for PPS.

The second largest revenue item for the District – about 14% of General Fund revenues - is its local option levy which is a property tax based upon assessed values of property in the PPS taxing district. The local option levy revenues are significantly influenced by the real market values of homes within the PPS taxing district.

**Oregon State Economy** – In June 2024, Oregon’s unemployment rate slightly increased to 4.1% from a low of 3.5% in June 2023.



Source: Bureau of Labor Statistics, Unemployment Data, [Annual Averages](#)

Approximately 17,000 jobs were lost statewide over the past year, contributing to a slight decline in the total workforce of 0.87% from June 2023 to June 2024. The Information sector had the greatest percentage of jobs lost, experiencing a 9.2% year over year reduction totaling about 3,500 jobs.

Oregon Employment by Industry (number of jobs, in thousands)						
Industry	June 2023	June 2024	% of Economy	Year-over-Year Change (#)	Year-over-Year Change (%)	
Government	305.5	312.4	15.8%	6.9	2.3%	
Other Services	64.8	64.6	3.3%	(0.2)	-0.3%	
Leisure & Hospitality	207.4	206.1	10.4%	(1.3)	-0.6%	
Education & Health Services	313.7	334.1	16.9%	20.4	6.5%	
Professional & Business Services	273.4	258.5	13.0%	(14.9)	-5.4%	
Financial Activities	107.7	103.0	5.2%	(4.7)	-4.4%	
Information	37.9	34.4	1.7%	(3.5)	-9.2%	
Trade, Transportation, and Utilities:	364.6	360.7	18.2%	(3.9)	-1.1%	
Manufacturing	193.8	187.0	9.4%	(6.8)	-3.5%	
Construction	123.5	114.4	5.8%	(9.1)	-7.4%	
Mining and Logging	6.4	6.2	0.3%	(0.2)	-3.1%	
<b>Total Nonfarm</b>	<b>1,998.7</b>	<b>1,981.4</b>		<b>(17.3)</b>	<b>-0.87%</b>	

Source: Oregon Economy at a Glance - <https://www.bls.gov/regions/west/oregon.htm#eag>

**Local Economy** – Portland and the surrounding metropolitan area have a widely diversified economy. Its centralized location and excellent transportation facilities have established the area as a major distribution point on the West Coast for wholesale trade and high-tech exports. During 2023-24, Education, Health Services, and Hospitality accounted for 27.3% of the city’s economy while Trades, Transportation and Utilities made up another 18.2%.

**Long Term Financial Planning and Major Initiatives** - For many years, the District did not have adequate funds for capital improvements. In 2012, PPS updated its long-range facilities plan with the assistance of an advisory committee of more than 30 community members that brought a variety of professional perspectives as well as that of teachers, parents, and other interested participants. This committee held a series of community meetings, reaffirmed the need for a capital bond, and laid the foundation for the Board’s deliberation on a bond proposal and the criteria for the definition of projects to be financed.

In November of 2012, the voters of the district authorized Portland Public Schools to issue up to \$482 million of general obligation bonds to improve school buildings, with 67% of voters supporting this capital investment program. This was a landmark accomplishment for PPS after many years of work and we are enormously grateful to the voters in this district for their continued support of PPS and public education in our district.

The major projects at Roosevelt, Franklin and Faubion schools were completed in the fall of 2017. Grant High School was completed in time for the start of the 2019-20 school year.

A second \$790 million capital bond was passed by voters in May 2017. These bonds, funded renovations and additions at Benson and Leodis V. McDaniel High Schools, and full rebuilds of Lincoln High School and Kellogg Middle School. Approximately 30% of the budgets for these projects comprehensively addressed health and safety issues. Leodis V. McDaniel and Kellogg both opened for the 2021-22 school year. Lincoln High School opened for the 2023-24 school year.

A third \$1.2 billion capital bond was passed by voters in November 2020, funding additional health and safety projects across the district and allowing PPS to replace curriculum materials and technology equipment districtwide, modernize Jefferson High School, complete Benson Polytechnic High School, and provide a new facility to house the Multiple Pathways to Graduation programs.

Modernization work at Benson Polytechnic was completed in the summer of 2024, and students returned to the completely rebuilt school in the Fall. Design and construction work will continue with health and safety projects to improve accessibility, upgrade fire alarms and fire sprinklers, reduce hazardous materials, repair or replace deteriorating school roofs, upgrade school safety and security and strengthen schools against earthquakes.

The 2020 bond also funds additional neighborhood school projects, continued design and planning to modernize Cleveland and Ida B. Wells-Barnett High Schools, and curriculum updates and technology improvements across the district. PPS remains committed to delivering robust high school and middle school projects as envisioned by the voters, stewarding bond resources prudently and efficiently, and building and maintaining the trust of voters in our community. .

### **Charter Schools**

Oregon statute provides state funding for charter schools that flow through districts for schools for which local school boards of education have granted a charter. The District had five charter schools in operation during the 2023-24 fiscal year. Due to their size relative to the District, the charter schools do not fall under the component unit reporting requirements set forth by GASB Statement No. 39.

## **Independent Audits**

The provisions of Oregon Revised Statutes require an independent audit of the financial records and fiscal affairs of the District. The auditors selected by the Board of Education, Talbot, Korvola & Warwick, LLP, have completed their audit of the basic financial statements and, accordingly, have included their unmodified Independent Auditor's Report in the financial section of this report.

Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) require state and local governments that expend \$750,000 or more in federal assistance in a year to have a special form of audit conducted for that year. Talbot, Korvola & Warwick, LLP has provided various required reports including the Report on Audit Requirements for Federal Awards, the Schedule of Expenditures of Federal Awards, and the required reports on internal controls and compliance with laws and regulations.

## **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the 44th consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized ACFR that satisfies both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for this coveted Certificate.

The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ending June 30, 2023. This was the 52nd consecutive year that the District has earned this significant award. The Certificate of Excellence recognizes the District has met the highest standards in school financial reporting, as adopted by ASBO. The District believes that this report for fiscal year 2023-24, which will be submitted to ASBO for review, will also conform to these standards.

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

Respectfully submitted,



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Myong Leigh  
Interim Chief Financial Officer

**SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON**  
**Principal Officials**  
**At June 30, 2024**

**SCHOOL BOARD**

<u>Member</u>	<u>Zone</u>	<u>Term Expiration</u>	<u>Phone</u>
Andrew Scott	1	June 30, 2027	503-916-3741
Michelle DePass	2	June 30, 2027	503-916-3741
Patte Sullivan	3	June 30, 2027	503-916-3741
Herman Greene	4	June 30, 2025	503-916-3741
Gary Hollands	5	June 30, 2025	503-916-3741
Julia Brim-Edwards	6	June 30, 2025	503-916-3741
Edward Wang	7	June 30, 2027	503-916-3741

**ADMINISTRATIVE STAFF**

Dr. Sandra Husk	Interim Superintendent
Dr. Cheryl Proctor	Deputy Superintendent, Instruction and School Communities
Myong Leigh	Interim Deputy Superintendent, Business and Operations
Liz Large	Contracted General Counsel
Leslie O'Dell	Interim Chief of Staff
Jey Buno	Chief of Student Support Services
Dan Jung	Chief Operating Officer
Vacant	Senior Director Communications
Don Wolff	Chief Technology Officer
Kristina Howard	Interim Chief Academic Officer
Vacant	Chief Financial Officer
Rosanne Powell	Board Manager
Sharon Reese	Chief Human Resources Officer
Jon Franco	Chief of Schools
Dr. Renard Adams	Chief of Research, Assessment, and Accountability
Margaret Calvert	Assistant Superintendent, Secondary
Dr. Esther Omogbehin	Assistant Superintendent, Elementary

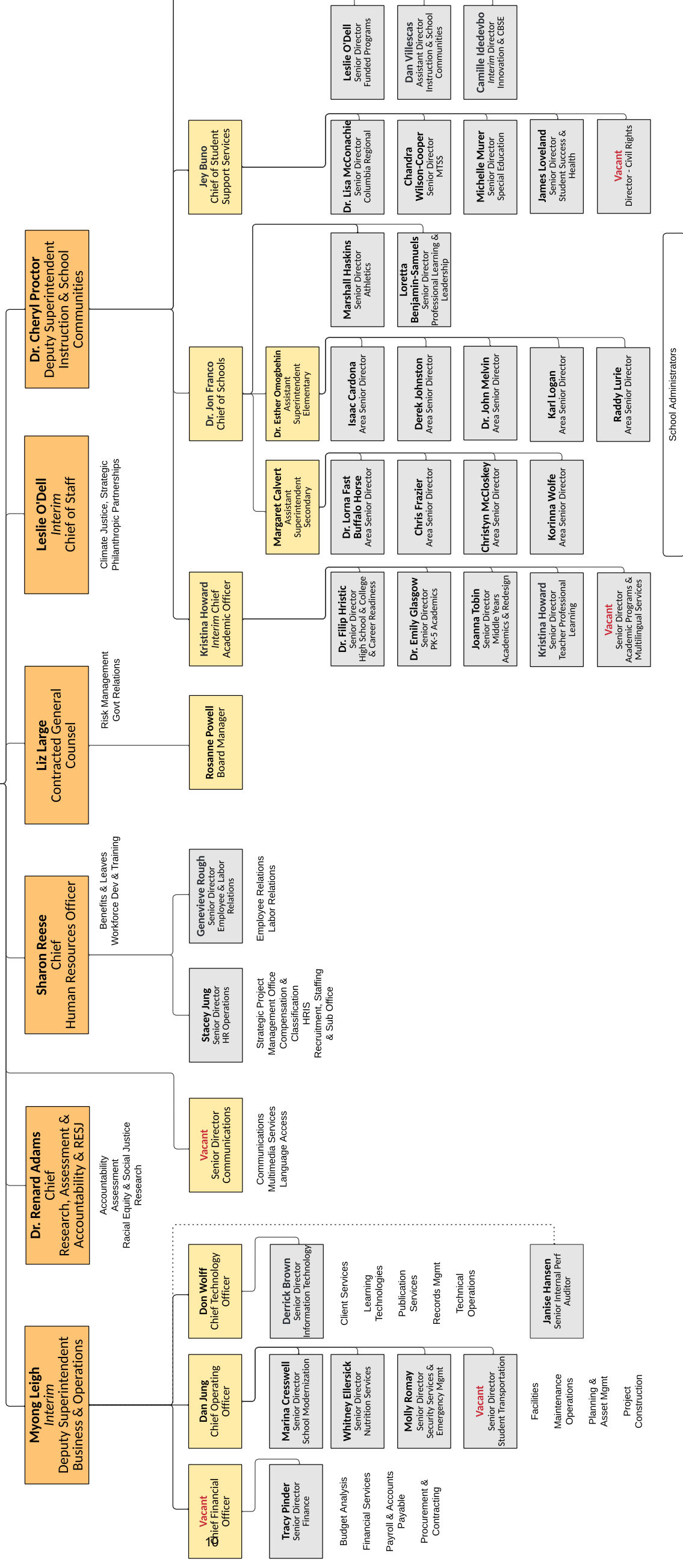


# 2023-24 PPS Leadership Staff

Effective: April 7, 2024  
Subject to change

**Dr. Sandy Husk**  
Interim Superintendent

**Cheryl Pitman**  
Confidential Executive Assistant (CEA)





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

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

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2023.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte  
President**

A handwritten signature in black ink, reading 'James M. Rowan'.

**James M. Rowan, CAE, SFO  
CEO/Executive Director**



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morrill*

Executive Director/CEO





# FINANCIAL SECTION



Your peace of mind is our passion.

## **INDEPENDENT AUDITOR'S REPORT**

Board of Education  
School District 1J, Multnomah County, Oregon  
Portland, Oregon

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District No. 1J, Multnomah County, Oregon (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Schedule of Changes in the District's Total OPEB Liability and Related Ratios-RHIS, Schedule of the District's Proportionate Share of Net OPEB Liability (Asset) and District Contributions-RHIA, Schedule of the District's Proportionate Share of Net Pension Liability (Asset) and District Contributions, Schedule of Changes in the District's Total Pension Liability and Related Ratios-Stipend, and Notes to the Required Supplementary Information, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## INDEPENDENT AUDITOR'S REPORT (Continued)

Accounting principles generally accepted in the United States of America require that the accompanying budgetary comparison information for the General Fund and Special Revenue Fund, as listed in the Table of Contents as Required Supplementary Information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the required budgetary comparison for the General Fund and Special Revenue Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules and combining statements, listed in the Table of Contents as Supplementary Information, and the Schedule of Expenditures of Federal Awards (SEFA) as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the Supplementary Information and the SEFA are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the Introductory and Statistical Sections, as listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

**INDEPENDENT AUDITOR'S REPORT (Continued)**

**Other Reporting Required by Oregon Minimum Standards**

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 12, 2024, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in blue ink that reads "Daniel A. Wiley".

For Talbot, Korvola & Warwick, LLP  
Portland, Oregon  
December 12, 2024

## **SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON**

### **Management’s Discussion and Analysis**

As management of School District No.1J, Multnomah County, Oregon (Portland Public Schools or the District or PPS), we offer readers this narrative overview and analysis of the financial activities of Portland Public Schools for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-8 of this report.

#### **FINANCIAL AND BUDGETARY HIGHLIGHTS**

##### **Budget**

On June 13, 2023, the Board of Education (the Board) adopted the fiscal year 2023-24 budget by way of Board Resolution No. 6718. The District’s fiscal year 2023-24 budget was based on the Oregon Legislature’s biennial budget cycle for 2023-2025 that includes a State School Fund allocation of \$10.2 billion, a Student Investment Account (SIA) allocation of \$1.1 billion, and a High School Success (Measure 98 or M98) allocation of \$176.8 million.

The fiscal year 2023-24 budget continued to focus available resources on the PPS Vision (“PPS Reimagined”) and Strategic Plan (“Forward Together”). Five strategic system shifts will be prioritized through 2025: a connected and transformative school District; racial equity aligned systems and structures; cultivating system-wide learning and a diverse workforce; transformative curriculum and pedagogy; and a culture of physical and emotional safety. The fiscal year 2023-24 budget focused on two specific areas: addressing the core needs of students and staff; and increasing academic achievements and reducing academic disparities.

On January 9, 2024, the Board voted to amend the fiscal year 2023-24 budget, by way of Board Resolution No. 6813. This amendment to the budget revised appropriations and recognized resources to align the budget with updated projections.

- **General Fund:** \$15.2 million to true up beginning fund balance, increase property tax resources and adjust appropriations across Instruction and Support Services, including a temporary increase in wages for substitute educators between December 18 and 22.
- **Special Revenue Fund:** \$8.7 million increase to Student Investment Account and Integrated Grant and Early Literacy Grant proceeds and appropriation adjustments across Instruction, Support Services, Enterprise & Community Services, and Contingency.
- **Capital Projects Fund:** \$37.1 million to true up beginning fund balance and increase State Sources and decrease All Other Revenue Sources and to updated appropriations across Facilities Acquisition and Construction to reflect actual funds available.

##### **Other Highlights**

In November 2012, District voters passed an eight-year, \$482.0 million capital bond measure. With the 2012 School Building Improvement Bond, Portland Public Schools began a 30-year effort to modernize every school in the District. The 2012 authorization enabled the district to make improvements in more than 51 schools, including seismic, accessibility and science classroom upgrades. In addition, Franklin, Roosevelt and Grant High schools were modernized and Faubion PK-8 was completely rebuilt.

At June 30, 2024, the 2012 authorization had a remaining balance of \$484 thousand, comprised of investment earnings on bond proceeds.

In May 2017, District voters passed an eight-year, \$790.0 million capital bond measure. The 2017 Health, Safety and Modernization Bond includes the modernization of Leodis V. McDaniel and Benson Polytechnic High schools; the construction of a new Kellogg Middle school, a new Lincoln High school and a new Multiple Pathways to Graduation building (on the Benson campus); and district-wide health and safety projects.

The health and safety projects include:

- water quality improvements,
- roof replacements, including roof-level seismic improvements,
- security upgrades at all District schools,
- lead paint, asbestos and radon remediation,
- installation of new fire alarm and sprinkler systems to improve fire safety, and
- ADA upgrades and improvements, including new elevators.

McDaniel High school has been completely modernized and a new Kellogg Middle school has been built. Both schools opened to students in Fall 2021. A new Lincoln High school building was opened in Fall 2022, and the new athletic fields were completed in 2023. Construction for the modernization of Benson Polytechnic High school and a new Multiple Pathways to Graduation building on the Benson campus began in summer 2021 and were completed in Fall 2024.

At June 30, 2024, the 2017 authorization had a remaining balance of \$98.1 million, comprised of investment earnings on bond proceeds.

In November 2020, District voters passed a \$1.208 billion capital bond measure. The measure included authorization to renovate Jefferson and Benson High schools and add a facility for alternative school programs. Additionally, the measure authorized updates to curriculum materials and technology improvements, master planning for Cleveland and Ida B. Wells-Barnett High schools and for planning/adding additional capacity at Roosevelt High school. The measure also provided for the development of a culturally responsive community plan and to make targeted investments in neighborhood school facilities in North and Northeast Portland.

Continuing health and safety projects include:

- Removal of barriers to accessibility in schools across the District;
- Repair/replacement of leaking or deteriorating school roofs;
- Seismic retrofit at up to three schools;
- Repair/replacement of high priority mechanical systems (heating, cooling and ventilation);
- Strengthening security measures in schools.

In December 2020, the District issued \$365.5 million of the \$1.208 billion authorized. A premium of \$29.6 million was realized on that sale. In April 2023, the District issued an additional \$420.0 million of the 2020 authorization. A premium of \$44.8 million was realized on the sale. At June 30, 2024, \$364.9 million of the related cash and investments available for capital projects is comprised of unspent bond proceeds and related investment earnings.

The following table summarizes the remaining balances of the authorized bond proceeds which were unspent as of June 30, 2024.

**Summary of Bond Resources as of June 30, 2024**  
(in millions)

Authorization		Issued		Unspent Balance
Year	Amount	Par	Premium	
2012	\$ 482,000	\$ 482,000	\$ 56,937	\$ -
2017	790,000	790,000	69,408	-
2020	1,208,000	839,430	76,037	330,613
	<u>\$ 2,480,000</u>	<u>\$ 2,111,430</u>	<u>\$ 202,382</u>	<u>\$ 330,613</u>

## OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis is intended to serve as an introduction to Portland Public Schools' basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the basic financial statements. In addition to the basic financial statements, this report also contains required and other supplementary information.

**Government-Wide Financial Statements** are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 28-30 of this report.

**Fund Financial Statements** are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. Portland Public Schools' funds can be divided into two categories: governmental funds and proprietary funds. Reports by fund are shown in the Financial Section of the report beginning on page 31.

**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 more narrowly on near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financial decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Portland Public Schools designates four major governmental funds. Information is presented separately for the General Fund, Special Revenue Fund, Debt Service Fund, and the Capital Projects Fund in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances.

Portland Public Schools adopts an annual appropriated budget for each of its funds. A budgetary comparison statement has been provided for each fund individually in either required or supplementary information to demonstrate compliance with the fund level budgets. The basic governmental fund financial statements can be found on pages 31-36 of this report.

**Proprietary funds** are used to account for a government's business-type activities. The District maintains only one type of proprietary fund, which is an internal service fund. Internal service funds are accounting devices used to accumulate and allocate costs among various internal functions. The District uses an internal service fund to account for its self-insurance activities related to workers compensation. Because Portland Public Schools has no business-type functions, this service benefits governmental functions and has been included within the governmental activities in the government-wide financial statements.

Internal service funds provide the same type of information as the government-wide financial statements. The internal service fund financial statements provide separate information for the self-insurance fund. The basic internal service fund financial statements can be found on pages 37-39 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. These notes can be found on pages 40-85 of this report.

**Required Supplementary Information (RSI)** is located directly after the notes to the basic financial statements on pages 86-97 and represents the required comparison of the budget and actual results on the District's budgetary basis for the General Fund and Special Revenue Fund. In addition, the RSI discloses the District's proportionate share of liabilities/assets and related employer contributions for pension and other post-employment healthcare benefits obligations.

**Supplementary Information (SI)** presented on pages 98-100 includes budgetary comparison schedules for the Debt Service Fund, Capital Projects Fund and the Proprietary Fund.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Analysis of Deferred Outflows and Inflows of Resources

Deferred outflows and deferred inflows include pension and other post-employment healthcare related balances. The changes in these deferred outflows and deferred inflows were due to differences between actual and expected earnings, changes in assumptions used by outside actuaries, and other factors impacting these balances.

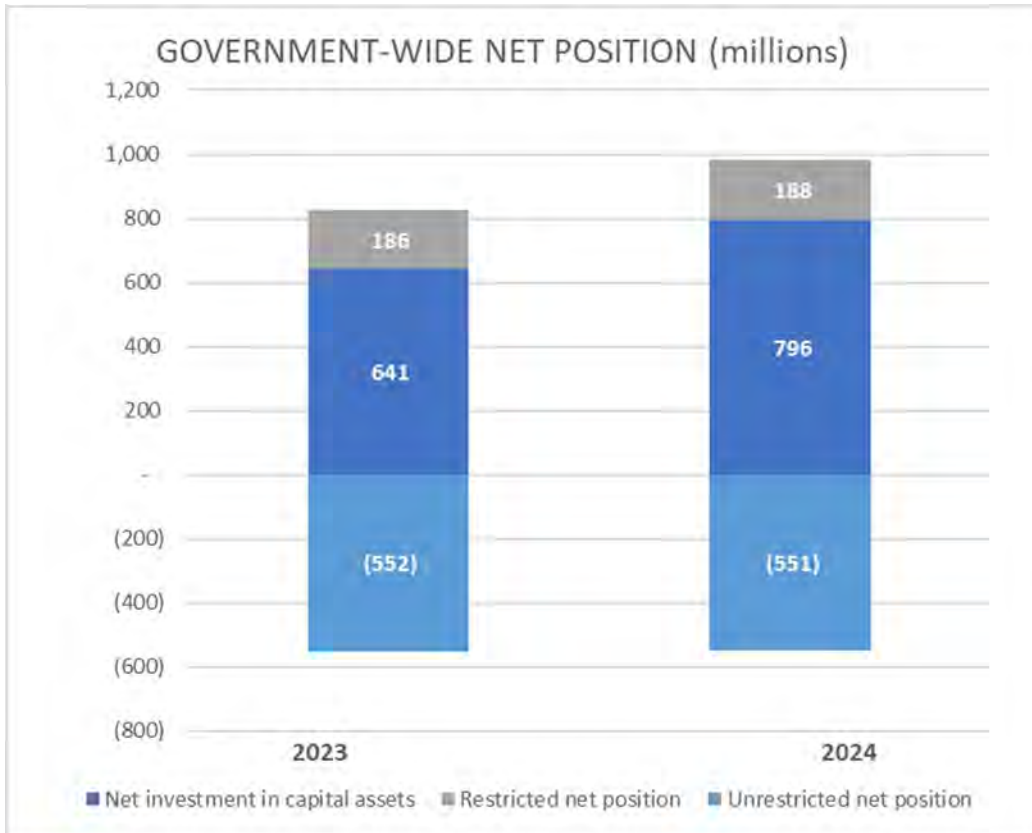
### Analysis of Net Position

The Statement of Net Position presents information on the District's assets, liabilities and deferred outflows and inflows. The difference between assets/deferred outflows and liabilities/deferred inflows is reported as net position. Over time, net position may serve as a useful indicator of the District's financial position. Other indicators that can be useful in reviewing the District's financial health include enrollment trends, debt capacity and the condition of facilities.

### Net Position: 2023 compared to 2024

**Net Position** is a primary indicator of financial position. The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$432 million at June 30, 2024. This represents an increase of \$157 million in net position from the prior year and is further discussed below.

Net Position	Government-wide (thousands)			
	2023	2024	\$ Change	% change
<b>Assets</b>				
Current or other assets	\$ 1,239,627	\$ 1,007,334	\$ (232,293)	-18.7%
Net capital assets	1,629,666	1,884,686	255,020	15.6%
Total Assets	<u>2,869,293</u>	<u>2,892,020</u>	<u>22,727</u>	0.8%
<b>Deferred Outflows of Resources</b>	<u>395,025</u>	<u>283,060</u>	<u>(111,965)</u>	-28.3%
<b>Liabilities</b>				
Long-term liabilities outstanding	2,235,470	1,924,805	(310,665)	-13.9%
Other liabilities	499,840	563,426	63,586	12.7%
Total Liabilities	<u>2,735,310</u>	<u>2,488,231</u>	<u>(247,079)</u>	-9.0%
<b>Deferred Inflows of Resources</b>	<u>253,532</u>	<u>254,394</u>	<u>862</u>	0.3%
<b>Net Position</b>				
Net investment in capital assets	641,228	795,530	154,302	24.1%
Restricted	186,014	187,531	1,517	0.8%
Unrestricted	(551,766)	(550,606)	1,160	0.2%
Total Net Position	<u>\$ 275,476</u>	<u>\$ 432,455</u>	<u>\$ 156,979</u>	57.0%



**Net Investment in Capital Assets** has increased to \$796 million, a \$154 million increase over prior year. The increase is primarily driven by increases in capital assets related to the capital bond work and payment on related debt.

**Restricted Net Position** represents the unspent portions of capital project funds, debt service funds, and net assets restricted by grants, donations, and post-employment benefits. Restricted Net Position increased by \$2 million to \$188 million this year, primarily due to the receipt of proceeds from the loss of property from a winter storm.

**Unrestricted Net Position** consists of all other amounts not included in the categories noted above. Unrestricted Net Position at June 30, 2024 is a negative \$551 million, a decrease of \$1 million over the prior year.

### Analysis of Activities

The Statement of Activities presents expenses and related revenues by program, summarizing how the District’s net position changed during the most recent fiscal year. The statement reports revenues earned and expenses incurred under the accrual basis of accounting, where changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes, pension amounts, other post-employment benefits (OPEB), incurred but not reported (IBNR) claims, and earned but unused vacation leave).

**The Statement of Activities** of the government-wide financial statements distinguishes functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Portland Public Schools currently does not have any business-type or enterprise fund activities. Additional details regarding revenue and expense changes are presented to provide a better understanding of the District’s operations in fiscal year 2023-24 compared to fiscal year 2022-23.

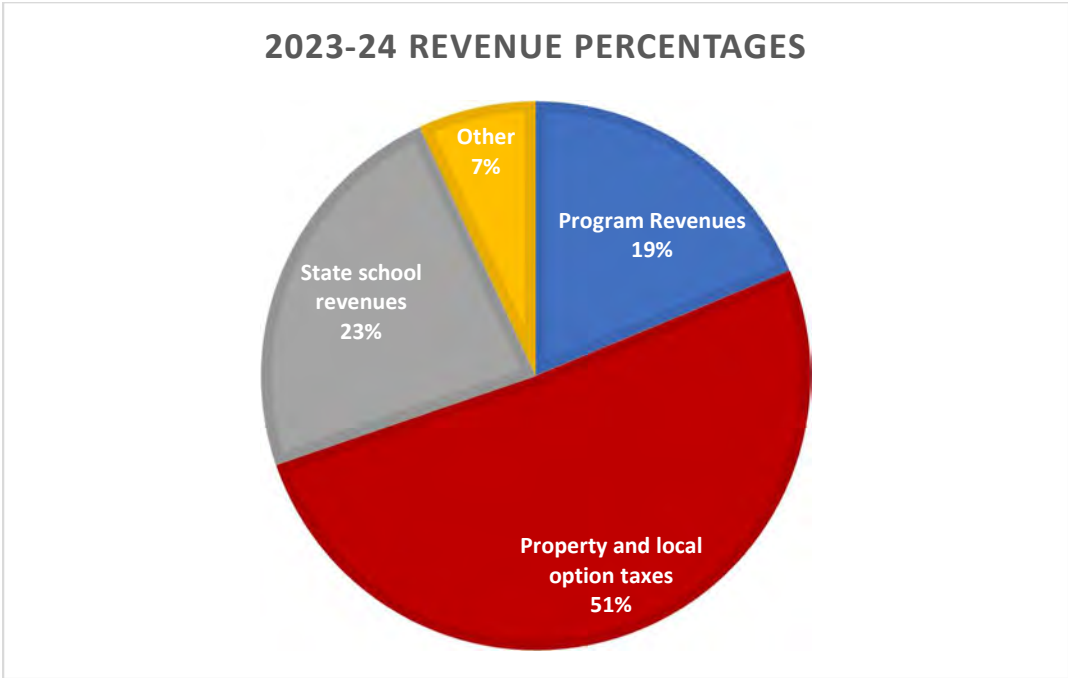
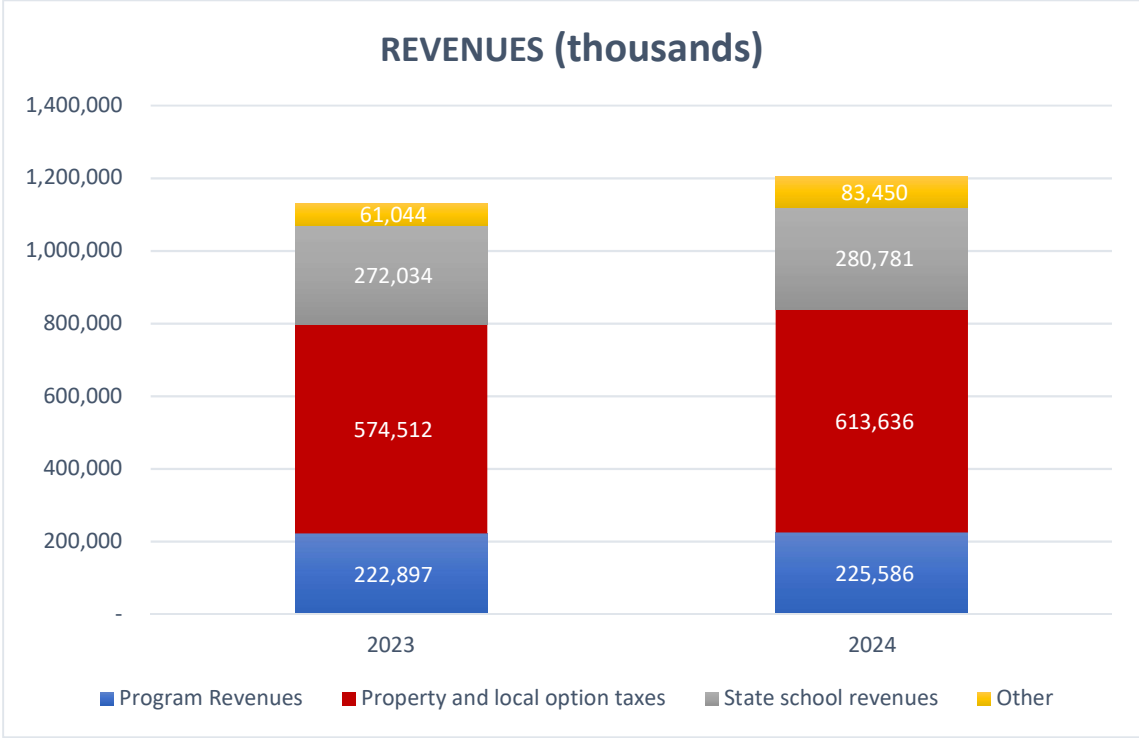
**Statement of Activities**

	<b>Government-wide (thousands)</b>				
	2023	2024	2024- % of Total	\$ Change	% Change
<b>Revenues</b>					
Program Revenues					
Charges for services	\$ 5,712	\$ 8,421	0.7%	\$ 2,709	47.4%
Operating grants & contributions	215,075	203,962	17.0%	(11,113)	-5.2%
Capital grants & contributions	2,110	13,203	1.1%	11,093	100.0%
Total Program Revenues	<u>222,897</u>	<u>225,586</u>	<u>18.8%</u>	<u>2,689</u>	<u>1.2%</u>
<b>General Revenues</b>					
Property taxes	464,507	505,829	41.9%	41,322	8.9%
Local option taxes	110,005	107,807	9.0%	(2,198)	-2.0%
County & intermediate sources	11,067	9,401	0.8%	(1,666)	-15.1%
Construction excise tax	4,190	1,786	0.1%	(2,404)	-57.4%
State School Fund	265,672	274,366	22.8%	8,694	3.3%
State Common School Fund	6,362	6,415	0.5%	53	0.8%
Investment earnings	28,912	56,177	4.7%	27,265	94.3%
Other	16,875	16,086	1.3%	(789)	-4.7%
Total General Revenues	<u>907,590</u>	<u>977,867</u>	<u>81.2%</u>	<u>70,277</u>	<u>7.7%</u>
Total Revenues	<u>1,130,487</u>	<u>1,203,453</u>	<u>100.0%</u>	<u>72,966</u>	<u>6.5%</u>
<b>Expenses</b>					
Instruction	491,393	508,240	48.6%	16,847	3.4%
Support services	414,298	431,367	41.2%	17,069	4.1%
Enterprise & community services	33,374	30,189	2.9%	(3,185)	-9.5%
Facilities services	4,845	9,520	0.9%	4,675	96.5%
Interest & fees on long-term debt	54,988	67,158	6.4%	12,170	22.1%
Total Expenses	<u>998,898</u>	<u>1,046,474</u>	<u>100.0%</u>	<u>47,576</u>	<u>4.8%</u>
Change in net position	131,589	156,979	36.3%	25,390	19.3%
Net position - beginning of year	143,887	275,476	63.7%	131,589	-91.5%
Net position - end of year	<u>\$ 275,476</u>	<u>\$ 432,455</u>	<u>100.0%</u>	<u>\$ 156,979</u>	<u>-57.0%</u>

The District’s mission is to provide a free and appropriate public education for K-12 students within its boundaries. The District may not charge for its core services, but does charge for non-core services such as facilities rentals and activities fees. General revenues, primarily property taxes and State School Funds, provide most of the funding required for governmental programs.

**Revenue and Expenses: 2023 compared to 2024**

**Revenues** for fiscal year 2023-24 were \$1.203 billion, an increase of \$73.0 million, or 6.5 percent, from prior year revenues of \$1.130 billion. Operating grants and contributions revenues decreased by \$11.1 million. Capital grants and contributions increased by \$11.1 million. The major decreases in federal and state funding were related to the Elementary and Secondary School Emergency Relief Fund (ESSER), while modest increases occurred in Student Investment Account (SIA), Measure 98 (M98), and Student Success Act Summer Learning grants. In aggregate, property taxes plus local option taxes increased by \$39.1 million over the prior year as assessed values rose and collection rates were consistent with prior years. State School Fund revenues increased \$8.7 million from the prior year. Investment revenues increased \$27.3 million from the prior year due to improved interest rates and the investment of bond proceeds related to capital projects.



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

Current year total expenses were \$1.046 billion, which is an increase of 4.8 percent, or \$47.6 million, over prior year. Instruction expenses increased \$16.8 million, or 3.4 percent, compared to 2022-23. The major components of this change were staffing and other increases due to additional grant funding, plus step and COLA increases. Support Services expenses increased \$17.1 million, or 4.1 percent, from the prior year. The major components of this change were the acquisition of software subscription services and wage increases due to step and COLA increases. Instruction and Support Services together accounted for 89.8 percent of the District’s total expenses in fiscal year 2023-24, compared to 90.7 percent in fiscal year 2022-23. Interest and fees on long-term debt increased \$12.2 million.

### **FINANCIAL ANALYSIS OF THE DISTRICT’S MAJOR FUNDS**

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

**General Fund.** The General Fund is the major operating fund of the District. The fund’s ending fund balance decreased by \$19.4 million to \$86.1 million in fiscal year 2023-24. The General Fund saw an increase of \$37.6 million in revenue, largely due to an increase in property taxes, State School Fund and investment earnings. Instructional expenditures increased by \$34.9 million, or 9.3 percent, in fiscal year 2023-24. Support services increased by \$27.6 million, or 8.1 percent. Increases are primarily related to wage and benefit increases and additional staffing for counselors, school administrators, substitutes, and custodians.

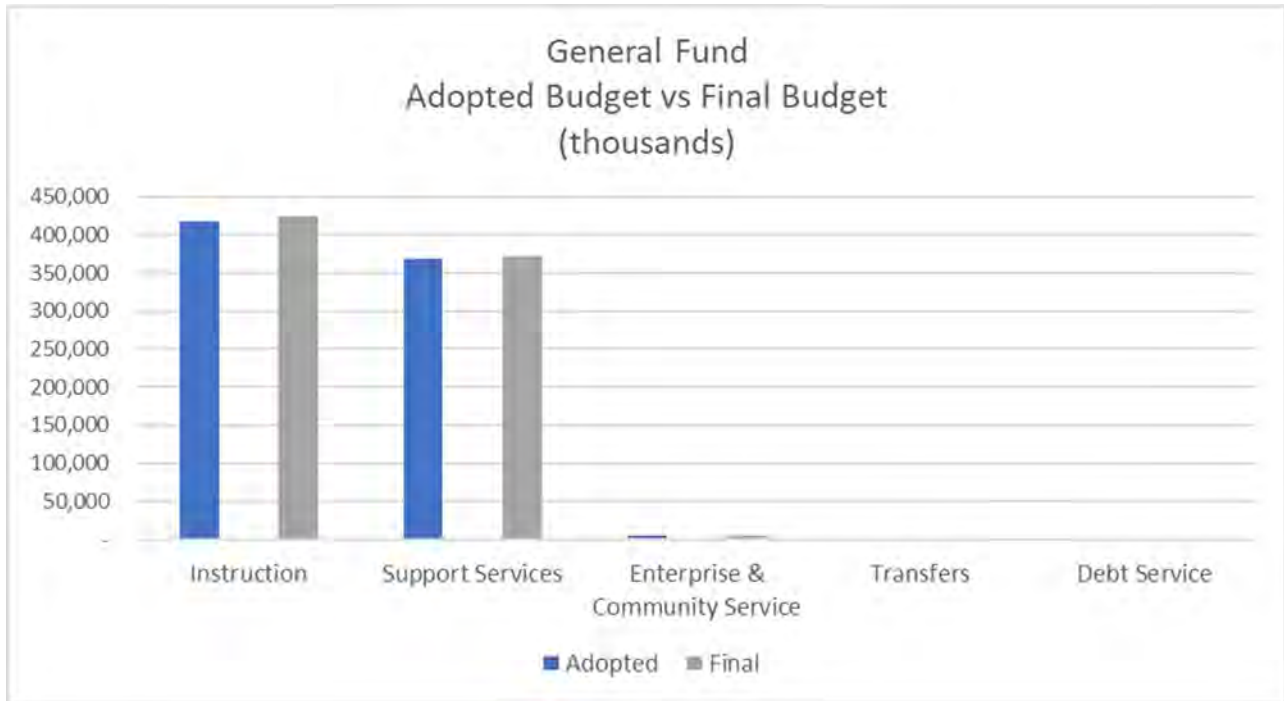
**Special Revenue Fund.** The Special Revenue Fund ending fund balance increased by \$8.4 million, or 23.0 percent, in fiscal year 2023-24. The Special Revenue Fund saw a decrease of \$3.4 million in revenue, largely driven by decreases in charges for services and federal and state sources. Expenditures across the fund decreased by \$10.9 million due to decreased Elementary and Secondary School Emergency Relief Fund (ESSER) funding.

**Debt Service Fund.** The Debt Service Fund ending fund balance decreased \$3.6 million to \$14.7 million in fiscal year 2023-24, primarily due to increased General Obligation (GO) bond debt service. Debt Service expenditures increased \$24.1 million in fiscal year 2023-24.

**Capital Projects Fund.** The Capital Projects Fund ending fund balance decreased \$255.9 million to \$474.6 million in fiscal year 2023-24, primarily due to a decrease in the issuance of additional GO Bonds. Overall spending on GO Bond projects increased \$23.3 million in fiscal year 2023-24 as bond projects continued. Spending on curriculum and technology modernization projects increased \$1.9 million in fiscal year 2023-24.

### **BUDGETARY HIGHLIGHTS FOR THE GENERAL FUND**

**Adopted budget compared to final budget.** There were two amendments to the fiscal year 2023-24 budget. The first amendment allocated funds across Instruction, Support Services, Enterprise & Community Services, Facilities Acquisition & Construction, Debt Service (PERS UAL) and Transfers of Funds to align the budget with updated projections. The second amendment was to transfer Special Revenue Funds appropriations between Instruction and Support Services.



**Final budget compared to actual results.** In fiscal year 2023-24 actual General Fund expenditures before contingency were \$14.7 million below budgeted expenditures, or roughly 1.8 percent. Salaries and associated payroll costs across Instruction and Support Services accounted for \$23.4 million of the variance, while non-personnel expenditures exceeded budget by -\$8.6 million

	<b>Final Budget vs Actual Expenditures (thousands)</b>			
	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>\$ Variance</u>	<u>% of Budget</u>
Instruction	\$ 424,664	\$ 411,711	\$ (12,953)	96.9%
Support Services	371,425	370,577	(848)	99.8%
Enterprise & Community Service	4,194	4,123	(71)	98.3%
Transfers	1,075	887	(188)	82.5%
Debt Service	727	-	(727)	0.0%
	<u>802,085</u>	<u>787,298</u>	<u>(14,787)</u>	<u>98.2%</u>
Operating Contingency	<u>46,839</u>	<u>-</u>	<u>(46,839)</u>	<u>0.0%</u>
	<u>\$ 848,924</u>	<u>\$ 787,298</u>	<u>\$ (61,626)</u>	<u>92.7%</u>

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** The District’s investment in capital assets includes land, building and improvements, vehicles and equipment, construction in progress, and right-of-use leases and subscription assets. As of June 30, 2024, the District had invested \$1.88 billion in capital assets, net of depreciation and amortization, as shown in the following table:

Capital assets	Government-wide (thousands)			
	2023	2024	\$ Change	% change
Land	\$ 9,174	\$ 9,174	\$ -	0.0%
Buildings and site improvements	1,306,539	1,574,357	267,818	20.5%
Vehicles and equipment	101,414	103,804	2,390	2.4%
Right-to-use leased equipment	958	958	-	0.0%
Right-to-use subscription assets	19,065	20,777	1,712	0.0%
Construction in progress	565,187	601,250	36,063	6.4%
	<u>2,002,337</u>	<u>2,310,320</u>	<u>307,983</u>	<u>15.4%</u>
less accumulated depreciation and amortization	<u>(372,671)</u>	<u>(425,634)</u>	<u>(52,963)</u>	<u>14.2%</u>
Capital assets, net of depreciation	<u>\$ 1,629,666</u>	<u>\$ 1,884,686</u>	<u>\$ 255,020</u>	<u>15.6%</u>

District-wide, net capital assets increased by \$255 million in fiscal year 2023-24, and the District recognized \$425.6 million of depreciation and amortization. Capital construction accounted for the majority of the increase. Further discussion of capital and right-of-use assets can be found in Note 7 of the financial statements.

**Debt Administration.** At the end of the current fiscal year, the District had total debt outstanding of \$1.8 billion (excluding premiums and discounts), which is comprised of limited tax pension and refunding bonds (\$578.7 million) and debt backed by the full faith and credit of the District (\$1,217.8 billion). Further explanation of debt is shown in Note 10 of the Financial Statements.

Outstanding Debt	Government-wide (thousands)				
	2023	Increases	Decreases	2024	% change
Limited tax pension and refunding bonds	\$640,890	\$ -	(\$62,240)	\$578,650	-9.7%
Other debt	1,329,588	-	(111,775)	1,217,813	-8.4%
Lease payable	897		(186)	711	-20.7%
Subscription payable	1,688	3,052	(2,078)	2,662	-123.1%
Total Long Term Debt	<u>1,973,063</u>	<u>3,052</u>	<u>(176,279)</u>	<u>1,799,836</u>	
Unamortized Bond Premium/(Discount)	<u>155,948</u>	<u>-</u>	<u>(9,307)</u>	<u>146,641</u>	<u>-6.0%</u>
Total Long Term Debt, net of Premium (Discount)	<u>2,129,011</u>	<u>\$-</u>	<u>(185,586)</u>	<u>1,946,477</u>	<u>-8.7%</u>

State statutes limit the amount of general obligation debt a school district may issue based on a formula for determining the percentage of the Real Market Value of all taxable properties within the District. The District's general obligation bond debt capacity is 7.95 percent of Real Market Value or \$12.5 billion.

OPERS is Oregon’s public pension system. Under the pension plan, the actuarial liability is the present value of the plan’s current and expected benefits payments (plus administrative expenses). If the fund’s actuarial liability exceeds its assets, then the fund has a shortfall that is known as a Net Pension Liability (“NPL”). OPERS requires that school Districts pay (or “amortize”) this NPL over a period of 20 years (Tier One / Tier Two portion) and 10 years (Retiree Health Insurance Account portion). Since interest rates had been at historic lows, an opportunity to benefit from lowered interest was created.

The District has issued limited tax pension obligation bonds, Series 2002, 2003 and 2021. Proceeds from the bond issues were put into PERS “side accounts” and used to offset a portion of the OPERS Net Pension Liability (NPL). The reduced contribution rate charged for the NPL that has resulted from the District’s decision to borrow, has saved an estimated \$40.1 million in the current year; savings that the District has used to provide more instruction and support services. Over time, this reduction in rates could dampen the effects of future increases in the District’s NPL. As long as OPERS’ investment returns exceed the costs of servicing the bonds, the benefits of this program will exceed the costs. The District’s NPL was reduced but was not eliminated by these borrowing transactions. Statutes, legislation, regulations, and rules regarding OPERS can change at any time.

### **NEXT YEAR’S BUDGET AND ECONOMIC FACTORS**

The 2024-25 budget will continue to support the District’s Vision (“PPS Reimagined”) and Strategic Plan (“Forward Together”) as well as the goals set by the Board. The budget coincides with the Oregon Legislature’s biennial budget cycle for 2023-25, which includes a \$10.2 billion State School Fund, and full funding for SIA and M98. One significant unknown for the District continues to be enrollment. The 2024-25 budget assumes enrollment will gradually decrease which represents a continuing decline from pre-pandemic enrollment levels. Enrollment for the District as of October 1, 2023, was 44,771 students, a decline of 4,749 from a pre-pandemic high of 49,550. The enrollment decrease is most significant in PPS Elementary schools, which has been offset somewhat by increases at Middle and High schools, as well as Alternative Programs.

Population and enrollment trends in Portland show increases in the overall population within the PPS boundary. District population has grown steadily, from 374,000 in 1980 to approximately 520,000 in 2020. A mid-range forecast estimates a population of 596,000 by 2040. However, declining fertility rates among the fastest-growing cohort of the population, young adults (20 to 34-year-olds) suggest that the population of school-aged children will continue to decline, not keeping pace with the overall population growth.

The 2024-2025 budget takes steps to institutionalize equity-centered strategies including plans to launch our Center for Black Student Excellence. Despite gains, our system continues to see achievement gaps among our Black students, and we’re hopeful the Center will help address these. We also intend to hire a civil rights coordinator to ensure students are provided school environments free from discrimination, harassment, and bullying.

And we remain deeply committed to providing multi-tiered systems of support. We will continue to fund increased mental and behavioral health services, school counselors, school-based social workers, school psychologists, and substance abuse support. We will continue funding work to strengthen safety and security and create school-based restorative justice systems that address conflicts in our learning spaces.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Portland Public Schools’ finances for all those with an interest in the District’s finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Finance Department, Portland Public Schools, 501 N Dixon, Portland, OR, 97227. An electronic copy of this and other prior- year financial reports is available at the District website: <http://www.pps.net/Page/2184>.

## **BASIC FINANCIAL STATEMENTS**

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**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Statement of Net Position**  
**June 30, 2024**  
**(amounts expressed in thousands)**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 388,580
Cash and cash equivalents-restricted	19,678
Cash and cash equivalents held by fiscal agents	5,192
Investments	476,225
Accounts and other receivables	79,378
Property taxes and other taxes receivable	17,397
Leases Receivable	7,516
Inventories	1,632
Prepaid items	1,014
Total current assets	996,612
Noncurrent assets:	
Net OPEB asset-RHIA	10,722
Capital assets, not depreciated:	
Land	9,174
Construction in progress	601,250
Capital assets, net of accumulated depreciation and amortization:	
Buildings and capital improvements	1,223,040
Vehicles and equipment	39,247
Right-of-use lease	686
Right-of-use subscriptions	11,289
Total assets	2,892,020
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
OPEB contributions subsequent to measurement date	6,537
OPEB differences between expected and actual experience	10,322
OPEB differences between actual and expected earnings	30
OPEB differences due to changes in assumptions	3,878
OPEB changes in employer proportion	3,815
Pension changes in employer proportion	21,997
Pension differences between employer contribution and proportionate share of contributions	220,203
Pension differences between expected and actual experience	5,329
Pension differences due to changes in assumptions	8,482
Pension differences employer share, system	1,716
Pension contributions subsequent to measurement date	751
Total deferred outflows of resources	283,060

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Statement of Net Position (continued)**  
**June 30, 2024**  
**(amounts expressed in thousands)**

**LIABILITIES**

Accounts payable	\$	101,290
Accrued wages and benefits payable		114,495
Unearned revenues		129,393
Claims payable		7,929
Non-current liabilities:		
Due within one year		
Accrued compensated absences		4,024
Accrued interest payable		1,966
Bonds		202,477
Lease payable		192
Subscription payable		1,660
Due in more than one year		
Accrued compensated absences		3,341
Bonds		1,740,627
Lease payable		519
Subscription payable		1,002
Net pension liability-PERS		95,458
Total pension liability-stipend		5,493
Total OPEB liability-RHIS		78,365
Total liabilities		<u>2,488,231</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Lease Resources	6,930
OPEB differences between expected and actual experience	1,715
OPEB differences due to changes in assumptions	4,988
OPEB changes in employer proportion	1,241
Pension differences due to changes in assumptions	222
Pension differences between employer contribution and proportionate share of contributions	28,209
Pension difference at experience	378
Pension changes in employer proportion	210,711
Total deferred inflows of resources	<u>254,394</u>

**NET POSITION**

Net investment in capital assets	795,530
Restricted for:	
Capital projects	136,945
Grants	18,635
Student body activities	4,844
Debt service	16,385
Net OPEB asset-RHIA	10,722
Unrestricted (deficit)	(550,606)
Total net position	<u>\$ 432,455</u>

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



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Statement of Activities**  
**For the year ended June 30, 2024**  
**(amounts expressed in thousands)**

Functions/Programs	EXPENSES		PROGRAM REVENUES		Net (Expense) Revenue and Changes in Net Position					
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities				
<b>GOVERNMENTAL ACTIVITIES</b>										
Instruction	\$	508,240	\$	373	\$	121,399	\$	-	\$	(386,468)
Support services		431,367		5,128		78,449		-		(347,790)
Enterprise and Community Services		30,189		2,920		4,114		-		(23,155)
Facilities Services		9,520		-		-		13,203		3,683
Interest and fees on long-term debt		67,158		-		-		-		(67,158)
Total governmental activities	\$	<u>1,046,474</u>	\$	<u>8,421</u>	\$	<u>203,962</u>	\$	<u>13,203</u>	\$	<u>(820,888)</u>
<b>GENERAL REVENUES</b>										
Property taxes levied for general purposes										346,636
Property taxes levied for debt service										159,193
Construction excise tax										1,786
Local option taxes levied for general purposes										107,807
State School Fund - general support										274,366
State Common School Fund - general support										6,415
County and intermediate sources - general support										9,401
Investment earnings										56,177
Other										16,086
Total general revenues										<u>977,867</u>
Change in net position										156,979
Net position - beginning of year										<u>275,476</u>
Net position - end of year	\$									<u><u>432,455</u></u>

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2024**  
(amounts expressed in thousands)

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents-unrestricted	\$ 135,775	\$ 36,690
Cash and cash equivalents-restricted	-	-
Cash and cash equivalents held by fiscal agents	4,683	-
Investments	19,913	15,957
Prepaid items	96	-
Accounts receivable	1,456	67,389
Leases receivable	7,516	-
Property taxes and other taxes receivable	13,065	-
Due from other funds	51,034	744
Inventories	570	1,062
Total assets	<u>\$ 234,108</u>	<u>\$ 121,842</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 22,847	\$ 7,880
Accrued wages and benefits	104,651	9,511
Due to other funds	744	51,034
Unearned revenues	1,228	8,305
Total liabilities	<u>129,470</u>	<u>76,730</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable property tax revenue	11,630	-
Unavailable leases revenue	6,930	-
Total deferred inflows of resources	<u>18,560</u>	<u>-</u>
<b>FUND BALANCES</b>		
Nonspendable	666	1,062
Restricted	-	22,476
Committed	-	21,574
Assigned	85,412	-
Unassigned	-	-
Total fund balances	<u>86,078</u>	<u>45,112</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 234,108</u>	<u>\$ 121,842</u>

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

<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
\$ 11,284	\$ 196,413	\$ 380,162
19,678	-	19,678
509	-	5,192
-	440,355	476,225
-	543	639
-	10,533	79,378
-	-	7,516
4,331	-	17,396
-	-	51,778
-	-	1,632
<u>\$ 35,802</u>	<u>\$ 647,844</u>	<u>\$ 1,039,596</u>
\$ 17,191	\$ 53,073	\$ 100,991
-	275	114,437
-	-	51,778
-	119,861	129,394
<u>17,191</u>	<u>173,209</u>	<u>396,600</u>
3,895	-	15,525
-	-	6,930
<u>3,895</u>	<u>-</u>	<u>22,455</u>
-	543	2,271
12,491	467,558	502,525
2,225	8,328	32,127
-	-	85,412
-	(1,794)	(1,794)
<u>14,716</u>	<u>474,635</u>	<u>620,541</u>
<u>\$ 35,802</u>	<u>\$ 647,844</u>	<u>\$ 1,039,596</u>

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



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Reconciliation of the Balance Sheet to the Statement of Net Position**  
**June 30, 2024**  
**(amounts expressed in thousands)**

Fund balances - governmental funds (page 32)	\$	620,541
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are not financial resources and are not reported in governmental funds.		1,884,661
Long-term taxes and other receivables are not available to pay for current-period expenditures and therefore are a deferred inflow of resources in the governmental funds.		15,525
Assets, deferred outflows, liabilities and deferred inflows of the internal service funds are included in activities in the Statement of Net Position.		4,276
Bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		(1,943,104)
Lease payable is not recognized as a liability in the governmental funds.		(710)
Subscription payable is not recognized as a liability in the governmental funds.		(2,636)
Actuarially determined pension activity is not reported in the governmental funds.		(81,948)
Accrued compensated absences are reported when earned as a liability in the Statement of Net Position while in the governmental funds only the unpaid balance of reimbursable unused vacation is reported as a liability.		(7,367)
Accrued property and liability insurance claims incurred but not reported are not due and payable in the current period and therefore are not reported in the governmental funds.		(3,843)
Accrued interest payable is not recognized as a liability in the governmental funds.		(1,966)
Actuarially determined OPEB activity is not reported in the governmental funds.		(50,974)
Net position of governmental activities (page 29)	<u>\$</u>	<u>432,455</u>

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2024**  
**(amounts expressed in thousands)**

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>REVENUES</b>		
Property and other taxes	\$ 348,010	\$ 373
State School Fund	274,366	-
State Common School Fund	6,415	-
Federal and state support	28	188,599
Local option taxes	108,408	-
County and intermediate sources	7,228	2,173
Charges for services	2,813	2,569
Extracurricular activities	-	6,308
Investment earnings	11,687	991
Other	8,809	9,806
Total revenues	767,764	210,819
<b>EXPENDITURES</b>		
Current:		
Instruction	411,658	89,127
Support services	370,633	84,734
Enterprise and community services	4,123	28,006
Facilities acquisition and construction	-	202
Debt Service:		
Principal	1,065	365
Interest and fiscal charges	37	15
Total expenditures	787,516	202,449
<b>Excess (deficit) of revenues over expenditures</b>	<b>(19,752)</b>	<b>8,370</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	77
Transfers out	(887)	-
Issuance from the sale of capital assets	115	-
Issuance of subscriptions	1,105	-
Proceeds from the loss of property	-	-
Total other financing sources (uses)	333	77
Net change in fund balances	(19,419)	8,447
Fund balances - beginning of year	105,497	36,665
Fund balances - end of year	\$ 86,078	\$ 45,112

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

<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
\$ 158,490	\$ 1,786	\$ 508,659
-	-	274,366
-	-	6,415
-	2,903	191,530
-	-	108,408
-	-	9,401
81,706	190	87,278
-	-	6,308
6,467	36,767	55,912
-	2,195	20,810
<u>246,663</u>	<u>43,841</u>	<u>1,269,087</u>
-	-	500,785
-	1,232	456,599
-	-	32,129
-	310,148	310,350
174,015	809	176,254
76,854	5	76,911
<u>250,869</u>	<u>312,194</u>	<u>1,553,028</u>
<u>(4,206)</u>	<u>(268,353)</u>	<u>(283,941)</u>
619	810	1,506
-	(619)	(1,506)
-	-	115
-	1,947	3,052
-	10,300	10,300
<u>619</u>	<u>12,438</u>	<u>13,467</u>
(3,587)	(255,915)	(270,474)
18,303	730,550	891,015
<u>\$ 14,716</u>	<u>\$ 474,635</u>	<u>\$ 620,541</u>

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances to the Statement of Activities**  
**For the year ended June 30, 2024**  
**(amounts expressed in thousands)**

Net change in fund balances - total governmental funds (page 35)	\$ (270,474)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report all capital outlay as expenditures. However, in the Statement of Activities the cost of certain assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays in the current period of \$310,719 exceeded depreciation, amortization and disposals of \$55,672.	255,047
Property tax revenues that do not provide current financial resources are not reported as revenues in the governmental funds. This is the change in deferred inflow of resources related to property taxes.	2,214
The Internal Service Fund is used to account for all costs incurred for claims arising from workers' compensation losses. The primary funding sources are charges to other funds. This amount is the change in net position for the year.	128
Incurred but not reported property and liability insurance claims expenses are reported in the Statement of Activities but they are not reported as expenditures in the governmental funds.	(660)
The issuance of long-term debt (e.g., bonds, leases, SBITAs) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued. Premium amounts are deferred and amortized in the Statement of Activities.	182,508
Pension actuarial liability activity is reported in the Statement of Activities but not in the governmental funds.	(11,755)
OPEB actuarial liability activity is reported in the Statement of Activities but not in the governmental funds.	(132)
Change in compensated absences	(343)
Change in interest payable	446
Change in net position of governmental activities (page 30)	\$ 156,979

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Proprietary Fund - Internal Service Fund**  
**Statement of Net Position**  
**June 30, 2024**  
**(amounts expressed in thousands)**

**ASSETS**

Current Assets	
Cash and cash equivalents	\$ 8,420
Prepaid items	375
Total current assets	8,795
Noncurrent Assets	
Capital assets, net of accumulated amortization:	
Right-of-use subscription	26
Net OPEB asset-RHIA	6
Total assets	8,827

**DEFERRED OUTFLOWS OF RESOURCES**

OPEB contributions after measurement date	4
OPEB differences due to changes in assumptions	2
OPEB differences between expected and actual experience	6
OPEB changes in employer proportion	2
Pension changes in employer proportion	12
Pension differences between employer contribution and proportionate share of contributions	122
Pension differences between expected and actual experience	3
Pension differences due to changes in assumptions	5
Pension differences in Net investment	1
Total deferred outflows of resources	157
Total assets and deferred outflows	8,984

**LIABILITIES**

Current Liabilities	
Accounts payable	300
Accrued wages and benefits	58
Claims payable	4,086
Subscription payable	26
Total current liabilities	4,470
Long-term Liabilities	
Total OPEB liability- RHIS	44
Net pension liability- PERS	53
Total pension liability-stipend	3
Total long term liabilities	100
Total liabilities	4,570

**DEFERRED INFLOWS OF RESOURCES**

OPEB differences due to changes in assumptions	3
OPEB changes in employer proportion	1
OPEB differences between expected and actual experience	1
Pension changes in employer proportion	117
Pension differences between employer contribution and proportionate share of contributions	16
Total deferred inflows of resources	138
Total liabilities and deferred inflows of resources	4,708

**NET POSITION**

Restricted for Net OPEB asset-RHIA	6
Unrestricted	4,270
Total net position	\$ 4,276

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Proprietary Fund - Internal Service Fund**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the year ended June 30, 2024**  
**(amounts expressed in thousands)**

<b>OPERATING REVENUES</b>	
Charges for services	\$ 2,847
Total operating revenues	<u>2,847</u>
<b>OPERATING EXPENSES</b>	
Salaries and benefits	525
Materials and services	541
Claims expense	2,340
Total operating expenses	<u>3,406</u>
Operating income (loss)	<u>(559)</u>
<b>NON-OPERATING REVENUES</b>	
Federal and state support	422
Investment earnings	265
Total non-operating revenues	<u>687</u>
Change in net position	128
Net position - beginning of year	<u>4,148</u>
Net position - end of year	<u>\$ 4,276</u>

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Proprietary Fund - Internal Service Fund**  
**Statement of Cash Flows**  
**For the year ended June 30, 2024**  
**(amounts expressed in thousands)**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from interfund services provided and used	\$	2,847
Cash payments for salaries and benefits		(394)
Cash payments for goods and services		(520)
Cash payments for claims		(2,745)
Net cash provided by (used for) operating activities		<u>(812)</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Principal payments on subscriptions payable		(26)
Net cash provided by (used for) capital financing activities		<u>(26)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Cash subsidy from state return to work reimbursements		422
Net cash provided by (used for) noncapital financing activities		<u>422</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment earnings		265
Net cash provided by investing activities		<u>265</u>

Net increase in cash and cash equivalents (151)

Cash and cash equivalents at beginning of year		8,571
Cash and cash equivalents at end of year	\$	<u><u>8,420</u></u>

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

Operating income	\$	(559)
Adjustments to reconcile operating income to net cash from operating activities:		
Decrease in accounts and other payables		(6)
Decrease in claims payable		(405)
Increase in accrued wages and benefits		58
Amortization of right-of-use subscription		26
Increase in pension related deferred outflows		(144)
Increase in pension liability and pension related deferred inflows		189
Decrease in OPEB asset and OPEB related deferred outflows		(19)
Decrease in OPEB liability and OPEB related deferred inflows		48
Total adjustments		<u>(253)</u>
Net cash used for operating activities	\$	<u><u>(812)</u></u>

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

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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

School District No. 1J, Multnomah County, Oregon, known as Portland Public Schools or the District, is governed by a seven-member elected board. The District is the special-purpose primary government exercising financial accountability for all public K-12 education within its boundaries. As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present all significant activities and organizations of the District. The District reports no component units, nor is the District a component unit of any other entity, and specifically has no relationship or connection with Multnomah County, Oregon.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the governing body and establishes governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements except that interfund services provided and used are not eliminated in the process of consolidation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase or use goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Certain functional expenses contain an element of indirect cost.

Separate financial statements are provided for Governmental Funds and the Self-Insurance Fund, which is an internal service fund (proprietary fund). The Self-Insurance Fund is included in the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. In the internal service fund, all revenues and expenses except interest earnings, transfers, and federal and state support are considered to be related to operations.

***Measurement focus, basis of accounting, and financial statement presentation***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service and expenditures related to compensated absences are recorded only when payment is due.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Property taxes and grant reimbursements are considered to be susceptible to accrual, if received in cash by the District or a county collecting such taxes within 60 days after year-end. All other revenue items are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current fiscal year or soon thereafter.

The District reports the following major governmental funds:

**General Fund** – Accounts for the general operations of the District. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund's resources are available to the District for any purpose provided they are expended or transferred according to a resolution or policy of the District and/or the laws of Oregon.

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

**Debt Service Fund** – Accounts for the accumulation of financial resources for the payment of long-term debt principal, interest and related costs. Current debt instruments include General Obligation (GO) bonds, Limited Tax Pension Obligations and Full Faith and Credit Obligations.

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

Additionally, the District reports the following internal service fund:

**Self-Insurance Fund** – Accounts for all workers' compensation activities. The activity and balances of this fund are included in the governmental activities in the government-wide financial statements. The primary resources are charges to other funds, investment earnings and federal and state support. All revenues except for investment revenues and transfers in are considered operating revenue. Operating expenses include salaries, benefits, materials, premium costs, claims, and other related costs.

**B. Appropriations and Budgetary Controls**

The District prepares a budget for all funds in accordance with the modified accrual basis of accounting, with certain adjustments, and legal requirements set forth in Local Budget Law.

Consistent with Local Budget Law, expenditures are appropriated by fund for each legally adopted annual operating budget at the following levels of control, as appropriate:

- Instruction
- Support Services
- Enterprise and Community Services
- Facilities Acquisition and Construction
- Debt Service
- Contingency
- Fund Transfers

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Capital outlay expenditures are appropriated within the service levels for Instruction, Support Services, Enterprise and Community Services, and Facilities Acquisition and Construction. Debt service expenditures in the General Fund are generally appropriated within the Support Services level of control. For reporting purposes all other debt service expenditures are segregated from the supporting services budgetary control levels and are presented in the debt service expenditures category.

After the original budget is adopted, the Board of Education may approve appropriation transfers between the levels of control without limitation. Supplemental appropriations may be approved by the Board of Education if any occurrence, condition, or need exists which had not been anticipated at the time the budget was adopted. An appropriation transfer that alters estimated total expenditures by less than 10.00 percent of any individual fund may be adopted at the regular meeting of the Board of Education. For conditions that require either supplemental appropriations or an increase in expenditures greater than 10.00 percent of an individual fund, a supplemental budget must be adopted, requiring public hearings, publications in newspapers and approval by the Board of Education. Supplemental budgets are submitted, reviewed and certified, similar to the original budget, by the Multnomah County Tax Supervising and Conservation Commission subsequent to approval by the Board of Education. Appropriations lapse at the end of each fiscal year. The District had one supplemental budget during budget year 2024.

**C. Encumbrances**

During the year encumbrances are recorded in the accounting records when purchase orders are issued. The use of encumbrances indicates to District employees that appropriations are committed. All encumbrances expire at year-end.

**D. Cash and Cash Equivalents and Investments**

For the purpose of the Statement of Cash Flows, the Statement of Net Position and the Balance Sheet, the District's monies in the Oregon Local Government Investment Pool, savings deposits, demand deposits and cash with fiscal agents are considered to be cash and cash equivalents. Investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Other investments are stated at amortized cost, which approximates fair value.

**E. Property Taxes**

Uncollected real and personal property taxes are reflected on the Statement of Net Position and the Balance Sheet as receivables. Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

**F. Inventories and Prepaid Items**

Inventories of school operating supplies, maintenance supplies, and food and other cafeteria supplies are stated at cost using the weighted average method. A portion of the inventory consists of commodities purchased from the United States Department of Agriculture (USDA). The commodities are recorded at wholesale market value as provided by the USDA. The District accounts for inventory based on the consumption method.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Under the consumption method, inventory is recorded when purchased and expenditures are recorded when inventory items are used. Donated foods consumed during the year are reported as revenues and expenditures. The amount of unused donated food at year-end is immaterial.

Prepaid insurance is related to capital bond construction activity. Prepaid assets are recognized as expenses/expenditures based on the consumption method when their use benefits the District.

**G. Capital Assets**

Expenditures for capital assets, which include land, buildings and site improvements, construction in progress, and vehicles and equipment are reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance by function. The District defines capital assets as assets with an initial cost exceeding the threshold amounts shown in the schedule below, and an estimated useful life in excess of one year. District capital assets are recorded at historical cost, or estimated historical cost if purchased or constructed, and depreciated or amortized, where appropriate, using the straight-line method. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are recorded as construction in progress and capitalized as projects are completed. When the District determines that an asset has been impaired as defined by GASB Statement No. 42 it adjusts the asset value. Under the pronouncements of GASB Statement No. 51 the District capitalizes intangible asset costs, such as costs relating to internally developed computer software. The intangible asset costs are classified as equipment.

Major asset classifications, useful lives and capitalization thresholds are as follows:

<u>Asset</u>	<u>Capitalization threshold</u>	<u>Useful lives, years</u>
Buildings	\$ 25	100
Land & site improvements	25	5 to 25
Equipment	5	5 to 15
Vehicles	5	5 to 8

Lease Assets are assets which the District leases for a term of more than one year. The value of the lease is determined by the net present value of the lease at the District’s incremental borrowing rate at the time of the lease agreement, amortized using straight line method over the term of the agreement.

Subscription Assets are assets which the District holds the right to use for a term of more than one year. The value of the subscription is determined by the net present value of the subscription at the District’s incremental borrowing rate at the time of the subscription agreement, amortized using straight line method over the term of the agreement.

**H. Grant Accounting**

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

**I. Insurance**

The District operates the Self-Insurance Fund to account for the costs of workers’ compensation related costs and resources. Charges to other funds are recognized as revenues and as expenditures in the fund incurring the charges.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

The District accounts for all other insurance related resources and costs, such as general liability claims, property and fire loss claims, and the payment of premiums through the General Fund.

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

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

	<u>Deductibles</u>	<u>Excess Coverage per Occurrence</u>
General and Automobile Claims	\$ 1,000	\$ 10,000
Property and Fire Claims	1,000	250,000
Earthquake Claims	1,000	75,000
Flood Claims	1,000	75,000
Workers' Compensation Claims	1,000	25,000

The District has not exceeded the claims limitation on its insurance policies for the last five years.

**J. Compensated Absences**

Depending on years of service and union membership, employees can earn annual vacation leave between 10 days and 22 days per year. Administrators earn 22 days of annual vacation leave. Employees are allowed to carry over twice their maximum yearly earned balances from one fiscal year to another. All outstanding vacation leave is payable upon resignation, retirement, or death. Compensated absences are recognized as liabilities in the District’s proprietary fund. Compensated absences are not reported as liabilities in the governmental funds because they have not “matured,” meaning they are not yet payable to the employee.

Sick leave accumulates each month without a limit on the total hours that can be accumulated. Accumulated sick leave does not vest and is forfeited at resignation, retirement or death. Sick leave is recorded as an expense/expenditure when leave is taken and no liability is recorded.

**K. Receivables and Payables**

Receivables expected to be collected within sixty days following year-end are considered measurable and available and are recognized as revenues in the governmental fund financial statements. Other receivables are offset by unearned revenues and, accordingly, have not been recorded as revenue. Receivables, net of any allowance for doubtful accounts, are recorded on the Statement of Net Position/Balance Sheet.

Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” in the fund financial statements, and are eliminated in the government-wide statements.

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2024  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**L. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations including accrued compensation and claims are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as outflows of resources (expenses) in the period incurred.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs as incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

Leases and subscriptions payable are reported in the government-wide financial statements as liabilities. The total contract amount is recognized at the net present value of payments expected to be made during the contract term at a borrowing rate either explicitly described in the agreement or implicitly determined by the District as other financing sources at issuance.

**M. Retirement Plans**

Most District employees participate in Oregon's Public Employees Retirement System (OPERS). Contributions are made as required by the plan and are recorded as expense/expenditures. Pension benefits are explained in Note 11.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized by OPERS when due and payable in accordance with the benefit terms. OPERS investments are reported at fair value.

The District provides tax-deferred annuity contracts established under Section 403(b) of the Internal Revenue Code. Participation in the program is voluntary. Contributions are made from salary deductions from participating employees within the limits specified in the Code. This plan is accounted for under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension Plans*.

The District also provides a single-employer defined benefit early retirement program (Note 11-B). The stipend benefit is actuarially determined, is reflected as a long-term liability in the government-wide financial statements, and reflects the present value of expected future payments. This plan is accounted for under the provisions of GASB Statement No. 73.

**N. Other Post-Employment Benefits**

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

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

The Retirement Health Insurance Subsidy (RHIS) is a health and welfare program the District provides for retirees. The plan is actuarially determined, is reflected as a long-term liability in the government-wide financial statements, and reflects the present value of expected future payments. The net other post-employment benefits liability and expenditure in the governmental fund financial statements are limited to amounts that become due and payable as of the end of the fiscal year, and are reported on the pay-as-you-go basis.

Certificated employees who have met the requirements for age and years of service with the District are eligible for early retirement benefits (Note 11-B), which includes early retirement benefits and other post-employment benefits as explained in Note 12.

Both plans are accounted for under the provisions of GASB Statement No. 75.

**O. Net Position**

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

*Net investment in capital assets* represents capital assets plus unspent bond proceeds less accumulated depreciation and outstanding principal of capital asset related debt.

*Restricted net position* represents net position upon which constraints have been placed, either externally by creditors, grantors, contributors or others, or legally constrained by law.

*Unrestricted net position* represents net position that does not meet the definition of "restricted" or "net investment in capital assets".

**P. Deferred Inflows and Outflows of Resources**

In addition to assets, the Statement of Net Position reports a separate section for Deferred Outflows of Resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position reports a separate section for Deferred Inflows of Resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

**Q. Lease Receivable**

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the District, reduced by principal payments received.

**R. Management Estimates**

The preparation of basic financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**S. Fund Balance Definitions**

In the governmental financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance definitions, from most to least restrictive are:

1. *Non-spendable fund balances* – Amounts that are not in spendable form or due to legal or contractual requirements. Examples of resources in this category are prepaid amounts, inventory or notes receivable.
2. *Restricted fund balances* – Amounts constrained to specific purposes by their providers (such as grantors or bond holders), through constitutional provisions or by enabling legislation. These are primarily amounts subject to externally enforceable legal restrictions.
3. *Committed fund balances* – Amounts constrained to specific purposes by resolution of the District’s Board. The District’s Board can modify or rescind a commitment at any time through passage of a new resolution. In order to commit fund balances the District must take formal action prior to the close of the fiscal year.
4. *Assigned fund balances* – Amounts the District intends to use for a specific purpose that are neither restricted nor committed are reported as assigned fund balance. Intent can be expressed by the Board or delegated authority to an official. An example of assignment is when the District’s Board adopts the annual budget which includes funds identified as reserved for a specific purpose.
5. *Unassigned fund balance* – Amounts not included in other classifications above. The amount represents spendable fund balance that is not restricted, committed or assigned in the General Fund. This classification is also used to report any deficit fund balance amounts in other governmental funds.

The District’s Board has passed resolution number 4461 titled: *Compliance with Governmental Accounting Standards Board Statement No. 54 (GASB 54): Fund Balance Reporting and Governmental Fund Type Definitions*. The resolution reads as follows:

- The Board affirms that it is the highest level decision authority for the District.
- The Board hereby delegates the authority to classify portions of ending fund balance as “Assigned” to the Superintendent.
- The Board adopts GASB 54 definitions for Non-spendable, Restricted, Committed, Assigned and Unassigned fund balances.
- In conjunction with the adoption of GASB 54 fund balance classifications, the Board declares its budgeting practices and budget allocations for restricted and unrestricted fund balance amounts will be consistent with the fund balance classification hierarchy.
- The Board hereby adopts GASB 54 definitions of fund types for the General Fund, special revenue funds, debt services funds, capital projects funds, and permanent funds.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**T. Use of Restricted Resources**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District first applies the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District first applies the expenditure toward restricted fund balance and then to other, less-restrictive classifications, committed and then assigned fund balances, before using unassigned fund balances.

**U. Fund Balance Policy**

Per District board policy 8.10.025P, updated in June 2019, the Board has established a goal to fund and maintain a reserve in the General Fund that shall range from 5.00 percent to 10.00 percent of annual General Fund revenues. The goals for the reserve will be set as part of the District's long-range financial plan, with an expectation that the District will achieve and sustain a 10.00 percent reserve. The Board shall establish an annual operating contingency each fiscal year during the budget process.

**V. Stabilization Arrangements**

The District established a PERS Rate Stabilization Reserve Fund by Board Resolutions 2679, adopted on June 16, 2003, and 4471, adopted on June 27, 2011. The purpose of the Fund is to minimize effects of large fluctuations in the PERS rate assessed against District salaries and wages, and to repay the 2002 and 2003 PERS UAL borrowings. This Fund resides within the Special Revenue Fund, and the primary revenue source is 0.11 percent of Current Year Permanent Rate and GAP Property Taxes. Use of the resources must be authorized through formal Board resolution. In any given year, funds may be transferred to the General Fund not to exceed either 1) the increase in PERS rate over rates in effect at June 30, 2011; or 2) the increase in the internally charged PERS UAL fringe rate over the fringe rate in effect at June 30, 2011, multiplied by the PERS eligible budgeted salary base for that year. The ending fund balance in the PERS Rate Stabilization Reserve Fund at June 30, 2024 is \$21,573.

**NOTE 2 – BUDGETARY BASIS OF ACCOUNTING**

The District reports financial position, results of operations, and changes in fund balance / net position on the basis of accounting principles generally accepted in the United States (GAAP). The budgetary statements provided as part of required or other supplementary information are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**NOTE 3 – STATE CONSTITUTIONAL PROPERTY TAX LIMITS**

The State of Oregon has a constitutional limit on property taxes for schools and non-school government operations. Under the provisions of the limitation, tax revenues are separated into those for the public school system and those for local government operations other than the public school system. Property taxes levied for the payment of bonded indebtedness are exempt from the limitation, provided such bonds are either authorized by a specific provision of the Oregon Constitution or approved by the voters of the District for capital construction or improvements.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 3 – STATE CONSTITUTIONAL PROPERTY TAX LIMITS – continued**

The District’s tax rates for the year ended June 30, 2024 are as follows:

Permanent rate	\$ 5.2781 per \$1 thousand of assessed value
Local option rate	\$ 1.9900 per \$1 thousand of assessed value
 GO Bond Levy amount	 \$ 165,000,000 (unrounded dollars)

**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

Deposits with financial institutions include bank demand deposits, deposits in the Local Government Investment Pool, time certificates of deposit and savings account deposits, as authorized by Oregon statutes.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. At June 30, 2024, the District’s cash, cash equivalents, and investments were comprised of the following:

	June 30, 2024	Fair Value Measurements Using
Oregon Local Government Investment Pool	\$ 103,244	N/A
Cash in demand deposits	285,330	N/A
Petty cash	6	N/A
Total cash and cash equivalents	<u>388,580</u>	
 Cash held in trust with LGIP and US Bank	 19,678	 N/A
Total cash and cash equivalents-restricted	<u>19,678</u>	
 Cash and cash equivalents held by fiscal agents	 5,192	 N/A
 US Treasuries	 196,667	 Level 1
US Government agency securities	191,587	Level 2
Commercial paper and bonds	87,971	Level 2
Total investments	<u>476,225</u>	
Total cash, cash equivalents and investments	<u>\$ 889,675</u>	

**A. Investments**

Accounting principles generally accepted in the United States of America require investments with a remaining maturity of more than one year at the time of purchase to be stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. Investments with maturities of less than one year are carried at amortized cost.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS – continued**

Investments in the Oregon Local Government Investment Pool (LGIP) are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn. The LGIP does not report all investments at fair value in accordance with the provisions of GASB Statement No. 31. The LGIP is required by Oregon Revised Statutes (ORS) to compute the fair value of all investments maturing more than 270 days from the date the computation is made. If the fair value totals more than one percent of the balance of the LGIP in terms of unrealized gain or loss, the amount is required to be distributed to the pool participants. Fifty percent of the LGIP portfolio must mature within 93 days. Up to twenty-five percent of the LGIP portfolio may mature in over one year and no investment may mature in over three years.

The District requires all securities to be purchased in the District’s name and held in third party safekeeping. The Oregon Local Government Investment Pool is unrated. Other investments held at June 30, 2024 are categorized by Moody’s and Standard and Poor’s ratings as follows:

<u>Moody's Rating</u>	<u>U.S. Government &amp; Agency Obligations</u>	<u>Corporate Notes</u>	<u>Total</u>
Aaa	\$ 358,254	\$ 33,568	\$ 391,822
Aa3	-	14,962	14,962
P1	-	39,440	39,440
NR	30,000	-	30,000
	<u>\$ 388,254</u>	<u>\$ 87,971</u>	<u>\$ 476,225</u>
Weighted Average Maturity (Yrs)	0.86	0.24	0.74
<u>S&amp;P Rating</u>	<u>U.S. Government &amp; Agency Obligations</u>	<u>Corporate Notes</u>	<u>Total</u>
AAA	\$ -	\$ 33,568	\$ 33,568
AA+	358,254	-	358,254
A+	-	54,402	54,402
NR	30,000	-	30,000
	<u>\$ 388,254</u>	<u>\$ 87,971</u>	<u>\$ 476,225</u>
Weighted Average Maturity (Yrs)	0.86	0.24	0.74

**Interest rate risk**

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

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS – continued**

***Credit risk***

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

***Concentration of credit risk-investments***

In accordance with GASB 40, the District is required to report all individual non-federal investments which exceed 5.00 percent of total invested funds. As of June 30, 2024, the District held the following individual non-federal assets that exceeded 5.00 percent of total invested funds:

	Value	Percentage of Total Investments
IAD	\$ 29,611	6.22%

***Custodial risk-deposits***

The District's deposits with financial institutions are insured by the Federal Depository Insurance Corporation (FDIC); interest and non-interest bearing accounts are insured up to \$250 thousand. To provide additional security required and authorized by Oregon Revised Statutes, Chapter 295, deposits above insurance limits are covered by collateral held in a multiple financial institution collateral pool administered by the State of Oregon. At June 30, 2024, bank balances of \$1,250 were insured by the FDIC. Funds not covered by FDIC insurance are covered by the Oregon State Treasury Collateral Pool. At June 30, 2024, the carrying amount of the District's balance was \$285,330 and the bank balance was \$290,558.

***Custodial credit risk-investments***

For an investment, this is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The District's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. Investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution.

Professional standards indicate that the investments in external investment pools are subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to LGIP investments.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 5 – RECEIVABLES**

Receivables at June 30, 2024 are summarized as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Accounts and other receivables:					
Interest Receivable	\$ 31	\$ 317	\$ -	\$ 2,703	\$ 3,051
Accounts receivable	1,425	3,656	-	7,830	12,911
Federal, state and local grants	-	63,416	-	-	63,416
Total accounts and other receivables	1,456	67,389	-	10,533	79,378
Property and other taxes receivable	13,065	-	4,331	-	17,396
<b>Total</b>	<b>\$ 14,521</b>	<b>\$ 67,389</b>	<b>\$ 4,331</b>	<b>\$ 10,533</b>	<b>\$ 96,774</b>

Lease Receivables at June 30, 2024 are summarized as follows:

	Original Amount	Outstanding at June 30, 2023	Additions	Decreases	Outstanding at June 30, 2024
Riverdale Land Lease, interest at 2.583%, principal and interest ranges from \$19 to \$46 monthly, due 2051	\$ 7,328	\$ 7,213	\$ -	\$ (63)	\$ 7,150
Trillium Building Lease, interest at 0.972%, principal and interest ranges from \$14 to \$16 monthly, due 2026	809	538	-	(172)	366
<b>Total</b>	<b>\$ 8,137</b>	<b>\$ 7,751</b>	<b>\$ -</b>	<b>\$ (235)</b>	<b>\$ 7,516</b>

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 6 – PREPAID ITEMS**

A summary of changes in prepaid items for the year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Postage	\$ 48	\$ 190	\$ (142)	\$ 96
Insurance	2,801	-	(2,258)	543
Workers Compensation Prefund	375	-	-	375
Other	432	382	(814)	-
Total Prepaid Assets	<u>\$ 3,656</u>	<u>\$ 572</u>	<u>\$ (3,214)</u>	<u>\$ 1,014</u>

Prepaid insurance consists of Owner Controlled Insurance Program (OCIP), which provide liability coverage for major construction contracts, and builders risk insurance for high school rebuilds. The District has two OCIP policies being amortized over five years. OCIP I has been amortized April 2019 to April 2024. OCIP II is being amortized June 2020 to June 2025. The District has two builder's risk policies for Benson High School. One has been amortized over 22 months, August 2022 to May 2024 and the other being amortized over 22 months, December 2022 to September 2024.

The District is self-insured for workers' compensation claims. The Workers Compensation Prefund is an escrow account held by the District's third-party administrator for monthly payment of claims.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 7 – CAPITAL AND RIGHT-OF-USE ASSETS**

A summary of changes in capital assets for the year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Capital assets not being depreciated or amortized</b>					
Land	\$ 9,174	\$ -	\$ -	\$ -	\$ 9,174
Construction in progress	565,187	304,733	(1,148)	(267,522)	601,250
Total capital assets not being depreciated or amortized	<u>574,361</u>	<u>304,733</u>	<u>(1,148)</u>	<u>(267,522)</u>	<u>610,424</u>
<b>Capital assets being depreciated or amortized</b>					
Buildings and site improvements	1,306,539	296	-	267,522	1,574,357
Vehicles and equipment	101,414	2,638	(248)	-	103,804
Right-of-use leased equipment	958	-	-	-	958
Right-of-use subscription asset	19,065	3,052	(1,340)	-	20,777
Total capital assets being depreciated or amortized	<u>1,427,976</u>	<u>5,986</u>	<u>(1,588)</u>	<u>267,522</u>	<u>1,699,896</u>
Total general capital assets	<u>2,002,337</u>	<u>310,719</u>	<u>(2,736)</u>	<u>-</u>	<u>2,310,320</u>
<b>Less accumulated depreciation and amortization</b>					
Buildings and site improvements	(314,361)	(36,956)	-	-	(351,317)
Vehicles and equipment	(53,270)	(11,518)	231	-	(64,557)
Right-of-use leased equipment	(80)	(192)	-	-	(272)
Right-of-use subscription asset	(4,960)	(5,868)	1,340	-	(9,488)
Total accumulated depreciation and amortization	<u>(372,671)</u>	<u>(54,534)</u>	<u>1,571</u>	<u>-</u>	<u>(425,634)</u>
Total capital assets, net of accumulated depreciation	<u>\$ 1,629,666</u>	<u>\$ 256,185</u>	<u>\$ (1,165)</u>	<u>\$ -</u>	<u>\$ 1,884,686</u>

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

Instruction	\$ 46,198
Supporting services	2,106
Enterprise and Community Services	170
	<u>\$ 48,474</u>

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

Instruction	\$ 98
Supporting services	1,747
Enterprise and Community Services	4,215
	<u>\$ 6,060</u>

As of June 30, 2024, the District has one school that was closed and idle: Smith elementary school. As of June 30, 2024, the carrying value of this school is \$381 and is included in the capital assets summary above.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 8 – INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS**

Interfund balances represent cash owed by one fund to another. Interfund receivables and payables at June 30, 2024 are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 51,034	\$ 744
Special Revenue Fund	744	51,034
	<u>\$ 51,778</u>	<u>\$ 51,778</u>

There is a \$744 interfund balance between the General Fund and the Special Revenue Fund for monies invested on behalf of Student Body Fund accounts. The Special Revenue Fund was advanced \$51,034 by the General Fund to cover unbilled expenditures.

The composition of interfund transfers as of June 30, 2024, is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 887
Special Revenue Fund	77	-
Debt Service Fund	619	-
Capital Projects Fund	810	619
	<u>\$ 1,506</u>	<u>\$ 1,506</u>

The District's General Fund also made transfers totaling \$77 to the Special Revenue Fund to cover write-offs. The District's General Fund made transfers of \$810 to the Capital Asset Fund for capital asset renewals. The Capital Projects Fund made transfers of \$619 to the Debt Service Fund for principal and interest payments on the District's Full Faith & Credit and QZAB obligations.

**NOTE 9 – ACCRUED COMPENSATED ABSENCES**

The General Fund and Special Revenue Fund are the primary funds from which the compensated absences balance liability is liquidated.

The change in the balance of accrued compensated absences for the year was as follows:

<u>Outstanding June 30, 2023</u>	<u>Increases</u>	<u>Payments</u>	<u>Outstanding June 30, 2024</u>	<u>Due Within One Year</u>
\$ 7,022	\$ 5,461	\$ (5,118)	\$ 7,365	\$ 4,024

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES**

Changes in District long-term debt during fiscal year 2024 were as follows:

	Original Amount	Beginning Balance	Additions	Matured and Redeemed	Ending Balance	Due Within One Year
Pension debt:						
Limited tax pension bonds						
Series 2002	\$ 210,104	\$ 108,735	\$ -	\$ (20,155)	\$ 88,580	\$ 22,550
Series 2003	281,170	156,370	-	(28,665)	127,705	31,550
Series 2021	399,390	375,785	-	(13,420)	362,365	14,220
Total pension debt (Note 11)	<u>890,664</u>	<u>640,890</u>	-	<u>(62,240)</u>	578,650	68,320
Other Debt:						
General Obligation Bonds						
Series 2015B	244,700	104,070	-	(6,980)	97,090	7,665
QZAB Series 2016	4,000	2,800	-	(200)	2,600	200
Full Faith and Credit						
Obligations Series 2016	5,048	3,298	-	(325)	2,973	335
General Obligation Bonds						
Series 2017B	241,890	172,730	-	(2,985)	169,745	3,345
General Obligation Bonds						
Series 2020	441,320	307,820	-	(40,430)	267,390	44,140
General Obligation Bonds						
Series 2020B	365,465	267,255	-	-	267,255	-
General Obligation Bonds						
Series 2020C	53,965	51,615	-	(4,070)	47,545	4,295
General Obligation Bonds						
Series 2023	420,000	420,000	-	(56,785)	363,215	64,870
Total other debt	<u>1,776,388</u>	<u>1,329,588</u>	-	<u>(111,775)</u>	<u>1,217,813</u>	<u>124,850</u>
Total long-term debt	<u>\$2,667,052</u>	<u>1,970,478</u>	-	<u>(174,015)</u>	<u>1,796,463</u>	<u>193,170</u>
Unamortized bond premium						
(discount)		155,948	-	(9,307)	146,641	9,307
Total long-term debt, net of premiums (discounts)		<u>\$2,126,426</u>	<u>\$ -</u>	<u>\$ (183,322)</u>	<u>\$1,943,104</u>	<u>\$ 202,477</u>

**A. Limited Tax Pension Bonds**

In October 2002 Portland Public Schools participated as one of forty-one Oregon school districts and education service districts in issuing limited tax pension bonds. The proceeds were used to finance a portion of the estimated unfunded actuarial liability of each participating school district with the Oregon Public Employees Retirement System (“OPERS”). The Oregon School Boards Association (“OSBA”) sponsored this pooled limited tax pension bond program. The OSBA does not have a financial obligation in connection with the bonds issued under the program. Except for the payment of its pension bond payments and additional charges when due, each participating school district has no obligation or liability to any other participating school district’s pension bonds or liabilities to OPERS. In April 2003, OSBA sponsored another pooled limited tax pension bond program with thirty school districts and education service districts. Payments of yearly principal and interest are recorded as financial statement expenditures in instruction and in support services. The District anticipates the total costs of financing the District’s actuarial obligation in this manner will result in a significant savings to the District when compared to paying for such costs as additional contribution rates to OPERS.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued**

The District issued \$210,104 Limited Tax Pension Bonds, Series 2002 (Federally Taxable), of which \$53,524 are Series 2002A (deferred interest bonds) and \$156,580 are Series 2002B (current interest bonds). The 2002 series Limited Tax Pension Bonds were issued on October 31, 2002, and are payable annually through June 2028. Interest on the deferred interest bonds is accreted semiannually at a yield of 6.10 percent. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.48 to 5.55 percent. The Series 2002A Bonds are not subject to optional prepayment prior to maturity. The Series 2002B Bonds maturing June 30, 2021, shall be subject to prepayment from pension prepayments on or after June 30, 2009, and those due June 30, 2028 are subject to mandatory prepayment prior to its stated maturity, in whole or part, on any June 30 on or after June 30, 2024.

The District issued \$281,170 Limited Tax Pension Bonds, Series 2003 (Federally Taxable), of which \$124,800 are Series 2003A (deferred interest bonds) and \$156,370 are Series 2003B (current interest bonds). The Series 2003 series Limited Tax Pensions Bonds were issued on April 30, 2003, and are payable annually through June 2028. Interest on the deferred interest bonds is accreted payable semiannually at rates ranging from 5.45 to 6.27 percent. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.45 to 6.27 percent. The bonds are federally taxable and are not subject to optional prepayment prior to their stated maturities.

On July 15, 2021 the District issued \$399,390 in Limited Tax Pension Bonds, Series 2021. The interest rate is fixed at rates ranging from 0.30 to 2.50 percent and interest payments on the bonds are payable semiannually in June and December. The bonds mature on June 30, 2040 if not redeemed earlier pursuant to optional early redemption. The Series 2021 bonds maturing in years 2022 through 2031 are not subject to optional redemption. The Series 2021 bonds maturing on or after June 30, 2032 are subject to optional prepayment in whole or in part at the option of the District.

Under the terms of the borrowing agreements for the 2002 and 2003 Limited Tax Pension Bonds, the District is bound by an intercept agreement whereby Wells Fargo Bank Northwest NA, as the trustee, directly receives specified amounts that have been withheld from the District's State School Fund support payments that are deposited in trust with LGIP. Under the terms of the borrowing agreement for the 2021 Limited Tax Pension Bonds, the District is bound by an intercept agreement whereby U.S. Bank NA, as Trustee, directly receives specified amounts that have been withheld from the District's State School Fund support payments that are deposited in trust with U.S. Bank NA. Wells Fargo Bank Northwest NA and U.S. Bank NA then make the scheduled semi-annual debt service payments from the LGIP or U.S. Bank NA trust accounts respectively.

**B. General Obligation Bonds**

As part of a \$482 million capital bond measure passed by District voters in 2012, the District issued the following General Obligation debt to finance school renovation and replacement:

On April 30, 2015 the District issued \$244,700 in General Obligation Bonds, Series 2015B. The interest rate is fixed at rates ranging from 3.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2015. The Series 2015B Bonds maturing on or after 2026 are subject to redemption, at the option of the District, in whole or part, on or after June 15, 2025. The bonds mature on June 15, 2033 with principal payments due annually on June 15. The bonds were issued at a premium of \$33,178 which is being amortized over the life of the bonds.

On August 10, 2017 the District issued \$62,160 in General Obligation Bonds, Series 2017B. The interest rate is fixed at rates ranging from 3.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued**

December, beginning December 15, 2017. The Series 2017B Bonds are not subject to early redemption prior to maturity. The bonds mature on June 15, 2030, with principal payments due annually on June 15. The bonds were issued at a premium of \$9,854 which is being amortized over the life of the bonds.

As part of a \$790 million capital bond measure passed by District voters in 2017, the District has issued the following General Obligation debt to finance school renovation and replacement:

On August 10, 2017 the District issued \$179,730 in General Obligation Bonds, Series 2017B. The interest rate is fixed at rates ranging from 3.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2017. The Series 2017B Bonds maturing on June 15, 2028 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2027 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2044 with principal payments due annually on June 15. The bonds were issued at a premium of \$1,051 which is being amortized over the life of the bonds.

On April 14, 2020 the District issued \$441,320 in General Obligation Bonds, Series 2020. The interest rate is fixed at rates ranging from 3.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2020. The Series 2020 Bonds maturing on June 15, 2031 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2030 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2037 with principal payments due annually on June 15. The bonds were issued at a premium of \$68,202 which is being amortized over the life of the bonds.

As part of a \$1,208 million capital bond measure passed by District voters in 2020, the District has issued the following General Obligation debt to finance school renovation and replacement:

On December 30, 2020 the District issued \$365,465 in General Obligation Bonds, Series 2020B. The interest rate is fixed at rates ranging from 1.50 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2021. The Series 2020B Bonds maturing on June 15, 2031 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2030 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2046 with principal payments due annually on June 15. The bonds were issued at a premium of \$29,574 which is being amortized over the life of the bonds.

On December 30, 2020 the District issued \$53,965 in General Obligation Bonds, Series 2020C. The interest rate is fixed at rates ranging from 1.05 to 2.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning June 15, 2021. The Series 2020C Bonds maturing on June 15, 2031 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2030 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2033 with principal payments due annually on June 15. The bonds were issued at a premium of \$1,631 which is being amortized over the life of the bonds.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued**

On April 27, 2023 the District issued \$420,000 in General Obligation Bonds, Series 2023. The interest rate is fixed at rates ranging from 4.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2023. The Series 2023 Bonds maturing on June 15, 2034 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2033 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2049 with principal payments due annually on June 15. The bonds maturing on June 15, 2049 are subject to partial mandatory redemption on June 15, 2047 and June 15, 2048. The bonds were issued at a premium of \$44,832 which is being amortized over the life of the bonds.

**C. Other Debt**

On November 9, 2016 the District issued \$5,048 in Full Faith and Credit Obligations, Series 2016. The interest rate is fixed at 2.99 percent. Interest payments on the obligations are payable semiannually in June and December, beginning June 1, 2018. The obligations mature on December 1, 2031, with principal payments due annually on December 1. The obligations carry a prepayment option such that any or all outstanding maturities may be redeemed on or after December 1, 2018. The bonds were issued at par.

On August 4, 2016 the District issued \$4,000 in Qualified Zone Academy Bonds (QZAB), Series 2016. The District pays no interest rate over the 20 year term of the bonds. The bonds carry a 4.39 percent interest rate for structuring purposes, but the purchaser of the bonds receives a Federal tax credit in lieu of interest earnings. The bonds mature on August 4, 2036 with level principal payments due annually on August 4.

Article XI-K of the Oregon Constitution allows the state to guarantee the general obligation bonded indebtedness of school districts. For the Series 2013B, 2015B, 2017B, 2020, 2020B, 2020C and 2023 GO Bonds mentioned immediately above, the District participated in the Oregon School Bond Guaranty program (ORS 328.321 to 328.356), whereby the State of Oregon (State) guarantees all principal and interest payments until maturity will be made to bondholders when due. Should the District fail to make a payment of debt service on these bonds when due, the State will make the payment on behalf of the District, and then will seek recovery from the District. The State may recover funds by means of intercepting any source of operating moneys normally remitted from the State to the District. Since the inception of the bonds, the District has not used the guarantee, and there are no outstanding amounts due to the State of Oregon as of June 30, 2024.

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

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued**

Future annual debt service requirements for the District are as follows:

Fiscal Year	Limited Tax Pension Bonds	Other Full Faith & Credit	General Obligation Bonds	QZAB	Total
<b>Principal:</b>					
2025	\$ 68,320	\$ 335	\$ 124,315	\$ 200	\$ 193,170
2026	76,755	345	55,205	200	132,505
2027	83,940	355	60,690	200	145,185
2028	50,670	365	66,345	200	117,580
2029	18,495	375	72,460	200	91,530
2030-2034	111,525	1,198	275,165	1,000	388,888
2035-2039	151,345	-	227,180	600	379,125
2040-2044	17,600	-	194,190	-	211,790
2045-2049	-	-	136,690	-	136,690
Total Principal	578,650	2,973	1,212,240	2,600	1,796,463
<b>Interest:</b>					
2025	\$ 19,625	\$ 84	\$ 46,220	\$ -	\$ 65,929
2026	16,447	74	40,133	-	56,654
2027	12,818	63	37,509	-	50,390
2028	8,811	52	34,801	-	43,665
2029	6,686	41	31,721	-	38,449
2030-2034	27,858	54	119,816	-	147,728
2035-2039	13,410	-	73,434	-	86,844
2040-2044	440	-	38,433	-	38,873
2045-2049	-	-	14,128	-	14,128
Total Interest	106,095	369	436,195	-	542,660
Total Debt Service	\$ 684,745	\$ 3,342	\$ 1,648,435	\$ 2,600	\$ 2,339,123

**D. Lease Payables**

Per GASB 87, lease payables are recognized at the net present value of payments expected to be made during the lease term at a borrowing rate either explicitly described in the agreement or implicitly determined by the District.

On February 1, 2023 the District entered into a long-term agreement as the lessee to lease print shop equipment. The lease amount is \$17 per month for a term of 120 months including interest at a rate of 2.68 percent. The final lease payment is due January 31, 2033. The lease agreement provides for up to five extension options of twelve months each. The District has a termination period of one month as of the lease commencement date.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued**

Changes in lease payable are as follows:

Description	Outstanding July 1, 2023	Increases	Decreases	Outstanding June 30, 2024
Print shop equipment	\$ 897	\$ -	\$ (186)	\$ 711
Total lease payables	<u>\$ 897</u>	<u>\$ -</u>	<u>\$ (186)</u>	<u>\$ 711</u>

Future lease payments are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 192	\$ 16	\$ 208
2026	197	11	208
2027	202	6	208
2028	120	1	121
	<u>\$ 711</u>	<u>\$ 34</u>	<u>\$ 745</u>

**E. Subscription Based Information Technology Agreement (SBITA) Payables**

Per GASB 96, SBITA Payables are recognized at the net present value of payments expected to be made during the agreement term at a borrowing rate either explicitly described in the agreement or implicitly determined by the District. The District has multiple agreements with various entities. SBITA expenses totaled approximately \$2,078 for the year ended June 30, 2024.

Changes in SBITA payables during the year are as follows:

Description	July 1, 2023	Increases	Decreases	June 30, 2024
Total SBITA payables	<u>\$ 1,688</u>	<u>\$ 3,052</u>	<u>\$ (2,078)</u>	<u>\$ 2,662</u>

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued**

The District has previously entered into multiple subscription-based information technology arrangements (SBITA) for software licenses that extend over a year. All SBITAs either had an initial payment for the entire period or have a schedule of payments over the contract period.

The SBITAs in effect during the year are as follows:

Commencement	End Date	Initial Asset Value	Net Asset Value as of June 30, 2024	Initial Subscription Liability	Associated Interest Rate	Subscription Liability as of June 30, 2024
7/1/2022	6/30/2025	\$ 388	\$ 129	\$ 388	2.18%	\$ 131
7/1/2022	6/30/2026	133	66	-	N/A	-
7/1/2022	11/30/2023	230	-	230	1.71%	-
7/1/2022	7/31/2024	2,417	97	-	N/A	-
7/1/2022	9/18/2023	186	7	-	N/A	-
7/1/2022	3/31/2024	250	-	-	N/A	-
7/1/2022	9/23/2024	87	8	87	2.02%	-
7/1/2022	7/31/2023	82	-	-	N/A	-
7/1/2022	6/30/2025	154	51	154	2.18%	51
7/1/2022	9/30/2023	74	-	-	N/A	-
7/1/2022	6/30/2024	404	-	404	2.02%	-
8/18/2022	9/14/2028	55	20	-	N/A	-
7/1/2022	9/14/2023	115	1	-	N/A	-
7/1/2022	9/23/2024	145	60	145	2.02%	-
7/1/2022	1/31/2027	61	21	61	2.37%	53
7/1/2022	5/24/2028	4,839	2,963	-	N/A	-
7/1/2022	6/14/2028	4,944	3,266	-	N/A	-
7/1/2022	6/30/2025	476	237	476	2.18%	116
7/1/2022	6/30/2025	615	205	615	2.18%	205
7/1/2022	3/31/2027	258	149	258	2.37%	139
8/10/2022	8/9/2025	448	165	-	N/A	-
8/10/2022	8/9/2028	341	544	-	N/A	-
8/10/2022	8/9/2025	755	279	-	N/A	-
5/24/2023	5/23/2029	341	279	-	N/A	-
6/11/2023	6/12/2025	815	521	-	N/A	-
7/1/2023	6/30/2025	1,063	531	1,063	2.85%	531
7/1/2023	8/28/2026	811	585	811	2.88%	540
7/1/2023	3/31/2028	1,179	1,105	1,179	4.05%	894
			<u>\$ 11,289</u>			<u>\$ 2,662</u>

Future subscription payments are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 1,660	\$ 71	\$ 1,731
2026	669	27	696
2027	333	9	342
	<u>\$ 2,662</u>	<u>\$ 107</u>	<u>\$ 2,769</u>

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued**

**F. Accrued Interest Payable**

Changes in District accrued interest during fiscal year 2024 were as follows:

Accrued Interest:	Beginning Balance	Additions	Payments and Reductions	Ending Balance
Current Portion				
Bond	\$ 2,382	\$ 76,405	\$ (76,854)	\$ 1,933
Lease	2	21	(21)	2
Subscriptions	28	40	(37)	31
Total Accrued Interest	<u>\$ 2,412</u>	<u>\$ 76,466</u>	<u>\$ (76,912)</u>	<u>\$ 1,966</u>

**NOTE 11 – PENSION PLANS**

**Pension Plans -Summary**

The District offers a cost-sharing multiple-employer defined benefit plan through the Oregon Public Employees Retirement System (OPERS) and a single-employer defined benefit early retirement stipend (Stipend). The breakdown of the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions are:

	OPERS	Stipend	Net
Total Pension Liability	\$ -	\$ (5,493)	\$ (5,493)
Net Pension Liability	\$ (95,458)	\$ -	\$ (95,458)
Pension Expense	\$ 11,977	\$ 621	\$ 12,598
Pension Deferred Outflows of Resources	\$ 257,118	\$ 1,360	\$ 258,478
Pension Deferred Inflows of Resources	\$ (239,361)	\$ (159)	\$ (239,520)

**A. Oregon Public Employees Retirement System (OPERS)**

**General Information about the Pension Plan**

*Name of the pension plan:* The Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple-employer defined benefit plan, administered by the Public Employees Retirement Board with authority granted by the Oregon Legislature.

*Plan description.* Employees of the District are provided with pensions through OPERS. The General Fund and the Special Revenue Fund are the primary funds from which the pension liability is liquidated. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A, and Internal Revenue Code Section 401(a). The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. OPERS issues a publicly available financial report that can be obtained at:

<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 11 – PENSION PLANS – continued**

***Benefits provided under Chapter 238 - Tier One / Tier Two Retirement Benefit Plan***

1. *Pension Benefits.* The OPERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.00 percent for Police and Fire employees, 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 either under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit 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 One 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 Two 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.

2. *Death Benefits.* Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:
  - the member was employed by an OPERS employer at the time of death,
  - the member died within 120 days after termination of OPERS-covered employment,
  - the member died as a result of injury sustained while employed in an OPERS-covered job, or
  - the member was on an official leave of absence from an OPERS-covered job at the time of death.
3. *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 OPERS judge members) for disability benefits regardless of the length of OPERS-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.
4. *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 fair value of the underlying equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.00 percent.

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2024  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

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**NOTE 11 – PENSION PLANS – continued**

***Benefits provided under Chapter 238A - Oregon Public Service Retirement Plan (OPSRP)***

1. *Pension Benefits.* The ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

*General Service:* 1.50 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 OPSRP 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.

2. *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.
3. *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.
4. *Benefit Changes after Retirement.* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA vary based on the amount of the annual benefit.

***Contributions:***

OPERS 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. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments to establish side accounts, and their rates have been reduced.

The District's rates in effect for the fiscal year ended June 30, 2024 were:

Tier One / Tier Two	0.00%
OPSRP General Service	0.00%

The District contributed approximately \$56 for the year ended June 30, 2024.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 11 – PENSION PLANS – continued**

**Actuarial Valuations:**

The employer contribution rates effective July 1, 2023 through June 30, 2024, were set using the entry age normal actuarial cost method. For the Tier One / Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) 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 20 years.

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

**Actuarial Methods and Assumptions:**

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial Assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount Rate	6.90 percent
Projected salary increases	3.40 percent
COLA	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p><b>Healthy retirees and beneficiaries:</b></p> <p>Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation</p> <p><b>Active members:</b></p> <p>Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b></p> <p>Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Source: OPERS Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2023

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 11 – PENSION PLANS – continued**

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits 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 methods and assumptions shown above are based on the 2020 Experience Study.

*Discount Rate:*

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from 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.

*Depletion Date Projection:*

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the plan:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 11 – PENSION PLANS – continued**

*Assumed Asset Allocation:*

Asset Class/Strategy	Low Range	High Range	OIC Target Allocation
Debt Securities	20.0 %	30.0 %	25.0 %
Public Equity	22.5	32.5	27.5
Real Estate	9.0	16.5	12.5
Private Equity	17.5	27.5	20.0
Real Assets	2.5	10.0	7.5
Diversifying Strategies	2.5	10.0	7.5
Opportunity Portfolio	0.0	5.0	0.0
<b>Total</b>			<b>100.0 %</b>

*Source: OPERS Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2023*

*Long-Term Expected Rate of Return:*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the OPERS 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	20-Year Annualized Geometric Mean
Global Equity	27.50 %	7.07 %
Private Equity	25.50	8.83
Core Fixed Income	25.00	4.50
Real Estate	12.25	5.83
Master Limited Partnerships	0.75	6.02
Infrastructure	1.50	6.51
Hedge Fund of Funds - Multistrategy	1.25	6.27
Hedge Fund Equity - Hedge	0.63	6.48
Hedge fund - Macro	5.62	4.83
<b>Assumed Inflation – Mean</b>		<b>2.35 %</b>

*Source: OPERS Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2023*

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 11 – PENSION PLANS – continued**

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate:

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90 percent) or one percentage point higher (7.90 percent) than the current rate:

	1% Decrease <u>(5.90%)</u>	Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
Proportionate share of the net pension liability	\$157,679	\$95,458	\$43,386

*Pension plan fiduciary net position:*

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS financial report available at : <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:*

At June 30, 2024, the District reported a liability of \$95,458 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The District’s proportion of the net pension liability was based on the District’s projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers. At June 30, 2024, the District’s proportion was 0.51 percent, which is a decrease of 0.81 from the District’s proportion of 1.32 percent for the year ended June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$11.9 million for the defined benefit portion of the pension plan. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Pension changes in employer proportion	\$ 21,997	\$ (210,812)
Pension differences between employer contribution and proportionate share of contributions	220,201	(28,107)
Pension differences between expected and actual experience	4,668	(379)
Pension differences due to changes in assumptions	8,480	(63)
Pension differences between expected and actual earnings	<u>1,716</u>	<u>-</u>
Total (prior to post-measurement date contributions)	257,062	(239,361)
Pension contributions subsequent to measurement date	56	-
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 257,118</u>	<u>\$ (239,361)</u>

Source: OPERS Schedule of Pension Amounts under GASB 68, June 30, 2023

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 11 – PENSION PLANS – continued**

The deferred outflow of resources of \$56 thousand resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2025	\$ 10,970
Fiscal Year 2026	1,863
Fiscal Year 2027	17,063
Fiscal Year 2028	(2,866)
Fiscal Year 2029	(9,329)
Total	\$ 17,701

*Source: OPERS Schedule of Pension Amounts under GASB 68, June 30, 2023*

**Defined Contribution Plan**

**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). Beginning January 1, 2004, OPERS active Tier One and Tier Two members became members of the IAP of OPSRP. OPERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member’s IAP account. OPSRP is a 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. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 11 – PENSION PLANS – 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 contribute 6.0 percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2024. Included in accrued liabilities at June 30, 2024 are \$2.6 million for employee contributions owed to the plan.

**B. District Plan – Stipend**

***Plan Description***

The District provides a single-employer defined benefit early retirement program for members of the Portland Association of Teachers (PAT), physical therapists, occupational therapists and licensed administrators. Certificated employees with 15 consecutive years of at least half time service with the District, and who are eligible to retire under OPERS, and who retired before age 62 are eligible for the early retirement benefits. Eligible employees are entitled to a monthly benefit of \$425 dollars commencing on the first month after the retirement. Benefits are payable up to the earlier of attaining age 62 or receiving 60 monthly payments. The General Fund and the Special Revenue Fund are the primary funds from which the stipend liability is liquidated. The District does not issue a separate stand-alone financial report for this plan. The District pays for the benefits without any cost to employees. The contributions are financed on a pay-as-you-go basis, and there are no assets accumulated in a trust. The program was established under separate bargaining agreements and may be amended by the District under new collective bargaining agreements.

***Total Stipend Liability***

The District's total stipend liability of \$5.5 million was measured as of June 30, 2023, rolled forward to June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 11 – PENSION PLANS – continued**

***Actuarial Assumptions and Other Inputs***

The total Stipend liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2022
Measurement Date	June 30, 2023
Inflation	2.40%
Projected salary growth	3.40%
Discount rate	3.65%
Withdrawal, retirement, and mortality rates	December 31, 2020 Oregon PERS valuation
Lapse rates	5% annual lapse rate
Actuarial cost method	Entry Age Normal Level Percent of Pay
Demographic Assumptions	
Mortality	Pub-2010 sex-distinct base tables, as specified below. <b>Male retiree:</b> Blend 80% Teachers and 20% general Employees, no set back <b>Male spouse:</b> General Employees, set back 12 months <b>Female retiree:</b> Teachers, no set back <b>Female spouse:</b> General Employees, no set back
Withdrawal	Based on Oregon PERS assumptions. Annual rates are based on gender and duration from hire date.
Retirement	Based on Oregon PERS assumption. Annual rates are based on age, Tier/OPSRP, and duration of service

**Discount Rate** – Under GASB 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The discount rate in effect for the June 30, 2024 reporting date is 3.65 percent, reflecting the Bond Buyer 20-Year General Obligation Bond Index.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 11 – PENSION PLANS – continued**

***Changes in the Total Stipend Liability:***

	<u>Total Stipend Liability</u>	
Balance at 6/30/2023	\$	5,985
Changes for the year:		
Service cost		150
Interest		203
Effect of assumptions changes or inputs		(21)
Benefit payments		<u>(824)</u>
Net changes		<u>(492)</u>
Balance at 6/30/2024	\$	<u>5,493</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.54% in 2023 to 3.65% in 2024.

*Sensitivity of the total stipend liability to changes in the discount rate.* The following presents the total stipend liability of the District, as well as what the District's total stipend liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease <u>(2.65%)</u>	Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
Total Stipend Liability	\$ 5,686	\$ 5,493	\$ 5,296

***Stipend Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Stipend***

For the year ended June 30, 2024, the District recognized stipend expense of \$621. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to the stipend from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension differences between expected and actual experience	\$ 662	\$ -
Pension differences due to changes in assumptions	<u>2</u>	<u>(158)</u>
Total (prior to post-measurement date contributions)	664	(158)
Pension contributions subsequent to measurement date	696	-
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 1,360</u>	<u>\$ (158)</u>

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2024  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

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**NOTE 11 – PENSION PLANS – continued**

Deferred outflows of resources related to the stipend of \$696 resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2025.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the stipend will be recognized in the stipend expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2024	\$ 245
Fiscal Year 2025	242
Fiscal Year 2026	20
Fiscal Year 2027	(1)
Total	\$ 506

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS**

**Other Post-Employment Benefits (OPEB) - Summary**

The District offers a retirement health insurance subsidy (RHIS) and contributes to a retirement health insurance account (RHIA) through OPERS. The breakdown of the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB are:

	<u>RHIS</u>	<u>RHIA</u>	<u>Net</u>
Total OPEB Liability	\$ (78,365)	\$ -	\$ (78,365)
Net OPEB Asset	\$ -	\$ 10,722	\$ 10,722
OPEB Expense	\$ 7,358	\$ (655)	\$ 6,703
OPEB Deferred Outflows of Resources	\$ 20,648	\$ 3,934	\$ 24,582
OPEB Deferred Inflows of Resources	\$ (6,319)	\$ (1,625)	\$ (7,944)

**A. Retirement Health Insurance Subsidy (RHIS)**

**Plan Description**

The District provides a single-employer defined benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses for employees who have retired from the District with a minimum of fifteen accumulated years of service and are eligible to retire from the Oregon retirement system. There are 6,011 active and 399 retired members or beneficiaries currently receiving benefit payments in the plan. Covered employees under the plan are eligible to receive full or part District-paid medical and pharmacy benefits for up to 60 months, or until reaching age 65, whichever comes first. The District also pays a portion of the spouse/domestic partner medical and pharmacy costs during the benefit period. The program was established under separate collective bargaining agreements with the certificated and classified employees and by precedent for all other District employees. The Portland Teachers Association (PAT) group terminated this benefit after September 30, 2019. All other bargaining units and employee groups, except the District Council Unions (DCU), agreed to terminate this benefit after June 30, 2014. The DCU agreed to terminate this benefit after December 31, 2014. Under Oregon Revised Statute (ORS) 243.303 any OPERS qualifying public employee is allowed to pay the full cost for continued coverage under the District group health plans until they become Medicare eligible. The plan does not issue a separate financial report, and there are no assets accumulated in a trust. The plan may be amended by the District under new collective bargaining agreements.

**Benefits Provided**

The District pays for the benefits. The contributions are financed on a pay-as-you-go basis. The General Fund and the Special Revenue Fund are the primary funds from which the Other Post Employment Benefit liability is liquidated.

**Employees covered by benefit terms**

As of June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	290
Inactive employees entitled to but not yet receiving benefit payments	109
Active employees	<u>6,011</u>
	<u>6,410</u>

School District No. 1J, Multnomah County, Oregon

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS - continued**

***Total RHIS Liability***

The District's total RHIS liability of \$78.4 million was measured as of June 30, 2023, rolled forward to June 30, 2024, and was determined by an actuarial valuation as of June 30, 2022.

***Actuarial Methods and Assumptions***

Actuarial methods and assumptions, with the exception of the Health Care Cost Trend, are consistent with those disclosed for the District Stipend. See Footnote 11 – Pension Plans, part B. District Plan - Stipend for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate.

***Health Care Cost Trend*** – The actuarial calculations used an assumption that medical costs will increase to 6.75 percent in the first year and reach an eventual ultimate rate of 3.75 percent. These trends are based on a long-term medical trend model published and updated by the Society of Actuaries. Known as the “Getzen model”, it produces long-range trend assumptions built on assumed long-term relationships between certain key economic factors. It also assumes that dental and vision costs will increase by the lesser of the medical cost trend previously described and 4.00 percent per year.

***Changes in the Total RHIS Liability***

	Increase (Decrease) in Total RHIS Liability
Balance at 6/30/2023	\$ 80,123
Changes for the year:	
Service cost	2,727
Interest	2,813
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	(504)
Benefit payments	(6,794)
Net changes	(1,758)
Balance at 6/30/2024	<u>\$ 78,365</u>

Changes in assumptions and other inputs reflect a change in the discount rate 3.54% in 2023 to 3.65% in 2024.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS - continued**

*Sensitivity of the total RHIS liability to changes in the discount rate.* The following presents the total RHIS liability of the District, as well as what the District's total RHIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate:

	1% Decrease <u>(2.65%)</u>	Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
Total RHIS Liability	\$ 83,025	\$ 78,365	\$ 73,892

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

	1% Decrease	Current Trend Rate	1% Increase
Total RHIS Liability	\$ 71,542	\$ 78,365	\$ 86,140

**RHIS Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to RHIS**

For the year ended June 30, 2024, the District recognized RHIS expense of \$7,358 thousand. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to RHIS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB differences between expected and actual experience	\$ 10,322	\$ (1,446)
OPEB differences due to changes in assumptions	3,878	(4,873)
Total (prior to post-measurement date contributions)	14,200	(6,319)
OPEB contributions subsequent to measurement date	6,449	-
Total as of June 30, 2024	<u>\$ 20,649</u>	<u>\$ (6,319)</u>

Deferred outflows of resources related to RHIS of \$6.4 million resulting from the District's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIS will be recognized in RHIS expense as follows:

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2024  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS - continued**

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2024	\$ 1,818
Fiscal Year 2025	2,134
Fiscal Year 2026	1,461
Fiscal Year 2027	650
Fiscal Year 2028	600
Thereafter	1,218
Total	\$ 7,881

**B. Retirement Health Insurance Account (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. 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 and is available at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

***Benefits***

RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees.

***Contributions***

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.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS – continued**

District contributions for the year ended June 30, 2024 were \$89. Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.00% of Tier 1 and Tier 2 payroll and 0.0% of OPSRP of annual covered payroll. These contributions occur in all funds that have salary expenditures, which typically are the General Fund, Special Revenue Fund, Capital Projects Fund, and Internal Services Fund. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution (ARC) of the employers, an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2024, 2023, and 2022 were approximately \$89, \$58, and \$126 which equaled the required contributions each year.

***RHIA Liabilities, RHIA Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to RHIA***

At June 30, 2024, the District reported an asset of \$10.7 million for its proportionate share of the OPERS net RHIA asset. The net RHIA asset was measured as of June 30, 2023, and the total RHIA liability used to calculate the net RHIA asset was determined by an actuarial valuation as of December 31, 2021. The District's proportion of the net RHIA asset was based on the District's actual, legally required contributions made to the RHIA program during the measurement period relative to total actual contributions from all participating employers. At June 30, 2024, the District's proportionate share was 2.93%, which is a decrease of 2.18% from its proportion of 5.11% as of June 30, 2023.

For the year ended June 30, 2024, the District recognized RHIA benefit from this plan of \$655. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to this RHIA plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
RHIA differences between expected and actual experience	\$ -	\$ (269)
RHIA differences due to changes in assumptions	-	(116)
RHIA net difference between projected and actual earnings on investments	30	-
RHIA changes in employer proportion	3,815	(1,240)
	3,845	(1,625)
 RHIA contributions subsequent to measurement date	 89	 -
Total	\$ 3,934	\$ (1,625)

Source: OPERS Schedule of OPEB Amounts under GASB 75, June 30, 2023

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2024  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS – continued**

Deferred outflows of resources related to RHIA of \$89 resulting from the District’s contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIA will be recognized in RHIA expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)	
Fiscal Year 2023	\$	1,205
Fiscal Year 2024		477
Fiscal Year 2025		396
Fiscal Year 2026		142
Total	\$	2,220

Source: OPERS Schedule of OPEB Amounts under GASB 75, June 30, 2023

**Actuarial Methods and Assumptions**

All actuarial methods and assumptions are consistent with those disclosed for the OPERS Pension Plan. See Footnote 11 – Pension Plans, part A. Oregon Public Employees Retirement System (OPERS) for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate.

**Sensitivity of the District’s proportionate share of the net RHIA liability (asset) to changes in the discount rate**

The following presents the District’s proportionate share of the net RHIA liability (asset), as well as what the District’s proportionate share of the net RHIA liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher 7.90 percent) than the current discount rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Net RHIA liability (asset)	\$ (9,747)	\$ (10,722)	\$ (11,559)

**RHIA Plan Fiduciary Net Position**

Detailed information about the RHIA plan’s fiduciary net position is available in the separately issued OPERS financial report.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 13 - RISK MANAGEMENT**

The Internal Service (Self-Insurance) Fund charges other funds for the costs incurred for workers' compensation claims. Charges to other funds by the Self-Insurance Fund are recognized as revenues in the Self-Insurance Fund and as expenditures in the fund incurring the charges. The Self-Insurance Fund recognized approximately \$2.8 million of revenues from other governmental funds for the year ended June 30, 2024.

The District is exposed to various risks of loss related to injuries; torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters. The District is self-insured up to \$1 million and carries commercial excess insurance. Settlements have not exceeded insurance coverage for the years ended June 30, 2021 through 2024. There have been no reductions to the District's insurance coverage during the year ended June 30, 2024. The District anticipates that all accrued claims losses will be paid within twelve months.

The total claims payable at June 30, 2024 of \$7.9 million was made up of approximately \$4.1 million in worker's compensation claims (recorded in the Internal Service Fund) and \$3.8 million in property and general liability claims (accounted for in the General Fund and not accrued on the fund financial statements). Changes in the balances of claims liabilities during the years ended June 30, 2021, through June 30, 2024, were as follows:

Fiscal Year	Beginning Balance	New Claims	Payments on Claims	Ending Balance
2021	\$ 6,853	\$ 2,516	\$ (3,795)	\$ 5,574
2022	\$ 5,574	\$ 5,540	\$ (3,985)	\$ 7,129
2023	\$ 7,129	\$ 4,726	\$ (4,179)	\$ 7,676
2024	\$ 7,676	\$ 5,533	\$ (5,280)	\$ 7,929

**NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES**

**Contracts**

Under Oregon Revised Statute No. 279, should funding not be available, the following contracts may be cancelled without penalty. Estimated future District service commitments in excess of \$3.0 million are listed as follows:

Supplier	Commitments
Andersen Construction Co of Oregon LLC	\$ 7,780
Bora Architects Inc	29,091
Camfil USA Inc	190,778
Hoffman Construction Company of Oregon	4,775
Inline Commercial Construction Inc	4,217
Mahlum Architects Inc	3,725
Portland Community College	3,277
Rosemary Anderson High School	72,603
Turner & Townsend Heery LLC	4,579
	<u>\$ 320,825</u>

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2024  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

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**NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES - continued**

Future District service commitments by fund are as follows:

	Commitments
General Fund	\$ 271,237
Capital Projects Fund	49,588
	\$ 320,825

***Dr. Matthew Prophet Education Center (PEC)***

In June 2000, Multnomah County leased a portion of the District’s headquarters from the District for \$3.5 million under a 99-year agreement. In December 2008, Portland Public Schools reacquired a portion of that space for \$800 thousand, which was fully paid as of June 30, 2014. This lease agreement stipulates that a portion of the initial lease payment received from Multnomah County be set aside to be applied toward the County’s share of major repairs. Any unused balance earns interest at the monthly interest rate earned from the Local Government Investment Pool. As of June 30, 2024, the Multnomah County Reserve balance held in the Facilities Capital Fund, a sub-fund of the Capital Projects Fund, was \$547.

***Pending Legal Actions***

The District is a defendant in certain pending legal actions. Although the outcome cannot be determined, the District believes that settlement of these matters will not have a material effect on the District's financial position and results of operations.

***Grantor Agencies***

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

***School Support Fund***

A substantial portion of the District’s funding consists of an apportionment of funds from the State Basic School Support Fund. This apportionment is determined by a formula taking into account the District’s weighted average daily student membership and revenue derived from local District sources. Local District sources may vary from year to year and may be revised retroactively or prospectively changing the amount of State Basic School Support received or to be received.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

**NOTE 15 – FUND BALANCES**

Fund balances by classification for the year ended June 30, 2024 are as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>Nonspendable</b>					
Prepaid items	\$ 96	\$ -	\$ -	\$ 543	\$ 639
Inventories	570	1,062	-	-	1,632
	<u>666</u>	<u>1,062</u>	<u>-</u>	<u>543</u>	<u>2,271</u>
<b>Restricted</b>	-	22,476	12,491	467,558	502,525
<b>Committed</b>	-	21,574	2,225	8,328	32,127
<b>Assigned</b>	85,412	-	-	-	85,412
<b>Unassigned</b>	-	-	-	(1,794)	(1,794)
 Total fund balances	 <u>\$ 86,078</u>	 <u>\$ 45,112</u>	 <u>\$ 14,716</u>	 <u>\$ 474,635</u>	 <u>\$ 620,541</u>

**NOTE 16 – RELATED ORGANIZATIONS**

The District includes five charter schools that are legally separate, tax-exempt organizations. The most recent data available indicates charter school total students were 1,331 (representing 3.0% of the District’s total enrollment); and that charter schools’ Net Position was \$4,131. Because of their size relative to the District, the charter schools do not fall under the component unit reporting requirements set forth by GASB Statement No. 39.

**NOTE 17 – ARTS TAX**

In November, 2012, voters in the City of Portland passed Ballot Measure 26-146 to restore school arts and music education, funded through an income tax of \$35 per person per year. In December of 2012, the District entered into an intergovernmental agreement IGA/R 59656 with the City of Portland to receive a portion of this tax, to be used to provide arts and music education, through certified arts and music teachers, to all K-5 students, including charter schools within the District. Revenues and expenditures for the year ended June 30, 2024 are recorded in the General Fund as follows:

	Arts Tax Revenues	Arts Tax Expenditures	FTE Funded	Number of Schools Funded
Non-Charter Schools	\$ 5,033	\$ 5,033	37.35	60
Charter Schools	182	182	4.60	5
District Total	<u>\$ 5,215</u>	<u>\$ 5,215</u>	<u>41.95</u>	<u>65</u>

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 18 – TAX ABATEMENTS**

The District is subject to tax abatements (exemptions) granted by Multnomah, Washington and Clackamas counties of Oregon. Counties are allowed to grant abatements due to numerous Oregon Revised Statutes (ORS). Washington and Clackamas counties had no tax abatements affecting the District. Multnomah county has numerous abatement programs which affected District revenue as described below.

***City of Portland Low Income Rental Housing (ORS 307.540 to 307.548)***

In 1985, Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating property tax burden on those agencies that provide this housing opportunity. The qualifying property must be located within the city of Portland.

***Day Care Centers, Student Housing and Religious Schools (ORS 307.145)***

The child care facilities, schools, academies and student housing accommodations, owned or being purchased by incorporated eleemosynary institutions or by incorporated religious organizations, used exclusively by such institutions or organizations for or in immediate connection with educational purposes, are exempt from taxation.

***Transit Oriented Development (ORS 307.600 to 307.637)***

Cities and counties may grant a property tax exemption for multiple unit rental housing (excluding land) in areas designated as core areas, light rail station areas and transit oriented areas for up to 10 successive years. Housing that can qualify for this exemption includes newly constructed housing and property converted to housing use.

***Historic Property (ORS 358.475 to 545)***

The Special Assessment for Historic Property program is a state-sponsored incentive program instituted in 1975 to encourage the preservation and appropriate rehabilitation of properties listed in the National Register of Historic Places. Under this program a property is specially assessed for a period of 10-15 years. This allows the owner to restore or improve the condition of the property and not pay additional taxes on the resulting increase in the property's value until the ten-year benefit period has expired.

***Housing Authority Partnership (ORS 456.225)***

The property of a housing authority is declared to be public property used for essential public and governmental purposes. The property and the housing authority are exempt from all taxes and special assessments of the city, the county, the state or any political subdivision of the city, county or state.

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

Notes to the Basic Financial Statements

For the Year Ended June 30, 2024

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

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**NOTE 18 – TAX ABATEMENTS - continued**

The Following schedule represents the District’s portion of tax abatements granted by Multnomah County for 2023-2024. Programs with exemptions totaling more than \$500 thousand were listed separately; all other programs were grouped together:

<u>Exemption Program</u>	<u>Amount</u>
City of Portland Low Income Rental Housing	\$ 5,043
Day Care Centers, Student Housing & Religious Schools	3,398
Transit Oriented Development, Portland	2,444
Housing Authority Partnership	720
Historic Property	682
All other exemption programs	<u>1,775</u>
Total Abatements	<u>\$ 14,062</u>

**NOTE 19 – SUBSEQUENT EVENTS**

The date to which events occurring after June 30, 2024, the date of the most recent statement of net position, has been evaluated for possible adjustment to the financial statements or disclosure is December 12, 2024, which is the date on which the financial statements were available to be issued.



## **REQUIRED SUPPLEMENTARY INFORMATION**

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The information in this section compares budget to actual for the District's General and major special revenue funds.

The budgetary basis of accounting for all funds is modified accrual, which is the same as that required by accounting principles generally accepted in the United States of America. Unless otherwise noted, a reconciliation of budgetary to generally accepted accounting principles activity is not required.

Under the provisions of GASB Statement No. 68, a Schedule of the District's Proportion of Net Pension Liability and District Contributions is included in the Required Supplementary Information.

Under the provisions of GASB Statement No. 73, a Schedule of the District's Proportion of Net Pension Liability and District Contributions is included in the Required Supplementary Information.

Under the provisions of GASB Statement No. 75, a Schedule of the District's Proportionate Share of the Net OPEB Liability and District Contributions for RHIA and RHIS, and a Schedule of Changes in the District's Total OPEB Liability and Related Ratios for OPEB is included in the Required Supplementary Information.

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Required Supplementary Information**  
**Schedule of Changes in the District's Total OPEB Liability and Related Ratios- RHIS**  
**Last 10 Fiscal Years <sup>1</sup>**  
**(amounts expressed in thousands)**

**Total OPEB Liability**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Service cost	N/A	\$ 2,549	\$ 2,319	\$ 2,842
Interest	N/A	2,160	2,475	3,128
Change in benefit terms	N/A	-	2,711	-
Differences between expected and actual experience	N/A	-	3,880	-
Change of economics/demographic gains/losses	N/A	-	-	-
Changes of assumptions or other inputs	N/A	(2,848)	8,157	1,744
Benefit payments	N/A	(8,575)	(8,024)	(8,697)
<b>Net change in total OPEB liability</b>	N/A	(6,714)	11,518	(983)
<b>Total OPEB liability - beginning</b>	N/A	77,498	70,784	82,302
<b>Total OPEB liability - ending</b>	<u>\$ 77,498</u>	<u>\$ 70,784</u>	<u>\$ 82,302</u>	<u>\$ 81,319</u>
<b>Covered-employee payroll</b>	\$ 327,668	\$ 344,646	\$ 356,540	\$ 375,041
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	23.65%	20.54%	23.08%	21.68%

<sup>1</sup> Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

<sup>2</sup> Assets are not accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

**Requests for Information:**

Copies of the District's most recent *Actuarial Valuation of GASB 45, GASB 75, and GASB 73 Postemployment Benefits* are available. Please direct requests to the Finance Department; Portland Public Schools; 501 N. Dixon Street; Portland, OR 97227.

<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
\$ 3,141	\$ 3,105	\$ 3,200	\$ 2,727
2,818	1,720	1,630	2,814
722	-	-	-
(2,676)	-	-	-
-	-	11,881	-
1,151	212	(5,227)	(504)
<u>(7,894)</u>	<u>(7,725)</u>	<u>(7,254)</u>	<u>(6,794)</u>
(2,738)	(2,688)	4,230	(1,757)
81,319	78,581	75,893	80,123
<u>\$ 78,581</u>	<u>\$ 75,893</u>	<u>\$ 80,123</u>	<u>\$ 78,366</u>
\$ 386,877	\$ 435,531	\$ 435,224	\$ 496,863
20.31%	17.43%	18.41%	15.77%

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**

**Required Supplementary Information**

**Schedule of the District's Proportionate Share of Net OPEB Liability (Asset) and District Contributions - RHIA**

**Last 10 Fiscal Years <sup>1</sup>**

**(amounts expressed in thousands)**

**District's Proportionate Share of Net OPEB Liability (Asset)**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
District's proportion of the net OPEB liability/(asset)	3.284%	3.164%	3.194%	3.312%
District's proportionate share of the net OPEB liability (asset)	\$ 892	\$ (1,321)	\$ (3,566)	\$ (6,400)
District's covered-employee payroll <sup>2</sup>	\$ 327,668	\$ 344,646	\$ 356,540	\$ 375,041
District's proportionate share of net OPEB liability (asset) as a percentage of covered-employee payroll	0.3%	-0.4%	-1.0%	-1.7%
Plan fiduciary net position as a percentage of the total OPEB liability	94.14%	108.89%	124.01%	144.34%
OPEB Measurement Date	6/30/2016	6/30/2017	6/30/2018	6/30/2019

<sup>1</sup> Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

<sup>2</sup> Amounts for covered payroll use the prior year's data to match the measurement date used by the pension plan (OPERS) for each fiscal year presented above.

**Schedule of District Contributions**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Contractually required contribution	\$ 1,575	\$ 1,547	\$ 1,641	\$ 209
Contributions in relation to the contractually required contribution	1,575	1,547	1,641	209
Contribution deficiency(excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 327,668	\$ 344,646	\$ 356,540	\$ 375,041
Contributions as a percentage of covered-employee payroll	0.48%	0.45%	0.46%	0.06%

Copies of OPERS' most recent actuarial report of its Pension Plan are available at:

<http://www.oregon.gov/PERS/Pages/Financials/Previous-Years.aspx>

**Notes to Required Supplementary Information**

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the annual letter from Oregon Public Employees Retirement System's actuary, which can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB75-Letter-from-Actuary-2022.pdf>

Changes of Assumptions

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the System, which was published on July 20, 2021, and can be found at:

<https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
2.928%	2.666%	5.109%	6.900%
\$ (5,966)	\$ (9,155)	\$ (18,153)	\$ (10,722)
\$ 386,877	\$ 435,531	\$ 435,224	\$ 496,863
-1.5%	-2.1%	-4.2%	-2.2%
150.05%	183.86%	194.65%	201.61%
6/30/2020	6/30/2021	6/30/2022	6/30/2023

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 71	\$ 126	\$ 58	\$ 89
71	126	58	89
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 386,877	\$ 435,531	\$ 435,224	\$ 496,863
0.02%	0.03%	0.01%	0.02%

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share**  
**Net Pension Liability (Asset) and District Contributions**  
**Last 10 Fiscal Years <sup>1</sup>**  
**(amounts expressed in thousands)**

**District's Proportionate Share of Net Pension Liability (Asset)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability/asset	0.254%	0.299%	1.380%	2.102%
District's proportionate share of the net pension liability (asset)	\$ (5,754)	\$ 17,185	\$ 207,203	\$ 283,305
District's covered payroll <sup>2</sup>	\$ 264,386	\$ 283,935	\$ 316,998	\$ 327,668
District's proportionate share of net pension liability (asset) as a percent of covered payroll	-2.2%	-6.1%	65.4%	86.5%
Plan fiduciary net position as a percentage of the total pension liability	103.6%	91.9%	80.5%	83.1%
OPERS Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017

<sup>1</sup>

Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

<sup>2</sup>

Amounts for covered payroll use the prior year's data to match the measurement date used by the pension plan (OPERS) for each fiscal year presented above.

**Schedule of District Contributions**

	<u>2015</u>	<u>2016 <sup>3</sup></u>	<u>2017 <sup>3</sup></u>	<u>2018 <sup>4</sup></u>
Contractually required contribution	\$ 4,895	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	4,895	-	-	-
Contribution (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 283,935	\$ 316,998	\$ 327,668	\$ 344,646
Contributions as a percentage of covered payroll	1.72%	0.00%	0.00%	0.00%

<sup>3</sup> Contribution rates were zero due to the rate offset provided by the District's OPERS side account funded by the district's Limited Tax Pension Bonds.

<sup>4</sup> OPERS side account resources were used to satisfy all contribution requirements.

<sup>5</sup> Contribution excess reflects issuance of PERS pension bonds

Copies of OPERS' most recent actuarial report of its Pension Plan are available at:

<http://www.oregon.gov/PERS/Pages/Financials/Previous-Years.aspx>

**Notes to Required Supplementary Information**

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the annual letter from Oregon Public Employees Retirement System's actuary, which can be found at:

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

Changes of Assumptions

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the System, which was published on July 24, 2019, and can be found at:

[https://www.oregon.gov/pers/Documents/Exp\\_Study\\_2018.pdf](https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf)

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
2.286%	1.770%	2.389%	2.238%	1.318%	0.509%
\$ 346,266	\$ 306,140	\$ 521,329	\$ 267,828	\$ 201,914	\$ 95,458
\$ 344,646	\$ 356,540	\$ 375,041	\$ 386,877	\$ 435,531	\$ 435,224
100.5%	85.9%	139.0%	69.2%	46.4%	21.9%
82.07%	80.23%	75.79%	87.57%	84.55%	81.68%
6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022<sup>5</sup></u>	<u>2023</u>	<u>2024</u>
\$ 8,351	\$ 24,834	\$ 17,684	\$ 2,724	\$ 2,106	\$ 56
8,351	24,834	17,684	401,390	4,486	56
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 398,666</u>	<u>\$ 2,380</u>	<u>\$ -</u>
\$ 356,540	\$ 375,041	\$ 386,877	\$ 435,531	\$ 435,224	496,863
2.34%	6.62%	4.57%	92.16%	1.03%	0.01%

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Required Supplementary Information**  
**Schedule of Changes in the District's Total Pension Liability and Related Ratios-Stipend**  
**Last 10 Fiscal Years <sup>1</sup>**  
**(amounts expressed in thousands)**

**Total Pension Liability**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Service cost	N/A	\$ 174	\$ 212	\$ 194
Interest	N/A	304	211	228
Change in benefit terms	N/A	-	-	797
Differences between expected and actual experience	N/A	-	-	94
Changes of assumptions or other inputs	N/A	235	(158)	(68)
Benefit payments	N/A	(1,301)	(1,389)	(1,174)
<b>Net change in total pension liability</b>	N/A	(587)	(1,124)	71
<b>Total pension liability - beginning</b>	N/A	8,465	7,877	6,753
<b>Total pension liability - ending</b>	<u>\$ 8,465</u>	<u>\$ 7,877</u>	<u>\$ 6,753</u>	<u>\$ 6,824</u>
<b>Covered-employee payroll</b>	N/A	\$ 70,988	68,838	63,301
<b>Total pension liability as a percentage of covered-employee payroll</b>	N/A	11.10%	9.81%	10.78%

<sup>1</sup> Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

<sup>2</sup> Assets are not accumulated in a trust. Contributions are financed on a pay-as-you-go basis.

**Requests for Information:**

Copies of the District's most recent *Actuarial Valuation of GASB 45, GASB 75, and GASB 73 Postemployment Benefits* are available. Please direct requests to the Finance Department; Portland Public Schools; 501 N. Dixon Street; Portland, OR 97227.

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
\$ 188	\$ 207	\$ 180	\$ 185	\$ 150
250	209	128	113	203
-	264	-	-	-
-	145	-	1,285	-
79	(69)	9	(274)	(21)
<u>(1,132)</u>	<u>(875)</u>	<u>(939)</u>	<u>(792)</u>	<u>(824)</u>
(615)	(119)	(622)	517	(492)
6,824	6,209	6,090	5,468	5,985
<u>\$ 6,209</u>	<u>\$ 6,090</u>	<u>\$ 5,468</u>	<u>\$ 5,985</u>	<u>\$ 5,493</u>
58,067	68,456	28,623	80,482	104,776
10.69%	8.90%	19.10%	7.44%	5.24%

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**

**General Fund**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
For the year ended June 30, 2024  
(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>			<b>Variance from</b>
	<b>Original</b>	<b>Final</b>	<b>Budget Basis</b>	<b>Adjustments</b>	<b>GAAP Basis</b>	<b>Final Budget</b>
						<b>Positive/ (Negative)</b>
<b>REVENUES</b>						
Property and other taxes	\$ 334,649	\$ 329,584	\$ 348,010	\$ -	\$ 348,010	\$ 18,426
State School Fund	253,318	267,415	274,366	-	274,366	6,951
Local option taxes	116,205	108,840	108,408	-	108,408	(432)
County and intermediate sources	10,019	10,903	7,228	-	7,228	(3,675)
Federal and state support	15	15	28	-	28	13
State Common School Fund	6,613	6,023	6,415	-	6,415	392
Charges for services	2,100	2,679	2,813	-	2,813	134
Investment earnings	5,500	6,500	11,687	-	11,687	5,187
Other	8,571	9,671	8,809	-	8,809	(862)
<b>Total revenues</b>	<b>736,990</b>	<b>741,630</b>	<b>767,764</b>	<b>-</b>	<b>767,764</b>	<b>26,134</b>
<b>EXPENDITURES</b>						
Current:						
Instruction:						
Regular programs:						
Salaries and benefits	293,726	299,916	294,368	-	294,368	5,548
Materials and services	8,472	8,928	8,477	(53)	8,424	451
<b>Total regular programs</b>	<b>302,198</b>	<b>308,844</b>	<b>302,845</b>	<b>(53)</b>	<b>302,792</b>	<b>5,999</b>
Special programs:						
Salaries and benefits	83,393	84,511	76,820	-	76,820	7,691
Materials and services	30,580	30,650	30,897	-	30,897	(247)
<b>Total special programs</b>	<b>113,973</b>	<b>115,161</b>	<b>107,717</b>	<b>-</b>	<b>107,717</b>	<b>7,444</b>
Summer school programs:						
Salaries and benefits	342	342	870	-	870	(528)
Materials and services	324	317	279	-	279	38
<b>Total summer school programs</b>	<b>666</b>	<b>659</b>	<b>1,149</b>	<b>-</b>	<b>1,149</b>	<b>(490)</b>
<b>Total instruction</b>	<b>416,837</b>	<b>424,664</b>	<b>411,711</b>	<b>(53)</b>	<b>411,658</b>	<b>12,953</b>
Support services:						
Students:						
Salaries and benefits	76,631	77,776	75,693	-	75,693	2,083
Materials and services	7,057	7,186	8,319	-	8,319	(1,133)
<b>Total students</b>	<b>83,688</b>	<b>84,962</b>	<b>84,012</b>	<b>-</b>	<b>84,012</b>	<b>950</b>
Instructional staff:						
Salaries and benefits	38,140	38,170	35,962	-	35,962	2,208
Materials and services	7,195	7,644	5,690	-	5,690	1,954
<b>Total instructional staff</b>	<b>45,335</b>	<b>45,814</b>	<b>41,652</b>	<b>-</b>	<b>41,652</b>	<b>4,162</b>
General administration:						
Salaries and benefits	10,369	10,235	8,507	-	8,507	1,728
Materials and services	6,902	6,300	7,361	-	7,361	(1,061)
<b>Total general administration</b>	<b>17,271</b>	<b>16,535</b>	<b>15,868</b>	<b>-</b>	<b>15,868</b>	<b>667</b>

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual (continued)**  
**For the year ended June 30, 2024**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>			<b>Variance from</b>
	<b>Original</b>	<b>Final</b>	<b>Budget Basis</b>	<b>Adjustments</b>	<b>GAAP Basis</b>	<b>Final Budget Positive/ Negative)</b>
Support services (continued):						
School administration:						
Salaries and benefits	\$ 54,454	\$ 55,011	\$ 56,998	\$ -	\$ 56,998	\$ (1,987)
Materials and services	559	589	311	-	311	278
Total school administration	<u>55,013</u>	<u>55,600</u>	<u>57,309</u>	<u>-</u>	<u>57,309</u>	<u>(1,709)</u>
Business:						
Salaries and benefits	66,072	67,846	63,968	-	63,968	3,878
Materials and services	63,335	63,309	75,767	545	76,312	(12,458)
Total business	<u>129,407</u>	<u>131,155</u>	<u>139,735</u>	<u>545</u>	<u>140,280</u>	<u>(8,580)</u>
Central:						
Salaries and benefits	26,530	26,574	23,784	-	23,784	2,790
Materials and services	10,633	10,785	8,217	(489)	7,728	2,568
Total central	<u>37,163</u>	<u>37,359</u>	<u>32,001</u>	<u>(489)</u>	<u>31,512</u>	<u>5,358</u>
<b>Total support services</b>	<b><u>367,877</u></b>	<b><u>371,425</u></b>	<b><u>370,577</u></b>	<b><u>56</u></b>	<b><u>370,633</u></b>	<b><u>848</u></b>
Enterprise and community services:						
Food services:						
Materials and services	-	-	1	-	1	(1)
Total food services	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>(1)</u>
Community services:						
Salaries and benefits	1,371	1,526	1,217	-	1,217	309
Materials and services	2,823	2,668	2,905	-	2,905	(237)
Total community services	<u>4,194</u>	<u>4,194</u>	<u>4,122</u>	<u>-</u>	<u>4,122</u>	<u>72</u>
<b>Total enterprise and community services</b>	<b><u>4,194</u></b>	<b><u>4,194</u></b>	<b><u>4,123</u></b>	<b><u>-</u></b>	<b><u>4,123</u></b>	<b><u>71</u></b>
Other expenditures:						
Debt Service						
Principal	662	662	-	1,065	1,065	662
Interest and fiscal charges	65	65	-	37	37	65
<b>Total debt service</b>	<b><u>727</u></b>	<b><u>727</u></b>	<b><u>-</u></b>	<b><u>1,102</u></b>	<b><u>1,102</u></b>	<b><u>727</u></b>
Total current expenditures	<u>789,635</u>	<u>801,010</u>	<u>786,411</u>	<u>1,105</u>	<u>787,516</u>	<u>14,599</u>
<b>Operating contingency</b>	<b><u>43,063</u></b>	<b><u>46,839</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>46,839</u></b>
Total expenditures	<u>832,698</u>	<u>847,849</u>	<u>786,411</u>	<u>1,105</u>	<u>787,516</u>	<u>61,438</u>
Excess (deficit) of revenues over expenditures	<u>(95,708)</u>	<u>(106,219)</u>	<u>(18,647)</u>	<u>(1,105)</u>	<u>(19,752)</u>	<u>87,572</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Transfers out</b>	<b>(1,075)</b>	<b>(1,075)</b>	<b>(887)</b>	<b>-</b>	<b>(887)</b>	<b>188</b>
Proceeds from the sale of capital assets	50	50	115	-	115	65
Issuance of leases	1,750	1,750	-	-	-	(1,750)
Issuance of subscriptions	-	-	-	1,105	1,105	-
Total other financing sources and (uses)	<u>725</u>	<u>725</u>	<u>(772)</u>	<u>1,105</u>	<u>333</u>	<u>(1,497)</u>
Net change in fund balance	(94,984)	(105,494)	(19,419)	-	(19,419)	86,075
Fund balance - beginning of year	94,984	105,497	105,497	-	105,497	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 86,078</u>	<u>\$ -</u>	<u>\$ 86,078</u>	<u>\$ 86,075</u>

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2024**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>			<b>Variance from</b>
	<b>Original</b>	<b>Final</b>	<b>Budget Basis</b>	<b>Adjustments</b>	<b>GAAP Basis</b>	<b>Final Budget Positive/ (Negative)</b>
<b>REVENUES</b>						
Property and other taxes	\$ 354	\$ 354	\$ 373	\$ -	\$ 373	\$ 19
Federal and state support	172,097	180,841	188,599	-	188,599	7,758
County and intermediate sources	3,077	3,077	2,173	-	2,173	(904)
Charges for services	2,929	2,929	2,569	-	2,569	(360)
Investment earnings	300	300	991	-	991	691
Extracurricular activities	5,000	5,000	6,308	-	6,308	1,308
Other	8,213	8,213	9,806	-	9,806	1,593
<b>Total revenues</b>	<b>191,970</b>	<b>200,714</b>	<b>210,819</b>	<b>-</b>	<b>210,819</b>	<b>10,105</b>
<b>EXPENDITURES</b>						
Current:						
Instruction:						
Regular programs:						
Salaries and benefits	38,135	38,728	39,581	-	39,581	(853)
Materials and services	15,355	15,355	9,950	-	9,950	5,405
<b>Total regular programs</b>	<b>53,490</b>	<b>54,083</b>	<b>49,531</b>	<b>-</b>	<b>49,531</b>	<b>4,552</b>
Special programs:						
Salaries and benefits	23,411	23,746	24,072	-	24,072	(326)
Materials and services	23,561	21,883	10,949	-	10,949	10,934
<b>Total special programs</b>	<b>46,972</b>	<b>45,629</b>	<b>35,021</b>	<b>-</b>	<b>35,021</b>	<b>10,608</b>
Summer school programs:						
Salaries and benefits	2,165	2,165	2,880	-	2,880	(715)
Materials and services	5,441	3,441	1,695	-	1,695	1,746
<b>Total summer school programs</b>	<b>7,606</b>	<b>5,606</b>	<b>4,575</b>	<b>-</b>	<b>4,575</b>	<b>1,031</b>
<b>Total instruction</b>	<b>108,068</b>	<b>105,318</b>	<b>89,127</b>	<b>-</b>	<b>89,127</b>	<b>16,191</b>
Support services:						
Students:						
Salaries and benefits	26,654	26,994	32,510	-	32,510	(5,516)
Materials and services	5,881	11,242	8,902	(380)	8,522	2,340
<b>Total students</b>	<b>32,535</b>	<b>38,236</b>	<b>41,412</b>	<b>(380)</b>	<b>41,032</b>	<b>(3,176)</b>
Instructional staff:						
Salaries and benefits	16,528	16,781	20,876	-	20,876	(4,095)
Materials and services	7,836	7,836	4,887	-	4,887	2,949
<b>Total instructional staff</b>	<b>24,364</b>	<b>24,617</b>	<b>25,763</b>	<b>-</b>	<b>25,763</b>	<b>(1,146)</b>
General administration:						
Salaries and benefits	-	-	59	-	59	(59)
Materials and services	36	4,036	2,466	-	2,466	1,570
<b>Total general administration</b>	<b>36</b>	<b>4,036</b>	<b>2,525</b>	<b>-</b>	<b>2,525</b>	<b>1,511</b>
School administration:						
Salaries and benefits	5,228	5,251	6,190	-	6,190	(939)
Materials and services	23	23	173	-	173	(150)
<b>Total school administration</b>	<b>5,251</b>	<b>5,274</b>	<b>6,363</b>	<b>-</b>	<b>6,363</b>	<b>(1,089)</b>

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual (continued)**  
**For the year ended June 30, 2024**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>			<b>Variance from</b>
	<b>Original</b>	<b>Final</b>	<b>Budget Basis</b>	<b>Adjustments</b>	<b>GAAP Basis</b>	<b>Final Budget Positive/ (Negative)</b>
Support services (continued):						
Business:						
Salaries and benefits	\$ 60	\$ 60	\$ 64	\$ -	\$ 64	\$ (4)
Materials and services	13,926	13,926	6,715	-	6,715	7,211
<b>Total business</b>	<b>13,986</b>	<b>13,986</b>	<b>6,779</b>	<b>-</b>	<b>6,779</b>	<b>7,207</b>
Central:						
Salaries and benefits	1,532	1,548	1,368	-	1,368	180
Materials and services	7,526	7,526	904	-	904	6,622
<b>Total central</b>	<b>9,058</b>	<b>9,074</b>	<b>2,272</b>	<b>-</b>	<b>2,272</b>	<b>6,802</b>
<b>Total support services</b>	<b>85,230</b>	<b>95,223</b>	<b>85,114</b>	<b>(380)</b>	<b>84,734</b>	<b>10,109</b>
Enterprise and community services:						
Food Services:						
Salaries and benefits	12,955	11,834	11,396	-	11,396	438
Materials and services	9,951	11,072	12,476	-	12,476	(1,404)
<b>Total food services</b>	<b>22,906</b>	<b>22,906</b>	<b>23,872</b>	<b>-</b>	<b>23,872</b>	<b>(966)</b>
Community services:						
Salaries and benefits	2,988	3,014	2,089	-	2,089	925
Materials and services	7,051	7,326	2,045	-	2,045	5,281
<b>Total community services</b>	<b>10,039</b>	<b>10,340</b>	<b>4,134</b>	<b>-</b>	<b>4,134</b>	<b>6,206</b>
<b>Total enterprise and community service</b>	<b>32,945</b>	<b>33,246</b>	<b>28,006</b>	<b>-</b>	<b>28,006</b>	<b>5,240</b>
Facilities acquisition & construction:						
Materials and services	606	606	202	-	202	404
<b>Total facilities acquisition and construction</b>	<b>606</b>	<b>606</b>	<b>202</b>	<b>-</b>	<b>202</b>	<b>404</b>
Other expenditures:						
Debt Service						
Principal	-	-	-	365	365	-
Interest and other charges	-	-	-	15	15	-
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>380</b>	<b>380</b>	<b>-</b>
<b>Total current expenditures</b>	<b>226,849</b>	<b>234,393</b>	<b>202,449</b>	<b>-</b>	<b>202,449</b>	<b>31,944</b>
<b>Operating Contingencies</b>	<b>-</b>	<b>1,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,200</b>
<b>Total expenditures</b>	<b>226,849</b>	<b>235,593</b>	<b>202,449</b>	<b>-</b>	<b>202,449</b>	<b>33,144</b>
Excess (deficit) of revenues over expenditures	(34,879)	(34,879)	8,370	-	8,370	43,249
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	75	75	77	-	77	2
Issuance of leases	900	900	-	-	-	(900)
<b>Total other financing sources (uses)</b>	<b>975</b>	<b>975</b>	<b>77</b>	<b>-</b>	<b>77</b>	<b>(898)</b>
Net change in fund balance	(33,904)	(33,904)	8,447	-	8,447	42,351
Fund balance - beginning of year	54,533	54,533	36,665	-	36,665	(17,868)
Fund balance - end of year	<u>\$ 20,629</u>	<u>\$ 20,629</u>	<u>\$ 45,112</u>	<u>\$ -</u>	<u>\$ 45,112</u>	<u>\$ 24,483</u>

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



## **SUPPLEMENTARY INFORMATION**

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**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2024**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property and other taxes	\$ 159,451	\$ 159,451	\$ 158,490	\$ (961)
Federal and state support	-	-	-	-
Charges for services	79,307	79,307	81,706	2,399
Investment earnings	8,326	8,326	6,467	(1,859)
<b>Total revenues</b>	<b>247,084</b>	<b>247,084</b>	<b>246,663</b>	<b>(421)</b>
<b>EXPENDITURES</b>				
Current:				
Debt service:				
Principal	174,668	174,668	174,015	653
Interest and fiscal charges	77,349	77,349	76,854	495
<b>Total debt service</b>	<b>252,017</b>	<b>252,017</b>	<b>250,869</b>	<b>1,148</b>
<b>Total expenditures</b>	<b>252,017</b>	<b>252,017</b>	<b>250,869</b>	<b>1,148</b>
Excess (deficit) of revenues over expenditures	(4,933)	(4,933)	(4,206)	727
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	619	619	619	-
<b>Total other financing sources (uses)</b>	<b>619</b>	<b>619</b>	<b>619</b>	<b>-</b>
Net change in fund balance	(4,314)	(4,314)	(3,587)	727
Fund balance - beginning of year	10,000	10,000	18,303	8,303
Fund balance - end of year	<b>\$ 5,686</b>	<b>\$ 5,686</b>	<b>\$ 14,716</b>	<b>\$ 9,030</b>

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2024**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>			<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Budget Basis</b>	<b>Adjustments</b>	<b>GAAP Basis</b>	
<b>REVENUES</b>						
Property and other taxes	\$ 5,451	\$ 4,351	\$ 1,786	\$ -	\$ 1,786	\$ (2,565)
Federal and state support	2,900	122,600	2,903	-	2,903	(119,697)
Charges for services	190	190	190	-	190	-
Investment earnings	11,038	11,038	36,767	-	36,767	25,729
Other	1,260	1,260	2,194	-	2,194	934
<b>Total revenues</b>	<b>20,839</b>	<b>139,439</b>	<b>43,840</b>	<b>-</b>	<b>43,840</b>	<b>(95,599)</b>
<b>EXPENDITURES</b>						
Business:						
Salaries and benefits	149	149	71	-	71	78
Materials and services	2,098	2,098	1,023	-	1,023	1,075
<b>Total business</b>	<b>2,247</b>	<b>2,247</b>	<b>1,094</b>	<b>-</b>	<b>1,094</b>	<b>1,153</b>
Central:						
Salaries and benefits	138	138	138	-	138	-
<b>Total central</b>	<b>138</b>	<b>138</b>	<b>138</b>	<b>-</b>	<b>138</b>	<b>-</b>
<b>Total support services</b>	<b>2,385</b>	<b>2,385</b>	<b>1,232</b>	<b>-</b>	<b>1,232</b>	<b>1,153</b>
Facilities acquisition & construction:						
Salaries and benefits	7,637	7,637	7,262	-	7,262	375
Materials and services	823,464	860,548	301,753	1,133	302,886	558,795
<b>Total facilities acquisition and construction</b>	<b>831,101</b>	<b>868,185</b>	<b>309,015</b>	<b>1,133</b>	<b>310,148</b>	<b>559,170</b>
Debt service:						
Principal	-	-	-	809	809	-
Interest and fiscal charges	-	-	-	5	5	-
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>814</b>	<b>814</b>	<b>-</b>
<b>Total expenditures</b>	<b>833,486</b>	<b>870,570</b>	<b>310,247</b>	<b>1,947</b>	<b>312,194</b>	<b>560,323</b>
Excess (deficit) of revenues over expenditures	(812,647)	(731,131)	(266,407)	(1,947)	(268,354)	464,724
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,000	1,000	810	-	810	(190)
<b>Transfers out</b>	<b>(619)</b>	<b>(619)</b>	<b>(619)</b>	<b>-</b>	<b>(619)</b>	<b>-</b>
Issuance of bonds	381,998	-	-	-	-	-
Premium on issuance of debt	30,912	-	-	-	-	-
Issuance of subscriptions	-	-	-	1,947	1,947	-
Proceeds from the loss of property	-	-	10,300	-	10,300	10,300
<b>Total other financing sources (uses)</b>	<b>413,291</b>	<b>381</b>	<b>10,491</b>	<b>1,947</b>	<b>12,438</b>	<b>10,110</b>
Net change in fund balance	(399,356)	(730,750)	(255,916)	-	(255,916)	474,834
Fund balance - beginning of year	399,356	730,750	730,551	-	730,551	(199)
Fund balance - end of year	\$ -	\$ -	\$ 474,635	\$ -	\$ 474,635	\$ 474,635

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

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Internal Services Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2024**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance from</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive/ (Negative)</b>
<b>REVENUES</b>				
Federal and state support	\$ -	\$ -	\$ 422	\$ 422
Charges for services	3,734	3,734	2,847	(887)
Investment earnings	100	100	265	165
<b>Total revenues</b>	<b>3,834</b>	<b>3,834</b>	<b>3,534</b>	<b>(300)</b>
<b>EXPENDITURES</b>				
Current:				
Support services:				
Business:				
Salaries and benefits	358	449	404	45
Materials and services	689	898	541	357
Claims expense	2,599	3,299	2,340	959
<b>Total support services</b>	<b>3,646</b>	<b>4,646</b>	<b>3,285</b>	<b>1,361</b>
<b>Total current expenditures</b>	<b>3,646</b>	<b>4,646</b>	<b>3,285</b>	<b>1,361</b>
<b>Operating Contingencies</b>	<b>5,351</b>	<b>4,351</b>	<b>-</b>	<b>4,351</b>
<b>Total expenditures</b>	<b>8,997</b>	<b>8,997</b>	<b>3,285</b>	<b>5,712</b>
Excess (deficit) of revenues over expenditures	(5,163)	(5,163)	249	5,412
Net change in fund balance	(5,163)	(5,163)	249	5,412
Fund balance - beginning of year	5,163	5,163	4,148	(1,015)
Fund balance - end of year	\$ -	\$ -	4,397	\$ 4,397
Reconciliation:				
Net OPEB liability, deferred inflows, and deferred outflows			(28)	
Accrued compensated absences			(47)	
Net pension liability, deferred inflows, and deferred outflows			(46)	
Subscription Asset			26	
Subscription Liability			(26)	
Net position - GAAP basis			\$ 4,276	

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



# STATISTICAL SECTION



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## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b><i>Financial Trends (Schedules 1-4)</i></b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	101
<b><i>Revenue Capacity (Schedules 5-9)</i></b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	109
<b><i>Debt Capacity (Schedules 10-12)</i></b> District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	115
<b><i>Demographic and Economic Information (Schedules 13-14)</i></b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	119
<b><i>Operating Information (Schedules 15-17)</i></b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	121

Sources:

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

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

	<b>Government-wide Activities</b>			
	<u>2015</u>	<u>2016</u>	<u>2017-restated</u>	<u>2018</u>
<b>Assets</b>				
Current and other assets	\$ 579,805	\$ 487,394	\$ 364,732	\$ 715,738
Prepaid pension & other prepaid items	5,754	1,628	1,080	884
Net capital assets	<u>273,957</u>	<u>382,401</u>	<u>506,612</u>	<u>594,103</u>
<b>Total assets</b>	<u>859,516</u>	<u>871,423</u>	<u>872,424</u>	<u>1,310,725</u>
<b>Deferred Outflows of Resources</b>				
Pension & OPEB	<u>6,801</u>	<u>3,200</u>	<u>163,562</u>	<u>173,727</u>
<b>Liabilities</b>				
Other current liabilities	105,763	121,321	181,480	278,587
Other long-term liabilities	495,290	453,679	359,702	591,262
Limited tax pension bonds payable	395,958	384,075	372,249	360,172
Pension	-	17,185	215,080	290,058
Other post employment benefits	<u>32,900</u>	<u>29,933</u>	<u>78,390</u>	<u>70,784</u>
<b>Total liabilities</b>	<u>1,029,911</u>	<u>1,006,193</u>	<u>1,206,901</u>	<u>1,590,863</u>
<b>Deferred Inflows of Resources</b>				
Pension & OPEB	<u>11,102</u>	<u>6,062</u>	<u>12,845</u>	<u>30,419</u>
	<u>11,102</u>	<u>6,062</u>	<u>12,845</u>	<u>30,419</u>
<b>Net Position</b>				
Net investment in capital assets	230,251	260,146	297,914	379,871
Restricted	394,845	283,176	172,880	486,336
Unrestricted	<u>(799,792)</u>	<u>(680,955)</u>	<u>(654,554)</u>	<u>(1,003,037)</u>
<b>Total Net Position</b>	<u>\$ (174,696)</u>	<u>\$ (137,633)</u>	<u>\$ (183,760)</u>	<u>\$ (136,830)</u>

**Government-wide Activities**

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 590,288	\$ 941,719	\$ 1,092,171	\$ 866,018	\$ 1,235,971	\$ 1,006,320
3,377	6,200	5,098	5,332	3,656	1,014
735,002	917,372	1,173,371	1,384,060	1,629,666	1,884,686
<u>1,328,667</u>	<u>1,865,291</u>	<u>2,270,640</u>	<u>2,255,410</u>	<u>2,869,293</u>	<u>2,892,020</u>
<u>207,186</u>	<u>158,473</u>	<u>249,580</u>	<u>574,645</u>	<u>395,025</u>	<u>283,060</u>
298,417	298,341	328,566	351,179	499,840	563,426
467,836	854,165	1,131,855	985,621	1,306,558	1,166,839
348,223	336,062	314,159	679,186	640,890	578,650
353,090	312,349	527,419	273,296	207,899	100,951
82,302	81,319	78,581	75,893	80,123	78,365
<u>1,549,868</u>	<u>1,882,236</u>	<u>2,380,580</u>	<u>2,365,175</u>	<u>2,735,310</u>	<u>2,488,231</u>
<u>64,329</u>	<u>111,145</u>	<u>101,191</u>	<u>320,993</u>	<u>253,532</u>	<u>254,394</u>
<u>64,329</u>	<u>111,145</u>	<u>101,191</u>	<u>320,993</u>	<u>253,532</u>	<u>254,394</u>
477,058	585,214	492,345	590,231	641,228	795,530
353,527	681,328	199,303	188,616	186,014	187,531
(908,929)	(1,236,159)	(653,199)	(634,960)	(551,766)	(550,606)
<u>\$ (78,344)</u>	<u>\$ 30,383</u>	<u>\$ 38,449</u>	<u>\$ 143,887</u>	<u>\$ 275,476</u>	<u>\$ 432,455</u>

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

	<b>Government-wide Activities</b>			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Expenses</b>				
Instruction	\$ 326,935	\$ 364,964	\$ 380,939	\$ 421,311
Support services	212,213	241,016	272,816	283,984
Enterprise and community services	20,445	21,326	20,712	24,218
Facilities services	2,617	1,230	12,672	8,531
Interest and fees on long-term debt	31,600	40,116	39,094	46,416
Total expenses	<u>593,810</u>	<u>668,652</u>	<u>726,233</u>	<u>784,460</u>
<b>Program Revenues</b>				
Charges for services:				
Instruction	6,457	996	533	406
Support services	2,916	3,157	4,424	4,741
Enterprise and community services	4,214	4,521	3,471	4,006
Operating grants and contributions:				
Instruction	65,409	58,619	57,608	57,116
Support services	21,638	22,356	22,758	22,871
Enterprise and community services	2,704	3,085	2,934	3,019
Capital grants and contributions:				
Facilities services	-	-	-	-
Total program revenues	<u>103,338</u>	<u>92,734</u>	<u>91,728</u>	<u>92,159</u>
<b>Net Expenses</b>	<u>(490,472)</u>	<u>(575,918)</u>	<u>(634,505)</u>	<u>(692,301)</u>
<b>General Revenues:</b>				
Property taxes levied for general purposes	222,872	233,548	242,899	248,281
Property taxes levied for debt service	46,568	48,985	49,384	116,468
Construction excise tax	6,076	5,886	7,542	8,201
Local option taxes levied for general purposes	62,923	76,467	83,853	88,163
State School Fund - general support	179,505	211,253	207,182	239,804
State Common School Fund - general support	4,721	5,810	6,191	5,155
County and intermediate sources - general support	15,202	15,772	17,270	17,662
Investment earnings	1,285	3,140	4,007	3,473
Other	10,563	12,120	17,501	12,024
Total general revenues	<u>549,715</u>	<u>612,981</u>	<u>635,829</u>	<u>739,231</u>
<b>Change in Net Position</b>	<u>\$ 59,243</u>	<u>\$ 37,063</u>	<u>\$ 1,324</u>	<u>\$ 46,930</u>

**Government-wide Activities**

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 428,454	\$ 429,149	\$ 465,995	\$ 470,945	\$ 491,393	\$ 508,240
310,546	324,513	376,660	359,554	414,298	431,367
22,785	21,821	23,731	29,283	33,374	30,189
6,030	3,492	10,844	9,576	4,845	9,520
44,166	45,409	54,640	63,084	54,988	67,158
<u>811,981</u>	<u>824,384</u>	<u>931,870</u>	<u>932,442</u>	<u>998,898</u>	<u>1,046,474</u>
749	251	288	77	363	373
4,818	4,095	1,472	1,195	1,997	5,128
4,239	3,925	154	725	3,352	2,920
56,796	57,806	56,627	112,774	126,269	121,399
30,196	29,504	52,678	61,135	78,664	78,449
2,969	2,762	4,530	10,672	10,142	4,114
4,500	11,368	1,319	1,978	2,110	13,203
<u>104,267</u>	<u>109,711</u>	<u>117,068</u>	<u>188,556</u>	<u>222,897</u>	<u>225,586</u>
<u>(707,714)</u>	<u>(714,673)</u>	<u>(814,802)</u>	<u>(743,886)</u>	<u>(776,001)</u>	<u>(820,888)</u>
262,657	273,860	286,437	304,451	318,131	346,636
125,486	126,343	131,791	141,897	146,376	159,193
5,991	4,291	3,446	5,437	4,190	1,786
95,173	98,033	101,539	105,314	110,005	107,807
225,135	266,607	263,622	259,314	265,672	274,366
5,493	5,012	5,628	5,693	6,362	6,415
17,362	19,072	17,185	15,566	11,067	9,401
20,229	12,534	3,107	984	28,912	56,177
8,674	17,648	10,113	10,668	16,875	16,086
<u>766,200</u>	<u>823,400</u>	<u>822,868</u>	<u>849,324</u>	<u>907,590</u>	<u>977,867</u>
<u>\$ 58,486</u>	<u>\$ 108,727</u>	<u>\$ 8,066</u>	<u>\$ 105,438</u>	<u>\$ 131,589</u>	<u>\$ 156,979</u>

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

	<b>Governmental Activities</b>			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>General Fund</b>				
Nonspendable	\$ 247	\$ 386	\$ 360	\$ 343
Restricted	-	-	-	-
Assigned	34,195	37,449	19,744	37,939
Unassigned	-	-	-	-
Total general fund	<u>34,442</u>	<u>37,835</u>	<u>20,104</u>	<u>38,282</u>
<b>All Other</b>				
<b>Governmental Funds</b>				
Nonspendable	2,452	2,286	1,417	1,017
Restricted	393,179	281,089	170,614	484,006
Committed	17,590	16,400	17,454	19,116
Assigned	5,549	6,182	7,164	10,400
Unassigned	-	-	-	-
Total all other governmental funds	418,770	305,957	196,649	514,539
<b>Total Governmental Fund Balances</b>	<u>\$ 453,212</u>	<u>\$ 343,792</u>	<u>\$ 216,753</u>	<u>\$ 552,821</u>

**Governmental Activities**

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 570	\$ 511	\$ 945	\$ 2,589	\$ 886	\$ 666
-	-	-	-	-	-
39,317	63,963	87,746	96,215	94,984	85,412
-	-	-	-	9,627	-
<u>39,887</u>	<u>64,474</u>	<u>88,691</u>	<u>98,804</u>	<u>105,497</u>	<u>86,078</u>
3,383	6,940	5,664	3,832	4,207	1,605
347,179	671,974	788,139	551,563	753,818	502,525
18,185	18,921	20,246	21,314	26,008	32,127
10,470	14,785	10,204	4,716	10,370	-
(29)	-	(12,768)	(10,812)	(8,885)	(1,794)
379,188	712,620	811,485	570,613	785,518	534,463
<u>\$ 419,075</u>	<u>\$ 777,094</u>	<u>\$ 900,176</u>	<u>\$ 669,417</u>	<u>\$ 891,015</u>	<u>\$ 620,541</u>

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

	<b>Governmental Activities</b>			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>				
Property and other taxes	\$ 274,219	\$ 287,035	\$ 298,114	\$ 377,578
State School Fund	179,505	211,253	207,182	239,804
State Common School Fund	4,721	5,810	6,191	5,155
Federal and state support	75,793	71,024	70,667	69,771
Local option taxes	63,274	76,593	84,106	89,663
County and intermediate sources	15,201	15,771	17,270	17,663
Charges for services	54,233	49,312	52,953	56,836
Extracurricular activities	8,276	7,904	7,489	7,304
Investment earnings	1,255	3,096	3,930	3,392
Other	15,414	16,215	22,414	15,471
Total revenues	<u>691,891</u>	<u>744,013</u>	<u>770,316</u>	<u>882,637</u>
<b>Expenditures</b>				
Current:				
Instruction	349,667	362,126	369,841	386,975
Support services	229,254	248,377	266,961	278,758
Enterprise and community services	21,902	21,925	22,838	22,961
Facilities acquisition and construction	54,830	127,491	149,868	113,043
PERS UAL lump sum payment	-	-	-	-
Debt Service:				
Principal	55,033	47,020	50,065	109,874
Interest and fiscal charges	33,811	46,610	46,867	57,598
Total expenditures	<u>744,497</u>	<u>853,549</u>	<u>906,440</u>	<u>969,209</u>
Excess (deficit) of revenues over expenditures	<u>(52,606)</u>	<u>(109,536)</u>	<u>(136,124)</u>	<u>(86,572)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	14,409	7,407	16,141	6,997
Transfers out	(14,409)	(7,407)	(16,141)	(6,997)
PERS Bond Proceeds	-	-	-	-
Proceeds from the sale of capital assets	44	116	37	740
Issuance of debt, including premium/discount	308,212	-	9,048	421,900
Issuance of refunding bonds	-	-	-	-
Premium on issuance of debt	-	-	-	-
Issuance of leases	-	-	-	-
Issuance of subscriptions	-	-	-	-
Proceeds from insurance recovery	-	-	-	-
Total other financing sources (uses)	<u>308,256</u>	<u>116</u>	<u>9,085</u>	<u>422,640</u>
Net change in fund balances	<u>\$ 255,650</u>	<u>\$ (109,420)</u>	<u>\$ (127,039)</u>	<u>\$ 336,068</u>
Debt service as a percentage of noncapital expenditures	12.9%	12.9%	12.6%	19.7%

**Governmental Activities**

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 398,930	\$ 403,864	\$ 421,602	\$ 452,027	\$ 468,529	\$ 508,659
225,135	266,607	263,622	259,314	265,672	274,366
5,493	5,012	5,628	5,693	6,362	6,415
81,482	90,493	108,683	175,128	204,165	191,530
97,188	98,789	102,417	106,124	110,472	108,408
17,362	19,072	17,185	15,566	11,067	9,401
56,311	59,597	57,059	78,343	85,530	87,278
7,191	4,914	1,237	4,020	5,727	6,308
19,954	12,400	3,018	969	28,748	55,912
13,074	12,717	14,628	17,540	21,032	20,810
<u>922,120</u>	<u>973,465</u>	<u>995,079</u>	<u>1,114,724</u>	<u>1,207,304</u>	<u>1,269,087</u>
394,080	408,759	417,112	460,824	471,504	500,785
300,421	319,604	347,414	379,062	432,422	456,599
22,830	21,936	23,914	30,630	34,878	32,129
164,764	207,452	287,538	256,688	285,448	310,350
-	-	-	398,666	-	-
114,537	117,984	119,759	129,626	148,555	176,254
59,304	59,750	72,016	90,940	79,370	76,911
<u>1,055,936</u>	<u>1,135,485</u>	<u>1,267,753</u>	<u>1,746,436</u>	<u>1,452,177</u>	<u>1,553,028</u>
<u>(133,816)</u>	<u>(162,020)</u>	<u>(272,674)</u>	<u>(631,712)</u>	<u>(244,873)</u>	<u>(283,941)</u>
6,125	1,931	2,466	1,825	1,901	1,505
(6,125)	(1,931)	(2,466)	(1,825)	(1,901)	(1,505)
-	-	-	399,390	-	-
70	10,517	152	114	66	115
-	509,522	365,465	-	420,000	-
-	-	53,965	-	-	-
-	-	31,205	1,449	44,832	-
-	-	-	-	958	-
-	-	(55,031)	-	615	3,052
-	-	-	-	-	10,300
<u>70</u>	<u>520,039</u>	<u>395,756</u>	<u>400,953</u>	<u>466,471</u>	<u>13,467</u>
<u>\$ (133,746)</u>	<u>\$ 358,019</u>	<u>\$ 123,082</u>	<u>\$ (230,759)</u>	<u>\$ 221,598</u>	<u>\$ (270,474)</u>
19.5%	19.2%	23.8%	14.8%	20.0%	20.4%

**Schedule 5**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Assessed Values of Taxable Property within School District No. 1J Boundaries**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

Assessed Value (not including exempt property)						
Fiscal Year Ending June 30,	Real Property	Personal Property	Manufactured Structures	Public Utility	Total Assessed Value	
2015	\$ 45,073,153	\$ 1,757,198	\$ 18,655	\$ 1,673,302	\$ 48,522,308	
2016	47,216,863	1,838,347	23,782	1,710,931	50,789,923	
2017	49,437,875	1,943,596	23,198	1,799,222	53,203,891	
2018	52,196,539	2,009,538	22,243	1,913,350	56,141,671	
2019	53,550,558	2,212,720	23,701	2,194,854	57,981,833	
2020	56,156,552	2,472,239	22,330	2,177,977	60,829,098	
2021	58,784,786	2,344,506	22,738	2,437,442	63,589,472	
2022	60,776,757	2,359,964	24,851	2,485,712	65,647,284	
2023	63,253,507	2,405,740	24,540	2,696,487	68,380,274	
2024	65,382,386	3,113,097	13,408	2,743,259	71,252,150	

**Notes**

Beginning July 1, 1997 property taxes were based on an assessed value. Assessed value is defined as the lower of "maximum assessed value" or "real market value". For the 1997-1998 tax year, "maximum assessed value" was set at the 1995-1996 real market value less 10 percent. Assessed value for later years is limited to 3 percent annual increases.

The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997.

Source for real market values is Tax Supervising & Conservation Commission and Multnomah County annual reports yearly real market and assessed values by county.

**Sources**

FY 2015-2024: Oregon Property Tax Statistics Supplement for the appropriate fiscal year. Values are the *combined* total for the taxing district, "Portland 1J School", in Multnomah, Clackamas and Washington counties.

<https://www.oregon.gov/dor/gov-research/pages/research-reports-and-statistics.aspx>

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

Add: Non-Profit Housing	Less: Urban Renewal Excess	<b>Total Net Assessed Value</b>	Total Direct Tax Rate	Amount tax rate will raise	Less: Reduction and Adjustments	<b>Total Taxes Imposed (Net Levy)</b>
\$ 22,213	\$ 4,907,733	\$ <b>43,636,788</b>	\$ 8.3535	\$ 364,520	\$ 23,132	\$ <b>341,388</b>
22,880	5,237,111	<b>45,575,692</b>	8.3632	381,159	12,569	<b>368,590</b>
23,566	5,882,588	<b>47,344,869</b>	8.3304	394,402	7,687	<b>386,715</b>
21,662	6,457,719	<b>49,705,614</b>	9.6863	481,463	4,666	<b>476,797</b>
22,055	6,891,397	<b>51,112,491</b>	9.7571	498,710	3,065	<b>495,645</b>
22,459	7,148,348	<b>53,703,209</b>	9.6734	519,493	4,575	<b>514,918</b>
23,246	7,567,172	<b>56,045,546</b>	9.6698	541,949	5,578	<b>536,371</b>
23,660	6,056,382	<b>59,614,562</b>	9.6016	572,395	5,011	<b>567,384</b>
24,101	5,910,772	<b>62,493,603</b>	9.5681	597,945	5,407	<b>592,538</b>
24,556	2,270,130	<b>69,006,576</b>	9.6509	665,976	29,979	<b>635,997</b>

**Schedule 6**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(rate per \$1,000 of assessed value)**

District Direct Rates						
Fiscal Year	General Tax Permanent Rate	Local Option	General Obligation Debt Service Bonds	Total Direct Tax Rate		
2015	5.2781	1.9900	1.0854	8.3535		
2016	5.2781	1.9900	1.0951	8.3632		
2017	5.2781	1.9900	1.0623	8.3304		
2018	5.2781	1.9900	2.4182	9.6863		
2019	5.2781	1.9900	2.4890	9.7571		
2020	5.2781	1.9900	2.4053	9.6734		
2021	5.2781	1.9900	2.4017	9.6698		
2022	5.2781	1.9900	2.3335	9.6016		
2023	5.2781	1.9900	2.3000	9.5681		
2024	5.2781	1.9900	2.3828	9.6509		

Fiscal Year	Multnomah County	Port of Portland	Metro	City of Portland	Portland Community College	Multnomah Education Service District
2015	\$ 4.3434	\$ 0.0701	\$ 0.0966	\$ 4.5770	\$ 0.2828	\$ 0.4576
2016	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2017	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2018	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2019	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2020	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2021	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2022	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2023	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576
2024	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576

**Notes**

The permanent and local option tax rates are determined by the State of Oregon Constitution and State Statutes. Existing districts cannot increase their permanent rate authority. Local option levies are limited to five years for operations and ten years for capital projects. Elections for local option levies must meet the double majority election test, except in the November general election in even numbered years. Rates for debt service are set based on each year's requirements.

**Sources**

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

**Schedule 7**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Principal Property Tax Payers for Multnomah County**  
**Prior Year and Nine Years Ago**  
**Taxing District - 311 Portland Public School District**  
**(dollars in thousands)**

Taxpayers with Ten Highest Taxable Assessed Values	2023 <sup>1</sup>			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Microstar Keg Management LLC	\$ 715,422	1	1.14 %	\$ -	-	- %
Pacifcorp (PP&L)	668,960	2	1.07	293,248	1	0.70
Portland General Electric Co	499,632	3	0.80	283,419	2	0.68
Weston Investment Co LLC	281,143	4	0.45	227,366	4	0.54
Port of Portland	263,774	5	0.42	191,361	6	0.46
Comcast Corporation	255,046	6	0.41	249,713	3	0.60
111 SW 5th Avenue Investors LLC	189,499	7	0.30	-	-	-
Lumen Technologies Inc	181,288	8	0.29	-	-	-
Fred Meyer Sores Inc	161,718	9	0.26	-	-	-
Verizon Communications Inc	161,658	10	0.26	-	-	-
Evraz Inc NA	-	-	-	219,673	5	0.53
AT&T Inc	-	-	-	166,194	7	0.40
Capref Lloyd Center LLC	-	-	-	156,532	8	0.37
CenturyLink	-	-	-	149,542	9	0.36
555 SW Oak LLC	-	-	-	142,665	10	0.34
Subtotal of Ten Largest Taxpayers	3,378,140		5.40	2,079,713		4.98
All Other Taxpayers	59,115,463		94.60	39,667,152		95.02
Total All Taxpayers	<u>\$ 62,493,603</u>		<u>100.00 %</u>	<u>\$ 41,746,865</u>		<u>100.00 %</u>

**Notes**

<sup>1</sup> 2024 information not available at time of distribution

**Sources**

Multnomah County, Division of Assessment and Taxation

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

**Schedule 8**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Principal Property Tax Payers for Multnomah County**  
**Prior Year and Nine Years Ago**  
**Taxing District - 170 Multnomah County**  
**(dollars in thousands)**

Taxpayers with Ten Highest Taxable Assessed Values	2023 <sup>1</sup>			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Portland General Electric Co	\$ 821,884	1	0.82 %	\$ 446,668	3	0.67 %
Port of Portland	775,712	2	0.77	525,774	1	0.79
Pacifcorp (PP&L)	752,878	3	0.75	329,198	4	0.50
Microstar Keg Management LLC	715,422	4	0.71	-	-	-
Boeing Company	471,887	5	0.47	213,690	8	0.32
Alaska Airlines Inc	398,193	6	0.40	254,800	6	0.39
Comcast Corporation LLC	360,420	7	0.36	455,634	2	0.69
Weston Investment Co LLC	344,594	8	0.34	255,154	5	0.39
Verizon Communications Inc	222,797	9	0.22	-	-	-
Northwest Natural Gas Co	221,729	10	0.22	-	-	-
Evrax Inc NA	-	-	-	219,673	7	0.33
AT&T Inc	-	-	-	187,934	9	0.28
Centurylink	-	-	-	176,446	10	0.27
Subtotal of Ten Largest Taxpayers	<u>5,085,516</u>		<u>5.06</u>	<u>3,064,971</u>		<u>4.63</u>
All Other Taxpayers	<u>95,097,193</u>		<u>94.94</u>	<u>63,109,693</u>		<u>95.37</u>
Total All Taxpayers	<u>\$ 100,182,709</u>		<u>100.00 %</u>	<u>\$ 66,174,664</u>		<u>100.00 %</u>

**Notes**

<sup>1</sup> 2024 information not available at time of distribution

**Sources**

Multnomah County, Division of Assessment and Taxation  
Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

**Schedule 9**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

Fiscal Year Ending June 30,	Net Taxes Levied for the Fiscal Year <sup>1</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years <sup>2</sup>	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 341,388	\$ 323,906	94.88%	\$ 8,248	\$ 332,154	97.30%
2016	368,590	350,212	95.01	6,999	357,211	96.91
2017	386,715	368,085	95.18	6,605	374,690	96.89
2018	476,797	451,059	94.60	7,920	458,979	96.26
2019	495,645	474,602	95.75	7,825	482,427	97.33
2020	514,918	490,715	95.30	8,752	499,467	97.00
2021	536,371	512,270	95.51	6,297	518,567	96.68
2022	567,384	544,882	96.03	4,013	548,895	96.74
2023	592,538	565,245	95.39	3,915	569,160	96.05
2024	635,997	603,722	94.93	-	603,722	94.93

**Notes**

The net taxes levied are combined for Multnomah, Washington, and Clackamas counties. Responsibility for the collection of all property taxes rests within each County's Department of Assessment and Taxation. Current taxes are assessed as of July 1, become due as of November 15 and become delinquent as of May 15. Assessed taxes become a lien upon real property in the fourth year of delinquency. Proceeds of tax sales are applied to delinquent taxes, interest and other costs attributable to the property sold.

<sup>1</sup> The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997. Additional information can be found on Schedule 5. Note that the Net Taxes Levied in Schedule 5 is based on the Assessed Value, while data for this schedule is based on the actual Net Taxes Levied.

<sup>2</sup> Collections in subsequent years includes current year revenue received for taxes levied in prior years.

**Sources**

Multnomah, Washington and Clackamas Counties, Division of Assessment and Taxation

**Schedule 10**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(dollars in thousands, except per student and per capita)**

General Bonded Debt							
Fiscal Year	General Obligation Bonds	Less Amount Available for Repayment	Net Unamortized Premium (Discount)	Net General Obligation Bonds Outstanding	Percentage of Assessed Taxable Value of Property <sup>1</sup>	Per Student <sup>2</sup>	General Obligation Debt Per Capita <sup>4</sup>
2015	\$ 343,575	\$ (1,363)	\$ 39,974	\$ 382,186	0.88%	\$ 7,887	\$ 484
2016	311,720	(2,698)	37,726	346,748	0.76%	7,066	433
2017	276,870	(3,301)	35,507	309,076	0.65%	6,283	383
2018	593,880	(4,229)	43,937	633,588	1.27%	12,785	780
2019	495,390	(10,552)	41,224	526,062	1.03%	10,617	647
2020	832,405	(13,568)	106,051	924,888	1.72%	18,693	1,134
2021	1,105,125	(10,482)	125,762	1,220,405	2.18%	25,794	1,496
2022	1,011,460	(11,780)	117,985	1,117,665	1.87%	24,566	1,406
2023	1,323,490	(15,516)	156,056	1,464,030	2.34%	32,208	N/A
2024	1,212,240	(12,491)	146,737	1,346,486	1.95%	30,075	N/A

Other Governmental Activities Debt					
Fiscal Year	Limited Tax Pension Bonds <sup>5</sup>	Full Faith & Credit Obligations	Recovery Zone Bond	Qualified Zone Academy Bond (QZAB)	Leases and Subscriptions Payable
2015	\$ 395,958	\$ 9,970	\$ 7,611	\$ -	\$ -
2016	384,074	7,601	6,698	-	-
2017	372,250	10,200	5,757	4,000	-
2018	360,172	7,402	4,789	3,800	-
2019	348,222	4,503	3,790	3,600	-
2020	336,062	4,213	2,761	3,400	-
2021	314,159	3,918	1,700	3,200	-
2022	679,186	3,613	607	3,000	-
2023	640,890	3,298	-	2,800	2,585
2024	578,650	2,973	-	2,600	3,373

**Notes**

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

<sup>1</sup> See Schedule 5 for property value data. The actual value of taxable property cannot be reasonably estimated so assessed value is used here.

<sup>2</sup> Student enrollment data can be found in Schedule 17.

<sup>3</sup> Includes net general bonded debt and other governmental activities debt, excluding amounts available for repayment.

<sup>4</sup> Per capita is calculated using the estimated District population from the US Department of Commerce, Bureau of Economic Analysis as reported in Schedule 13. Data for 2023 and 2024 not available at time of printing.

<sup>5</sup> Limited Tax Pension Bonds are not included in the General Bonded Debt schedule above since they are not repaid directly with property tax dollars.

Net Unamortized Premium (Discount)	Total District <sup>3</sup>	Per Student <sup>2</sup>	Per Capita <sup>4</sup>
\$ (198)	\$ 796,890	\$ 16,445	\$ 1,008
(187)	747,632	15,234	933
(176)	704,408	14,320	872
(165)	1,013,815	20,458	1,249
(153)	896,576	18,094	1,103
(142)	1,284,750	25,966	1,575
(131)	1,553,733	32,839	1,904
1,259	1,817,110	39,939	2,285
(108)	2,129,011	46,837	-
(96)	1,946,573	43,478	-

**Schedule 11**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2024**  
**(dollars in thousands)**

Overlapping Issuer	Net Property-tax Backed Debt <sup>1</sup>	Percent Overlapping	Overlapping Debt <sup>2</sup>
Burlington Water District	\$ 972	100.00 %	\$ 972
City of Beaverton	28,850	1.67	483
City of Lake Oswego	81,695	4.25	3,470
City of Milwaukie	53,682	0.66	353
City of Portland	401,515	85.67	343,993
Clackamas County	100,575	0.09	94
Clackamas Cty RFPD 1	21,642	0.13	29
Clackamas Soil & Water Conservation	5,035	0.09	5
Metro	765,485	35.75	273,631
Mt Hood Community College	69,765	0.06	42
Multnomah County	509,757	73.93	376,844
Multnomah Cty RFPD 10	381	0.19	1
Multnomah ESD	59,432	73.35	43,593
Port of Portland	-	32.62	-
Portland Community College	617,155	45.11	278,426
Tualatin Hills Park & Rec District	40,268	1.19	480
Tualatin Valley Fire & Rescue District	48,930	1.66	814
Valley View Water District	704	100.00	704
Washington County	134,636	0.58	776
Subtotal, overlapping debt			<u>1,324,710</u>
Direct District debt (PERS) <sup>3</sup>			578,554
Direct District debt (other) <sup>3</sup>			<u>1,364,550</u>
Subtotal, Direct debt			<u>1,943,104</u>
Total direct and overlapping debt			<u><u>\$ 3,267,814</u></u>

**Notes**

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

<sup>1</sup> Net Property-tax Backed Debt includes all General Obligation (GO) bonds and Limited-tax GO bonds, less self-supporting unlimited tax (GO) and self-supporting limited-tax (GO) debt.

<sup>2</sup> Overlapping Debt is calculated using Net Property-tax Backed Debt times Percent Overlapping that are provided by Oregon State Treasury, Debt Management Division.

<sup>3</sup> Direct District debt is net of unamortized premiums and discounts.

**Sources**

Oregon State Treasury, Debt Mangement Division: Overlapping Debt Report

**Schedule 12**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

**Legal Debt Margin Calculation for Fiscal Year 2024**

Real Market Value	\$ 156,667,898
Debt Limit (7.95% of Real Market Value) <sup>1</sup>	\$ 12,455,098
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	1,358,977
Less: Amount Available in Debt Service Funds	(12,491)
Amount of Debt Applicable to Debt Limit	1,346,486
Legal Debt Margin	\$ 11,108,612

	Debt Limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2015	\$ 6,517,491	\$ 382,186	\$ 6,135,305	5.86%
2016	7,228,979	346,748	6,882,231	4.80
2017	8,501,342	309,076	8,192,266	3.64
2018	9,670,978	633,588	9,037,390	6.55
2019	10,472,898	526,062	9,946,836	5.02
2020	10,698,745	924,888	9,773,857	8.64
2021	11,149,825	1,220,405	9,929,420	10.95
2022	11,707,470	1,117,665	10,589,805	9.55
2023	12,487,714	1,464,030	11,023,684	11.72
2024	12,455,098	1,346,486	11,108,612	10.81

Allowable Percentage of Real Market Value:

<sup>A</sup> Kindergarten through eighth grade, 9 x .0055	4.95%
<sup>B</sup> Ninth through twelfth, 4 x .0075	3.00%
Allowable Percentage	7.95% <sup>1</sup>

**Notes**

<sup>1</sup> ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values within the District based on the following:

<sup>A</sup> For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value.

<sup>B</sup> For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value.

**Sources**

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year

**Schedule 13**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**  
**Multnomah County**

<b>Year</b>	<b>Population</b>	<b>Personal Income</b> (thousands of dollars)	<b>Per Capita Personal Income</b> (dollars)	<b>Unemployment Rate<sup>2</sup></b>
2015	790,294	\$ 38,906,295	\$ 49,230	5.7%
2016	801,539	41,735,341	52,069	4.9
2017	807,555	43,873,915	54,329	4.1
2018	811,880	46,966,887	57,850	4.0
2019	812,855	49,399,774	60,773	4.0
2020	815,637	52,080,033	63,852	11.6
2021	815,871	56,502,646	70,331	5.6
2022	795,083	55,618,917	69,954	3.9
2023	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	3.6
2024	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	3.7

**Notes**

<sup>1</sup> Data for 2023 and 2024 not available at time of printing.

<sup>2</sup> Oregon unemployment rates as of June 30 each year.

**Source** As of July 2024, not seasonally adjusted.

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

Portland Business Journal, Book of Lists, published December 2015 and December 2024

**Schedule 14**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Principal Employers for the Portland Metro Area**  
**Current Year and Nine Years Ago**

Employer	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
<b>Ten Largest Employers</b>						
Providence	23,100	1	1.77 %	15,239	3	1.36 %
Intel	22,328	2	1.71	17,500	1	1.57
Oregon Health & Science University	19,603	3	1.50	14,616	4	1.31
Nike Inc	15,522	4	1.19	8,000	10	0.72
Legacy Health	13,087	5	1.00	10,436	7	0.93
Kaiser Permanente	12,514	6	0.96	11,881	6	1.06
Fred Meyer Stores	9,000	7	0.69	10,237	8	0.92
Portland Public Schools	7,111	8	0.54			
City of Portland	6,753	9	0.52	8,558	9	0.77
Multnomah County	6,317	10	0.48			
US Federal Government				17,500	1	1.57
State of Oregon				14,200	5	1.27
<b>Subtotal of Ten Largest Employers</b>	<b>135,335</b>		<b>10.36</b>	<b>128,167</b>		<b>11.48</b>
<b>All Other Employers</b>	<b>1,172,292</b>		<b>89.64</b>	<b>989,333</b>		<b>88.52</b>
<b>Total Portland MSA<sup>1</sup> Employment</b>	<b>1,307,627</b> <sup>2</sup>		<b>100.00 %</b>	<b>1,117,500</b>		<b>100.00 %</b>

**Notes**

<sup>1</sup> Portland-Vancouver-Hillsboro MSA includes Clackamas, Columbia, Multnomah, Washington, and Yamhill counties in Oregon, and Clark and Skamania counties in Washington.

<sup>2</sup> As of June 2024, not seasonally adjusted. State of Oregon Employment Department

**Sources**

Portland Business Journal, Book of Lists, published December 2014 and September 2023

Oregon Employment Department, Workforce and Economic Research

**Schedule 15**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Full-time Equivalent District Employees by Assignment/Function**  
**Last Ten Fiscal Years**

**Full-time Equivalent Employees for the Fiscal Year**

Assignment/Function	2015	2016	2017	2018
Teachers	2,606.8	2,632.5	2,737.7	2,684.2
Educational Assistants	582.1	667.8	674.3	680.8
School Level Administration	155.0	151.0	166.5	167.3
District Level Administration <sup>1</sup>	17.0	22.0	21.0	19.2
Other Staff	<u>2,056.5</u>	<u>1,959.4</u>	<u>2,123.1</u>	<u>2,275.2</u>
<b>Total FTE</b>	<u><u>5,417.4</u></u>	<u><u>5,432.7</u></u>	<u><u>5,722.6</u></u>	<u><u>5,826.7</u></u>

**Notes**

<sup>1</sup> Beginning in fiscal year 2020, Special Education staff previously shown as District Level Administration were reclassified to School Level Administration

**Sources**

Internal: System Planning and Performance - Analytics

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
2,697.3	2,709.3	2,749.2	2,720.8	2,685.6	2,650.9
647.1	688.5	640.1	647.5	675.9	693.0
165.5	172.5	174.5	184.5	179.0	169.5
16.0	4.0	4.0	7.0	4.0	4.0
<u>2,048.1</u>	<u>2,234.4</u>	<u>2,330.2</u>	<u>2,383.0</u>	<u>2,595.8</u>	<u>2,628.4</u>
<u><u>5,574.0</u></u>	<u><u>5,808.7</u></u>	<u><u>5,898.0</u></u>	<u><u>5,942.8</u></u>	<u><u>6,140.3</u></u>	<u><u>6,145.8</u></u>

**Schedule 16**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Meal and Transportation Services Provided**  
**Last Ten Fiscal Years**

	<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>	
<b>Nutrition Services</b>								
Number of Meals Served <sup>1</sup>								
Paid Meals	1,071,048	19%	1,114,504	20%	1,372,455	29%	1,466,345	32%
Reduced Meals	194,558	3%	209,753	4%	180,707	4%	261,833	6%
Free Meals	4,315,732	77%	4,141,824	76%	3,225,700	67%	2,877,750	62%
Total meals served	<u>5,581,338</u>	<u>100%</u>	<u>5,466,081</u>	<u>100%</u>	<u>4,778,862</u>	<u>100%</u>	<u>4,605,928</u>	<u>100%</u>
Average Daily Breakfast Served	10,846		10,724		9,831		8,985	
Average Daily Lunch Served	19,710		19,083		18,173		17,793	
Student Participation <sup>2</sup>	44.00%		44.40%		42.00%		38.67%	

<b>Transportation</b>								
Number of buses	269		245		260		270	
Total miles traveled	3,127,505		3,273,739		4,174,150		3,506,305	
Cost per mile	\$ 5.97		\$ 5.91		\$ 4.88		\$ 6.69	
Area encompassed by District (sq mi)	160		160		160		160	

	<u>2019</u>		<u>2020</u>		<u>2021</u>		<u>2022</u>	
<b>Nutrition Services</b>								
Number of Meals Served <sup>1</sup>								
Paid Meals <sup>3</sup>	1,621,312	34%	1,191,926	29%	-	0%	-	0%
Reduced Meals <sup>3</sup>	292,962	6%	199,756	5%	-	0%	-	0%
Free Meals	2,877,464	60%	2,767,579	67%	4,370,010	100%	4,651,199	100%
Total meals served	<u>\$ 4,791,738</u>	<u>100%</u>	<u>\$ 4,159,261</u>	<u>100%</u>	<u>4,370,010</u>	<u>100%</u>	<u>4,651,199</u>	<u>100%</u>
Average Daily Breakfast Served	9,010		8,192		5,316		6,712	
Average Daily Lunch Served	17,356		13,830		5,332		18,437	
Student Participation <sup>2</sup>	37.78%		37.36%		12.76%		45.25%	

<b>Transportation</b>								
Number of buses	270		257		289		220	
Total miles traveled	3,587,525		2,993,965		851,568		2,744,944	
Cost per mile	\$ 7.51		\$ 8.62		\$ 26.57		\$ 11.68	
Area encompassed by District (sq mi)	160		160		160		160	

	<u>2023</u>		<u>2024</u>	
<b>Nutrition Services</b>				
Number of Meals Served <sup>1</sup>				
Paid Meals <sup>3</sup>	2,036,421	42%	1,985,084	41%
Reduced Meals <sup>3</sup>	46,519	1%	34,306	1%
Free Meals	2,354,745	49%	2,830,463	58%
Total meals served	<u>4,437,685</u>	<u>100%</u>	<u>4,849,853</u>	<u>100%</u>
Average Daily Breakfast Served	7,627		8,611	
Average Daily Lunch Served	17,188		17,555	
Student Participation <sup>4</sup>	39.87%		41.19%	

<b>Transportation</b>				
Number of buses	286		312	
Total miles traveled <sup>4</sup>	3,429,840		3,575,635	
Cost per mile	\$ 12.33		\$ 13.07	
Area encompassed by District (sq mi)	160		160	

- Notes**
- <sup>1</sup> Number of meals served includes breakfast, lunch, snack, and supper.
  - <sup>2</sup> Student Participation percentage is calculated based on the average daily lunches served at elementary schools, middle schools, and high schools, over the average daily attendance (enrollment adjusted per industry factors) at the schools where nutrition services meals are served.
  - <sup>3</sup> Per USDA guidance, free meals were available to all students during the 2020-2021 & 2021-2022 school years.
  - <sup>4</sup> Due to COVID and Comprehensive Distance Learning, fewer students were transported to school sites during the 2020-2021 & 2021-2022 school years.

**Sources**  
Internal: District Nutrition Services and Transportation departments

**Schedule 17**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Building and Student Enrollment Information**  
**Last Ten Fiscal Years**

School or Program Type	BUILDING			STUDENT ENROLLMENT									
	Year	Age	Square Footage	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Abernethy	1924	100	45,464	511	513	519	516	520	507	451	374	353	330
Ainsworth	1912	112	53,483	582	600	605	638	625	644	594	553	563	585
Alameda	1921	103	72,748	760	730	747	734	730	704	623	525	538	521
Arleta	1929	95	98,245	454	456	457	454	490	526	485	269	256	274
Astor	1949	75	29,472	497	493	455	425	434	416	394	393	368	375
Atkinson	1953	71	53,170	428	435	432	420	419	391	390	342	337	366
Beach	1928	96	82,155	607	631	464	442	428	436	382	351	346	325
Beverly Cleary	1959	65	96,900	834	859	884	897	782	742	692	657	604	560
Boise-Eliot / Humboldt	1926	98	93,629	540	540	532	499	325	343	334	340	356	338
Bridger <sup>2</sup>	1951	-	75,786	415	476	500	531	504	516	514	337	329	-
Bridger Creative Science <sup>2</sup>	1951	73	75,786	-	-	-	-	-	-	-	-	-	515
Bridlemile	1956	68	54,157	442	480	511	535	518	508	437	435	458	446
Buckman	1922	102	99,875	444	481	459	474	450	427	446	400	395	371
Capitol Hill	1917	107	49,621	460	437	448	442	443	416	346	324	333	361
César Chávez	1928	96	104,371	451	522	551	540	550	549	544	485	467	481
Chapman	1923	101	78,102	674	643	584	532	484	484	375	341	350	344
Chief Joseph	1948	76	43,215	627	604	326	363	358	351	305	269	261	265
Clark <sup>2</sup>	1955	69	48,651	-	-	-	-	-	-	-	-	-	341
Creative Science School <sup>2</sup>	1955	-	48,651	444	476	492	479	466	468	450	419	423	-
Creston	1948	76	77,144	350	392	356	372	361	375	385	250	260	238
Duniway	1926	98	104,760	505	494	519	499	504	512	468	436	422	409
East Sylvan (Odyssey)	1932	92	24,875	-	-	-	-	-	-	244	219	225	227
Faubion	2017	7	133,576	511	479	532	710	767	786	740	703	684	643
Forest Park	1998	26	59,634	486	449	455	443	418	402	348	333	328	321
Glencoe	1923	101	61,457	503	500	492	489	451	449	395	373	394	372
Grout	1927	97	87,080	389	376	384	392	382	370	350	340	316	302
Harrison Park <sup>3</sup>	1955	-	107,735	742	729	676	638	658	637	601	529	575	-
Hayhurst	1954	70	48,918	484	499	552	592	629	640	380	351	350	335
Irvington	1932	92	67,340	485	493	446	459	339	325	320	248	228	235
James John	1929	95	67,638	445	429	405	368	347	351	316	332	337	348
Kelly	1952	72	75,233	631	610	604	532	498	476	419	372	356	376
King	1925	99	153,475	370	400	386	389	321	341	324	315	334	343
Laurelhurst	1923	101	56,555	671	691	684	698	692	698	688	649	674	659
Lee	1952	72	61,161	431	456	447	425	276	269	262	236	276	295
Lent	1948	76	73,479	560	564	523	530	507	475	476	277	284	308
Lewis	1952	72	45,745	382	382	412	389	390	410	368	337	320	298
Llewellyn	1928	96	74,326	518	531	517	489	484	509	460	395	415	393
Maplewood	1948	76	37,713	329	359	384	378	383	374	347	291	310	301
Markham	1950	74	76,805	386	377	418	456	445	430	416	424	426	402
Marysville	1921	103	51,553	405	390	381	403	392	383	402	248	313	394
Peninsula	1952	72	59,957	396	374	266	279	267	265	237	201	225	234
Richmond	1908	116	82,254	677	629	649	647	632	627	600	551	539	537
Rieke	1959	65	32,886	388	402	410	386	379	368	329	313	300	288
Rigler	1931	93	78,199	480	451	472	441	308	307	268	237	223	255
Rosa Parks	2006	18	65,697	341	329	298	272	276	280	266	214	197	198
Rose City Park	2018	6	69,082	-	-	-	-	532	538	529	464	468	464
Roseway Heights	1921	103	99,825	668	697	643	661	-	-	-	-	-	-
Sabin	1927	97	66,567	514	568	524	551	452	418	360	340	312	302
Scott	1949	75	65,425	481	473	512	521	459	485	460	429	453	500
Sitton	1949	75	57,289	399	390	401	364	367	374	337	307	346	335
Skyline	1939	85	35,760	309	300	300	293	274	248	181	205	215	218
Stephenson	1964	60	39,652	308	322	340	352	347	371	322	320	307	310
Sunnyside Environmental	1925	99	76,671	586	574	602	604	581	549	522	469	465	447
Vernon	1931	93	88,010	386	407	471	522	545	607	569	517	555	578
Vestal	1929	95	111,481	399	412	381	341	272	249	228	207	232	264
Whitman	1954	70	55,559	316	271	287	283	254	220	185	152	153	180
Winterhaven	1930	94	61,453	346	350	353	354	321	299	291	292	313	316
Woodlawn	1926	98	99,840	443	426	342	346	354	327	315	283	288	299
Woodmere	1954	70	50,130	338	312	303	286	310	273	269	253	235	248
Woodstock	1955	69	63,752	487	496	527	552	548	543	526	479	491	451
<b>Elementary Schools Total</b>			<b>4,209,172</b>	<b>27,015</b>	<b>27,159</b>	<b>26,620</b>	<b>26,627</b>	<b>25,248</b>	<b>24,988</b>	<b>23,265</b>	<b>20,705</b>	<b>20,881</b>	<b>20,421</b>

**Schedule 17**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Building and Student Enrollment Information**  
**Last Ten Fiscal Years (continued)**

School or Program Type	BUILDING			STUDENT ENROLLMENT									
	Year	Age	Square Footage	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beaumont	1926	98	81,381	554	571	569	591	571	573	518	467	448	434
da Vinci	1928	96	72,063	465	458	461	457	456	450	443	415	434	407
George	1950	74	85,038	359	369	360	417	421	438	432	385	387	367
Gray	1951	73	82,744	527	566	546	536	542	566	509	478	483	472
Harriett Tubman	1952	72	83,673	-	-	-	-	491	430	443	388	361	320
Harrison Park <sup>3</sup>	1955	69	107,735	-	-	-	-	-	-	-	-	-	321
Hosford	1925	99	74,964	591	640	631	621	588	651	676	629	566	517
Jackson	1964	60	218,118	548	606	597	659	746	793	803	752	793	711
Kellogg	2021	3	108,112	-	-	-	-	-	-	-	684	661	677
Lane	1926	98	79,824	471	481	443	454	433	432	416	363	336	391
Mt. Tabor	1952	72	84,785	662	694	730	718	741	724	721	645	607	503
Ockley Green	1925	99	66,338	-	-	626	531	505	487	487	485	483	428
Roseway Heights	1921	103	99,825	-	-	-	-	588	614	617	589	583	551
Sellwood	1913	111	81,470	545	560	583	589	612	588	549	553	563	567
West Sylvan	1953	71	96,171	958	966	911	876	822	833	802	727	759	722
<b>Middle Schools Total</b>			<b>1,422,241</b>	<b>5,680</b>	<b>5,911</b>	<b>6,457</b>	<b>6,449</b>	<b>7,516</b>	<b>7,579</b>	<b>7,416</b>	<b>7,560</b>	<b>7,464</b>	<b>7,388</b>
Benson	1917	107	412,855	879	914	994	1,026	1,035	1,055	1,005	895	827	818
Cleveland	1929	95	260,463	1,516	1,600	1,609	1,586	1,651	1,560	1,581	1,623	1,547	1,474
Franklin	1915	109	292,223	1,552	1,570	1,612	1,745	1,856	1,936	2,010	2,014	1,968	1,811
Grant	1923	101	328,425	1,503	1,481	1,476	1,512	1,638	1,813	1,965	2,126	2,159	2,178
Ida B. Wells-Barnett	1954	70	274,040	1,257	1,324	1,413	1,512	1,535	1,558	1,540	1,597	1,558	1,652
Jefferson	1909	115	330,332	493	524	590	677	656	641	620	588	607	525
Lincoln	2022	2	295,912	1,583	1,696	1,703	1,705	1,698	1,588	1,481	1,462	1,528	1,579
Leodis V McDaniel	1955	69	315,482	1,077	1,134	1,070	1,146	1,157	1,079	1,173	1,369	1,443	1,650
Marshall	1959	65	283,343	-	-	-	-	-	-	-	-	-	-
Roosevelt	1921	103	274,942	947	940	881	859	994	1,195	1,292	1,376	1,488	1,457
<b>High Schools Total</b>			<b>3,068,017</b>	<b>10,807</b>	<b>11,183</b>	<b>11,348</b>	<b>11,768</b>	<b>12,220</b>	<b>12,425</b>	<b>12,667</b>	<b>13,050</b>	<b>13,125</b>	<b>13,144</b>
<b>PPS Alternative Programs Total</b>			<b>302,529</b>	<b>1,716</b>	<b>1,817</b>	<b>1,760</b>	<b>1,659</b>	<b>1,631</b>	<b>1,632</b>	<b>1,243</b>	<b>1,795</b>	<b>1,553</b>	<b>1,352</b>
<b>School and Alternative Programs Total</b>			<b>9,001,959</b>	<b>45,218</b>	<b>46,070</b>	<b>46,185</b>	<b>46,503</b>	<b>46,615</b>	<b>46,624</b>	<b>44,591</b>	<b>43,110</b>	<b>43,023</b>	<b>42,305</b>
<b>Community-Based</b>			<b>-</b>	<b>1,034</b>	<b>964</b>	<b>968</b>	<b>1,035</b>	<b>912</b>	<b>973</b>	<b>872</b>	<b>637</b>	<b>683</b>	<b>759</b>
<b>Special Services Total</b>			<b>89,443</b>	<b>443</b>	<b>451</b>	<b>451</b>	<b>455</b>	<b>529</b>	<b>496</b>	<b>408</b>	<b>455</b>	<b>456</b>	<b>376</b>
<b>Public Charter Schools Total</b>			<b>16,755</b>	<b>1,764</b>	<b>1,590</b>	<b>1,585</b>	<b>1,564</b>	<b>1,494</b>	<b>1,385</b>	<b>1,443</b>	<b>1,295</b>	<b>1,294</b>	<b>1,331</b>
<b>Total All</b>			<b>9,108,157</b>	<b>48,459</b>	<b>49,075</b>	<b>49,189</b>	<b>49,557</b>	<b>49,550</b>	<b>49,478</b>	<b>47,314</b>	<b>45,497</b>	<b>45,456</b>	<b>44,771</b>
<b>Enrollment and Square Footage Summary by Category</b>			<b>Square Footage</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Regular Programs													
Elementary Schools			4,209,172	27,015	27,159	26,620	26,627	25,248	24,988	23,265	20,705	20,881	20,421
Middle Schools			1,422,241	5,680	5,911	6,457	6,449	7,516	7,579	7,416	7,560	7,464	7,388
High Schools			3,068,017	10,807	11,183	11,348	11,768	12,220	12,425	12,667	13,050	13,125	13,144
PPS Alternative Programs			302,529	1,716	1,817	1,760	1,659	1,631	1,632	1,243	1,795	1,553	1,352
Plus enrollment not normally within PPS facilities:													
Community Based Programs			-	1,034	964	968	1,035	912	973	872	637	683	759
Special Services			89,443	443	451	451	455	529	496	408	455	456	376
Public Charter Programs			16,755	1,764	1,590	1,585	1,564	1,494	1,385	1,443	1,295	1,294	1,331
Other or vacant facilities			1,156,926										
			<b>10,265,083</b>	<b>48,459</b>	<b>49,075</b>	<b>49,189</b>	<b>49,557</b>	<b>49,550</b>	<b>49,478</b>	<b>47,314</b>	<b>45,497</b>	<b>45,456</b>	<b>44,771</b>
<b>ADMw<sup>4</sup></b>				<b>54,986</b>	<b>57,491</b>	<b>57,876</b>	<b>57,779</b>	<b>57,823</b>	<b>57,825</b>	<b>57,825</b>	<b>55,688</b>	<b>53,581</b>	<b>52,232</b>
<b>Age of Buildings</b>			<b>Median</b>										
Elementary Schools			85										
Middle Schools			85										
High Schools			98										
Focus/Alternative Schools			91										
Inactive or Other Facilities			66										

<sup>1</sup> Enrollment counts are compiled on or about the first school day in October. An enrolled student is defined as a student who attends one or more schools or programs within the District. Regardless of the number of schools or programs attended, each student is counted only once; the counts are unduplicated.

<sup>2</sup> Creative Science School merged with Briger and became Bridger Creative Science School & Clark reopened in Fall 2023/2024

<sup>3</sup> Harrison Park changed to a Middle School from a Elementary School in Fall 2023/2024

<sup>4</sup> "ADMw" is "Extended Average Daily Membership, or the average enrollment over the school year, adjusted for part-time students and students with special needs and other weighting factors. The ADMw reported is the number used by ODE to allocate to PPS, and is "Extended" in that they use the higher of the current and prior year for the district for distribution of the state school fund. The most recent two years are preliminary data."



# SINGLE AUDIT SECTION





Your peace of mind is our passion.

**INDEPENDENT AUDITOR'S 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**

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

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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District No. 1J, Multnomah County, Oregon (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2024.

**Report on Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

**INDEPENDENT AUDITOR'S 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 (Continued)**

**Purpose of This Report**

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

*Talbot, Kowala & Warwick, LLP*

Portland, Oregon  
December 12, 2024



Your peace of mind is our passion.

**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

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

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

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

We have audited School District No. 1J, Multnomah County, Oregon (the District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

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

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

***Responsibilities of Management for Compliance***

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

**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE (Continued)**

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

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

**Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE (Continued)**

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

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.

*Talbot, Kowala & Warwick, LLP*

Portland, Oregon  
December 12, 2024

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2024**

CFDA/ Grant	Grant Description	Pass-Through Grantor's No.	Period Covered	Direct or Pass-Thru	Award Amount	Expenditures	Agency Total
<b>Department of Agriculture</b>							
<b>10.185</b> G2378	<b>Agricultural Marketing Service</b> <b>Local Food for Schools Cooperative Agreement Program</b> FED- Local Food for Schools	76210	03/01/23-08/31/24	Direct	137,480	137,480	
<b>10.553</b> 202	<b>Food and Nutrition Service</b> <b>Child Nutrition Cluster</b> <b>School Breakfast Program</b> School Breakfast Program	N/A	07/01/23-06/30/24	Pass-Thru		2,659,963	
<b>10.555</b> 202	<b>National School Lunch Program</b> Donated Foods	N/A	07/01/23-06/30/24	Pass-Thru		1,195,130	
	National School Lunch Program		07/01/23-06/30/24	Pass-Thru		8,142,301	
<b>10.559</b> 202	<b>Summer Food Service Program for Children</b> Donated Foods	N/A	07/01/23-06/30/24	Pass-Thru		4,852	
	Summer Food Service Program for Children		07/01/23-06/30/24	Pass-Thru		683,871	
<b>Total Child Nutrition Cluster</b>						<b>12,686,117</b>	
<b>10.558</b> 202	<b>Child and Adult Care Food Program</b> Child and Adult Care Food Program	N/A	07/01/23-06/30/24	Pass-Thru		614,725	
<b>10.582</b> 202	<b>Fresh Fruit and Vegetable Program</b> Fresh Fruit and Vegetable Grants	Multiple	07/01/23-06/30/24	Pass-Thru		399,250	
<b>Pass-Thru from Oregon Department of Education</b>						<b>13,837,572</b>	
<b>Department of Agriculture Total</b>							<b>\$ 13,837,572</b>
<b>Department of Education</b>							
<b>Office of Career, Technical, and Adult Education</b>							
<b>84.048</b> G2253	<b>Career and Technical Education - Basic Grants to States</b> FED- Carl Perkins	72340	07/01/22-09/30/23	Pass-Thru	489,764	121,075	
	FED- Carl Perkins	76387	07/01/23-09/30/24	Pass-Thru	471,245	<u>436,150</u>	557,225
<b>Office of Elementary and Secondary Education</b>							
<b>Title I Grants to Local Educational Agencies</b>							
<b>84.010</b> G2051	FED- Title IA- Central	67054	07/01/21-09/30/23	Pass-Thru	9,876,192	636,229	
	FED- Title ID	66907	07/01/21-09/30/23	Pass-Thru	193,514	16,572	
	FED- ESSA Partnerships 21-22	68002	10/01/21-09/30/23	Pass-Thru	965,325	212,322	
	FED- Title IA- School Budgets	72595	07/01/22-09/30/24	Pass-Thru	6,319,680	427,885	
	FED- Title IA- Central	72595	07/01/22-09/30/24	Pass-Thru	2,090,030	1,135,819	
	FED- Title IA- Focus/Priority	72595	07/01/22-09/30/24	Pass-Thru	1,522,014	37,640	
	FED- Title ID	73063	07/01/22-09/30/24	Pass-Thru	216,786	153,550	
	FED- Title IA- School Budgets	76560	07/01/23-09/30/24	Pass-Thru	5,925,261	5,394,894	
	FED- Title IA- Central	76560	07/01/23-09/30/24	Pass-Thru	2,465,711	1,758,733	
	FED- Title IA- Focus/Priority	76560	07/01/23-09/30/24	Pass-Thru	2,177,123	1,847,014	
	FED- Title ID	76926	07/01/23-06/30/24	Pass-Thru	134,498	5,779	
	FED- ESSA 2022-2023	75165	07/01/23-09/30/24	Pass-Thru	1,507,230	1,264,581	
	FED- Title IA- Equitable Share	76560	07/01/23-06/30/24	Pass-Thru	644,362	<u>403,787</u>	13,294,805
<b>84.011</b> G2055	<b>Migrant Education State Grant Program</b> FED- Title IC- Migrant Education Summer	70946	04/01/22-09/30/24	Pass-Thru	138,855	44,033	
	FED- Title IC- Migrant Education	73283	07/01/22-09/30/24	Pass-Thru	488,675	27,735	
	FED- Title IC- Migrant Education Preschool	73265	07/01/22-09/30/24	Pass-Thru	8,311	1,906	
	FED- Title IC- Migrant Education Summer	75620	04/01/22-09/30/24	Pass-Thru	128,276	30,173	
	FED- Title IC- Migrant Education	77043	07/01/23-09/30/24	Pass-Thru	516,525	443,044	
	FED- Title IC- Migrant Education PreK	76960	07/01/23-09/30/24	Pass-Thru	11,490	4,814	
	FED- Title IC- Migrant Education Summer	80391	07/01/23-09/30/24	Pass-Thru	71,995	<u>40,363</u>	592,068
<b>84.013</b> G2300	<b>Title I State Agency Program for Neglected and Delinquent Children and Youth</b> FED- DART Title IND	94902-IGAR	07/01/23-06/30/24	Pass-Thru	481,437	481,437	
<b>84.060</b> G2285	<b>Indian Education Grants to Local Educational Agencies</b> FED- Indian Ed Title VI-Part A	S060A230938	07/01/23-09/30/24	Direct	140,546	114,624	
<b>84.184</b> G2262	<b>School Safety National Activities</b> FED- SBMH	IGA/R 92683 S184H220169	01/01/23-01/03/28	Direct	1,106,869	829,393	
<b>84.196</b> G2243	<b>Education for Homeless Children and Youth</b> FED- McKinney Homeless	74848	07/01/22-09/30/24	Pass-Thru	40,500	1,547	
	FED- McKinney Homeless	OR-MV(Award-Sub #79862)	07/01/23-09/30/24	Pass-Thru	49,391	<u>25,251</u>	26,798
<b>84.365</b> G1999	<b>English Language Acquisition State Grants</b> FED- Title III- English Language Acquisition	58501	07/01/20-09/30/23	Pass-Thru	559,315	299,824	
	FED- Title III- English Language Acquisition	67160	07/01/21-09/30/24	Pass-Thru	536,667	369,146	
	FED- Title III- English Language Acquisition	73119	07/01/22-09/30/24	Pass-Thru	529,400	506,405	
	FED- Title III- English Language Acquisition	77007	07/01/23-09/30/24	Pass-Thru	544,524	86,817	
	FED- Title III- Immigrant Subgrant	79729	07/01/23-09/30/24	Pass-Thru	37,312	<u>32,563</u>	1,294,755
<b>84.367</b> G2057	<b>Supportive Effective Instruction State Grants</b> FED- Title IIA- Teacher Quality	67488	07/01/21-09/30/23	Pass-Thru	1,196,937	27,178	
	FED- Title IIA- Private School	67488	07/01/21-09/30/23	Pass-Thru	216,231	72,708	
	FED- Title IIA- Teacher Quality	72792	07/01/22-09/30/24	Pass-Thru	1,161,055	426,559	
	FED- Title IIA- Private School	72792	07/01/22-09/30/24	Pass-Thru	206,283	134,631	
	FED- Title IIA- Teacher Quality	76757	07/01/23-06/30/24	Pass-Thru	1,140,900	667,133	
	FED- Title IIA- Private School	76757	07/01/23-06/30/24	Pass-Thru	163,628	<u>72,778</u>	1,400,987

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2024**

CFDA/ Grant	Grant Description	Pass-Through Grantor's No.	Period Covered	Direct or Pass-Thru	Award Amount	Expenditures	Agency Total								
<b>Department of Education Continued</b>															
<b>84.411</b>	<b>PREP Education Innovation</b>														
G1716	FED- PREP Education Innovation	U411C170253	10/01/17-06/30/24	Direct	3,918,325	37,537									
<b>84.424</b>	<b>Student Support and Academic Enrichment Program</b>														
G2060	FED- Title IV-A Student Support	66844	07/01/21-09/30/23	Pass-Thru	606,430	11,212									
G2061	FED- Title IV-A Student Support Private	66844	07/01/21-09/30/22	Pass-Thru	108,115	51,907									
G2240	FED- Title IV-A Student Support	72989	07/01/22-09/30/24	Pass-Thru	652,366	506,513									
G2241	FED- Title IV-A Student Sup-Pr	72989	07/01/22-09/30/24	Pass-Thru	115,905	63,785									
G2283	FED- Title IV-A Student Support Private	77176	07/01/23-09/30/24	Pass-Thru	636,628	647,009									
G2284	FED- Title IV-A SSAE Private	77176	07/01/23-09/30/24	Pass-Thru	91,306	48,018									
						1,328,444									
<b>Office Of Special Education and Rehabilitative Services</b>															
<b>Special Education Cluster (IDEA)</b>															
<b>84.027</b>	<b>Special Education Grants to States</b>														
G2111	FED- IDEA Sec 611 ARP	68459	10/28/21-09/30/23	Pass-Thru	2,041,028	210,065									
G2120	FED- IDEA 611 Equipment	75372	07/01/22-09/30/23	Pass-Thru	544,028	117,533									
G2121	FED- IDEA 611	74104	07/01/22-09/30/24	Pass-Thru	8,896,408	399,433									
G2302	FED- DART IDEA	94902-IGAR	07/01/23-06/30/24	Pass-Thru	125,563	125,563									
G2303	FED- IDEA Sec 611	78043	07/01/23-06/30/24	Pass-Thru	9,750,508	8,388,865									
G2305	FED- IDEA Extended Assessment	79983	07/01/23-06/30/24	Pass-Thru	15,385	15,385									
G2309	FED- CRP - 611	64777-IGAR	07/01/23-06/30/25	Pass-Thru	7,947,678	6,435,732									
G2310	FED- CRP - Audioloav	64777-IGAR	07/01/23-06/30/25	Pass-Thru	465,061	371,075									
G2311	FED- CRP - TBI	64777-IGAR	07/01/23-06/30/25	Pass-Thru	21,250	21,250									
G2314	FED- Providence Nursing	TBD	07/01/23-06/30/25	Pass-Thru	33,211	32,867									
N/A	FED- IDEA Extended Assessment 22-23	79807	07/01/22-06/30/23	Pass-Thru	13,737	7,043									
						16,124,811									
<b>84.173</b>	<b>Special Education Grants to States</b>														
G2304	FED- IDEA Sec 619	77858	07/01/23-09/30/25	Pass-Thru	83,484	14,148									
G2112	FED- IDEA Sec 619 ARP	69227	07/01/21-09/30/23	Pass-Thru	50,179	39,130									
G2122	FED- IDEA 619	74285	07/01/22-09/30/24	Pass-Thru	73,037	73,037									
						126,315									
<b>Total Special Education (IDEA) Cluster</b>						<b>16,251,126</b>									
<b>84.126</b>	<b>Rehabilitation Services Vocational Rehabilitation Grants to States</b>														
G1790	FED- YTP 19/25	160741	07/01/19-06/30/25	Pass-Thru	825,996	166,985									
G2292	FED- OR Comm. for the Blind	93918-IGAR 101-23	07/01/23-06/30/24	Pass-Thru	258,599	258,599									
G2307	FED- YTP Summer Work Program	IGAR-95105	04/22/24-04/01/25	Pass-Thru	141,669	13,147									
						438,731									
<b>84.326</b>	<b>Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities</b>														
G2123	FED- Oregon Deblind Project	H326T230011 IGA/R93659	07/01/23-09/30/28	Direct	133,543.00	133,543									
<b>Education Stabilization Fund</b>															
<b>84.425</b>	<b>Elementary and Secondary School Emergency Relief Fund</b>														
G2041	FED - ESSER II	64664	01/26/21-09/30/23	Pass-Thru	32,836,859	13,173									
G2094	FED- ESSER III	64968	03/13/20-09/30/24	Pass-Thru	73,869,717	35,251,016									
G2096	FED- ESSER II LTCT	64813	03/13/21-09/30/23	Pass-Thru	134,867	134,867									
G2114	FED- ARP-HCY II	69389	04/23/21-09/30/24	Pass-Thru	351,648	185,607									
G2118	FED- GEER- Education Stabilization	21396	01/07/22-09/30/23	Pass-Thru	500,000	211,489									
G2229	FED- CRP ESSER II	IGA/R-90131/14604	03/13/20-09/30/23	Pass-Thru	1,287,669	575,236									
G2259	FED- CRP ESSER III	IGA/R92846/2415 #75887	03/24/21-09/30/23	Pass-Thru	2,793,421	2,793,421									
G2318	FED- DART LTCT ARP- ESSER III	75907	06/01/22-09/30/24	Pass-Thru	566,830	566,830									
G2366	FED- HQIM Health and Ethnic Students	S425U210049	02/01/24-09/30/24	Pass-Thru	887,879	274,339									
G2565	FED- Education Stabilization Fund	75958	06/15/23-09/30/24	Direct	250,000	158,189									
G2566	FED- Title VI Indian Ed - ESSER III	80410	02/15/24-09/30/24	Pass-Thru	97,800	46,392									
						40,210,559									
<b>Total Education Stabilization Fund</b>						<b>40,210,559</b>									
<b>84.334</b>	<b>Office of Postsecondary Education</b>														
	<b>Gainin Early Awareness and Readiness for Undergraduate Programs</b>														
G1827	FED- E3 Engage, Empower, Elevate	P334A180117	10/01/18-09/30/25	Direct	9,398,400	2,114,248									
<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Direct Funding</td> <td>3,387,534</td> </tr> <tr> <td>Pass-Thru from Oregon Department of Education</td> <td>75,280,014</td> </tr> <tr> <td>Pass-Thru from Oregon Commission for the Blind</td> <td>258,599</td> </tr> <tr> <td>Pass-Through from Oregon Department of Human Services</td> <td>180,132</td> </tr> </table>						Direct Funding	3,387,534	Pass-Thru from Oregon Department of Education	75,280,014	Pass-Thru from Oregon Commission for the Blind	258,599	Pass-Through from Oregon Department of Human Services	180,132		
Direct Funding	3,387,534														
Pass-Thru from Oregon Department of Education	75,280,014														
Pass-Thru from Oregon Commission for the Blind	258,599														
Pass-Through from Oregon Department of Human Services	180,132														
<b>Department of Education Total</b>															
							<b>\$ 79,106,280</b>								
<b>Department of Health and Human Services</b>															
<b>Administration for Children and Families</b>															
<b>Head Start Cluster</b>															
<b>93.600</b>	<b>Head Start</b>														
G2245	FED- Head Start Federal	10CH01071905	11/01/22-10/31/23	Direct	6,237,131	2,505,711									
G2288	FED- Head Start Federal	10CH012375	11/01/23-10/31/24	Direct	6,382,217	5,207,657									
						7,713,368									
<b>Total Head Start Cluster</b>						<b>7,713,368</b>									
<b>93.658</b>	<b>Foster Care Title IV-E</b>														
G2294	FED- Foster Care Transportation	IGA 35883	07/01/23-06/30/25	Pass-Thru	2,000,000	82,639									
<b>Centers for Disease Control and Prevention</b>															
<b>93.079</b>	<b>Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance</b>														
G1770	FED- SAY Wellness	NU87PS004369-05-04	08/01/18-07/31/24	Direct	2,315,632	490,735									
G2030	FED- Say Wellness COVID	NU87PS004369C3	08/01/20-07/31/24	Direct	549,606	73,639									
						564,374									



**SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2024**

**Purpose of the Schedule**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the 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 of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for State, Local and Indian Tribal Governments, where applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Indirect Cost Rate**

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

**Federal Financial Assistance**

Pursuant to Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

**Major Programs**

Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

**Reporting Entity**

The reporting entity is fully described in notes to the financial statements. The Schedule includes all federal programs administered by the District for the year ended June 30, 2024.

**Expenditure Recognition**

Expenditures of federal awards are accounted for under the modified accrual basis of accounting. Expenditures are recorded when the liability is incurred. Donated commodities are valued at their estimated fair value.

**Subrecipients**

The District does not pass-through federal awards to any subrecipients.

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2024

SECTION I — SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes \_\_\_\_\_ No  X
- Significant deficiency(ies) identified? Yes \_\_\_\_\_ No  X
- Noncompliance material to financial statements noted? Yes \_\_\_\_\_ No  X

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes \_\_\_\_\_ No  X
- Significant deficiency(ies) identified? Yes \_\_\_\_\_ No  X

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes \_\_\_\_\_ No  X

Identification of major federal programs:

**Assistance Listing Number(s) Name of Federal Program or Cluster**

- 84.334 Gaining Early Awareness and Readiness for Undergraduate Programs
- 84.425 Education Stabilization Fund
- 93.600 Head Start
- 97.036 Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between type A and type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

Yes \_\_\_\_\_ No  X

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**

**Schedule of Findings and Questioned Costs**

**For the Year Ended June 30, 2024**

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**SECTION II — FINANCIAL STATEMENT FINDINGS**

*No financial statement findings were reported.*

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

*No federal award findings and questioned costs were reported.*

**SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON**  
**Summary of Prior Year Findings and Questioned Costs**  
**For Non-Compliance with Federal and State Requirements**  
**For the Year Ended June 30, 2024**

**SECTION II — FINANCIAL STATEMENT FINDINGS**

**Finding 2023-001**

- Condition:** A material weakness in controls over financial reporting was identified for controls over revenue recognition.
- Cause:** The cause appears to be related to turnover in accounting positions, a lack of communication from other departments with the Finance department, and the complexity of the transactions.
- Effect or potential effect:** Revenue and expenditures were overstated by \$9,304 thousand in the Special Revenue Fund, and revenue was overstated and unearned revenue was understated by \$119,899 thousand in the Capital Projects Fund prior to being corrected by the District. A lack of effective internal controls over financial reporting for revenue may allow a material misstatement due to error or fraud.
- Recommendation:** The District should implement policies and procedures to ensure that revenue is properly recorded.
- Corrective Action:** The District understands and concurs with this finding. The District has implemented their corrective action plan.

*Document the plan of action*

*1. District executive financial leadership will meet with Senior Leadership team members receiving grant funding and finance team leadership to review the process for accepting and documenting receipt of federal and state grant funds. The process will be updated to include a proactive process requiring receipt of documentation of the source of funding prior to spending or receipt of funds.*

*2. Accounting and Grant Managers will attend ongoing professional development and have membership to professional organizations to ensure the District is well informed of all federal and state funding available to K-12 education.*

Date of implementation: December 21, 2023

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

*No federal award findings and questioned costs were reported.*



# COMPLIANCE SECTION



Your peace of mind is our passion.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH OREGON STATE REGULATIONS**

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District No. 1J, Multnomah County, Oregon (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2024. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except for:

- Out of a sample of 60 teachers selected, there were variances between the District's records and the years of experience reported to the Oregon Department of Education for four teachers.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH OREGON STATE REGULATIONS (Continued)**

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's 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 a material weakness. However, material weaknesses or significant deficiencies may exist that were not identified.

**Purpose of This Report**

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

  
Portland, Oregon  
December 12, 2024



## **Portland Public Schools Nondiscrimination Statement**

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Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. The District prohibits discrimination and harassment on any basis protected by law, including but not limited to, an individual's perceived or actual race, color, religion, sex, sexual orientation, gender expression or identity, national or ethnic origin, marital status, age, mental or physical disability, pregnancy, familial status, economic status, veteran's status, or because of the perceived or actual race, color, religion, sex, sexual orientation, national or ethnic origin, marital status, age, mental or physical disability, pregnancy, familial status, economic status, or veterans' status or any other persons with whom the individual associates.

Board of Education Policy 1.80.020-P

### **Contact Information for Civil Rights Matters**

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District Title VI: Gillian Murr  
District Title IX: Liane O'Banion  
District 504: James Loveland  
American Disabilities Act: Human Resources

gmurr@pps.net  
lobanion@pps.net  
jlovelan@pps.net  
hronline@pps.net

### **2023-24 ACFR Preparation**

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Prepared by the Finance Department

Myong Leigh, Interim Chief Financial Officer



**PORTLAND PUBLIC SCHOOLS**

**OFFICE OF OPERATIONS**

501 North Dixon Street / Portland, OR 97227

Telephone: (503) 916-2000

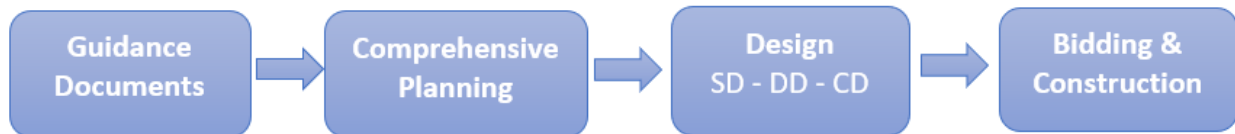
Mailing Address: P. O. Box 3107 / 97208-3107

**STAFF MEMO**

**Date:** December 3, 2024  
**To:** Board of Education  
**From:** Dan Jung, Chief Operating Officer  
**Subject:** Modernization Design Process Overview

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The upcoming modernizations of Jefferson, Cleveland, and Ida B. Wells High Schools represent a significant milestone in an initiative that began over a decade ago. From time to time, questions arise regarding the design process and the decisions made concerning scope and budget. This memo provides an overview of the design and cost estimation processes.



**The Modernization Process**

**Guidance Documents**

PPS has developed a set of foundational documents to guide and inform modernization efforts. A key resource in this framework are the High School Education Specifications (Ed Specs), which provide essential guidance to project teams during the planning and design phases. The Ed Specs detail crucial requirements for space planning, the integration of furnishings and equipment, site layout, and program support. Included within is an “area program” that defines the minimum and preferred types, quantities, and sizes of educational spaces required for a fully functional school. While the district strives for consistency across all comprehensive high schools, variations in education programming and site constraints often require adjustments to accommodate each school's unique context. The area program offers a district-wide blueprint, with flexibility to adapt to site-specific limitations and programmatic demands.

First established in 2013, the Ed Specs were developed through extensive stakeholder engagement, including input from students, staff, community members, and partners. In addition to the Ed Specs, PPS’s Design Guidelines, as well as District Policies and Administrative Directives, and lessons learned from previous projects also play a crucial role in informing high school designs.

### *Stakeholder & Community Engagement*

Stakeholder engagement plays a vital role in identifying the spaces and educational needs of a comprehensive school. Subject matter experts from various departments—including the Office of Teaching & Learning, Office of School Support Services, Athletics, Health & Physical Education, Special Education, Student Success and Health, Teen Parent Services, Technology & Information Services, Maintenance, Career & Technology Education, Nutrition Services, Core Academics, Emergency Management, Library Services, Visual & Performing Arts, and many others—contribute valuable insights to the design process and standards. Stakeholder groups include:

- District leadership, staff and subject matter experts
- School based administration and staff
- Students
- District programmatic partners
- School specific, and district-wide community members

As outlined in the Educational Specifications (Ed Specs), the modernization of PPS high schools follows a robust stakeholder engagement process, ensuring continuous consultation and communication with all involved parties throughout the planning and design stages. Project teams hold numerous meetings with the community and key stakeholders, collecting input and integrating feedback into each iteration of the design.

### **Comprehensive Planning**

The comprehensive planning process begins with the selection of professional design services, known as the "design team." To choose the design team, each modernization project issues a competitive Request for Proposal (RFP), which typically includes both written evaluations and presentations/interviews. An evaluation panel is formed to review the proposals against the selection criteria outlined in the RFP, ultimately identifying the top-ranking firm. Design teams are selected based on their ability to meet the project's goals and requirements.

Comprehensive planning is the phase where key guiding documents, stakeholder and community input, building and zoning codes, lessons learned from previous projects, site designs, and cost estimates are combined into a cohesive plan. Each modernization project's Comprehensive Plan, which includes preliminary designs, project budgets, and schedules, is then presented to the Board for approval. Once approved, the Comprehensive Plan solidifies the project's budget, scope, and timeline.

Approval of the Comprehensive Plan by the Board is the action that moves the project forward from planning into design.

For Reference:

- [Staff Report: Ida B Wells High School Modernization Comprehensive Plan](#)
- [Presentation: Ida B Wells High School Modernization Comprehensive Plan](#)
- [Ida B Wells High School Modernization Comprehensive Plan](#)
- [Resolution 6900: Authorizing the Ida B Wells High School Comprehensive Plan \(approved 5/7/2024\)](#)

### **Design**

The completion of Comprehensive Planning marks the transition to the formal design phase. While many processes initiated during planning continue into design, they become more focused, detailed, and specific. Community engagement remains a priority, shifting toward targeted topics with broader stakeholder involvement, resulting in more detailed and focused feedback. As a result, designs evolve to better meet the unique characteristics and needs of each school and its programs.

Project design is carried out in distinct phases:

*Schematic Design (SD)* – During this phase, architects, designers, and consultants work closely with the owner to develop a preliminary model. Conceptual plans are created to define the project's scale, form, and relationships. This phase also includes consideration of permits and jurisdictional requirements.

*Design Development (DD)* – Following the completion of Schematic Design, the Design Development phase refines the project by planning structural systems, building systems, materials, and other key components. Specific dimensions are established, and code compliance is confirmed.

*Construction Documents (CD)* – In this phase, the architect and engineers finalize all technical design and engineering details, including structural engineering, HVAC systems, plumbing, electrical, gas, and energy calculations. All products and materials are selected and scheduled for construction.

At the end of the design phase, the projects move into permitting, bidding and construction.

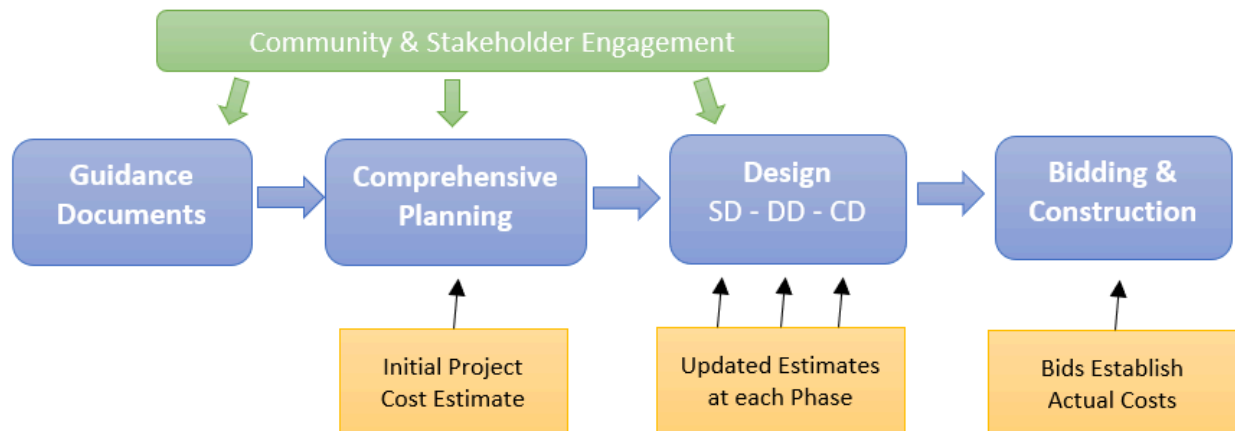
## Cost Estimating

Initial project estimates are high-level projections based on comparable projects and the best available data. A common method involves estimating costs by multiplying assumed project square footage by a projected cost per square foot. The first project-specific, third-party cost estimates are developed during Comprehensive Planning. At this stage, the project team includes professional construction cost estimators who provide initial estimates based on the comprehensive plan design. The Board's approval of the Comprehensive Plan formalizes the project budget.

As each design phase progresses, updated cost estimates are provided by the professional construction cost estimator. As design details evolve and more inputs are added, cost estimates may fluctuate, either increasing or decreasing. It is standard procedure to pause at the end of each phase to ensure the project remains aligned with the approved Comprehensive Plan and budget.

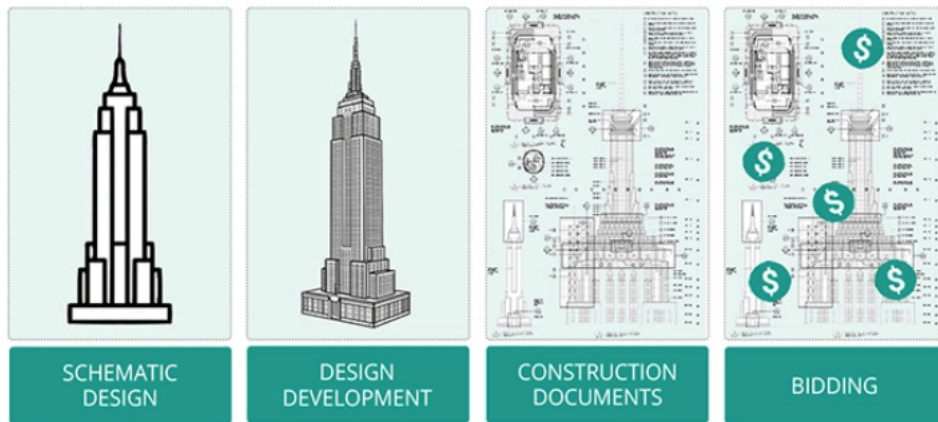
Construction cost estimates are projections of future expenses. Firm pricing, which reflects actual costs rather than estimates, is determined only after the project is "bid out." Contractor bids provide accurate costs. However, because contractor bids cannot be predicted with absolute precision, the bidding phase carries inherent risks. If the received bids significantly exceed earlier estimates, projects may face delays, redesigns, or even cancellation.

The final project costs are known once the project is completed.



## When Cost Estimates Exceed Budget

As designs progress they become more detailed, and change based on new information. New information comes from stakeholders (such as meetings with CTE staff to understand the required use of CTE space), consultants (information from structural engineers on required foundation sizing), technical data (geotechnical reports that detail soil conditions and stability), permitting reviews that augment design based on up to date requirements and code interpretations, input from community on priority uses and spaces, and much more. Therefore design iterations become more specific, which in turn allows the cost estimates to become more specific.



When an updated cost estimate is received, the project team carefully reviews it to identify efficiencies and opportunities for cost reduction through value engineering or scope reduction.

Value engineering (VE) involves analyzing a design (or design component) to determine the most cost-effective way to achieve the same functionality without compromising quality. Scope reduction focuses on eliminating low priority elements of the project to lower costs. Both efforts are ongoing throughout the project lifecycle, but targeted VE and scope reduction are intentionally applied after each new cost estimate. To further enhance this process, PPS engages third-party Certified Value Specialists to facilitate workshops using a rigorous framework to identify, prioritize, and make decisions on value engineering opportunities. These workshops take place during Schematic Design and Design Development, ensuring that opportunities for value enhancement are identified early in the design process.

*One example: in the initial design of the McDaniel High School Modernization, the planned renovation of the existing gym required extensive work, including structural upgrades. During a targeted VE session, the team explored the option of demolishing and rebuilding the gym rather than renovating it. This alternative proved to be cost effective, providing a modernized gym while saving millions in renovation costs.*

If updated cost estimates exceed the approved budget, even after VE and design adjustments, staff notify the Board of the overage and present options for proceeding.

## Construction Manager / General Contractor (CMGC) during Cost Estimating

The Construction Manager/General Contractor (CMGC) delivery method is often preferred for large and complex projects. A key advantage of the CMGC approach over the traditional design-bid-build method is the early involvement of the contractor during the design phases. This allows the design to benefit from the contractor's expertise and provides an additional, independent construction cost estimate.

Professional construction cost estimators specialize in pricing evolving project designs, using comparable projects as cost benchmarks. The CMGC enhances this process by providing up-to-date pricing, based on current construction projects and relationships with subcontractor markets. These estimates offer valuable insights into constructability and dynamic market conditions.

Involving a CMGC early on helps mitigate the risk of unexpected cost increases during the bidding process. When a CMGC is engaged early, their cost estimates are compared with those of the professional estimator and reconciled to ensure alignment. This reconciled estimate serves as the official project cost.

Prior to proceeding with CMGC procurements, the Board approves use of the process based on criteria outlined in Oregon Revised Statutes.<sup>1</sup>

For Reference:

- [Staff Report: Authorization for use of Construction Manager / General Contractor Method \(Ida B Wells and Cleveland\)](#)
- [Draft Findings: Support of Alternative Contracting Method and Use of Construction Manager/General Contractor Method \(Cleveland\)](#)
- [Resolution 6910: Exemption from Competitive Bidding and Authorization for Use of a Construction Manager/ General Contractor Alternative Contracting Method \(approved 5/7/2024\)](#)

## Decision Making

A common misconception is that project or design decisions are made by a select few individuals. In reality, decision-making is a collaborative process that involves numerous contributors over the course of many months and years. The details of the project design are shaped by a series of decisions made over time, each building upon the last.

High school modernizations are shaped by previous processes and decisions. The graphic below illustrates that while many decisions are made by the day-to-day project teams, more significant decisions—those with greater impact on the project, school, or district—are elevated through the district's organizational structure.

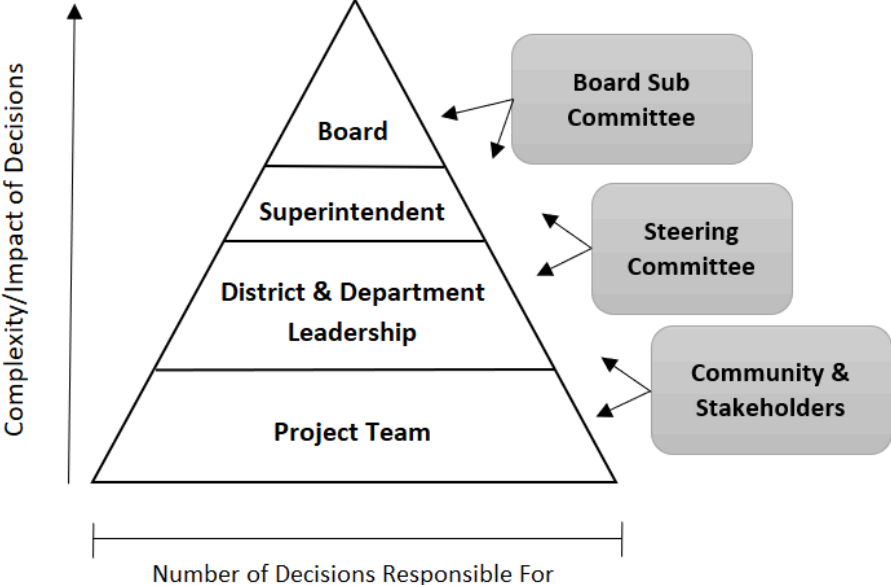
Decisions are also shaped by input from various groups and subject matter experts. Community members, students, staff, and partners all play essential roles in the planning, design, and completion of projects. These projects offer numerous opportunities for stakeholders to contribute valuable feedback. Each project is guided by a Steering Committee, which is a diverse group of district leadership and subject matter experts, including Board members. The Steering Committees meet regularly to assess project progress and provide vital feedback.

Additionally, Board subcommittees review key project data—including regular updates from staff and the Bond Accountability Committee—and offer guidance to decision-makers.

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<sup>1</sup> The Board approved the use of CMGC for Jefferson on 11/15/22 (Resolution 6614P, Cleveland on 5/7/24 (Resolution 6910) and Ida B Wells on 5/7/25 (Resolution 6909).

# Decision Making Hierarchy



**Portland Public Schools  
May 20, 2025 election**

**CAPTION (10 words)**

Bonds to Improve Health, Safety, Learning by Modernizing, Repairing Schools

**QUESTION (20 words + required language)**

Shall Portland Public Schools modernize, repair schools; replace technology, curriculum; by issuing bonds estimated to maintain current tax rate?

If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution.

**SUMMARY (175 words)**

Measure authorizes up to \$1.8 billion in principal amount of general obligation bonds for facilities and education investments. Measure is not expected to increase tax rates above previous targets, because debt service is scheduled to decline.

If approved, this measure would finance capital costs, including projects that:

- Provide curriculum materials, technology, including student devices;
- Repair/replace mechanical systems, including heating and air conditioning;
- Modernize schools, including Cleveland and Ida B. Wells high schools;
- Upgrade and expand athletic facilities, including at Roosevelt, Lincoln, Franklin and Grant high schools;
- Strengthen building security, seismic safety and contribute to student health.

Requires community accountability/oversight; independent audits of projects and expenditures.

Bonds may be issued in one or more series, with each series maturing in 30 years or less.

Due to declining debt service, measure is not expected to increase PPS's bond tax rate above \$2.50/\$1,000 assessed value, the same rate that has been targeted since the 2017 bond issue. Actual rates may differ based on interest rates and changes in assessed value.

**Portland Public Schools  
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If approved, this measure would finance capital costs, including projects that:

- Provide curriculum materials, technology, **including student devices, accessibility improvements;**
- Repair/replace mechanical systems, **including heating and air conditioning;**
- Modernize schools, **including Cleveland and Ida B. Wells high schools;**
- **Upgrade and expand athletic facilities, including at Roosevelt, Lincoln, Franklin and Grant high schools;**
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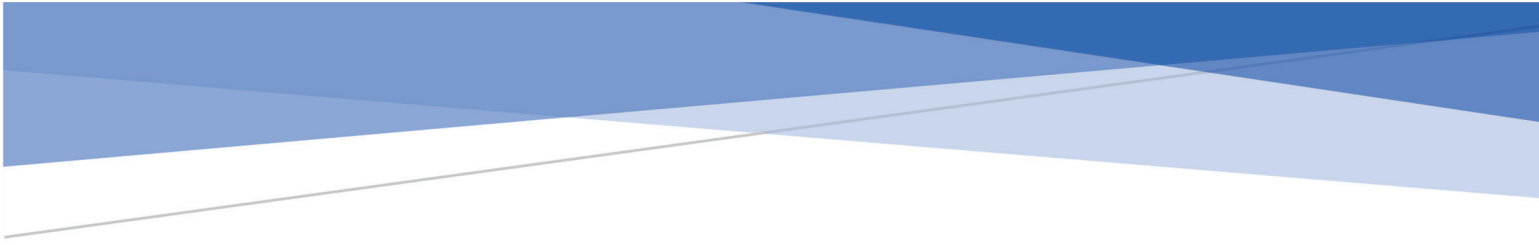
Requires **community** citizen accountability/oversight; independent audits of projects and expenditures.

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## Exhibit A: Proposed General Obligation Bond Option (12.13.2024)

	<b>Proposed Option</b>
<b>Physical Facility Improvements</b>	<b>\$269,000,000</b>
Deferred Maint & Priority Scope	\$190,000,000
Athletics	\$79,000,000
<b>Educational &amp; Technology Improvements</b>	<b>\$242,000,000</b>
Technology	\$176,000,000
Physical Education	\$10,000,000
Curriculum	\$56,000,000
<b>Modernizations</b>	<b>\$1,150,000,000</b>
Jefferson High School	INCL ABOVE
Cleveland High School	INCL ABOVE
Cleveland High School - Powell Park Option	INCL ABOVE
Ida B Wells High School	INCL ABOVE
Elementary and Middle Schools	INCL ABOVE
<b>Admin</b>	<b>\$83,050,000</b>
<b>Contingency</b>	<b>\$83,050,000</b>
<b>Total</b>	<b>\$1,827,100,000</b>



Date: 12/13/2024

To: PPS School Board Facilities and Operation Committee  
Superintendent Dr. Kimberlee Armstrong

From: PPS Title VI Indian Parent Commit (IPC)

Tamara D. Brown, Interim IPC Chair  
Lisa Jackson, Vice Chair  
Marquita Guzman, Treasurer  
Katzi Rivera-Guzman, Student Representative  
Peche Barteaux, Secretary  
Norrine Smokey-Smith, Elder

Greetings PPS School Board Facilities and Operation Committee,

We are requesting specific funding identified for the sole purpose to serve American Indian and Alaska Native students in a manner aligned with federal treaty obligations on the education of our students.

For decades, and now on your watch, the academic success and holistic wellness of our students is solidly at the bottom. With the lowest graduation rates of any racial group, we have come together to create positive change.

We look forward to your review and engagement.

Respectfully,

**Tamara D. Brown** - Digitally signed by Tamara D.  
Brown -S  
S Date: 2024.12.13 16:47:37 -08'00'

Tamara Brown, Interim Chair  
Indian Parent Committee



PROPOSAL FOR A CENTER FOR NATIVE STUDENT  
SUCCESS IN PORTLAND PUBLIC SCHOOLS

Prepared by: Indian Parent Committee

# Indian Parent Committee (IPC)

Portland Public Schools

To: Portland Public Schools School Board

Michelle DePass

Eddie Wang

Gary Hollands

Herman Greene

Patte Sullivan

Andrew Scott

Julie Brim-Edwards

JJ Kunsevi

Superintendent Dr. Kimberlee Armstrong

## Background

The mission statement of PPS states that “We provide rigorous, high-quality academic learning experiences that are inclusive and joyful. We disrupt racial inequities to create vibrant environments for every student to demonstrate excellence.” Despite this bold mission Portland Public Schools (PPS) continues to face significant academic achievement gaps that are both persistent and predictable by race. Black and Native American students consistently score below district averages in the key areas of Math and Reading. According to the PPS At-A-Glance profile published by the Oregon Department of Education, only 56% of PPS 3rd graders are meeting grade-level expectations in English Language Arts. This statistic alone is cause for alarm by any measure, but what is even more disturbing is that when this data is disaggregated by race, it reveals an even more startling disproportionality: merely 7% of Native American 3rd graders are meeting these expectations. This educational crisis continues across math as well as other metrics such as discipline rates, chronic absenteeism rates and of course graduation rates. Native students are also overrepresented in identification for Special Education services. Native students are overidentified in Special Education at a higher rate than any other racial group in PPS. In PPS, Native American students are 70% more likely to be identified for special education services than all other students, while Black students are 40% more likely, ESL served are 30% more likely, and Latinx students are 20% more likely. PPS is failing Native students by every educational measure that matters. For decades on your watch, the academic success and holistic wellness of our students is solidly at the bottom. Portland Public Schools has continued for the last 173 years, since its founding in 1851, has failed to educate our Native American and Alaska Native students adequately. PPS graduation rates, while some years have made gains over 50%, year over year produce the lowest high school graduation rates of all racialized groups of students. PPS practices inadequately meet the instructional needs of our children, and encourage push out through continual curricular and cultural harm visible in dominant culture created curriculum, disproportionate discipline and disproportionate exclusion of our students from education.

Federal Treaty Obligations include those of education for American Indian and Alaska Native students. Currently, Native students who meet program requirements are served through the Title

# Indian Parent Committee (IPC)

Portland Public Schools

XI Indian Education Office. However, the District has an obligation to serve all Native American students and families. We have multiple needs. We urge the board to work together with us to create positive change and establish a true commitment to prioritize and meet the educational needs of our Native students.

## Center for Native Student Success

As the PPS Indian Parent Committee, we're excited to submit this proposal for a Center for Native Student Success for review, approval and inclusion in the 2025 school bond. We are requesting specific funding be identified to serve American Indian and Alaska Native students in a manner aligned with federal treaty obligations around the education of our students. The creation of a Center for Native Student Success will focus solely and specifically on the success and wellness of Native American and Alaska Native students in the context of our larger community.

The Center for Native Student Success will be a place where traditional cultural practices are centered and Native traditions, communication and tribal ways of being and doing are made visible, and explicitly available to Native students throughout the District. In addition to centering Native culture and Native student visibility the Center will also support the academic mission of Portland Public Schools in creating academically rigorous and joyous learning experiences for students by ensuring we support the academic needs of Native students. Services for Native students provided in the center would include:

- Individual and group tutoring
- Individual and group mentoring
- Space to complete and work on shared courses developed specifically for Native students including: Native natural resource management, project-based learning courses and work-based learning opportunities
- Native portfolio projects
- Space to complete and work on shared courses development specifically for Native students including: Native natural resource management, project-based learning,

The Center for Native Student Success will also be a place where traditional cultural practices are centered and a space where we look to our Native families and elders to be our teachers and wisdom keepers to promote intergenerational teachings which is our traditional way of teaching. Cultural programming for Native students and community would include:

- Community Gatherings
- Seasonal Feasts

# Indian Parent Committee (IPC)

Portland Public Schools

- Cultural arts classes
- Elders and student meals intergenerational teaching and storytelling
- Computer lab for career related employment seeking
- Access to Community Service providers

## Establishment of Native Centered School Pathways

The Center for Native Student Success will establish multiple Native centered school pathways available to Native students Pre-K-12th grade. Having pathways which continue the culturally sustaining practices offered within our Native Montessori and Native Head Start, Native students will have an opportunity to attend schools that meet their needs and are organized from an understanding of how Native students learn best, with hands-on experiential learning across subject areas. This will also allow Native students to build community and combat the isolation that so many of our Native students have expressed to us. While the community process will determine which schools are involved initial considerations for recommendations include:

- Native Montessori Pre-K (Native programming already in operation)
- Native Head Start (Native programming already in operation)
- Sunnyside K-8
- Metropolitan Learning Center K-12
- McDaniel High School
- Cleveland or Jefferson High School (depending on location of center)

## Center for Native Student Success Facilities

There are several potential locations for the Center for Native Student Success. The final location should be a joint decision with community input but we would like to share some initial thoughts we have around potential locations.

### Option One: Stand Alone Facility for the Center for Native Student Success

With earmarked funding identified for the Center for Native Student Success we could identify an existing PPS building whose sole purpose is the Center for Native Student Success. Potential sites for a dedicated building could include Alliance at Meek or the Kenton site.

### Option Two: Continue to be co-located at Jefferson High School

By expanding the current Indian Education Program and physical space in alignment with the above proposal elements in addition to all elements above which are designed to serve the Native American and Alaska Native community, both those meeting the criteria for Indian Education Program services as well as self-identified Native American students and families.

**Option Three: Co-locate within a school which is being constructed as part of the upcoming bond.**

# Indian Parent Committee (IPC)

Portland Public Schools

Another option would be to be included within the Cleveland High School Modernization project or other schools who will be modernized as part of the next bond.

## **Budget for establishment of a Center for Native Student Success**

Based upon initial estimates we are asking for forty million dollars to be allocated within the upcoming school bond for the specific purpose of the creation of a Center for Native Student Success to meet the educational needs of our Native students and authentically seek to transform educational outcomes for our Native students.

## **Community Engagement Process**

As a Native community we will work together to engage with numerous groups and bring their feedback forward to the Superintendent and School Board for consideration. Our process will be inclusive and intentional including the following members of our community:

- First, our Elders, the keepers of our tribal knowledge and traditional ways
- Local tribal leaders from Siletz, Grande Ronde, Chinook, and other PNW tribes
- PPS Indian Education Parents and Community
- PPS Indian Education Students
- PPS students and families who identify as Native
- Native American organizations serving youth and families
- The PPS Native Staff Advisory

The result of this Native led, PPS supported community engagement process, will result in clear priorities, values framework and a selection/recommendation of which option best meets the needs of the creation of the Center for Native Student Success. We request that three FTE be allocated to complete this community engagement process.

## **Conclusion**

Since time immemorial our community has understood the power of our community and the deep knowledge and ways and being as tribal people. We look forward to joining with you and guiding Portland Public Schools to meet its federal obligation to provide learning opportunities and pathways for American Indian and Alaska Natives to not just continue to be enrolled but to learn deeply, and attain high levels of academic success at all grade levels.

# Indian Parent Committee (IPC)

Portland Public Schools

## Letters of Support

Dr. Maria Tenorio, EdD, Educational Leadership and Policy Department

Lukas Angus, Head Skipper, Director of 7 Waters Canoe Family

Jack McCormack, CEO, Rise Above

Rachel Lynne Cushman, Secretary-Treasurer of Tribal Council, Chinook Indian Nation

Gilbert S Beard, Head Ckiri Chief, Nasharo Council Secretary, Pawnee Nation Nasharo Council

Tholanda Newborne, Community Member

Suzanne Depoe, Elder and Citizen of the Confederated Tribes of Siletz, Oregon, Grant Specialist

Katy Holland, Portland Community Elder, Confederation Tribes of Siletz

Norrine Smokey-Smith, Portland Elders as listed

Jessica Rojas, Community Member

Ryder Brown, Previous PPS Student, C/O: 2023

PPS Native American Student Unions:

- Alliance High School
- Benson High School
- Cleveland High School
- Grant High School
- McDaniel High School
- Roosevelt High School



11 December 2024

Board of Education  
Portland Public School District  
Portland, Oregon

Dear Colleagues:

I am happy to write this letter in support of the Indian Education program Parent Committee's request to Portland Public Schools (PPS) to continue to focus on the unanswered needs of Indian children attending PPS schools. Fifty years ago, Native parents gathered to discuss legal recourse against the District should it continue to fail to support academic success for their children. Shortly thereafter, the Indian Education project was launched through receipt of dedicated (now Title VI) Federal funding and that office has continued over the years to make good on PPS' promise to address the unique cultural, language, and educationally related academic needs of American Indian and Alaska Native students, including preschool children.

Still, while all Native children are not flourishing within Portland schools, a notable exception is the student/family population served by PPS' Indian Education project. Surely, they are doing something right for the students and families the meager staff serves. Thus, when the Parent Committee advises PPS administration of the need to develop a dedicated Native student success learning environment, it is important to listen.

Through a joint partnership with PPS, signed by former Superintendent Guererro, Portland State University has for the past 14 years prepared Native teachers and administrators who are now employed by PPS. As director of the American Indian Teacher Program and the First Nations Administrator and Knowledge Keepers from 2010 to present, I would like to pledge a commitment to continue efforts to assist in the planning and fundraising for this important work.

Respectfully,

Dr. Maria Tenorio

Maria T. Tenorio, EdD, Faculty, Educational Leadership and Policy Department

College of Education, Portland State University

[tenorio@pdx.edu](mailto:tenorio@pdx.edu) and 503-484-7009



December 12, 2024

Dear Members of the Portland Public Schools Board and Superintendent Armstrong,

I am writing to strongly advocate for the inclusion of a Native Student Success Center in the 2025 School Bond. As a community, we applaud the district's stated Board Goals that emphasize centering Native students to increase academic success. However, while these goals are commendable, it is disheartening that no concrete steps have been taken to truly center Native students in alignment with these objectives.

Native students are members of sovereign tribal nations, with whom the U.S. government has binding treaty obligations. It is imperative that PPS honor this history and commitment by taking meaningful action now. Native students and their communities have waited far too long for promises to turn into tangible support.

Including funding for a Native Student Success Center is a critical first step in fulfilling the district's goals and commitments. This center would provide a space dedicated to the cultural, academic, and social success of Native students, ensuring they are truly supported in achieving their full potential.

I urge the Board to take this opportunity to demonstrate leadership and accountability by approving funding for this essential initiative. Let us collectively ensure that PPS keeps its word and honors its commitment to Native students, their families, and their communities.

Thank you for your attention to this important matter.

Sincerely,

Lukas Angus  
Head Skipper/Director  
7 Waters Canoe Family  
(971)202-6985



Jaci McCormack  
Chief Executive Officer  
Rise Above  
[Jaci@nativeyouthriseabove.org](mailto:Jaci@nativeyouthriseabove.org)  
(208) 553-9776

December 12, 2024

Subject: Letter of Support for a Native Student Success Center

Dear Portland Public Schools Board Members,

On behalf of Rise Above, I am writing to offer our strong support for the inclusion of a Native Student Center in the 2025 School Bond. As an organization dedicated to serving Native American youth, we fully recognize the critical need for spaces that are culturally relevant, supportive, and accessible to our Native American students and those who identify as Native American.

A Native Success Center would provide an invaluable resource to Native American students, offering a dedicated space for educational support, cultural enrichment, and community engagement. This space could host workshops, tutoring sessions, and cultural programming, all of which are essential to the academic and social success of Native American youth. Additionally, it would serve as a much-needed gathering place for students and families to build connections and strengthen community ties.

We strongly urge Portland Public Schools to prioritize the inclusion of the Native Success Center in the upcoming bond, and we are committed to supporting you to ensure that this vision becomes a reality. Native American youth deserve a space where they can succeed academically, connect with their heritage, and feel supported in every aspect of their educational journey.

Thank you for your attention and consideration to this important matter. We look forward to supporting you on this critical initiative and to a future where Native American students in Portland Public Schools have the resources and space they need to achieve their full potential.

Sincerely,

A handwritten signature in black ink, appearing to read "Jaci McCormack".

Jaci McCormack  
Chief Executive Officer  
Rise Above

***Every \$1 spent today on substance-abuse education stands to save \$18 on treatment later***

3 Miller, T. & Hendrie, D. (2008) Substance Abuse Prevention Dollars and Cents: A Cost-Benefit Analysis. DHHS Pub. No. (SMA) 07-4298. Center for Substance Abuse Prevention, Substance Abuse and Mental Health Services Administration.



**Subject:** Support for Including a Native Student Success Center in the 2025 School Bond

December 11, 2024

Dear Members of the Portland Public Schools Board and Superintendent Armstrong,

As a tribal representative, former PPS student, and relative of several district students, I am writing to strongly advocate for the inclusion of a Native Student Success Center in the 2025 School Bond. As a community, we applaud the district's stated Board Goals, which emphasize centering Native students to increase academic success. However, while these goals are commendable, it is disheartening that no concrete steps have been taken to truly center Native students in alignment with these objectives.

Native students are members of sovereign tribal nations with whom the U.S. government has binding treaty obligations. PPS must honor this history and commitment by taking meaningful action now. Native students and their communities have waited far too long for promises to turn into tangible support.

Including funding for a Native Student Success Center is a critical first step in fulfilling the district's goals and commitments. This center would provide a space dedicated to the cultural, academic, and social success of Native students, ensuring they are genuinely supported in achieving their full potential.

I urge the Board to take this opportunity to demonstrate leadership and accountability by approving funding for this essential initiative. Let us collectively ensure that PPS keeps its word and honors its commitment to Native students, their families, and their communities.

Thank you for your attention to this critical matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rachel Cushman', with a large, sweeping flourish at the end.

Rachel Lynne Cushman

Secretary-Treasurer of Tribal Council, Chinook Indian Nation

December 12, 2024

To: The Board of Education, Portland Public Schools  
Superintendent Dr. Kimberlee Armstrong

### Support for Including a Native Student Success Center in the 2025 School Bond

Dear Members of the Portland Public Schools Board and Superintendent Armstrong,

I am writing to give my support and advocate for the inclusion of a Native Student Success Center in the 2025 School Bond. As a community, we wholeheartedly commend the district's stated Board Goals to prioritize Native American students in hopes to increase academic success. However, while these goals are admirable, the true test of achieving these goals would be laying a solid foundation of resolve that would encompass the success of Native students in alignment with these objectives.

Native American students are members of their respected sovereign Tribal Nations within our great Nation, with whom the U.S. government has binding treaty obligations. It is our hope that PPS honor this history and commitment by taking meaningful action now. Much like our ancestors, Native students and their communities have waited in abundance for promises to manifest into tangible support.

Including funding for a Native Student Success Center is the proverbial first step in following through with the district's goals and commitments. This center would provide a space dedicated to the cultural, academic, and social success of Native American students, ensuring they have your full support in achieving and nurturing their education and unlocking their full potential.

I strongly urge the Board to take this opportunity to exercise your leadership and commitment to accountability by approving funding for this initiative. Let us collectively assure that PPS holds true to its word and honors its dedication to Native students, their families, and their communities.

Our Native American Students are direct descendants of survivors of pandemics, starvation, removal, boarding schools, and countless other obstacles that would have ended the lineage of others, but through the sheer will, strength, and determination of our ancestors we are still here. I implore you to help our students go even further in this life by investing in theirs.

Thank you for your time and attention to ever important matter.

Sincerely,  
Gilbert S. Beard  
Head Ckiri Band Chief, Nasharo Council Secretary, Pawnee Nation Nasharo Council

Portland Public Schools Board  
**Superintendent: Kimberlee Armstrong**  
501 N Dixon St.  
Portland, OR 97227

Dear Members of the Board and Superintendent Armstrong,

My name is Tholanda Newborne, and I am a proud Portland native of over four decades. I am writing to express my strong support for the establishment of a Native Student Success Center as part of the 2025 School Bond initiative.

The timing for this initiative could not be more perfect. We must consider not only the generations of Native students currently in our schools but also those yet to come. It is crucial that we take action now to ensure that these students receive the support they need to thrive academically, culturally, and socially. I urge the board to make a firm commitment to develop concrete steps that center our Native students in the Portland Public Schools system.

As members of sovereign tribal nations, Native students hold a unique status, and the U.S. government has binding treaty obligations toward them. It would be both honorable and just for Portland Public Schools to acknowledge and honor this history through the establishment of the Native Student Success Center. This center would not only focus on the academic achievements of Native students but also serve as a cultural hub that fosters pride and community.

Moreover, the funding for this center would extend beyond benefiting Native students. It would symbolize hope and inclusivity for all students and community members who wish to see our educational institutions live up to their full potential. By investing in the future of Native students, we set a precedent that resonates with the values of equity and justice that we aspire to uphold in our society.

As you deliberate on your upcoming decisions, I urge you to prioritize the funding for the Native Student Success Center. This initiative is not just a step in the right direction; it is a necessary leap toward a more inclusive and equitable educational environment for all.

Thank you for your attention to this important matter. I look forward to seeing positive developments in our schools that reflect the rich heritage and potential of Native students.

Sincerely,

Tholanda Newborne  
[asktholanda@gmail.com](mailto:asktholanda@gmail.com)

## Letter of Support for a American Indian/Alaskan Native Community Center

Suzanne DePoe  
Elder and Citizen of the Confederated Tribes of Siletz Oregon, Roll #1099  
Kirkland, WA  
Fox40Suzanne@gmail.com

December 13, 2024

TO: Portland Public Schools and Superintendent Dr. Kimberlee Armstrong

**Subject:** Support for a Native Student Success Center in the 2025 School Bond

Dear Members of the Portland Public Schools Board and Superintendent Armstrong,

I am writing this letter to show my support and request the Portland Public School Board recognize the American Indian/Alaskan Native Student Community within the district by providing a Native Student Center. Even though the population of American Indian and Alaskan Native Students in the district appears low. Those numbers will change in the years ahead as the population growth grows in the Portland Public School District.

Portland has around 40,000 Urban Indians, making it the ninth largest Urban Indian community in the United States. And according to the U.S. Census Bureau, 1% of Portland's population is American Indian and Alaska Native.

By recognizing these statistics, students of American Indian/Alaskan Native deserve the same equity as other diverse groups within your Portland Public School System.

Some history for the board. In 1954, the Federal Government delivered the "Western Oregon Termination Act". A few of the Nations affected by this Termination Act were the Confederated Tribes of Siletz, Oregon, Confederated Tribes of Grand Ronde among many more reservations in Oregon. No longer recognized and no longer having land to call their own.

Then In 1956 the Federal Government passed the "Indian Relocation Act of 1956", also known as Public Law 959. Implemented to control the American Indian. In turn disrupting all Indigenous Communities throughout this country, leaving some homeless.

The "Indian Relocation Act of 1956" paid American Indians/Alaskan Natives no longer Tribal Members to move and relocate to cities such as Portland, Oregon. Acts like this purpose, was aimed to assimilate the American Indian/Alaskan Native into mainstream American society by ending federal recognition of tribes

As Native American Nations are rebuilding infrastructure with opportunities and delivering broadband to community members It leaves out the Urban American Indian where today their descendants attend your Portland Public School System.

This proposed center would allow students to come together and participate in various events and after school activities, providing a sense of community and belonging.

As a Robotics Education Competition Foundation, (RECF.org) Grant Support Specialist delivering Grants to American Indians here in the United States and South Pacific. STEM Programs such as this could be delivered to the center encouraging STEM participation and growing their digital skills. If this were to pass and the Portland Public School district supports a center, RECF.org could provide grants to begin STEM Programs for these students. Here is the site page for more information:

<https://RECF.org/Indigenous-Robotics>

Please support this request to provide opportunities and programs for the American Indian Students in your Portland Public Schools. Begin collaboration with community members to get this off the ground and support the success and provide a vision for the future.

Thank you for your attention to this important matter.

Sincerely,

Suzanne DePoe

Elder and Citizen of the Confederated Tribes of Siletz, Oregon, Roll #1099

Grant Support Specialist, Robotics Education Competition Foundation

December 12, 2024

Board of Education  
Portland Public Schools  
501 N. Dixon St.  
Portland, OR 97227

Dear Members of the Portland School Board,

As representatives of the Portland Native elder community, we are writing to express our support for the inclusion of funding in the next bond measure for a Native Student Success Center. Many of us have children and/or grand-children who have attended or are attending PPS district schools, and we are sad to say that we have seen very little change over the past 50 years. Our Native student population still has the highest drop-out rate of all race groups, and our students' achievement rates remain dismally low. Clearly, PPS is not meeting the needs of Native students, yet there has been no concerted effort to address these glaring disparities withing the district.

Some of us, as well as most of our parents and/or grandparents, endured the devastation boarding schools had on our Native cultures, languages, and spirits, and we are grateful our offspring were spared the cruelty and abuses of the boarding school era. But the school climates and classroom instruction within PPS are not conducive to school success for even the majority of our Native children. Many of our children do not feel welcome in district schools, their culture is not valued or respected, and school staff are not adequately trained or willing to do the necessary work to better inform themselves about best practices for increasing the academic achievement of Native students. As a result, only one of every two Native children successfully complete high school in PPS. This cannot continue.

We believe a Native Student Success Center can turn the poor achievement rates of our PPS Native students around. The addition of highly-skilled Native educators staffing this center will be able to focus predominantly on staff development and supporting teachers in the classroom as they implement the state-mandated Tribal History/Shared History curriculum. They can also work with district administration to meet the goals of the State's Executive Order 96-30 by establishing a process for resolving potential conflicts, enhance a productive exchange of ideas and resources, and develop mutual trust and respect between the district and Portland's Native community.

We are hopeful you as the PPS Board of Education will honor the district's goals and commitment to significantly reduce the disparities among the various ethnic groups and increase the achievement levels of Native students by supporting the inclusion of funding for a Native Student Success Center in the May bond measure. Thank you for the work you do on behalf of all PPS students.

Sincerely,

**Norrine Smokey-Smith   Claudia Long   Elaine St. Martin   Bea Collins   Terry Smith**

**Celeste Whitewolf  
French**

**Jill Erickson**

**Larry Delphinus**

**Chris Smith**

**Lois**

December 12, 2024

Board of Education

Portland Public Schools

Portland, Oregon

To: Portland Public School Board of Education

I am writing to you to ask for your support with the Proposal from the PPS Indian Education Parent Committee for a School Bond to support the development of a Native American Student Success building for our Native students who are attending Portland Public Schools.

As a long time community member and elder who has worked with our Native students in the Portland area, I have seen the ongoing need for a “home” for Tribal students – to establish their own “place” in our urban environment. The center will benefit our students by establishing a social and cultural environment that is a safe place. A place for our youth who represent tribal nations across the nation can have a sense of belonging and pride in. My hope for this center is that it would provide the revitalization needed for our Native students in the Portland Public Schools to be successful and a place where we can create positive outcomes for our students – both academically and culturally.

We ask for your support for this proposal to move forward.

Thank you for your current and future support.

Katy Holland

Confederated Tribes of Siletz Indians Tribal member

Portland Community elder

12/13/24

To: The Board of Education, Portland Public Schools, Superintendent Dr. Kimberlee Armstrong

Subject: Support for Including a Native Student Success Center in the 2025 School Bond

Dear Members of the Portland Public Schools Board and Superintendent Armstrong

I am writing to you as a community member who wears many hats, as someone who works with students across the region in areas of nature education & land stewardship. Lastly I share these words from experience as someone who has navigated the PPS system with native youth that I have raised.

I am expressing my strong support for including a Native Student Success Center in the 2025 School Bond. The addition of this center aligns directly with the Board's stated goals of increasing academic success for Native students by centering their needs, culture, and identity. While these goals are commendable, meaningful action to fully realize them has yet to be taken.

Native students are not only members of the Portland Public Schools community but also members of sovereign tribal nations. The United States government has treaty obligations with these tribal nations, obligations that include education. For far too long, Native students and their communities have been left waiting for the fulfillment of these promises. Now is the time for PPS to lead by example, to honor its commitment to Native students and families, and to take a decisive step toward equity and justice. Funding a Native Student Success Center is a tangible and necessary move to keep the district's word and fulfill its goals. This center will provide Native students with a space where they are truly seen, supported, and empowered, creating pathways for their academic success and cultural preservation.

As someone who works in the areas of land management and science, I see who gets to be apart of our sector, and its often those who have privileged educational backgrounds, attended schools with resources and had access to safe spaces to expand their learning. It is my hope to see these qualities emerge in a space where Native students can receive the support needed that often lacks in their immediate classroom environments and in a way that is culturally centered. I urge the Board to prioritize the inclusion of this center in the upcoming bond. Let this be the moment when words turn into action.

Sincerely,  
Jessica Rojas  
[jdianarojas@gmail.com](mailto:jdianarojas@gmail.com)

December 11, 2024

To: The Board of Education, Portland Public Schools  
Superintendent Dr. Kimberlee Armstrong

Subject: Support for Including a Native Student Success Center in the 2025 School Bond

Dear Members of the Portland Public Schools Board

When I was young I needed help in school but there were no resources in school for my culture. There were options like naya but you had to drive all the way across town to get the support you needed. I never had direct support from Portland Public Schools when necessary. I think the idea of building a community center for Native youth made by Portland Public Schools would be perfect. A center would provide an opportunity for Native students to get the resources they need without having to travel across the city and without using third party organizations. It would also bring more comfort to Native students knowing that there is a direct resource for them to go to if they need:

- Help with assignments
  - Help with food
  - After school care
  - More knowledge of their culture
  - A safe space for native students
- Ryder Brown

December 12, 2024

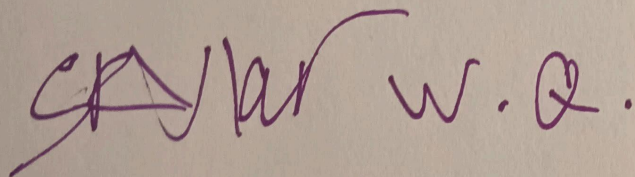
**Subject:** Support for Including a Native Student Success Center in the 2025 School Bond

To: The board of Education, Portland Public Schools and Superintendent Dr. Kimberlee Armstrong

Our Native American Student group is writing to express our strong support in the development of a Portland Public School Native American Students success center. It can feel isolating being the few at our campus. Having a center for Native Student Success in Portland Public School would mean as a student we could access,

- Culturally affirming practices
- Gather with community
- Cultural specific instruction

Sincerely,



To: The Board of Education, Portland Public Schools, and Superintendent Dr. Kimberlee Armstrong

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- Cultural specific instruction

Sincerely,

A handwritten signature in black ink, appearing to be 'T. Lee', with a long horizontal flourish extending to the right.

MHS Indigenous Alliance Club

Please

To: The Board of Education, Portland Public Schools, and Superintendent Dr. Kimberlee Armstrong

Our Native American Student group is writing to express our strong support in the development of a Portland Public School Native American Students success center. It can feel isolating being the few at our campus. Having a center for Native Student Success in Portland Public School would mean as a student we could access,

- Culturally affirming practices
- Gather with community
- Cultural specific instruction

Sincerely,

A handwritten signature in black ink, appearing to be a stylized name, possibly 'A. N.', written over a horizontal line.

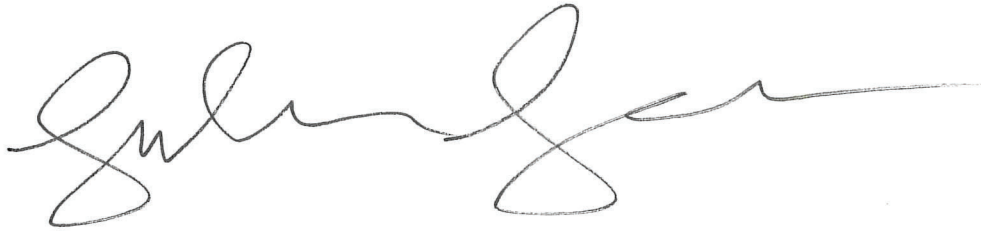
MHS Indigenous Alliance Club

To: The Board of Education, Portland Public Schools, and Superintendent Dr. Kimberlee Armstrong

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- Culturally affirming practices
- Gather with community
- Cultural specific instruction

Sincerely,

A handwritten signature in black ink, appearing to read 'Sulung', written in a cursive style.

MHS Indigenous Alliance Club

To: The Board of Education, Portland Public Schools, and Superintendent Dr. Kimberlee Armstrong

Our Native American Student group is writing to express our strong support in the development of a Portland Public School Native American Students success center. It can feel isolating being the few at our campus. Having a center for Native Student Success in Portland Public School would mean as a student we could access,

- Culturally affirming practices
- Gather with community
- Cultural specific instruction

Sincerely, *Harley Brown*

MHS Indigenous Alliance Club

To: The Board of Education, Portland Public Schools, and Superintendent Dr. Kimberlee Armstrong

Our Native American Student group is writing to express our strong support in the development of a Portland Public School Native American Students success center. It can feel isolating being the few at our campus. Having a center for Native Student Success in Portland Public School would mean as a student we could access,

- Culturally affirming practices
- Gather with community
- Cultural specific instruction

Sincerely, Robert Redwater ~~III~~ III

MHS Indigenous Alliance Club

To: The Board of Education, Portland Public Schools, and Superintendent Dr. Kimberlee Armstrong

Our Native American Student group is writing to express our strong support in the development of a Portland Public School Native American Students success center. It can feel isolating being the few at our campus. Having a center for Native Student Success in Portland Public School would mean as a student we could access,

- Culturally affirming practices
- Gather with community
- Cultural specific instruction

Sincerely,

Jocja Smith   
MHS Indigenous Alliance Club 

To: The Board of Education, Portland Public Schools, and Superintendent Dr. Kimberlee Armstrong

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- Culturally affirming practices
- Gather with community
- Cultural specific instruction

Sincerely,

A handwritten signature in black ink that reads "Ren Saechao". The signature is written in a cursive, flowing style.

MHS Indigenous Alliance Club

To: The Board of Education, Portland Public Schools, and Superintendent Dr. Kimberlee Armstrong

Our Native American Student group is writing to express our strong support in the development of a Portland Public School Native American Students success center. It can feel isolating being the few at our campus. Having a center for Native Student Success in Portland Public School would mean as a student we could access,

- Culturally affirming practices
- Gather with community
- Cultural specific instruction

Sincerely,

MHS Indigenous Alliance Club

SASON

To: The Board of Education, Portland Public Schools, and Superintendent Dr. Kimberlee Armstrong

Our Native American Student group is writing to express our strong support in the development of a Portland Public School Native American Students success center. It can feel isolating being the few at our campus. Having a center for Native Student Success in Portland Public School would mean as a student we could access,

- Culturally affirming practices
- Gather with community
- Cultural specific instruction

Sincerely,  
Avarie Strube.

MHS Indigenous Alliance Club

To: The Board of Education, Portland Public Schools, and Superintendent Dr. Kimberlee Armstrong

Our Native American Student group is writing to express our strong support in the development of a Portland Public School Native American Students success center. It can feel isolating being the few at our campus. Having a center for Native Student Success in Portland Public School would mean as a student we could access,

- Culturally affirming practices
- Gather with community
- Cultural specific instruction

Sincerely,

A handwritten signature in black ink, appearing to read "L. Lopez", written in a cursive style.

MHS Indigenous Alliance Club

To: The Board of Education, Portland Public Schools, and Superintendent Dr. Kimberlee Armstrong

Our Native American Student group is writing to express our strong support in the development of a Portland Public School Native American Students success center. It can feel isolating being the few at our campus. Having a center for Native Student Success in Portland Public School would mean as a student we could access,

- Culturally affirming practices
- Gather with community
- Cultural specific instruction

Sincerely, 

MHS Indigenous Alliance Club



# Bond Planning Board of Education

December 17, 2024





# Materials

- 2025 GO Bond Ballot Language (Draft)
- Exhibit A: Proposed GO Bond Option (12.13.2024)
- Staff Memo: Modernization Design Process Overview



# GO Bond Option Parameters

1. Target a total bond between \$1.5 - \$1.8 billion
2. Plan for an 8-year bond cycle
3. Retain the existing tax rate
4. Plan for the May 2025 ballot measure



# Proposed Option

	Dec 2 Option	Proposed Option	Delta
<b>Physical Facility Improvements</b>	<b>\$265,000,000</b>	<b>\$269,000,000</b>	<b>\$4,000,000</b>
→ Deferred Maint & Priority Scope	\$190,000,000	\$190,000,000	\$0
→ Athletics	\$75,000,000	\$79,000,000	\$4,000,000
<b>Educational &amp; Technology Improvements</b>	<b>\$242,000,000</b>	<b>\$242,000,000</b>	<b>\$0</b>
Technology	\$176,000,000	\$176,000,000	\$0
Physical Education	\$10,000,000	\$10,000,000	\$0
Curriculum	\$56,000,000	\$56,000,000	\$0
<b>Modernizations</b>	<b>\$1,150,000,000</b>	<b>\$1,150,000,000</b>	<b>\$0</b>
Jefferson High School	INCL ABOVE	INCL ABOVE	INCL ABOVE
Cleveland High School	INCL ABOVE	INCL ABOVE	INCL ABOVE
Cleveland High School - Powell Park Option	INCL ABOVE	INCL ABOVE	INCL ABOVE
Ida B Wells High School	INCL ABOVE	INCL ABOVE	INCL ABOVE
Elementary and Middle Schools	INCL ABOVE	INCL ABOVE	INCL ABOVE
→ Admin	\$41,425,000	\$83,050,000	\$41,625,000
Contingency	\$82,850,000	\$83,050,000	\$200,000
<b>Total</b>	<b>\$1,781,275,000</b>	<b>\$1,827,100,000</b>	<b>\$45,825,000</b>



# Deferred Maintenance & Priority Scope: \$190m

The proposed option allocates bond funds to address deferred maintenance, ongoing capital renewal and priority scope improvements. As highlighted in previous meeting materials, PPS faces significant and substantial deferred maintenance challenges. To address these issues staff recommends structuring the GO bond to **maximize flexibility**, allowing the district to respond to dynamic facility needs.



# Deferred Maintenance & Priority Scope: \$190m

The case for flexibility:

1. The size of the PPS's facility need is **big**
2. The scope of need is **broad**
3. The planning duration (8 - 10 years) is **long**
4. The **data is imperfect**

# Deferred Maintenance & Priority Scope: \$190m

As detailed in the Board meeting materials, PPS is confronting substantial facility needs, with an overall cost that exceeds several billion dollars. Although there is some flexibility in how these needs are categorized, we generally classify physical facility improvements into three primary categories:

1. **Deferred Maintenance** (addressing failed or failing assets)
2. **Capital Renewal** (planning for assets beyond their expected useful life)
3. **Priority Scopes of Work** (new improvements or upgrades)

Deferred Maintenance: The District’s deferred maintenance backlog is substantial, with thousands of assets in need of replacement, totaling **more than \$1 billion**. PPS’s overall facility condition index is rated as “poor.” **Addressing deferred maintenance items improves facility condition index score.**

Capital Renewal: According to the APPA benchmark, annual investment in capital renewal should be 3% of the Current Replacement Value (CRV), equating to roughly \$171 million per year. While this is a broad estimate not specific to PPS, it is reasonable to assume **over \$100 million per year** would be needed to maintain the existing conditions of PPS facilities. **Addressing capital renewal needs improves facility condition index score.**

Priority Scopes of Work: Priority projects that fall outside of deferred maintenance include seismic retrofits, athletic facility upgrades, the addition of air conditioning, security improvements, and other critical needs. PPS’s Long Range Facilities Plan (and other capital planning documents) identify substantive upgrade needs in these areas. It is reasonable to assume addressing all of this scope would cost **several billions of dollars.**



# Deferred Maintenance & Priority Scope: \$190m

## Capital Project Prioritization Process

- Projects are prioritized based on highest need (impact to learning), and timing of the real/potential impact
- Projects are authorized to proceed based on prioritization and available resources (funding and staffing)



# Deferred Maintenance & Priority Scope: \$190m

## SAMPLE

Deferred Maintenance	Est Project Cost Range	Est # of Projects	Total
<i>Emergency &amp; Unplanned Projects (annual)</i>	\$5,000,000 - \$10,000,000	*	\$60,000,000
Roof Replacement	\$5,000,000 - \$7,000,000	9 - 12	\$60,000,000
Exterior Enclosure Improvements	\$2,000,000 - \$4,000,000	3 - 5	\$10,000,000
HVAC System Major Repairs	\$250,000 - \$1,000,000	5 - 20	\$5,000,000
Plumbing System Major Repairs	\$250,000 - \$1,000,000	5 - 20	\$5,000,000
Electrical System Updates	\$1,500,000 - \$2,500,000	6 - 10	\$15,000,000
Fire Alarm Upgrades	\$250,000 - \$500,000	5 - 10	\$2,500,000
Playground Equipment Replacement	\$100,000 - \$250,000	10 - 25	\$2,500,000
New Elevators	\$1,000,000 - \$2,000,000	1 - 2	\$2,000,000
Site Improvements	\$50,000 - \$250,000	4 - 20	\$1,000,000
<b>Priority Scope Improvements</b>			
New HVAC Systems	\$8,000,000 - \$12,000,000	1 - 2	\$15,000,000
Security Improvements	\$500,000 - \$2,000,000	1 - 4	\$2,000,000
Seismic Improvements	\$5,000,000 - \$10,000,000	1 - 2	\$10,000,000
<i>* Estimated annual allocation</i>			<b>\$190,000,000</b>



# Athletic Improvements: \$79m

<b>ATHLETIC FACILITY IMPROVEMENTS</b>		
<b>High School Athletic Hubs</b>		
Jackson HUB (turf field, lights, site improvements)	X	\$17,700,000
Marshall Campus HUB (turf field, lights)	X	\$6,200,000
<b>Middle School Turf &amp; Lights</b>		
West Sylvan (turf field, lights)	X	\$13,300,000
<b>High School Improvements</b>		
Roosevelt Turf Baseball, Softball and Hitting Facility	X	\$10,200,000
Grant Lights	X	\$1,500,000
Grant Seating	X	\$5,300,000
Franklin Upper (turf, lights, hitting facility)	X	\$13,200,000
<b>Other</b>		
<i>HS Turf and Track Replacement in next 10 years</i>	X	\$11,400,000
		<b>\$78,800,000</b>



# Bond Administration

Program administration includes the resources required to manage and support the bond work, covering staff, bond issuance costs, insurance, and other related expenses.

From 2021 to 2023, Portland Public Schools (PPS) spent approximately \$37 million for bond program administration, averaging approximately \$12 million annually. Annual expenses fluctuate depending on the number and complexity of active projects, as well as the timing of significant expenditures, such as bond insurance payments.

For the 2020 GO bond program, the administration budget is set at \$62 million (6% of the project budget for the bond), of which \$20 million has been spent. With approximately 46% of the budget spent to date, we anticipate that total administration costs will remain close to, but below the allocated amount.

The upcoming 2025 GO bond presents a unique challenge compared to previous bonds, due to its size, scope, and other variables. The budget for administration of the 2025 GO bond is set at \$83 million, which is 5% of the bond project budget. OSM will strategically design the mix of direct PPS employees and contracted administrative positions to provide the expertise necessary at an efficient cost. It will be important to keep a close eye on administration costs as the program evolves, the modernization budgets become solidified, and additional projects become clear to ensure that the program's administrative budget evolves with the program's project makeup.



# Questions?

	Dec 2 Option	Proposed Option	Delta
<b>Physical Facility Improvements</b>	<b>\$265,000,000</b>	<b>\$269,000,000</b>	<b>\$4,000,000</b>
Deferred Maint & Priority Scope	\$190,000,000	\$190,000,000	\$0
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<b>Admin</b>	<b>\$41,425,000</b>	<b>\$83,050,000</b>	<b>\$41,625,000</b>
<b>Contingency</b>	<b>\$82,850,000</b>	<b>\$83,050,000</b>	<b>\$200,000</b>
<b>Total</b>	<b>\$1,781,275,000</b>	<b>\$1,827,100,000</b>	<b>\$45,825,000</b>



TOGETHER,  
WE RISE

*Data Dive Winter 2024:*  
MAP Achievement

December 17, 2024

# MAP Assessment Background



# MAP Assessment Use In PPS



Fall:

- Each student has a single score for that year.
- We examine achievement at a point in time.
- We compare achievement at two points in time.

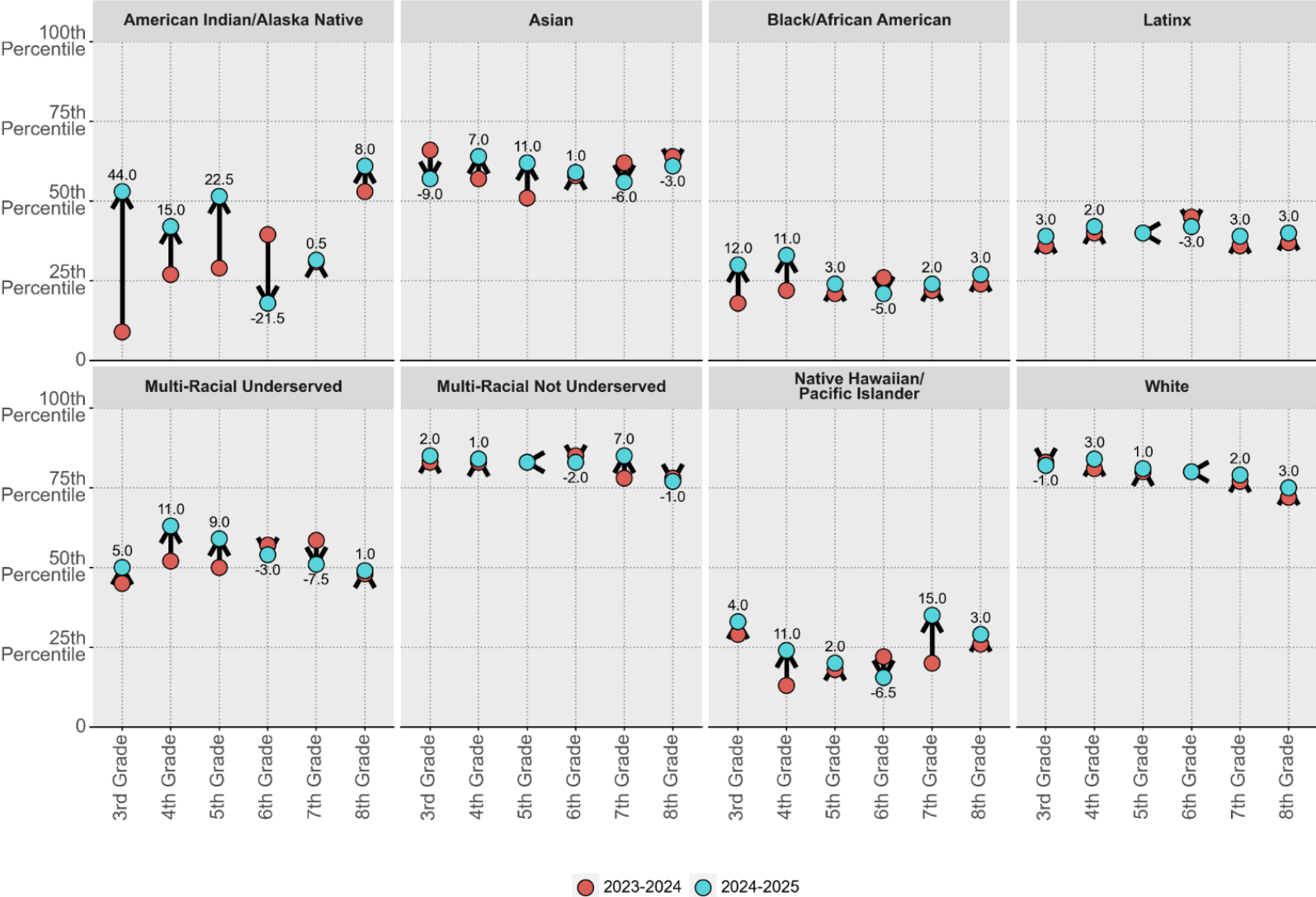
Spring:

- Each student has two scores within the same year.
- We examine growth during that year.
- We compare growth over time.



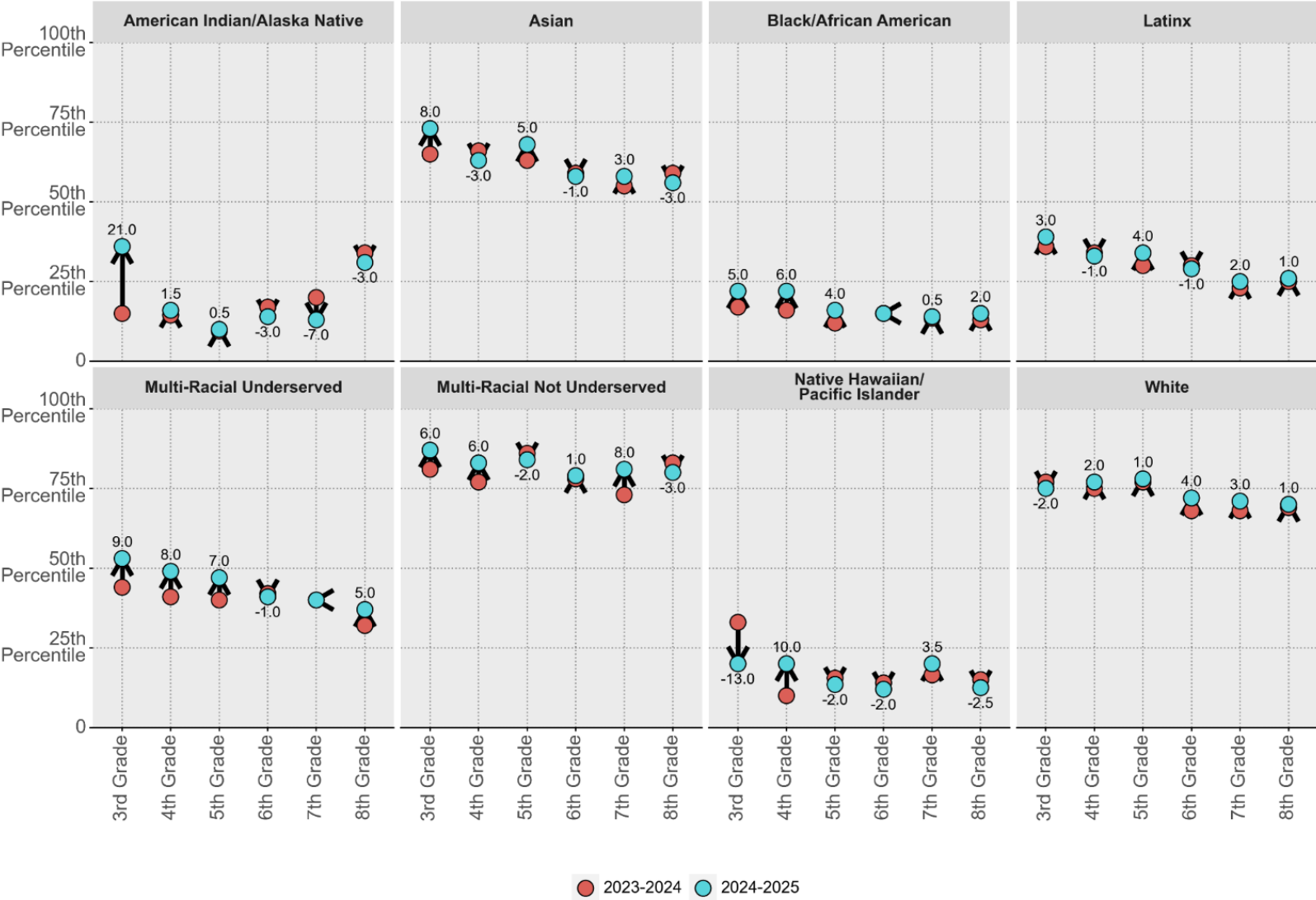
# Percentile Rank Changes: Reading

Fall 2023-2024 to Fall 2024-2025 Percentile Median Change in ELA



# Percentile Rank Changes: Math

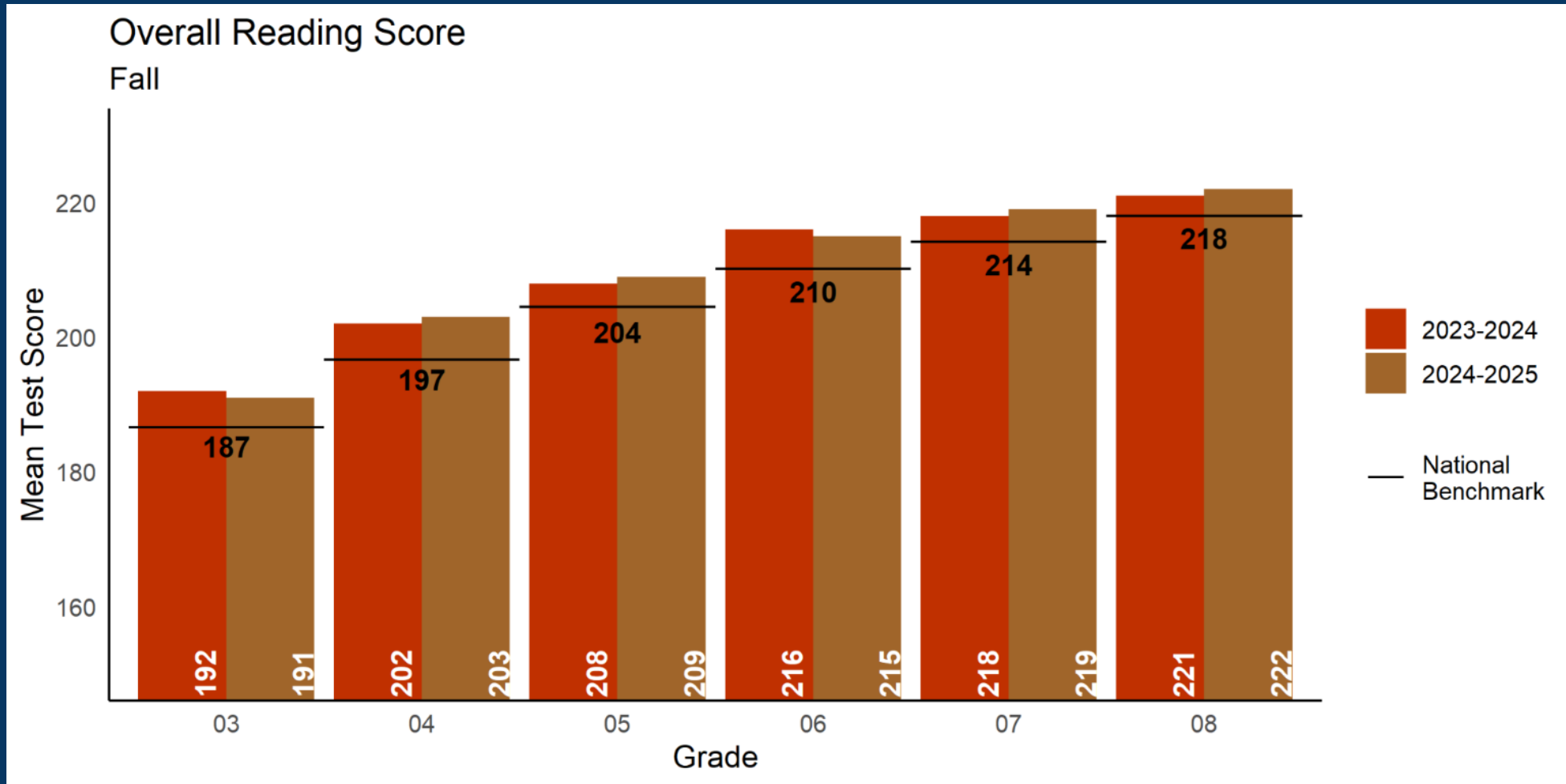
Fall 2023-2024 to Fall 2024-2025 Percentile Median Change in Math



# MAP Reading

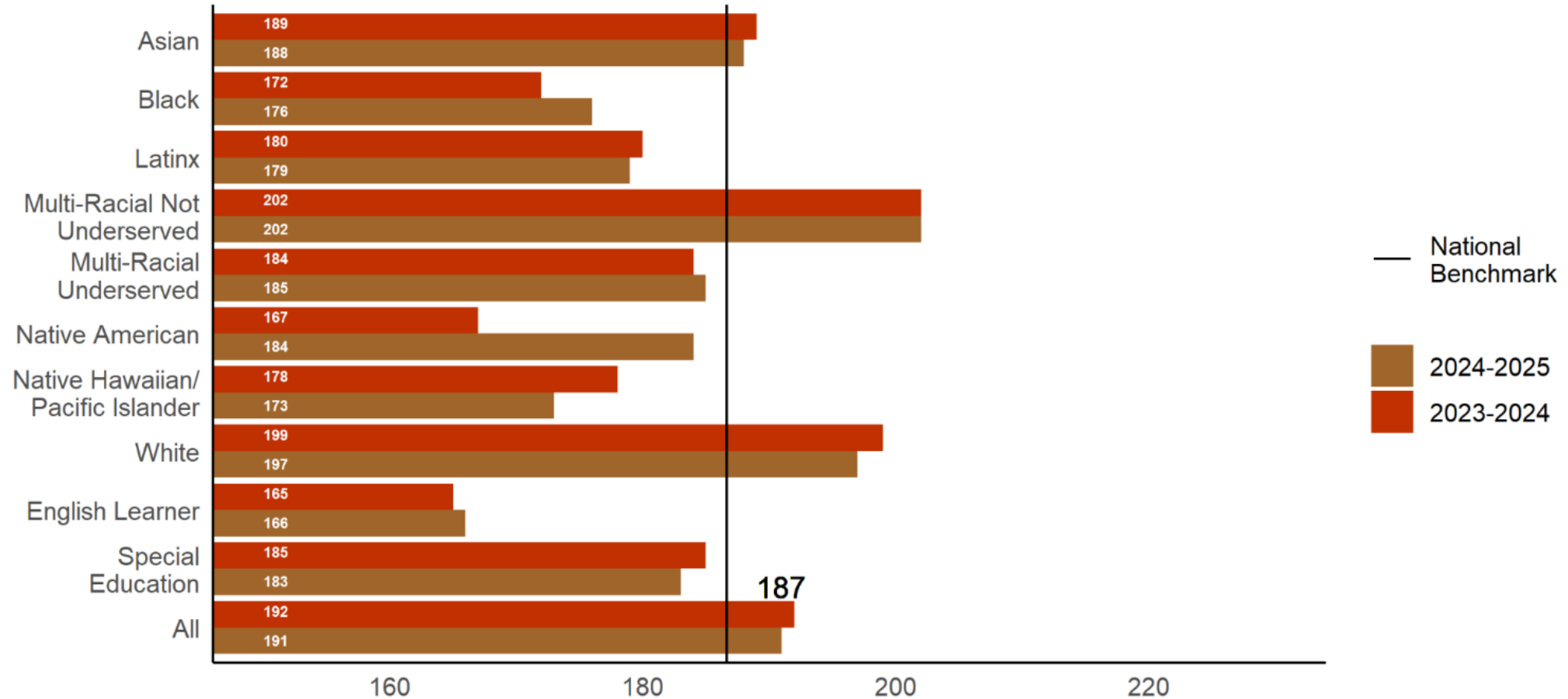


# Overall Reading Achievement

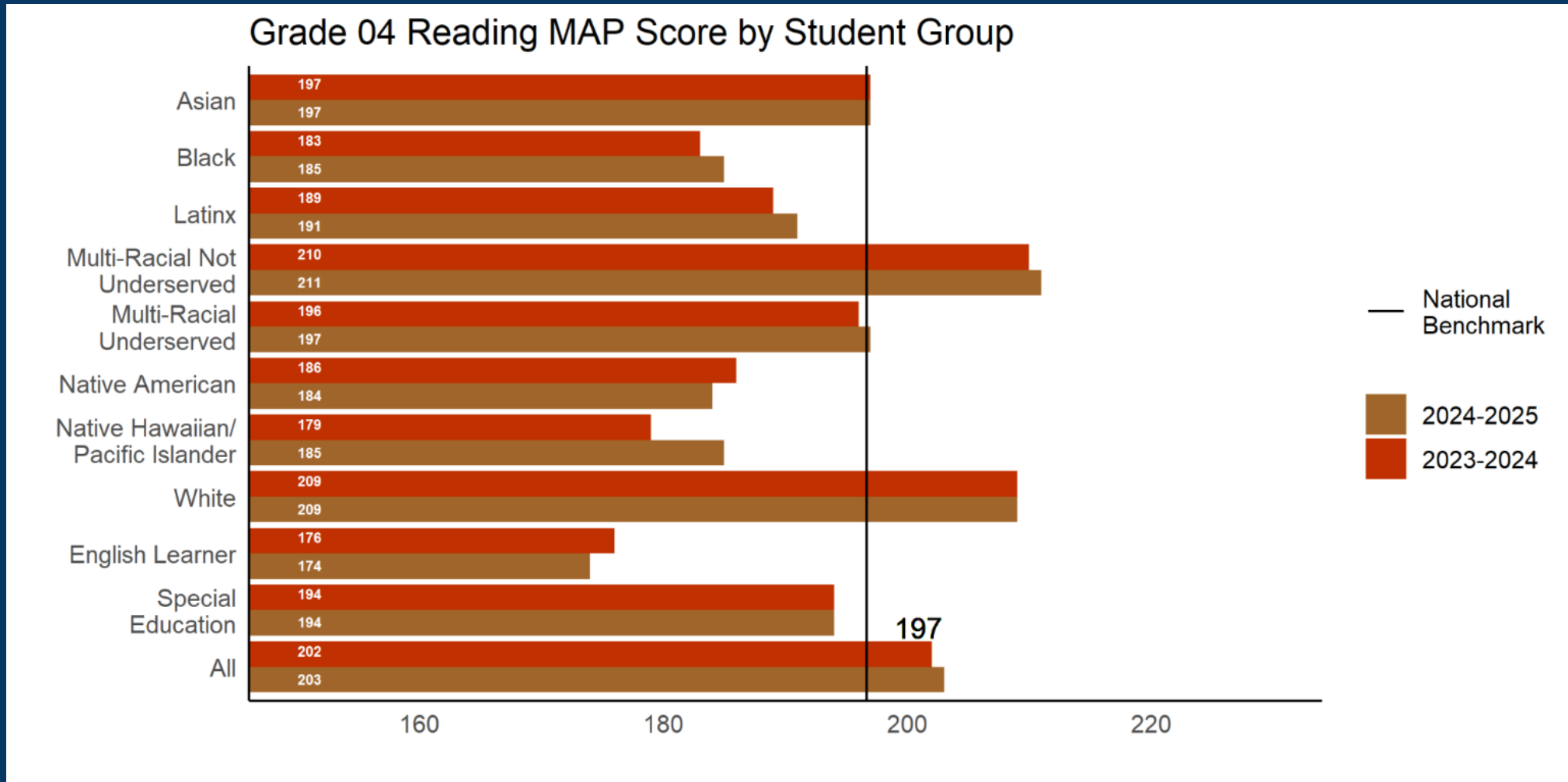


# Grade 3 Reading

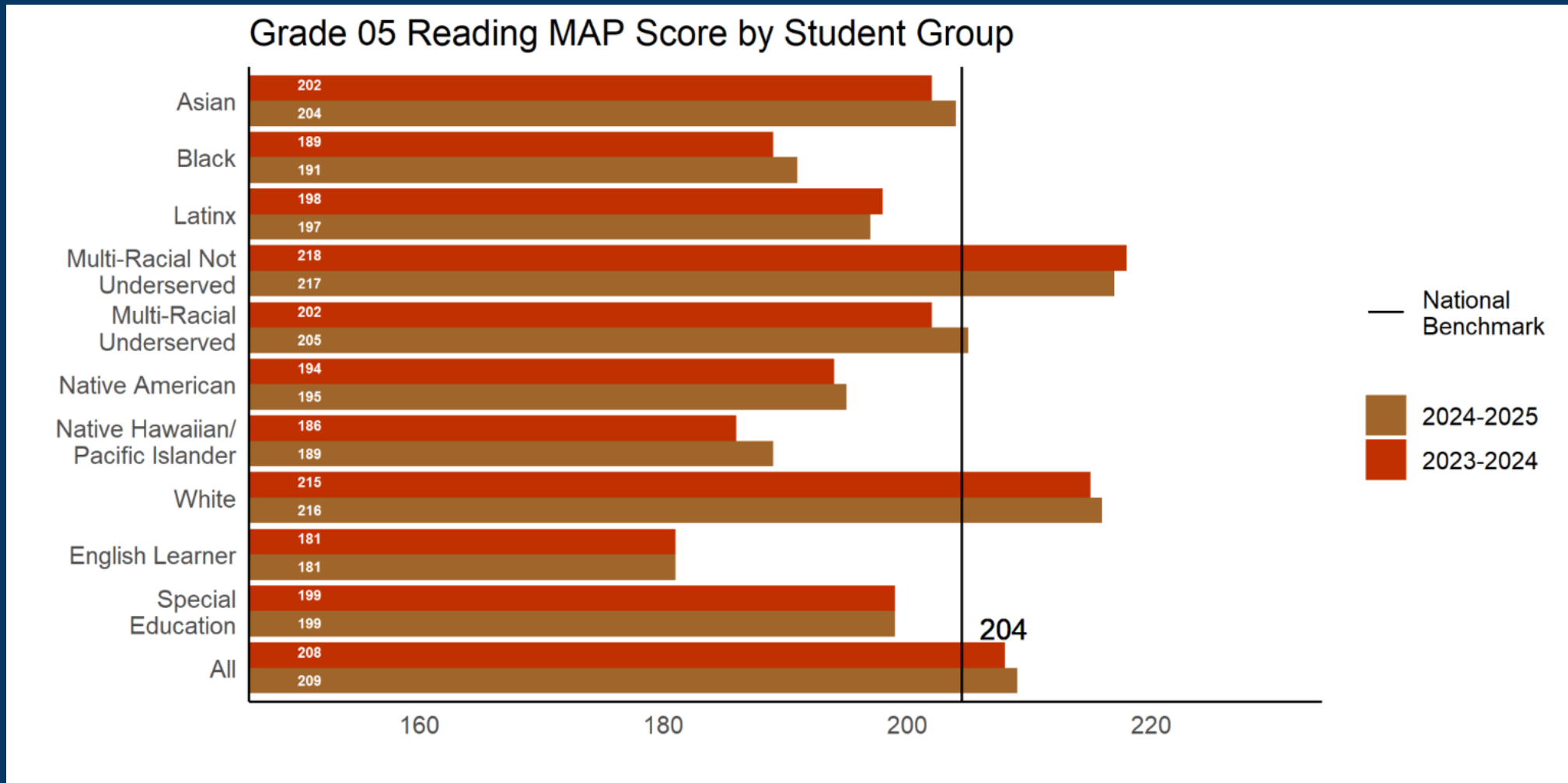
Grade 03 Reading MAP Score by Student Group



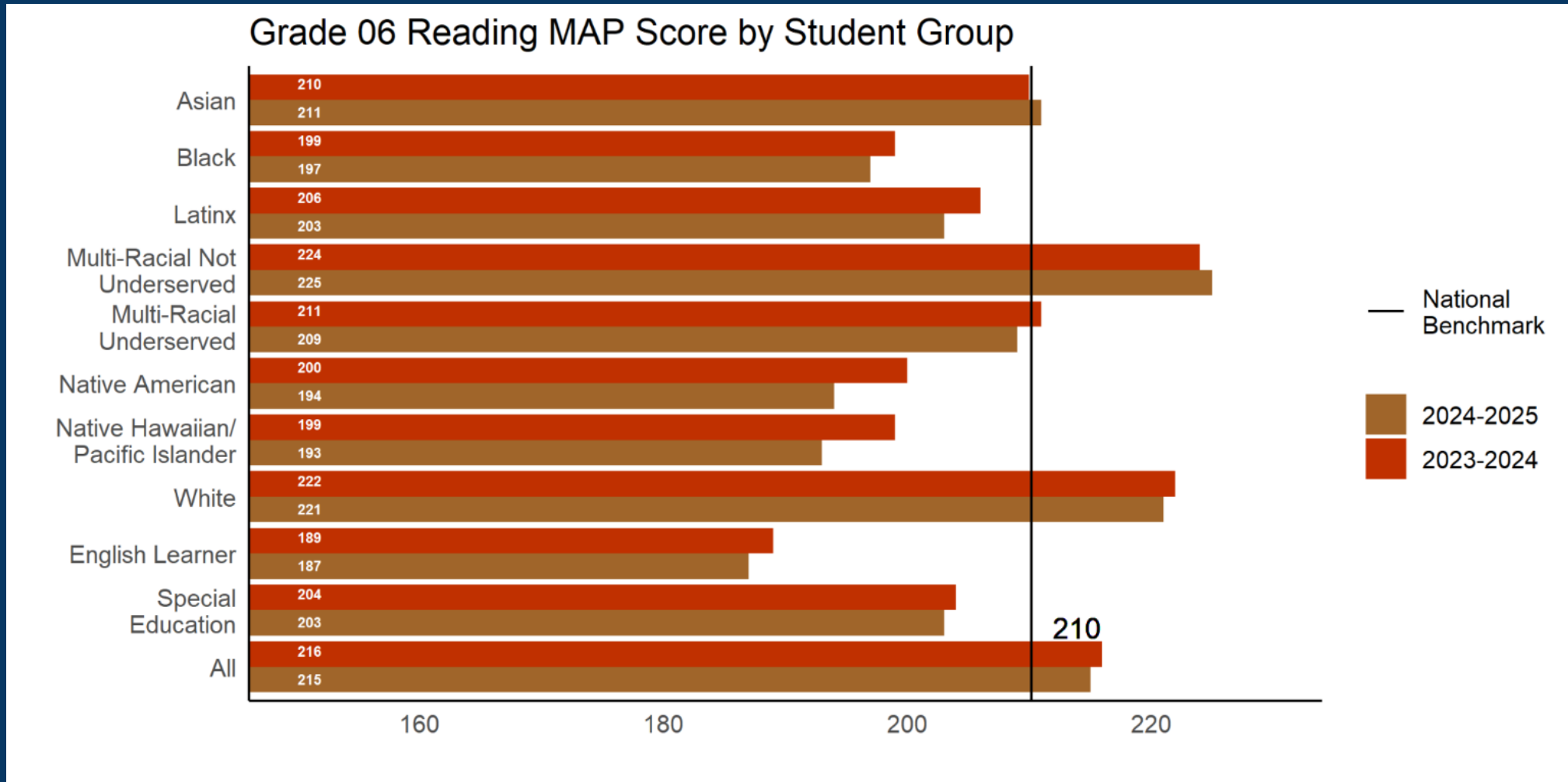
# Grade 4 Reading



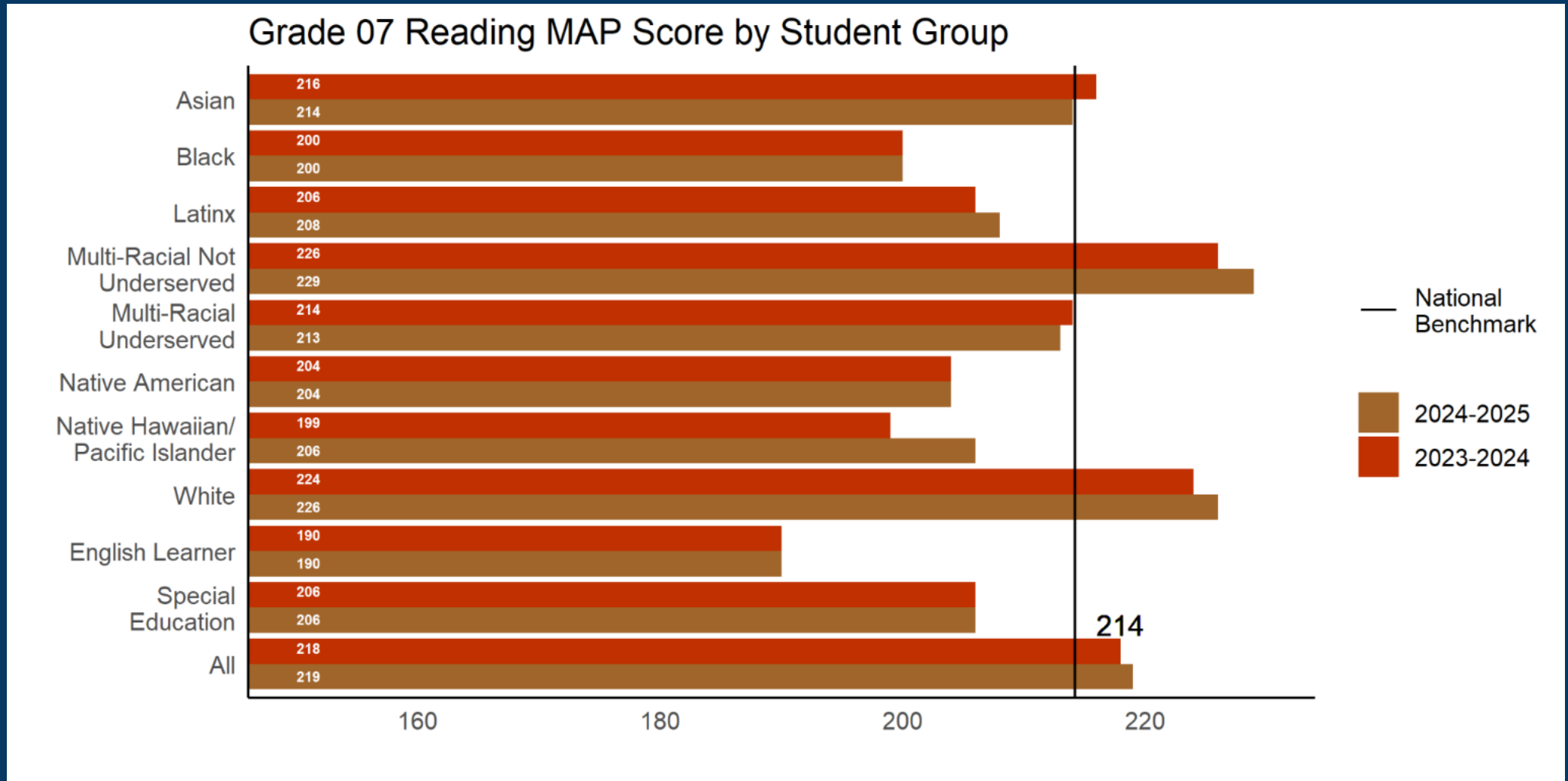
# Grade 5 Reading



# Grade 6 Reading

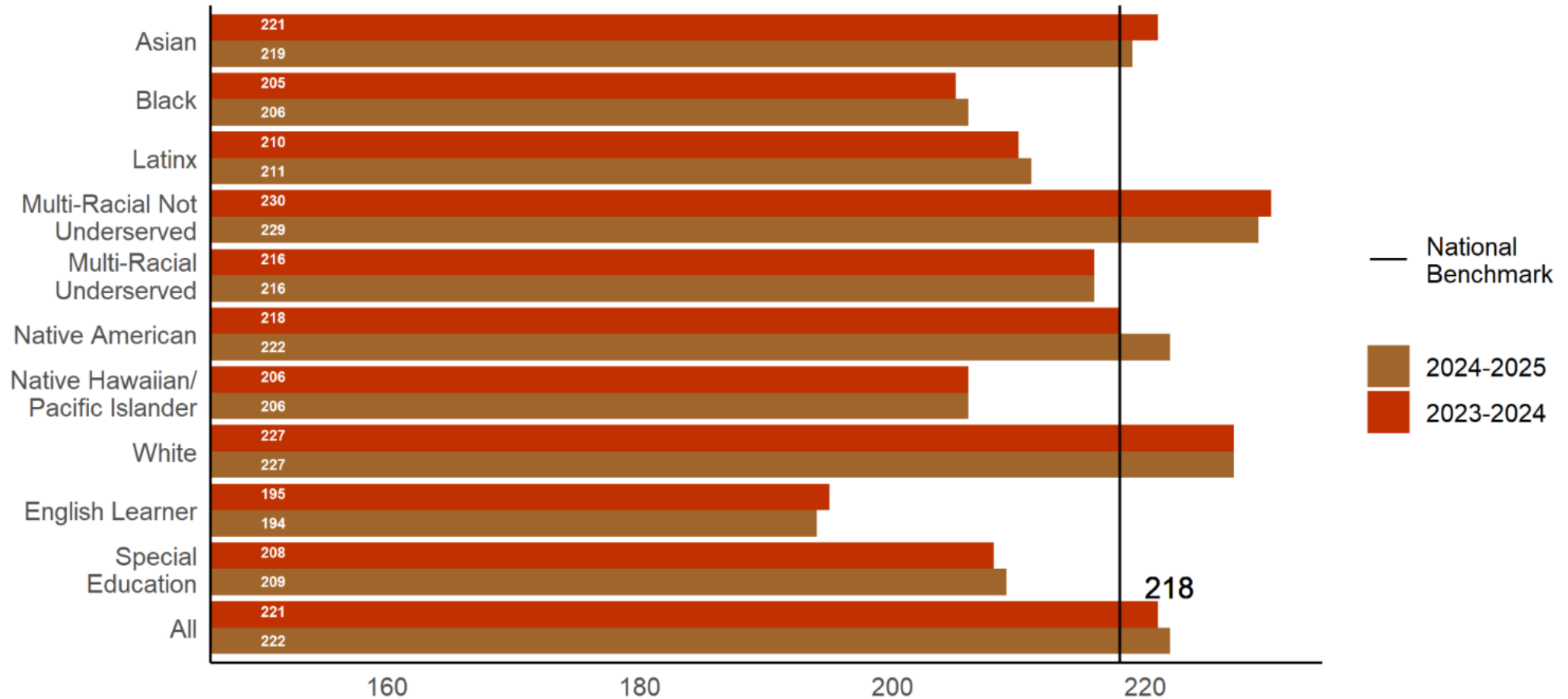


# Grade 7 Reading



# Grade 8 Reading

Grade 08 Reading MAP Score by Student Group

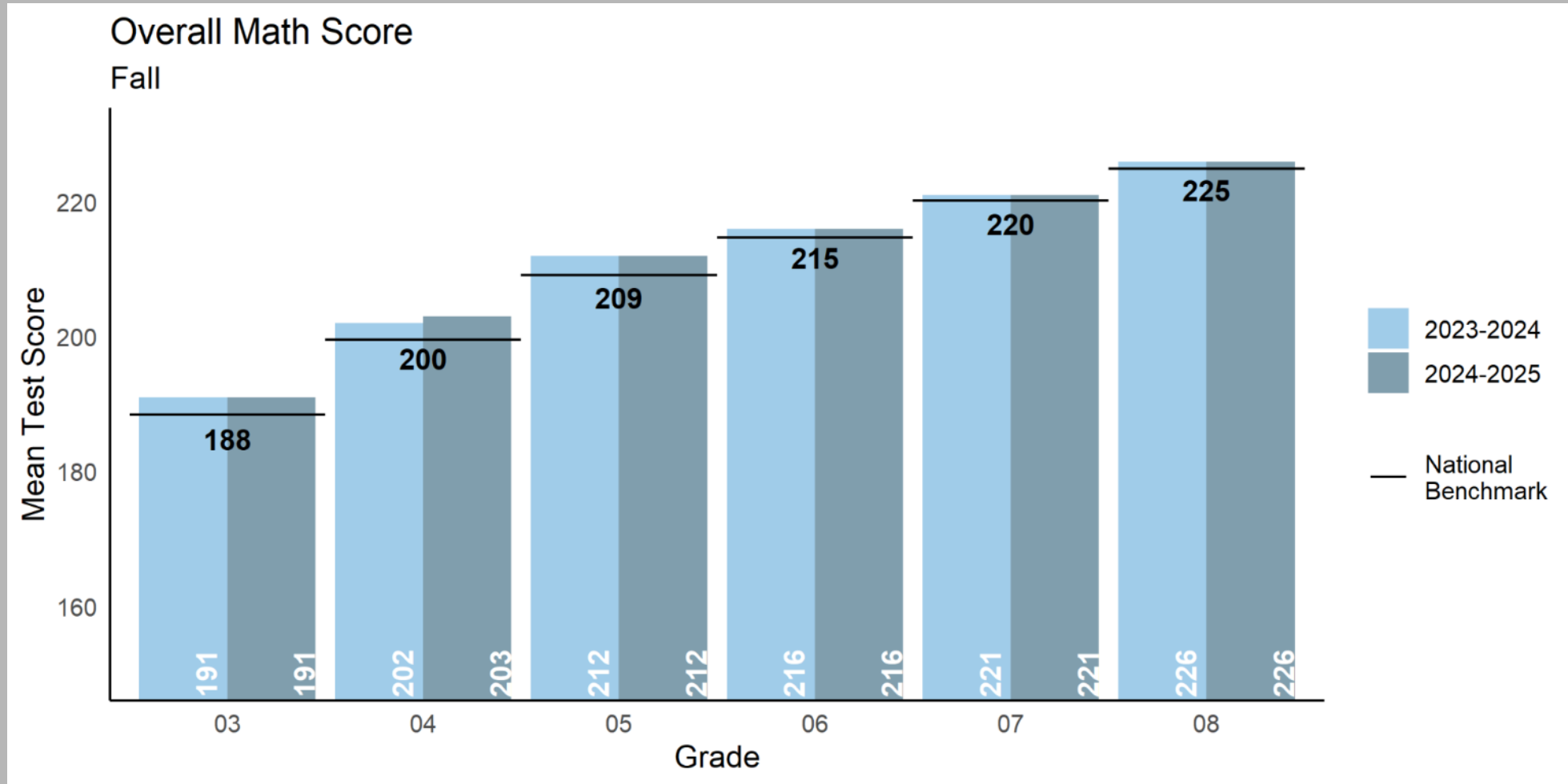


# MAP

## Mathematics

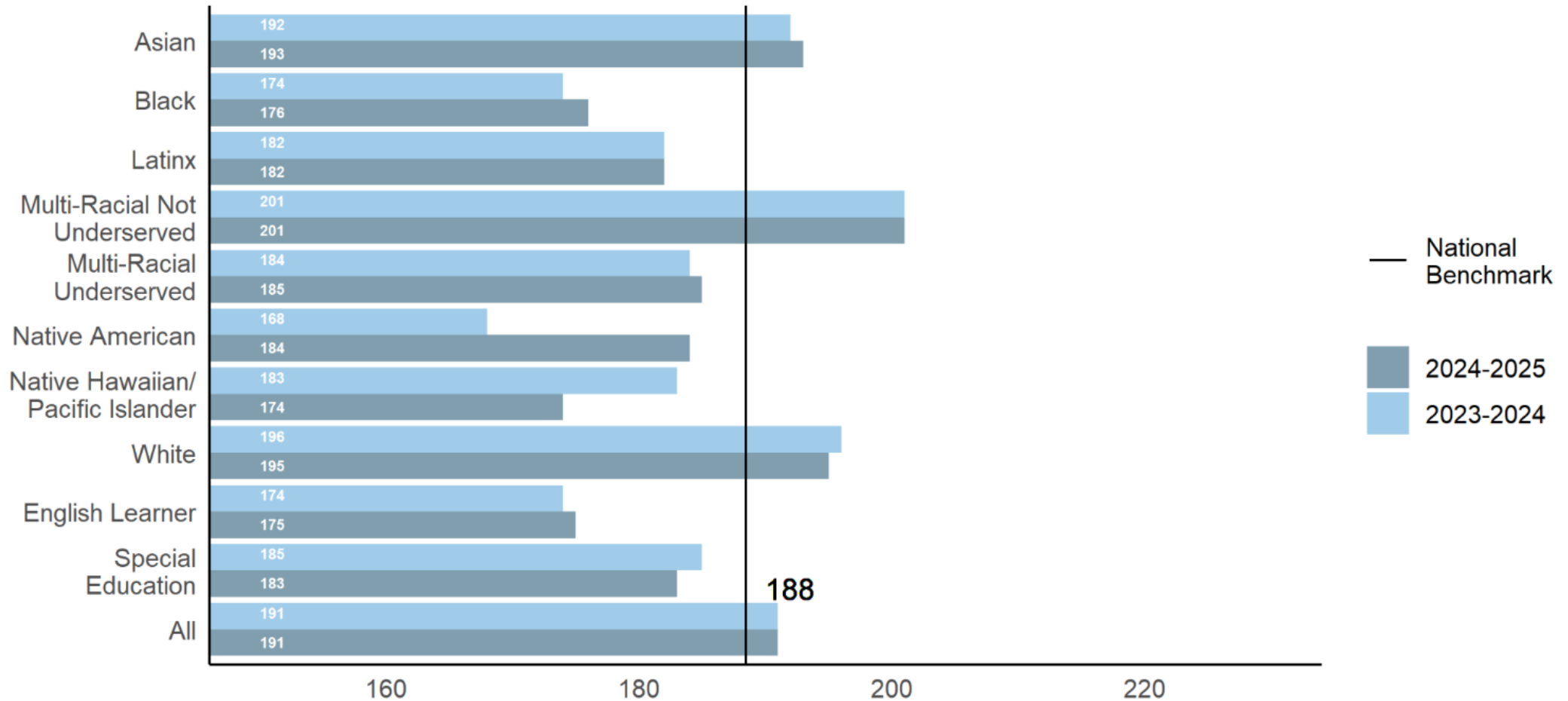


# Overall Mathematics Achievement



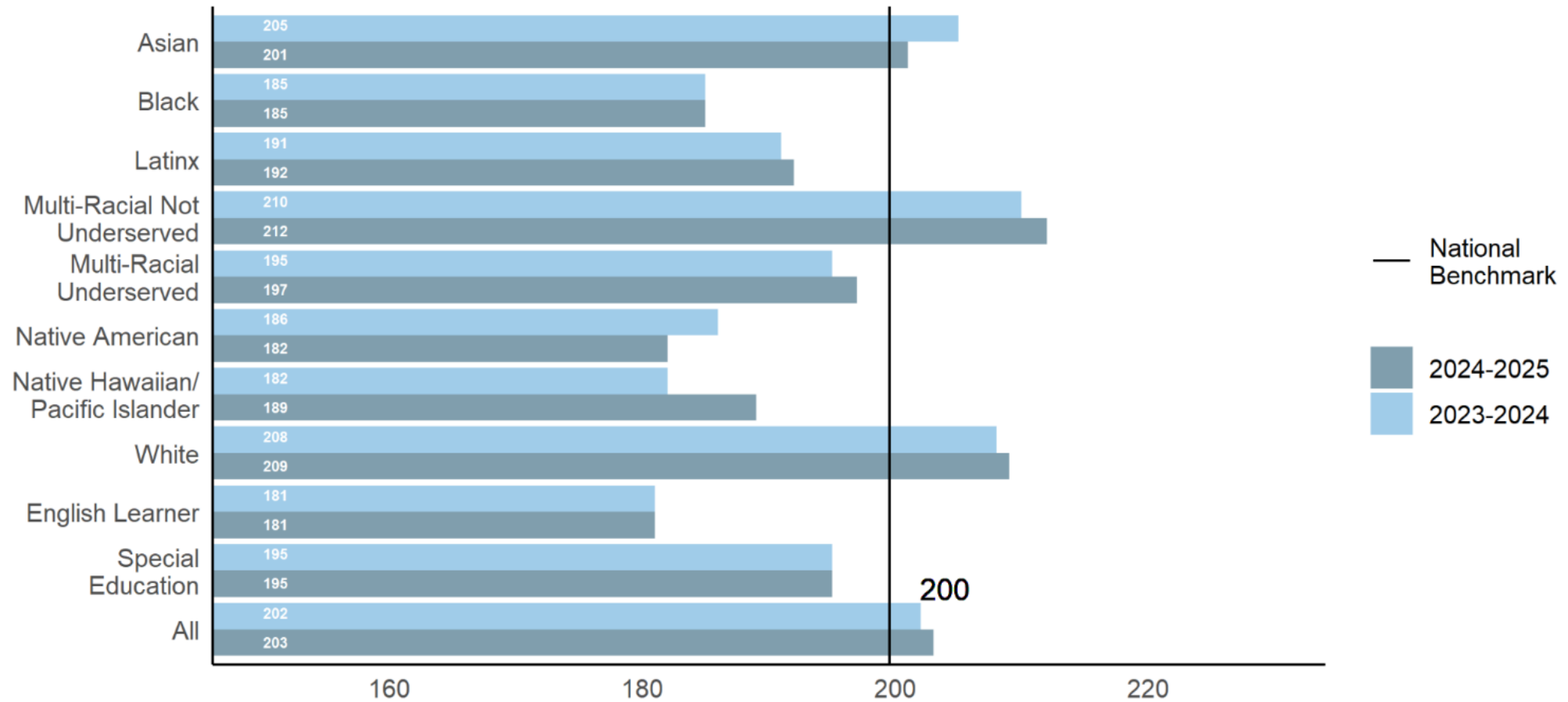
# Grade 3 Mathematics

## Grade 03 Math MAP Score by Student Group

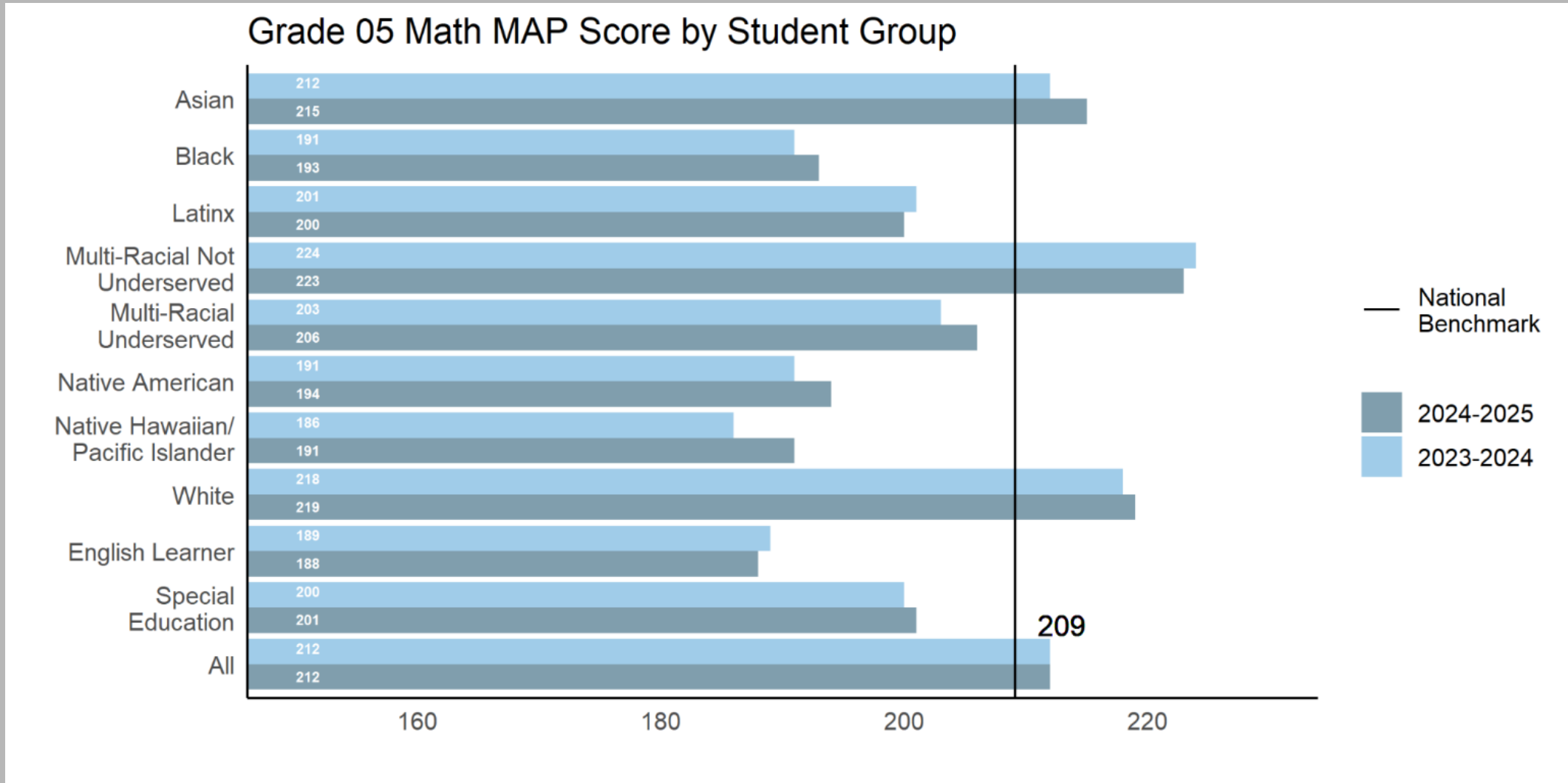


# Grade 4 Mathematics

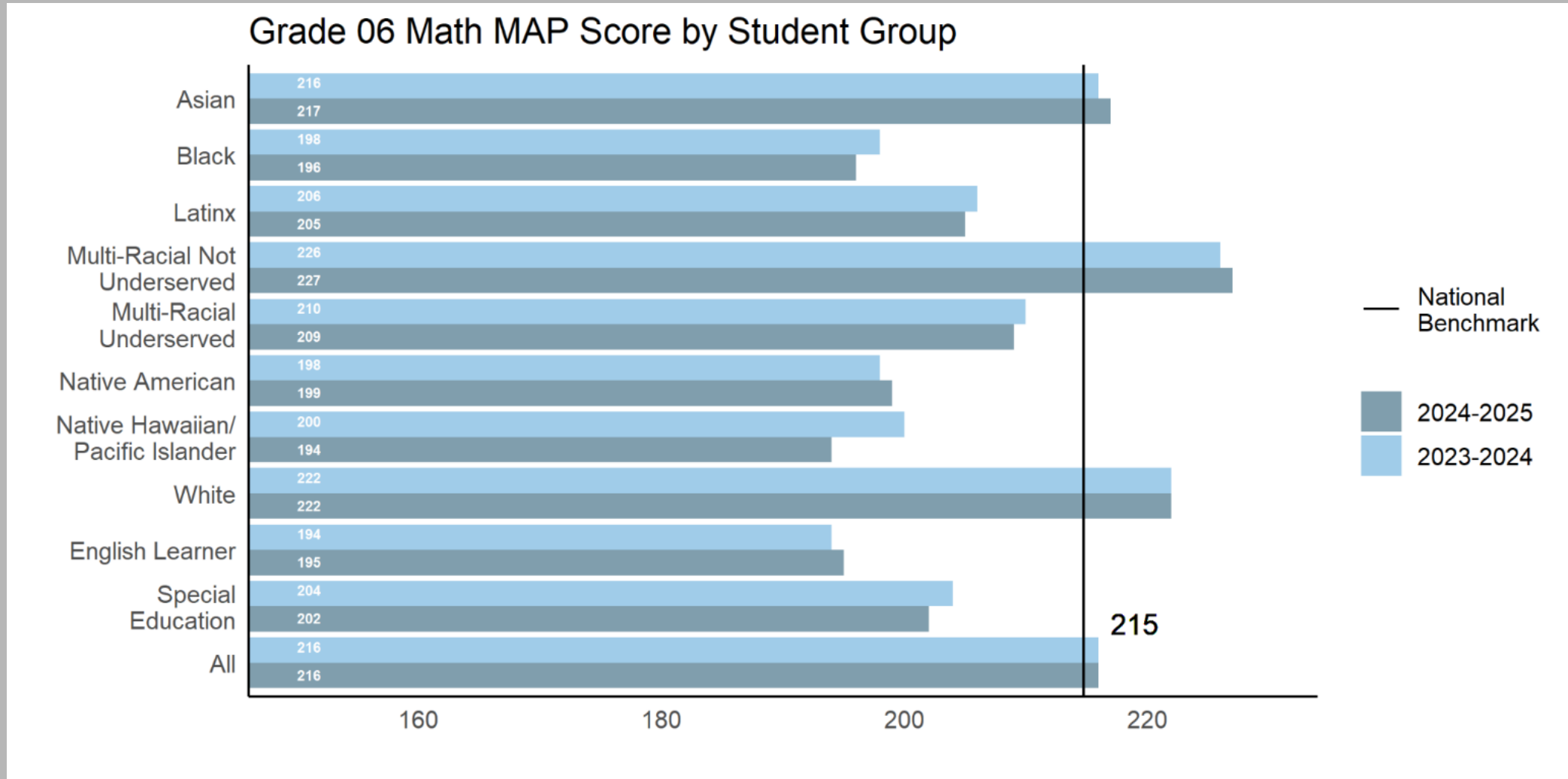
## Grade 04 Math MAP Score by Student Group



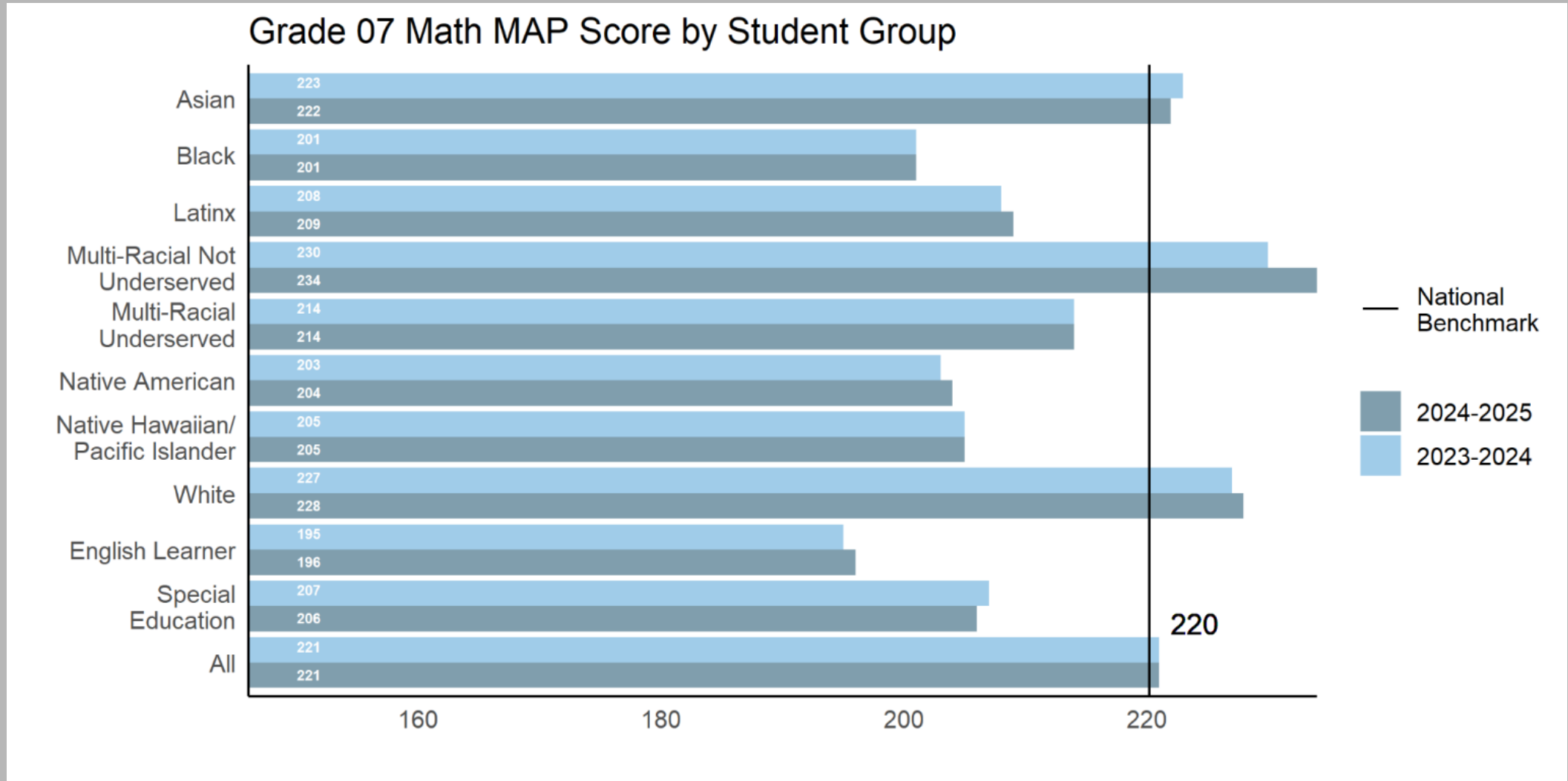
# Grade 5 Mathematics



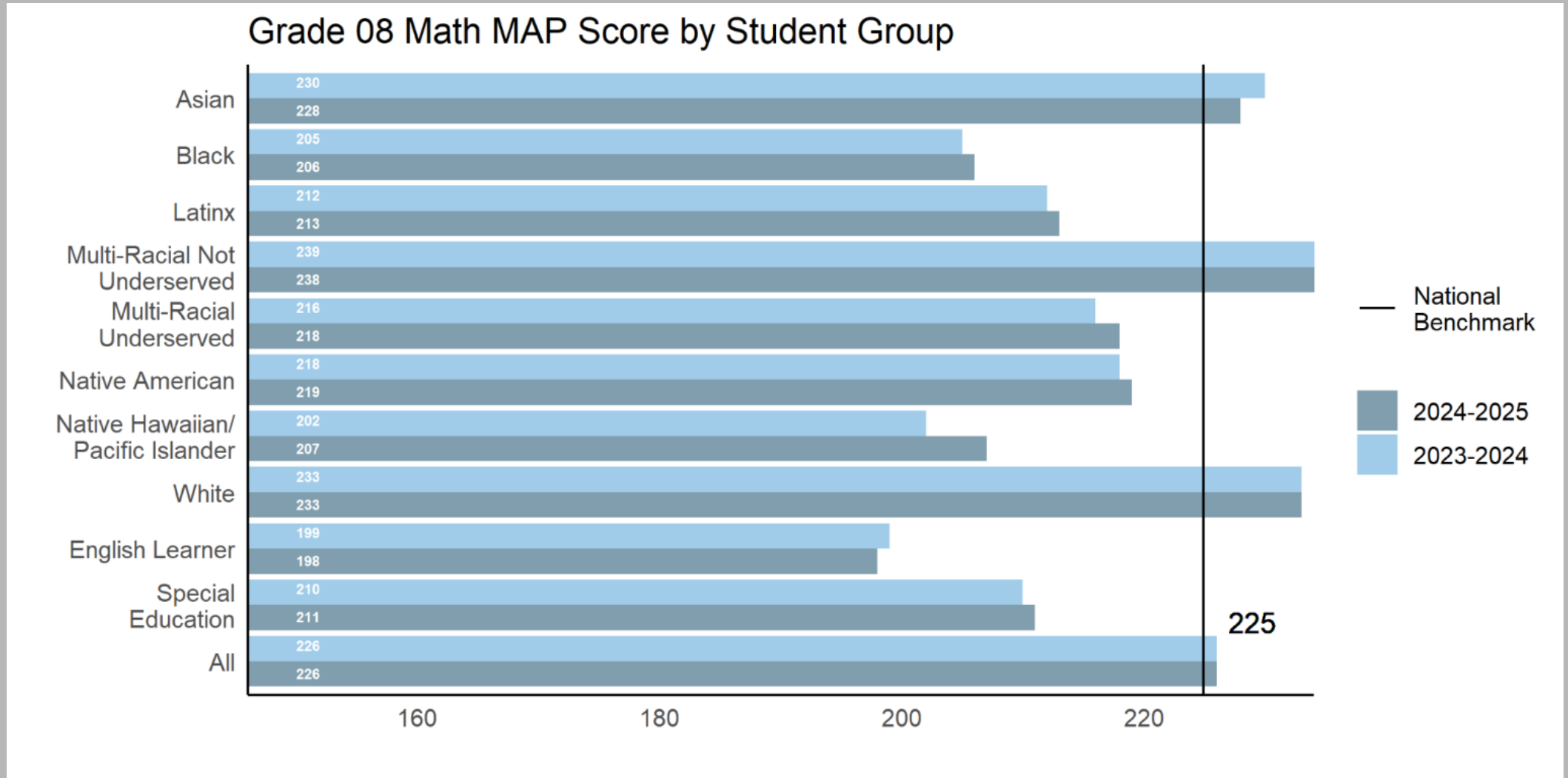
# Grade 6 Mathematics



# Grade 7 Mathematics



# Grade 8 Mathematics



# Conclusions

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1. In the aggregate, Reading and Math student performance exceeds the national fall benchmarks in all grades.
1. Percentile rank changes show Black and Native students performing below their White peers, with Black students showing academic improvement in almost all grade levels.
1. When MAP RIT score data are disaggregated, achievement gaps between student groups persist by race and ethnicity and achievement changes vary between and among students by grade level.



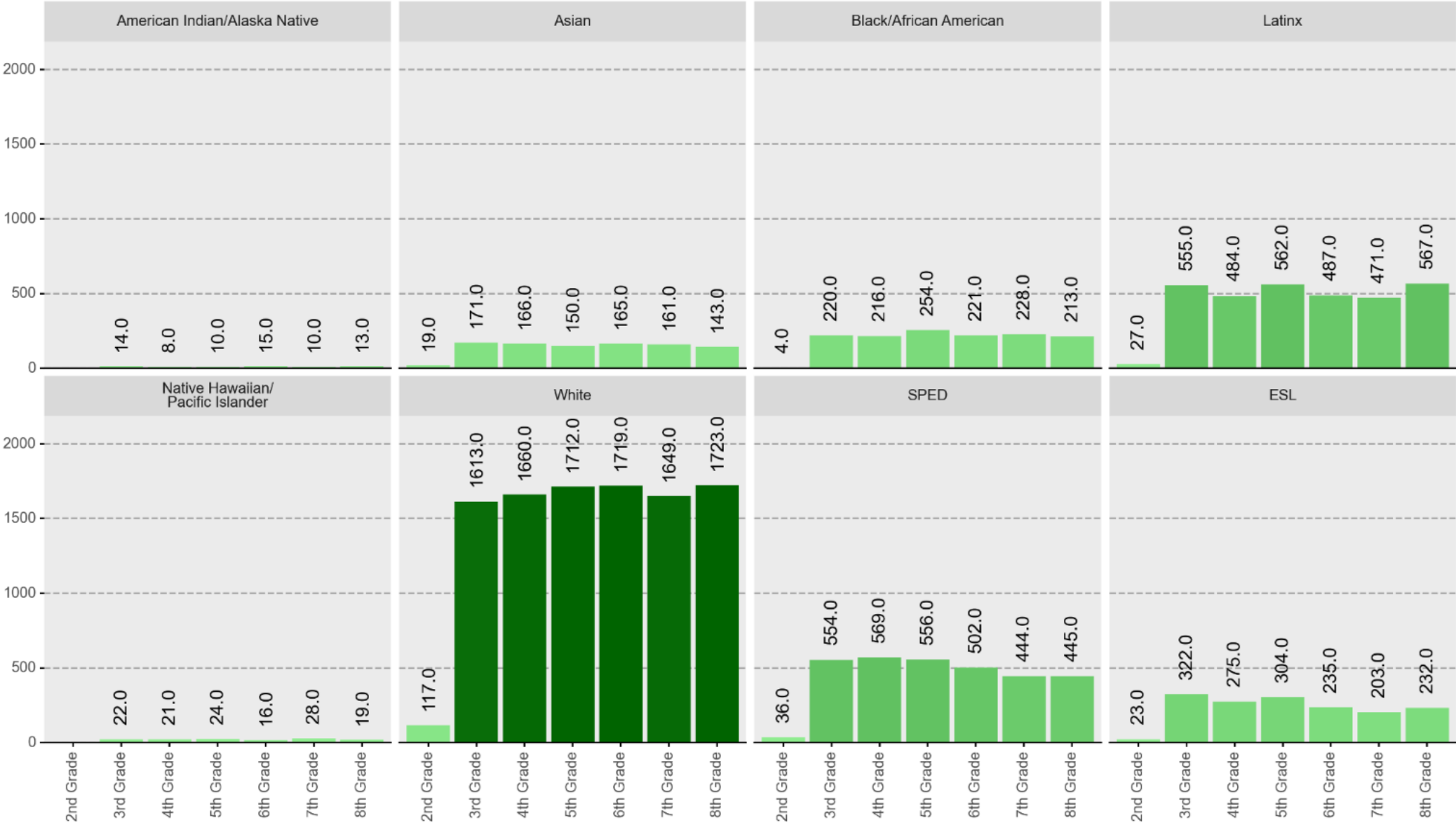


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# Appendices

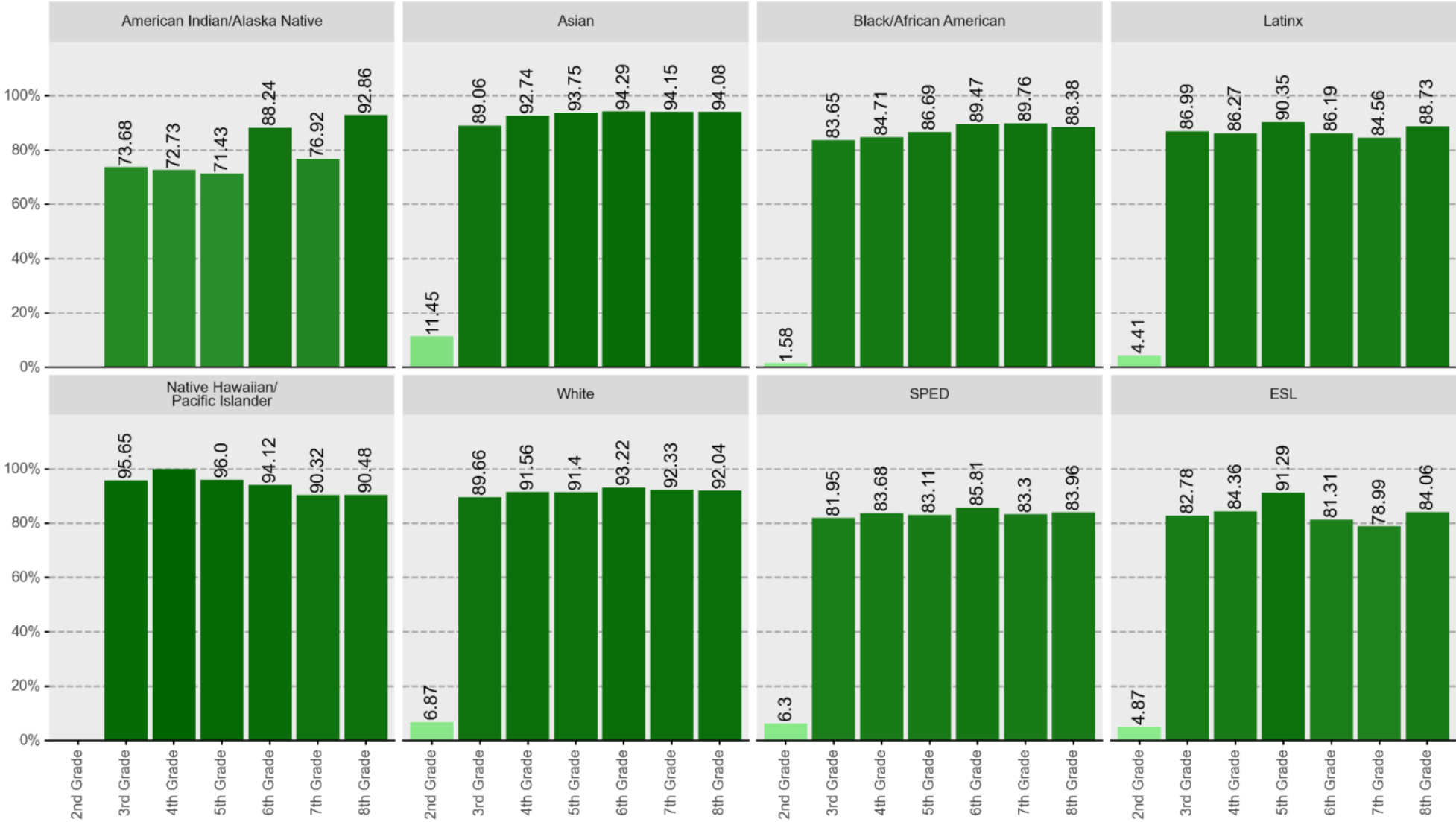
# Reading/ELA Participation Counts

Fall ELA participation count



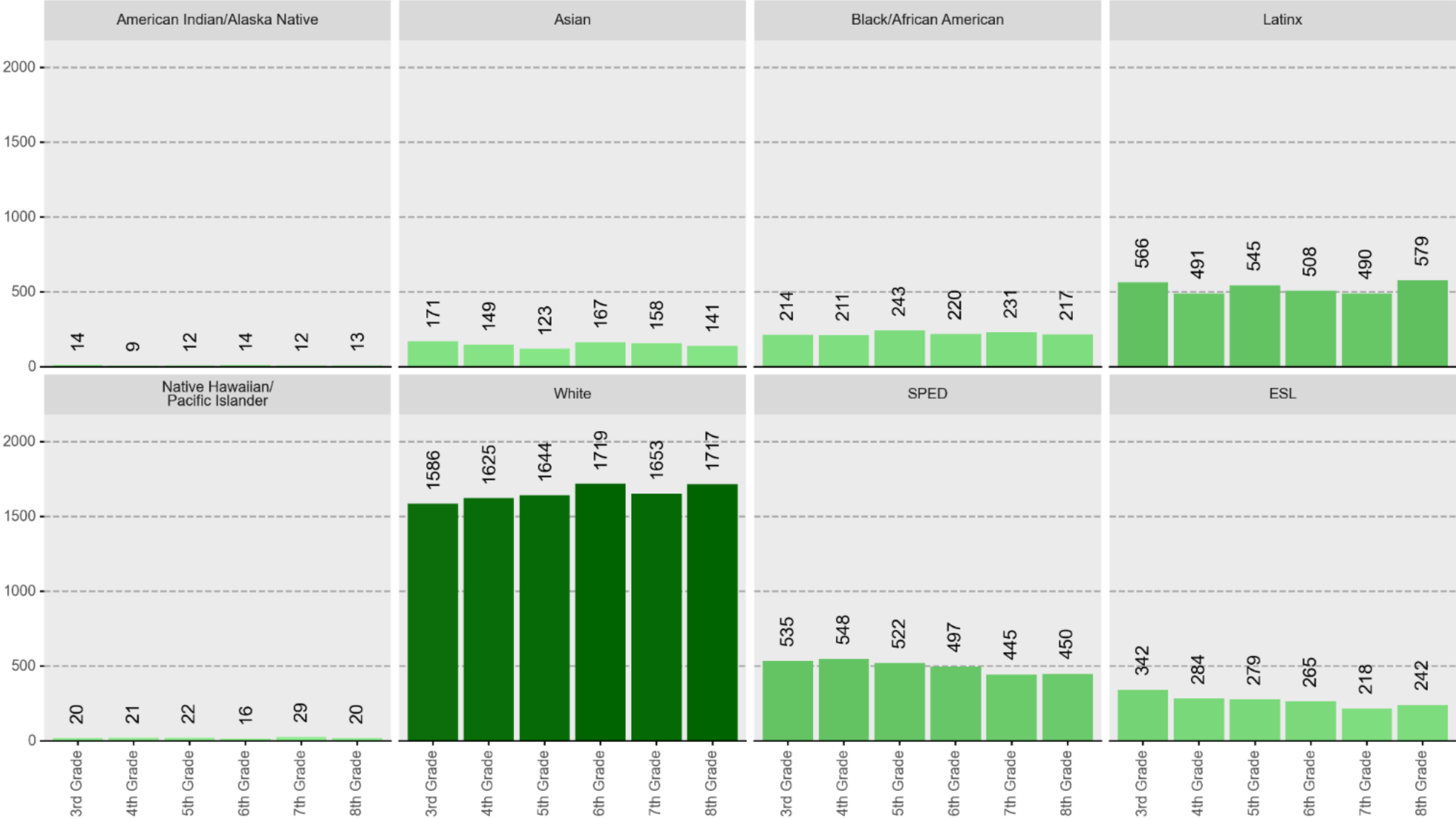
# Reading/ELA Participation Rates

Fall ELA participation rate



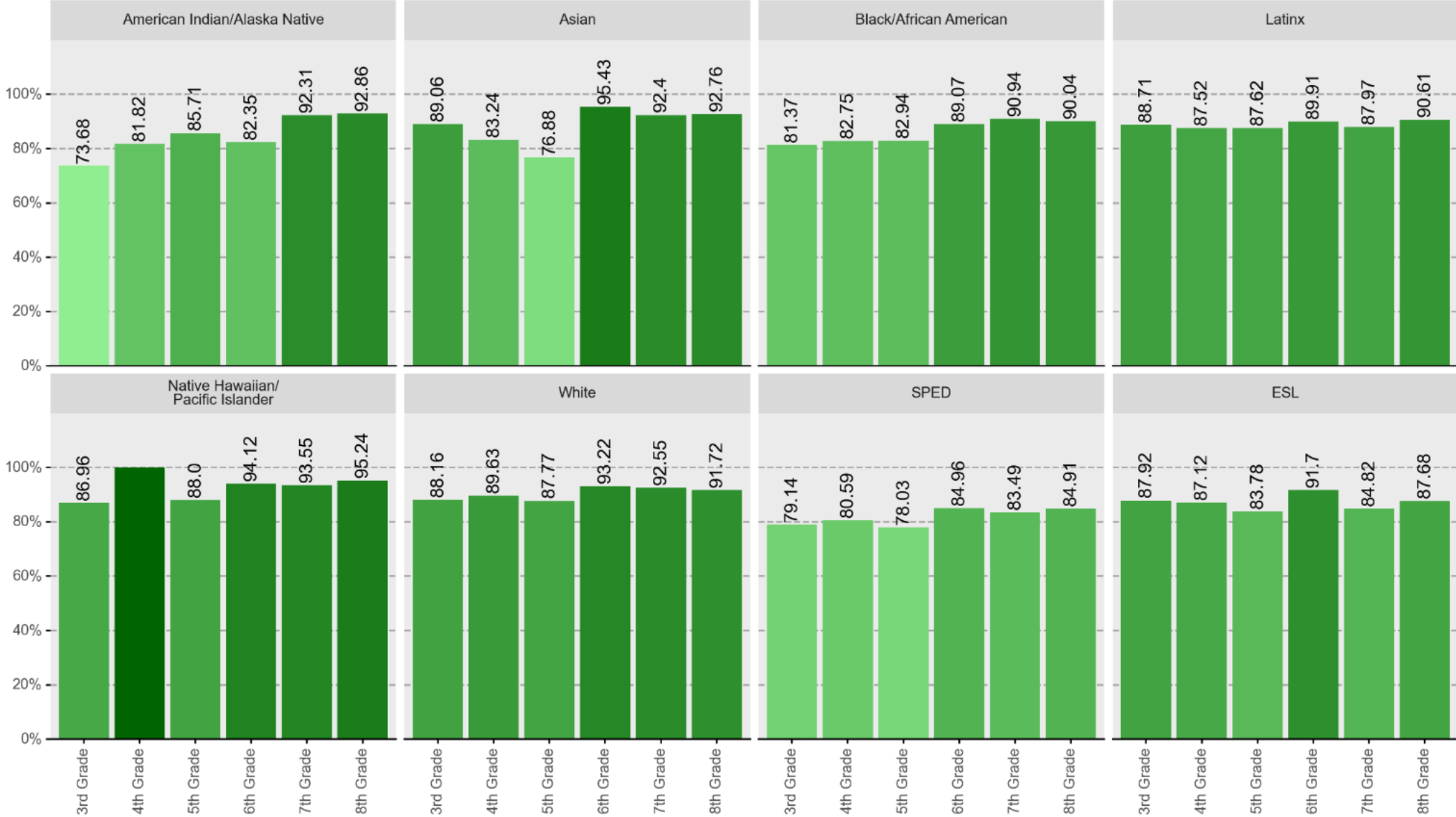
# Mathematics Participation Counts

Fall math participation count



# Mathematics Participation Rates

Fall math participation rate



# 2025-26 Budget Development:

## Board of Education Work Session

December 17, 2024



PORTLAND  
Public Schools

# Updates

# State Budget Update

- Multi-year forecasts last spring reflected a projected remaining gap for 2025-26 of about \$40 million, after implementing \$30 million of ongoing reductions in 2024-25.
- Later this past summer, Governor Kotek announced her support for \$515 million in technical adjustments to the Current Service Level (CSL) methodology for the State School Fund (SSF).
- In October, the PERS board approved rate increases that more than offset CSL-driven revenue improvements for PPS and other districts.
- The Governor's proposed budget for the 2025-27 biennium includes the CSL technical adjustments plus \$85 million related to PERS costs.
- **The net effect for PPS is a gap of about \$40 million for next year.**

# Establish principles, policies, and priorities



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# Budget Principles

*Principles create a shared understanding of the overarching values that underpin budget development.*

- Providing Students with an Exceptional Educational Experience and Ensuring their Academic Success Should Drive the Budget Process
- Decisions Should Be Driven By Data
- Base Resourcing Decisions on Cost-Effectiveness
- Prioritize the Core Program in All Schools
- Critically Re-Examine Patterns of Spending
- Provide Every Student with Equitable Access
- Take a Long-Term Perspective
- Be Transparent

# Reserve Policy

*The Board understands that to avoid financial instability, continuing expenditure requirements should be insulated from typical fluctuations in revenues and expenditures.*

- It is the goal of the Board to fund and maintain a reserve in the general fund that shall range from **5% to 10% of annual general fund revenues.**
- Reserves generally should not be used for new or increased operating costs or investments.
- Reserves are the fund balances carried over from year to year and contingency funds are annually budgeted and reflected in current year fund balances.

# Budget Priorities Discussion

## Goals

*Share insights about what areas are most important.*

*Share perspectives on the district's strengths and opportunities for improvement.*



## Budget Priorities

***Which of these areas do you think is most important for the district to focus on over the next three years?***

- Student achievement
- Diversity and inclusion of all students
- Classroom instruction
- Hiring, developing, and retaining the best staff
- School climate and culture
- Physical facilities
- Community partnerships
- School leadership
- Student activities and extracurricular activities

## Strengths and Opportunities

***In your opinion, what is the single most positive aspect of this district?***

***If you could change one thing about this district, what would it be?***

# Advocacy

*PPS will pursue the following budget priorities in*  
Legislative Session Advocacy.

2025

- Invest in High Quality Education
- Pass the Governor's Recommended Changes to the Current Service Level (CSL)
- Fully Fund Recent Mandates and New Initiatives
- Fully Fund Special Education Services
- Funding for Student Supports
- Maintain Sustainable Funding
  - ◆ School nutrition programs, extended learning opportunities, and early literacy
- Additional Funding
  - ◆ Facility improvements, curriculum, transportation, green schoolyards, cyber security, and healthcare access

# Engagement Opportunities

*Community insights will be a critical part of developing a balanced budget that minimizes negative impacts to student success.*

- Community Survey
- Principal Engagement
- Focal Group Interactive Engagement
- Educator Town Hall

**Thank you!**



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