

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**FINANCIAL REPORT**

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



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

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**FINANCIAL REPORT**  
**For the Year Ended June 30, 2015**

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**BOARD OF DIRECTORS AS OF JUNE 30, 2015**

<u>NAME</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Mary Lu Baetkey	Board Member, Position #1	June 30, 2017
James Trujillo	Board Member, Position #2	June 30, 2015
Thuy Tran, Vice Chair	Board Member, Position #3	June 30, 2015
Ed Grassel Jr., Chair	Board Member, Position #4	June 30, 2017
Erick Flores	Board Member, Position #5	June 30, 2017

Board Members receive mail at the District office address listed below.

**ADMINISTRATION**

Dr. Karen Fischer Gray, Superintendent  
Sharie Lewis, CPA, Director of Business Services and Operations

10636 N.E. Prescott Street  
Portland, Oregon 97220-2699



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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**TABLE OF CONTENTS**

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	<u>PAGE</u>
<b><u>INDEPENDENT AUDITORS' REPORT</u></b>	1
 <b><u>REQUIRED SUPPLEMENTARY INFORMATION:</u></b>	
Management's Discussion and Analysis	4a-4h
 <b><u>BASIC FINANCIAL STATEMENTS:</u></b>	
Government-Wide Financial Statements:	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements:	
Balance Sheet – Governmental Funds	7
Reconciliation of the Governmental Funds Balance Sheet To the Statement of Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	9
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	10
Statement of Fiduciary Net Position	11
Notes to Basic Financial Statements	12
 <b><u>REQUIRED SUPPLEMENTARY INFORMATION:</u></b>	
Schedule of the Proportionate Share of the Net Pension Liability	40
Schedule of Contributions	40
Schedule of Funding Progress and Employer Contributions:	
Early Retirement Program	41
Post Employment Health Care	42
Schedules of Revenues, Expenditures, and Changes in Fund Balances Actual and Budget - Budgetary (Non-GAAP) Basis	
Major Funds:	
General Fund	43
IDEA Grant Fund	46
Thompson Special Fund	47
 <b><u>SUPPLEMENTARY INFORMATION:</u></b>	
Schedules of Revenues, Expenditures, and Changes in Fund Balances Actual and Budget - Budgetary (Non-GAAP) Basis	
Major Funds:	
Debt Service Fund	48
Capital GO Bond Fund	49

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**TABLE OF CONTENTS (CONTINUED)**

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<b><u>SUPPLEMENTARY INFORMATION (CONTINUED):</u></b>	<b><u>PAGE</u></b>
Combining Balance Sheet – All Nonmajor Governmental Funds	50
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Governmental Funds	53
Combining Balance Sheet – All Nonmajor Federal Special Revenue Funds	56
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Federal Special Revenue Funds	58
Schedules of Revenues, Expenditures, and Changes in Fund Balances Actual and Budget – Budgetary (Non-GAAP) Basis:	
Nonmajor Funds:	
Tax Anticipation Note Fund	60
Food Service Fund	61
Private Grants Fund	62
Transportation Fund	63
Community Center Fund	64
Risk Management Fund	65
Focus Reading Grant Fund	66
Educator Effectiveness PLT Fund	67
Mt. Hood Cable Regulatory Commission Grant Fund	68
Mentoring, Monitoring, and Acceleration Grant Fund	69
Technology Replacement Fund	70
Capital Equipment Fund	71
Capital Projects Fund	72
Title IA Grant Fund	73
Priority Focus Grant Fund	74
Title IIA Teacher Quality Grant Fund	75
Title III Language Instruction Grant Fund	76
System Performance Review Grant Fund	77
McKinney-Vento Grant Fund	78
Early Retirement Fund	79
Textbook Fund	80
Statement of Changes in Assets and Liabilities – Fiduciary Fund	81
Schedule of Property Tax Transactions and Balances of Taxes Uncollected:	
General Fund	82
Debt Service Fund	83
Schedule of Expenditures of Federal Awards	84
 <b><u>REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS</u></b>	
Independent Auditors' Report Required by Oregon State Regulations	86
<b><u>Grant Compliance Review:</u></b>	
Independent Auditors' Report on Internal Control Structure over Financial Reporting	88
Independent Auditors' Report on Compliance with Requirements Applicable to Major Programs and Internal Control Structure	90
Schedule of Findings and Questioned Costs	92



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December 11, 2015

To the Board of Directors  
Multnomah County School District No. 3  
Multnomah County, Oregon

## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Multnomah County School District No. 3, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Multnomah County School District No. 3, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

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

## Other Matters

### *Required Supplementary Information*

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

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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of federal expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

The listing of board members containing their term expiration dates, located before the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 11, 2015 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 11, 2015, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Tara M. Kamp, CPA  
PAULY, ROGERS AND CO., P.C.

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**(PARKROSE SCHOOL DISTRICT NO. 3)**

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

As management of Multnomah County School District No. 3 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2015.

**FINANCIAL HIGHLIGHTS**

- In the government-wide statements, the assets of the District exceeded its liabilities and deferred inflows at June 30, 2015 by \$38,311,757. Of this amount, \$36,469,650 represents the District's investment in capital assets, net of related debt. The District has \$4,636,419 of net position restricted and expendable for debt service. The District's unassigned net position is (\$2,794,312).
- The District's governmental funds report combined ending fund balance of \$10,002,070, a decrease of \$4,513,575 or 31.1% in comparison with the prior year. Of this total, \$4,402,585 or 44.0% is committed for future payments for services, \$4,636,419 or 46.4% is restricted by board resolution for various purposes, and \$963,066 or 9.6% is unassigned and available to spend at the discretion of the board of directors.
- The District's long-term debt decreased by \$1,288,015 or 2% during the 2014-15 fiscal year.
- New accounting standard was implemented – Governmental Accounting Standards Board (GASB) Statement # 68 & 71. The focus of these statements was to change how an individual entity reports their respective obligation to PERS. The change the District will see is the Statement of Net Position now shows two additional line items Net Pension Asset and Net Deferred Pension Asset – the end result is that it increased the total assets by \$8,175,753 and Net Deferred Pension Asset by \$12,325,808

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements:** The 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. These statements include:

The Statement of Net Position. The statement of net position presents information on all of the assets and liabilities of the District at year end. Net position is what remains after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities. The statement of activities presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position.



All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal period (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category:

Governmental Activities. Most of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund, proceeds from the sale of long term general obligation bonds and other intergovernmental revenues.

The government-wide financial statements can be found on pages 5 and 6 of this report.

**Fund Financial Statements:** The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Multnomah County School District No. 3, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. Both the governmental fund Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Assets and Activities.

The District maintains 26 individual governmental funds, five of which have been reported as major funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Debt Service Fund, IDEA Grant Fund, Thompson Special Fund and Capital Projects G.O. Bond Fund.

The basic governmental fund financial statements can be found on pages 7 and 10 of this report.

**Fiduciary Fund:** The District operates a Fiduciary fund for the sole purpose to maintain accountability of the student activity account maintained in each of the school sites. The Statement of Fiduciary Net Position is located on page 11 and the Statement of Changes in Assets and Liability is on page 81. As of June 30, 2015 the net position is \$258,533 which is a \$28,205 or 12.2% increase from prior year.

**Notes to the Basic Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 12 through 39 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS OF NET POSITION:

GOVERNMENT-WIDE FINANCIAL ANALYSIS Condensed Statement of Net Position						
	2014-15	Percentage of Total	2013-14	Percentage of Total	Change	Percentage of Change
<b>Assets</b>						
Current or other assets	\$ 28,119,527	24.3%	\$ 20,289,060	18.6%	\$ 7,830,467	27.8%
Net capital assets	87,729,351	75.7%	88,660,830	81.4%	(931,479)	-1.1%
<b>Total Assets</b>	<b>115,848,878</b>	<b>100.0%</b>	<b>108,949,890</b>	<b>100.0%</b>	<b>6,898,988</b>	<b>6.0%</b>
<b>Liabilities</b>						
Long-term liabilities outstanding	62,428,885	95.7%	63,716,900	92.4%	(1,288,015)	-2.1%
Other liabilities	2,782,428	4.3%	5,227,083	7.6%	(2,444,655)	-87.9%
<b>Total Liabilities</b>	<b>65,211,313</b>	<b>100.0%</b>	<b>68,943,983</b>	<b>100.0%</b>	<b>(3,732,670)</b>	<b>-5.7%</b>
<b>Deferred Inflows of Resources</b>	<b>12,325,808</b>	<b>100%</b>	<b>-</b>	<b>100%</b>	<b>12,325,808</b>	<b>100.0%</b>
<b>Net Position</b>						
Net investment in capital assets	36,469,650	95%	38,304,224	96%	(1,834,574)	-5.0%
Restricted	4,636,419	12%	12,961,179	32%	(8,324,760)	-179.6%
Unrestricted	(2,794,312)	-7%	(11,259,496)	-28%	8,465,184	-302.9%
<b>Total Net Position</b>	<b>\$ 38,311,757</b>	<b>100%</b>	<b>\$ 40,005,907</b>	<b>100%</b>	<b>(1,694,150)</b>	<b>-4.4%</b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$38,311,757 at June 30, 2015, 4.4% or \$1,694,150 decrease from prior year. Some of the factors that affected the decline in net position 1) implementation of a new PERS guideline around reporting which created two new line items called pension asset and deferred pension asset which had a net liability increase of \$4,150,055 2) the long term debt declined \$1,288,015 and 3) the current liability of accounts payable declined \$2,602,676 largely due to the spending down of the GO Bond Capital Fund 4) with the PERS adjustment we had to restate our ending net position by \$15,044,103.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles, and equipment, represent about 75.7% of total assets. The remaining assets consist mainly of investments, cash, inventories, and property taxes receivable.

The District's largest liability comes from the repayment of general obligation bonds it currently makes up 95.7% or \$62,428,885 of our liabilities. Current liabilities, representing about 4.3% or \$2,782,428 of the District's total liabilities, consist of payables on accounts, salaries, and benefits, and current portions of bonds.

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

**Governmental Activities:** A comparative analysis from the previous year's activity is provided below. During the current fiscal year, the District's net position decreased by \$1,694,150 or 4.4%. The revenues and expenses shown below explain changes in net assets for the fiscal year 2014-15.

**Revenues:** Since 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. As expected, therefore, general revenues provide 88.7% of the funding required for governmental programs. Property taxes and State School Fund combined account for 87.2% of general fund revenues and 77.4% of total revenues.

Operating grants and contributions and charge for services account for 11.3% or \$4,947,998 of total revenues. Included in this category is \$1,796,646 for federal reimbursement under the national school lunch program and Title IA \$1,419,989 both represent 77.5% of the Districts federal funds. The remaining federally controlled grants totaled \$931,500 or 22.5%. For more details on what type of federal funds the district receives please go to pages 84 & 85. The remaining \$799,863 is for charge for service that is linked to services that District provides and fees are assessed.

**Expenses:** Expenses related to governmental activities are presented in five broad functional categories. Costs of direct classroom instruction activities account for approximately 50.5% or \$15,447,223 of the total expenses of \$30,593,805. In addition, approximately half of the costs in supporting services relate to students, instructional staff and school administration.

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS – STATEMENT OF ACTIVITIES:**

GOVERNMENT-WIDE FINANCIAL ANALYSIS Condensed Statement of Activities						
	<u>2014-15</u>	<u>% of total</u>	<u>2013-14</u>	<u>% of total</u>	<u>Change</u>	<u>% change</u>
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 799,863	1.8%	\$ 861,488	2.3%	\$ (61,625)	-7.7%
Operating grants & contributions	4,148,135	9.4%	4,096,441	11.0%	51,694	1.2%
<i>Total Program Revenues</i>	<u>4,947,998</u>	<u>11.3%</u>	<u>4,957,929</u>	<u>13.4%</u>	<u>(9,931)</u>	<u>-0.2%</u>
<b>General Revenues</b>						
Property & other taxes	19,163,045	43.6%	17,349,310	46.8%	1,813,735	9.5%
State School Fund	14,503,347	33.0%	13,050,145	35.2%	1,453,202	10.0%
Common School Fund	342,189	0.8%	327,058	0.9%	15,131	4.4%
Unrestricted Other Sources	4,642,629	10.6%	536,198	1.4%	4,106,431	88.5%
Investment earnings	85,061	0.2%	113,124	0.3%	(28,063)	-33.0%
Gain on Sale of Assets	3,020	0.0%	-	0.0%	3,020	100.0%
Other	256,469	0.6%	744,420	2.0%	(487,951)	-190.3%
<i>Total General Revenues</i>	<u>38,995,760</u>	<u>88.7%</u>	<u>32,120,255</u>	<u>86.6%</u>	<u>6,875,505</u>	<u>17.6%</u>
<b>Total Revenues</b>	<u>43,943,758</u>	<u>100.0%</u>	<u>37,078,184</u>	<u>100.0%</u>	<u>6,865,574</u>	<u>15.6%</u>
<b>Expenses</b>						
Instruction	15,448,814	50.5%	20,524,882	51.1%	(5,076,068)	-32.9%
Support services	11,467,223	37.5%	15,355,703	38.3%	(3,888,480)	-33.9%
Enterprise & community services	1,614,206	5.3%	2,146,962	5.4%	(532,756)	-33.0%
Interest & fees on long-term debt	2,063,562	6.7%	2,098,492	5.2%	(34,930)	-1.7%
<b>Total Expenses</b>	<u>30,593,805</u>	<u>100.0%</u>	<u>40,126,039</u>	<u>100.0%</u>	<u>(9,532,234)</u>	<u>-31.2%</u>
Change in Net Position	13,349,953	34.8%	(3,047,855)	-7.6%	16,397,808	122.8%
Beginning Net Position, <b>Restated</b>	24,961,804	65.2%	-	0.0%	24,961,804	100.0%
Beginning Net Position	-	0.0%	43,053,762	107.6%	(43,053,762)	0.0%
<b>Net position - end of year</b>	<u>\$ 38,311,757</u>	<u>100.0%</u>	<u>\$ 40,005,907</u>	<u>100.0%</u>	<u>\$ (1,694,150)</u>	<u>-4.4%</u>

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

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

At June 30, 2015, the District's governmental funds reported combined ending fund balances of \$10,002,070 (exclusive of inventory), a decrease of \$4,513,575 in comparison with the prior year. About \$963,066 or 9.6% of the ending fund balance constitutes unassigned ending fund balance, which is available for spending at the direction of management. Additionally, \$1,328,360 is designated for debt service obligations.

**General Fund:** The General Fund is the chief operating fund of the District. As of June 30, 2015, ending fund balance was \$963,066 which is an increase of \$381,548 or 65.6% from prior year. This increase is mainly due to increase in property taxes and state school fund.

As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The current fund balance of \$963,066 3.2% of total General Fund's expenditures compared to 2% in the prior year.

**Debt Service Fund:** The Debt Service Fund has a total fund balance of \$1,266,476 all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year was \$75,492 or 5.6%. This is due to an increase debt payment obligations and a decline in interest earned.

**Capital Projects G.O. Bond Fund:** The Capital Projects G.O. Bond Fund has a total fund balance of \$2,692,362. The net decrease in fund balance during the current year was \$8,501,747 or 75.9%. This fund has been developed because of the successful May 17, 2011 bond election. With the passing of Measure 26-123, a new middle school has been constructed on the existing site. The final completion of the new middle school will be the play fields, parking lot areas, driveways with landscaping finalized by November 2015. Additionally, district wide safety, security, and technology upgrades have been made. The four elementary buildings have had or will have renovation projects that include roofing, windows, multi-purpose instructional space and better monitoring of students for safety purposes. Any funds not spent from these projects will be prioritized for other school projects that meet the requirements of the bond election language.

**IDEA Grant Fund:** The IDEA Grant Fund has a total fund balance of \$0 because it is reimbursement based federal grant. Total expenses for the current year were \$603,241 which was a 4.9% or \$28,142 increase from the prior year. The IDEA grant funds are used to supplement the special education expenses within the district.

**Thompson Special Fund:** The Thompson Special Fund has a total fund balance of \$3,752,982. The increase of \$3,217,190 is attributed to the District being awarded a facility grant to place funds already spent in the amount of \$3.1 million.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund budget was \$31,435,269 for the fiscal year ended June 30, 2015. The Board of Directors made one additional appropriation during the year for \$1,150,000. The budget was mostly held consistent with prior year except one change that increased current taxes and support services due to the increase in special education service cost for the year. Parkrose is not alone all school districts throughout the State will continue to struggle for adequate funding and ability to provide sufficient program as long as the State implements programs and legislation changes without sufficient funding to implement.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets:** The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. As of June 30, 2015, the District had invested \$93,885,146 in capital assets, net of depreciation.

During the year, the District's investment in capital assets increased by \$5,224,316 or 5.6% (including depreciation). The major capital asset events for the year consisted of building improvements at various schools and building of the new middle school.

FINANCIAL ANALYSIS				
Capital Assets				
	2014-15	2013-14	change	% change
Land	\$ 5,880,941	\$ 5,880,941	\$ -	0.0%
Buildings and site improvements	107,307,698	71,537,782	35,769,916	33.3%
Vehicles and equipment	2,837,277	2,741,448	95,829	3.4%
Construction in progress	274,854	28,837,803	(28,562,949)	-10392.0%
	116,300,770	108,997,974	7,302,796	6.3%
less accumulated depreciation	(22,415,624)	(20,337,144)	(2,078,480)	9.3%
<b>Capital assets, net of depreciation</b>	<b>\$ 93,885,146</b>	<b>\$ 88,660,830</b>	<b>\$ 5,224,316</b>	<b>5.6%</b>

Additional information of the District's capital assets can be found in note 7 on page 22 & 23 of this report.

**Long-term Debt:** At the end of the current fiscal year, the District had total long term debt outstanding of \$62,428,885 consisting of general obligation debt net of unamortized premium/discount, a Qualified Zone Academy Bond (QZAB), and the district's liability for Other Post-Employment Benefits (OPEB).

During the current fiscal year, the District's total debt decreased by \$1,288,015 or 2%.

FINANCIAL ANALYSIS						
Outstanding Debt						
	Original Amount	06/30/14 Balance	Additions	Matured and Redeemed	6/30/2015 Balance	Due Within One Year
GO Bonds						
Series 2011A	\$48,000,000	\$45,265,000	\$ -	\$(1,300,000)	\$43,965,000	\$1,405,000
Series 2011B	15,000,000	15,000,000	-	-	15,000,000	-
Total GO Bond	63,000,000	60,265,000	-	(1,300,000)	58,965,000	1,405,000
Other Debt:						
QZAB 2009	17,055,000	1,285,715	-	(142,857)	1,142,858	142,857
OPEB Liability	n/a	2,166,185	154,842	-	2,321,027	-
Total other debt	17,055,000	3,451,900	154,842	(142,857)	3,463,885	142,857
<b>Total long-term debt</b>	<b>\$80,055,000</b>	<b>\$63,716,900</b>	<b>\$154,842</b>	<b>\$(1,442,857)</b>	<b>\$62,428,885</b>	<b>\$1,547,857</b>

Moody's Investors Services assigned an underlying rating of Aa3 to Multnomah County School District 3 (Parkrose), OR's General Obligation Bonds, Series 2011A (Tax-Exempt) and Series 2011B (Qualified Zone Academy Bonds). They have also assigned an enhanced rating of Aa1 to the bonds based on the Oregon School Bond Guaranty Program.

Additional information on the District's long-term debt can be found in note 9 on page 24 of this report.



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

The most significant economic factor for the District is the State of Oregon's State School Fund. For the year ended June 30, 2015, the State School Fund - General Support provided 33.8% of the District's program resources. Factors for next year's budget will be the estimate of State School Fund based on the March estimate. Currently the revenue forecasts continue to be flat but appear to be sufficient to support continued stabilization. Funding for schools will always be a topic of discussion at what level due to Districts all across the state still are not back current service level.

Salaries and benefits costs were increased for FY 2015-16 due to negotiations settlements. All the respective unions in the District settled on a 2.0% COLA and 2.5% increase in health insurance benefits

## **REQUESTS FOR INFORMATION**

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Executive Director of Business Services and Operations at 10636 NE Prescott Street, Portland, OR 97220.

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**STATEMENT OF NET POSITION**  
**June 30, 2015**

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	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and Investments	\$ 10,580,473
Receivables:	
Accounts and Grants	2,017,186
Property Taxes	1,190,320
Net Pension Asset	8,175,753
Non-Depreciable Capital Assets	6,155,795
Capital Assets, Net of Depreciation	<u>87,729,351</u>
<b>Total Assets</b>	<u><b>115,848,878</b></u>
 <b>LIABILITIES:</b>	
Accounts Payable	565,336
Accrued Salaries and Benefits	2,097,184
Bond Interest Payable	81,064
Accrued Vacation Payable	38,844
Long Term Debt:	
Due Within One Year	1,547,857
Due in More Than One Year	<u>60,881,028</u>
<b>Total Liabilities</b>	<u><b>65,211,313</b></u>
 <b>DEFERRED INFLOWS OF RESOURCES:</b>	
Net Deferred Pension Asset	<u>12,325,808</u>
<b>Total Deferred Inflows of Resources</b>	<u><b>12,325,808</b></u>
 <b>NET POSITION:</b>	
Net Investment in Capital Assets	36,469,650
Restricted for:	
Debt Service	1,328,360
Food Service	47,453
Special Revenue	68,743
Capital	3,191,863
Unrestricted	<u>(2,794,312)</u>
<b>Total Net Position</b>	<u><b>\$ 38,311,757</b></u>

See accompanying notes to the basic financial statements.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2015**

Functions/Programs	Expense	PROGRAM REVENUES		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
Instruction	\$ 15,448,814	\$ 167,970	\$ 1,330,041	\$ (13,950,803)
Support Services	11,467,223	528,252	879,311	(10,059,660)
Community Services	1,614,206	103,641	1,938,783	428,218
Interest on Long-Term Debt	2,063,562	-	-	(2,063,562)
<b>Total Governmental Activities</b>	<b>\$ 30,593,805</b>	<b>\$ 799,863</b>	<b>\$ 4,148,135</b>	<b>(25,645,807)</b>
<b>GENERAL REVENUES:</b>				
				19,163,045
				4,642,629
				14,503,347
				342,189
				85,061
				3,020
				256,469
<b>Total General Revenues</b>				<b>38,995,760</b>
Change in Net Position				13,349,953
<b>Beginning Net Position, Restated</b>				<b>24,961,804</b>
<b>Ending Net Postion</b>				<b>\$ 38,311,757</b>

See accompanying notes to the basic financial statements.

**FUND FINANCIAL STATEMENTS**

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2015**

	GENERAL FUND	IDEA GRANT FUND	THOMPSON SPECIAL FUND	DEBT SERVICE FUND	CAPITAL GO BOND FUND	NON-MAJOR FUNDS	TOTAL
<b>ASSETS:</b>							
Cash and Investments	\$ 1,442,736	\$ -	\$ 3,776,577	\$ 1,232,793	\$ 2,920,448	\$ 1,207,919	\$ 10,580,473
Receivables:							
Taxes	964,589	-	-	225,731	-	-	1,190,320
Accounts and Grants	357,196	519,618	-	21,492	-	1,118,880	2,017,186
Due From Other Funds	1,437,147	-	-	-	-	-	1,437,147
<b>Total Assets</b>	<u>\$ 4,201,668</u>	<u>\$ 519,618</u>	<u>\$ 3,776,577</u>	<u>\$ 1,480,016</u>	<u>\$ 2,920,448</u>	<u>\$ 2,326,799</u>	<u>\$ 15,225,126</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:</b>							
Liabilities:							
Accounts Payable	\$ 234,587	\$ -	\$ 23,595	\$ -	\$ 228,086	\$ 79,068	\$ 565,336
Accrued Salaries and Benefits	2,094,166	-	-	-	-	3,018	2,097,184
Due To Other Funds	-	519,618	-	-	-	917,529	1,437,147
Total Liabilities	<u>2,328,753</u>	<u>519,618</u>	<u>23,595</u>	<u>-</u>	<u>228,086</u>	<u>999,615</u>	<u>4,099,667</u>
Deferred Inflows:							
Unavailable Revenue	<u>909,849</u>	<u>-</u>	<u>-</u>	<u>213,540</u>	<u>-</u>	<u>-</u>	<u>1,123,389</u>
Total Deferred Inflows	<u>909,849</u>	<u>-</u>	<u>-</u>	<u>213,540</u>	<u>-</u>	<u>-</u>	<u>1,123,389</u>
Fund Balances:							
Restricted for:							
Debt Service	-	-	-	1,266,476	-	61,884	1,328,360
Food Service	-	-	-	-	-	47,453	47,453
Special Revenue	-	-	-	-	-	68,743	68,743
Capital	-	-	-	-	2,692,362	499,501	3,191,863
Committed	-	-	3,752,982	-	-	649,603	4,402,585
Unassigned	<u>963,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>963,066</u>
Total Fund Balances	<u>963,066</u>	<u>-</u>	<u>3,752,982</u>	<u>1,266,476</u>	<u>2,692,362</u>	<u>1,327,184</u>	<u>10,002,070</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 4,201,668</u>	<u>\$ 519,618</u>	<u>\$ 3,776,577</u>	<u>\$ 1,480,016</u>	<u>\$ 2,920,448</u>	<u>\$ 2,326,799</u>	<u>\$ 15,225,126</u>

See accompanying notes to the basic financial statements.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.3**  
**MULTNOMAH COUNTY, OREGON**

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

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<b>TOTAL FUND BALANCE-GOVERNMENTAL FUNDS</b>	<b>\$ 10,002,070</b>
Capital assets are not financial resources and therefore are not reported in the governmental funds.	
Cost	\$ 116,300,770
Accumulated Depreciation	<u>(22,415,624)</u>
	93,885,146
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are considered unavailable in the funds.	1,123,389
The proportionate share of the net pension asset is not reported as an asset in the governmental funds	8,175,753
The net deferred pension asset is not reported as a deferred inflow in the governmental funds	(12,325,808)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.	
Long term Liabilities:	
Accrued Vacation Payable	\$ (38,844)
Bond Interest Payable	(81,064)
OPEB Liability	(2,321,027)
General Obligation Bonds Payable	<u>(60,107,858)</u>
	<u>(62,548,793)</u>
<b>TOTAL NET POSITION</b>	<b>\$ <u>38,311,757</u></b>

See accompanying notes to the basic financial statements.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

	GENERAL FUND	IDEA GRANT FUND	THOMPSON SPECIAL FUND	DEBT SERVICE FUND	CAPITAL GO BOND FUND	NON-MAJOR FUNDS	TOTAL
<b>REVENUES:</b>							
Property Taxes	\$ 15,425,272	\$ -	\$ -	\$ 3,278,869	\$ -	\$ -	\$ 18,704,141
Intergovernmental-Federal	2,035	603,241	-	-	-	3,542,859	4,148,135
Intergovernmental- State and Local	15,163,046	-	3,152,572	-	71,263	1,101,284	19,488,165
Charges for Services	121,908	-	501,813	-	-	176,142	799,863
Earnings on Investments	40,862	-	-	10,803	33,081	315	85,061
Miscellaneous	172,732	-	-	-	-	83,737	256,469
<b>Total Revenues</b>	<b>30,925,855</b>	<b>603,241</b>	<b>3,654,385</b>	<b>3,289,672</b>	<b>104,344</b>	<b>4,904,337</b>	<b>43,481,834</b>
<b>EXPENDITURES:</b>							
Current:							
Instruction	18,168,448	595,419	-	-	-	1,548,595	20,312,462
Support Services	12,127,086	7,822	397,195	-	-	917,356	13,449,459
Enterprise and Community Services	93,900	-	-	-	-	2,028,496	2,122,396
Facilities Acquisition and Construction	-	-	-	-	2,343,803	-	2,343,803
Capital Outlay	-	-	-	-	6,262,288	-	6,262,288
Debt Service:							
Principal	142,857	-	-	1,300,000	-	-	1,442,857
Interest	-	-	-	2,065,164	-	-	2,065,164
<b>Total Expenditures</b>	<b>30,532,291</b>	<b>603,241</b>	<b>397,195</b>	<b>3,365,164</b>	<b>8,606,091</b>	<b>4,494,447</b>	<b>47,998,429</b>
Excess of Revenues Over (Under) Expenditures	393,564	-	3,257,190	(75,492)	(8,501,747)	409,890	(4,516,595)
<b>Other Financing Sources, (Uses):</b>							
Sale of Capital Assets	3,020	-	-	-	-	-	3,020
Transfers In	-	-	-	-	-	40,000	40,000
Transfers Out	-	-	(40,000)	-	-	-	(40,000)
<b>Total Other Financing Sources, -Uses</b>	<b>3,020</b>	<b>-</b>	<b>(40,000)</b>	<b>-</b>	<b>-</b>	<b>40,000</b>	<b>3,020</b>
<b>Net Change in Fund Balance</b>	<b>396,584</b>	<b>-</b>	<b>3,217,190</b>	<b>(75,492)</b>	<b>(8,501,747)</b>	<b>449,890</b>	<b>(4,513,575)</b>
<b>Beginning Fund Balance</b>	<b>566,482</b>	<b>-</b>	<b>535,792</b>	<b>1,341,968</b>	<b>11,194,109</b>	<b>877,294</b>	<b>14,515,645</b>
<b>Ending Fund Balance</b>	<b>\$ 963,066</b>	<b>\$ -</b>	<b>\$ 3,752,982</b>	<b>\$ 1,266,476</b>	<b>\$ 2,692,362</b>	<b>\$ 1,327,184</b>	<b>\$ 10,002,070</b>

See accompanying notes to the basic financial statements.



**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

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<b>TOTAL NET CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS</b>	<b>\$ (4,513,575)</b>
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period:

Additions to Capital Assets, Net	\$ 7,373,212	
Deletions to Capital Assets, Net	(5,244)	
Less Current Year Depreciation	<u>(2,143,652)</u>	
		5,224,316

Repayment of bond and principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. Debt principal repaid.	1,442,857
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The pension expense represents the change in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of the pension plan net position available to pay pension benefits.	10,894,047
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In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an expense when due.	1,602
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Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue.	458,904
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Compensated absences and OPEB liability are recognized as expenditure in the governmental funds when they are paid. In the Statement of Activities these liabilities are recognized as an expenditure when earned.		
Accrued Vacation Payable	(3,356)	
OPEB Liability	<u>(154,842)</u>	

<b>CHANGE IN NET POSITION</b>	<b><u><u>\$ 13,349,953</u></u></b>
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See accompanying notes to the basic financial statements.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3  
MULTNOMAH COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2015

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	<u>TOTAL</u>
<b>ASSETS:</b>	
Cash and Investments	<u>\$ 258,533</u>
Total Assets	<u>258,533</u>
<b>LIABILITIES:</b>	
Due to Student Organizations	<u>258,533</u>
<b>NET POSITION:</b>	
Unrestricted	
Total Net Position	<u><u>\$ 258,533</u></u>

See accompanying notes to the basic financial statements.

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

**Reporting Entity**

Multnomah County School District No. 3 (the District) is a municipal corporation governed by an elected five member Board of Directors. Administration officials are approved by the Board. The daily functioning is under the supervision of the Superintendent. As required by Generally Accepted Accounting Principles in the United States of America, all activities except fiduciary activities have been included in the government-wide financial statements.

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

**Basis of Presentation**

The government-wide financial statements, (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities. The effect of interfund activity has been removed from these statements. Fiduciary funds are included in the government-wide financial statements because the resources of fiduciary funds are available to support programs. Fiduciary funds are reported in the Financial Statements as part of the Basic Financial Statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers 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.

Separate combining financial statements are provided for governmental funds and the fiduciary fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

Net position comprises the various net earnings from operations, governmental activities, program revenues, and general revenue. Net position is classified in the following three categories.

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, net of accumulated depreciation.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (continued)**

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

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

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

**Fund Financial Statements**

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

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 (“susceptible to accrual”). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. Property taxes associated with the current fiscal period, are considered to be susceptible to accrual, if received in cash or by 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.

There are the following major governmental funds:

**General Fund**

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

**IDEA Grant Fund**

This Fund accounts for all federal grant revenue related to special education.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Financial Statements (continued)**

Thompson Special Fund

This Fund main source of revenue is state grants and charges for services.

Debt Service Fund

The Fund accounts for the payment of principal and interest on debt obligation. The principal source of revenue is property taxes and transfers.

Capital GO Bond Fund

The Fund accounts for the bond issuance and capital related construction costs.

Non-Major Funds

These Funds are not considered major due to the volume of their activities. They are for specific educational projects and programs and the sources of revenue are typically grants, contributions, and charges for services.

Additionally, the following other fund type is reported:

Fiduciary Fund

This fund type is comprised of an Agency Fund, which accounts for the transactions of the student body activity accounts. The main source of revenue comes from contributions, grants and student fees.

**Cash and Investments**

For the purpose of the statement of net position and the balance sheets, monies in the Oregon State Local Government Investment Pool, savings deposits, demand deposits and cash with the county treasurer are considered to be cash and investments.

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.

**Property Taxes**

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

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

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Supplies Inventories**

School operating supplies, maintenance supplies, and food and other cafeteria supplies are stated at average invoice cost. Commodities purchased from the United States Department of Agriculture in the Food Service Fund are included in the inventories at USDA wholesale value. The inventory is accounted for based on the consumption method. Under the consumption method, inventory is recorded when purchased and expenditures/expenses are recorded when inventory items are used. Donated commodities consumed during the year are reported as revenues and expenditures. The Food Service Fund reports inventory and a corresponding reserve for inventory in the fund financial statement. The reserve for inventory is reported in addition to the fund's equity on the balance sheet. At June 30, 2015 management reported no material inventories on hand.

**Accounts and Other Receivables**

Accounts and other receivables are comprised primarily of claims for reimbursement of costs under various federal, state and local grants. All are considered collectible by management, and therefore, there is no allowance for uncollectible accounts.

**Grants**

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

**Capital Assets**

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

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

**Compensated Absences**

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



**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long Term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Retirement Plans**

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statement #68, which has been implemented as of July 1, 2014, and GASB Statement #71, which has been implemented as of June 30, 2015.

**Use of Estimates**

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

**Fund Balance**

In GASB Statement #54 the objective is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.



**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance (Continued)**

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

There are no nonspendable or assigned fund balances.

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

**Deferred outflows/inflows of resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The government has one type of item, which arises under full accrual accounting in the Statement of Net Position. The Statement of Net Position reports unavailable revenue from a Net Deferred Pension Asset resulting from pension plan actuarial valuations and contributions subsequent to the measurement date.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgetary Information

A budget is prepared and legally adopted for all funds on the modified accrual basis of accounting in the main program categories required by the Oregon Local Budget Law. The budgets for all funds are adopted on a basis consistent with generally accepted accounting principles.

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

Expenditure budgets are appropriated at the following levels for each fund:

LEVEL OF CONTROL

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

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

Budget amounts shown in the budgetary financial statements reflect the original adopted budget and the final amended budget. Amendments to the original budget amounts included supplemental appropriations.

Excess of Expenditures Over Appropriations

Expenditures of the various funds were within authorized appropriations, except for Private Grants Fund – Support Services by \$3,547, Educator Effectiveness PLT Fund – Support Services by \$20,148, Mentoring, Monitoring, and Acceleration Grant Fund – Support Services by \$7,903, Priority Focus Grant Fund – Instruction by \$5,073, and Early Retirement Fund – Support Services by \$475.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**3. BUDGETARY BASIS OF ACCOUNTING**

While the financial position, results of operations, and changes in fund balance/net position is reported on the basis of generally accepted accounting principles in the United States of America (GAAP), the budgetary basis of accounting differs from generally accepted accounting principles. The budgetary statements provided as part of required supplementary information and supplementary information elsewhere in this report are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The primary differences between the budgetary basis and GAAP basis is the classification of capital outlay, which for budgetary purposes is reported within the functional categories at the level of appropriation control, and depreciation expense, which is not reported at the fund level. On a GAAP basis, capital outlay is separately reported after current expenditures. In addition, on the budgetary basis of accounting, inventory is accounted for on the purchases method. Under this method, inventory is expended as purchased and is not recorded as an asset on the balance sheet. On the GAAP basis fund financial statements, inventory has been recorded on the consumption method. Also, proceeds of long-term borrowing are recognized as "other financing source" revenue and principal paid is considered an expenditure when paid. OPEB costs are expensed when paid instead of when the liability is incurred.

**4. PROPERTY TAX LIMITATION**

The voters of the State of Oregon approved ballot measure 5, a constitutional limit on property taxes for schools and nonschool government operations, in November, 1990. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this initiative has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue. The voters of the State of Oregon passed ballot measure 50 in May, 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit.

Measure 50 reduced the amount of operating property tax revenues available for its 1997-98 fiscal year, and thereafter. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the property tax limitations. The measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State of Oregon to minimize the impact of the tax cuts to the school districts. The ultimate impact as a result of this measure is not determinable at this time.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**5. CASH AND INVESTMENTS**

Cash and Investments (recorded at cost) consisted of:

Demand Deposits	\$ 376,019
Petty Cash	400
Local Government Investment Pool	10,462,587
	<u>\$ 10,839,006</u>
Allocated:	
Governmental Funds	\$ 10,580,473
Fiduciary Fund	258,533
	<u>\$ 10,839,006</u>

DEPOSITS - Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. For the fiscal year ended June 30, 2015, the bank balance was \$547,250, all of which was insured by Federal Depository Insurance or deposited in an approved depository for public funds and thus is collateralized under ORS 295.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure deposits will not be recovered. There is no formal deposit policy for custodial credit risk. As of June 30, 2015, all deposits are insured.

INVESTMENTS – State statutes authorize investment in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Fitch Ratings and Standard & Poor's Corporation or P1 by Moody's Commercial Paper Record (A-2/P-2 if Oregon commercial paper) and the state treasurer's investment pool. The investments during the year were invested in the state treasurer's investment pool.

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

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. At June 30, 2015, the value of the Pool shares as reported in Oregon Short Term Fund audited financial statements represent the full value of LGIP. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**5. CASH AND INVESTMENTS (CONTINUED)**

At year-end, the investment balances were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 3</u>	<u>More than 3</u>
State Treasurer's Investment Pool	\$ 10,462,587	\$ 10,462,587	\$ -
Total	<u>\$ 10,462,587</u>	<u>\$ 10,462,587</u>	<u>\$ -</u>

Interest Rate Risk – Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond 3 months.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the value of the deposit will not be recovered. There is no formal investment policy for custodial credit risk. All of the investments are with the LGIP. Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE.

Concentration Risk

Concentration risk is the risk of loss due to a large portion of investments with a single issuer. To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the LGIP is invested in, which is not required to have a risk rating. State statutes do not limit the percentage of investments in this instrument. As of June 30, 2015 100% of the investments were in the State Treasurer's Investment Pool and the remaining with corporate securities and US Agencies.

**6. RECEIVABLES**

Receivables are comprised of the following:

	<u>Property Taxes</u>	<u>Accounts and Grants</u>
General Fund	\$ 964,589	\$ 357,196
IDEA Grant Fund	-	519,618
Thompson Special Fund	-	-
Debt Service Fund	225,731	21,492
Capital GO Bond Fund	-	-
Non-Major Funds	<u>-</u>	<u>1,118,880</u>
	<u>\$ 1,190,320</u>	<u>\$ 2,017,186</u>

The receivables are considered fully collectible by management so no allowance for doubtful accounts has been made.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**7. CAPITAL ASSETS**

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

	Beginning Balance July 1, 2014	Additions	Deletions	Ending Balance June 30, 2015
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 5,880,941	\$ -	\$ -	\$ 5,880,941
Construction in Progress	28,837,803	274,854	(28,837,803)	274,854
Total Capital Assets Not Being Depreciated	<u>34,718,744</u>	<u>274,854</u>	<u>(28,837,803)</u>	<u>6,155,795</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	71,537,782	35,769,916	-	107,307,698
Vehicles and Equipment	2,741,448	166,245	(70,416)	2,837,277
Total Capital Assets Being Depreciated	<u>74,279,230</u>	<u>35,936,161</u>	<u>(70,416)</u>	<u>110,144,975</u>
Accumulated Depreciation:				
Buildings and Improvements	(18,613,111)	(2,025,550)	(67)	(20,638,728)
Vehicles and Equipment	(1,724,033)	(118,102)	65,239	(1,776,896)
Total Accumulated Depreciation	<u>(20,337,144)</u>	<u>(2,143,652)</u>	<u>65,172</u>	<u>(22,415,624)</u>
Total Capital Assets Being Depreciated, Net	<u>53,942,086</u>	<u>33,792,509</u>	<u>(5,244)</u>	<u>87,729,351</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 88,660,830</u>	<u>\$ 34,067,363</u>	<u>\$ (28,843,047)</u>	<u>\$ 93,885,146</u>



**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**7. CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Instruction	\$ 1,221,956
Support Services	793,995
Community Services	<u>127,701</u>
Total Depreciation Expense-	
Governmental Activities	<u>\$ 2,143,652</u>

**8. INTERFUND TRANSACTIONS AND DUE TO / DUE FROM**

Operating transfers between funds were made to fund the various programs and activities as follows:

	Operating Transfers In	Operating Transfers Out
Non-Major Funds	\$ 40,000	\$ -
Thompson Special Fund	<u>-</u>	<u>40,000</u>
	<u>\$ 40,000</u>	<u>\$ 40,000</u>

The internal transfers are budgeted and recorded to show legal and operational commitments between funds such as cost sharing.

	Due From	Due To
General Fund	\$ 1,437,147	\$ -
IDEA Grant Fund	-	519,618
Non-Major Funds	<u>-</u>	<u>917,529</u>
	<u>\$ 1,437,147</u>	<u>\$ 1,437,147</u>

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**9. LONG TERM DEBT**

There are three general obligation bond issue approved by voters to finance various capital projects. On May 27 2009, a Qualified Zone Academy Bond agreement was entered into to finance capital projects, at a zero percent interest rate for 15 years.

	QZAB Purchase Agreement	GO Bonds Series 2011A	GO Bonds Series 2011B	Total
Balance 7/1/14	\$ 1,285,715	\$ 45,265,000	\$ 15,000,000	\$ 61,550,715
Additions	-	-	-	-
Payments & Deletions	(142,857)	(1,300,000)	-	(1,442,857)
Balance 6/30/15	<u>\$ 1,142,858</u>	<u>\$ 43,965,000</u>	<u>\$ 15,000,000</u>	<u>\$ 60,107,858</u>

Amounts Payable  
in Fiscal Year:

2015-16	\$ 142,857	\$ 1,405,000	\$ -	\$ 1,547,857
2016-17	142,857	1,515,000	-	1,657,857
2017-18	142,857	1,645,000	-	1,787,857
2018-19	142,857	1,770,000	-	1,912,857
2019-20	142,857	1,905,000	-	2,047,857
2020-25	428,573	5,305,000	-	5,733,573
2025-30	-	6,050,000	15,000,000	21,050,000
2030-35	-	19,590,000	-	19,590,000
2035-40	-	4,780,000	-	4,780,000
Total	<u>\$ 1,142,858</u>	<u>\$ 43,965,000</u>	<u>\$ 15,000,000</u>	<u>\$ 60,107,858</u> (1)

(1) This amount does not include OPEB.

Changes in long term debt outstanding are as follows:

Issue Date	Interest Rates	Original Issue	Outstanding July 1, 2014	Additions	Matured And Redeemed	Outstanding June 30, 2015	Due Within One Year
May 29, 2009	0%	2,000,000	\$ 1,285,715	\$ -	\$ 142,857	\$ 1,142,858	\$ 142,857
August 11, 2011	2.0-5.0%	48,000,000	45,265,000	-	1,300,000	43,965,000	1,405,000
August 11, 2011	4.9%	15,000,000	15,000,000	-	-	15,000,000	-
OPEB Liability	n/a	n/a	2,166,185	154,842	-	2,321,027	-
Total Long Term Debt			<u>\$ 63,716,900</u>	<u>\$ 154,842</u>	<u>\$ 1,442,857</u>	<u>\$ 62,428,885</u>	<u>\$ 1,547,857</u>



**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**10. PENSION PLAN**

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employee defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at: [http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

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

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**10. PENSION PLAN (CONTINUED)**

- b) **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i) **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
- Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
- General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
- A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii) **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii) **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv) **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**10. PENSION PLAN (CONTINUED)**

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation, which became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2015 were \$3,569,537, excluding amounts to fund employer specific liabilities. In addition approximately \$984,854 in employee contributions were paid or picked up by the District in fiscal 2015.

At June 30, 2015, the District reported a net pension asset of \$8,175,753 for its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2012, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2012, the District's proportion was .36 percent.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	15,775,892
Changes in proportion and differences between District contributions and proportionate share of contributions	-	119,453
	<u>                    </u>	<u>                    </u>
Subtotal - Amortized Deferral (below)		15,895,345
	<u>                    </u>	<u>                    </u>
District contributions subsequent to measurement date	3,569,537	-
	<u>                    </u>	<u>                    </u>
Net deferred outflow (inflow) of resources		<u><u>\$ 12,325,808</u></u>

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**10. PENSION PLAN (CONTINUED)**

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

<u>Year ending June 30,</u>	<u>Amount</u>
2016	\$ (3,969,941)
2017	(3,969,941)
2018	(3,969,941)
2019	(3,969,941)
2020	(15,581)
Thereafter	-
Total	<u><u>\$ (15,895,345)</u></u>

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

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

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

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

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**10. PENSION PLAN (CONTINUED)**

Actuarial Methods and Assumptions:

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

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

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

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**10. PENSION PLAN (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 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 17,313,292	\$ (8,175,753)	\$ (29,733,508)

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

However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology, which is summarized below (dollars in millions). Estimates have been rounded to the nearest \$10 million.

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

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

[http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf).



**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Early Retirement Liability**

An early retirement plan is authorized by a collective bargaining agreement. The plan is, in substance, a single employer defined benefit pension plan. To qualify, an employee must be an administrative or certificated employee, be 55 years old at retirement date, retire under PERS, and have 15 years of service if retiring as a licensed employee, 3 years if retiring as an administrator with the District.

Currently, the plan provides the retirees a stipend which the retiree can choose to receive in four annual payments, or the retiree can use the stipend to pay the premiums for the retiree and his or her family under the medical and dental insurance programs. Under the medical insurance option, payments continue until the stipend amount is depleted or until the retirees reached age 65. Currently, eleven retirees meet the eligibility requirements. The amount of health insurance paid on behalf of retirees was \$66,321 and \$48,641 for the 2014-2015 and 2013-2014 fiscal years respectively. Such costs are recorded as expenditures and funded on a budgetary basis. Total retirement stipend expenditures for the fiscal years 2014-2015 and 2013-2014 were \$66,830 and \$35,085 respectively. Future obligations will be funded through annual appropriations.

The District maintains single employer post-employment benefit programs (commonly referred to as early retirement). These programs cover licensed and administrative personnel of the District, individual employees, and certain retired employees.

Contributions and Funding Policy – The benefits from this program are fully paid and, consequently, no contributions by employees are required. There is no obligation to fund these benefits in advance. The only obligation is to make current benefit payments due each fiscal year. Consequently, it has not been found necessary to establish a pension trust fund, and payments are made on a pay-as-you-go basis each year out of the General Fund. An estimate of this liability for current retirees is done annually. There is no separately issued financial report for the plan. The total annual expenditures recognized on a budgetary basis were approximately \$139,166 and \$83,726 for the years ended June 30, 2015 and 2014 respectively.

Annual OPEB Cost and Net OPEB Obligation – The annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 50. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Early Retirement Liability

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

	2015	2014	2013
Annual required contribution	\$ 290,540	\$ 317,621	\$ 317,621
Interest on net pension obligation	25,822	28,374	34,645
Adjustment to annual required contribution	329,364	361,917	441,896
Annual pension cost (APC)	(13,002)	(15,922)	(89,630)
Contributions made	77,136	47,881	67,128
Increase in net pension obligation	(90,138)	(63,803)	(156,758)
Net Pension Obligation (Asset) at beginning of year	645,554	709,357	866,115
Net Pension Obligation (Asset) at end of year	\$ 555,416	\$ 645,554	\$ 709,357
Percentage of APC contributed	-593%	-301%	-75%

Actuarial Methods and Assumptions - The annual required contribution (ARC) for the current year was determined as part of the July 1, 2014 actuarial valuation using the Projected Unit Credit Cost Method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 4% compounded annually; (b) no future increase in benefit payable from this program; and (c) no post-retirement benefit increases and a payroll increase of 3.75%; (d) an inflation rate of 2.5%. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Under this method, the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year. The present value of benefits accrued in as of the valuation date is called the accrued liability. The difference between the accrued liability and the actuarial value of plan assets is called the unfunded accrued liability. The unfunded accrued liability is being amortized as a level dollar amount over an open period of two years for stipend payments, and as a level percentage of payroll, over an open period of fifteen years for medical benefits.



**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Early Retirement Liability (Continued)

Funding Status

Program membership consisted on the following at June 30, 2015:

Active Program Members:

Vested	12
Non-vested	202
Spouses of Ineligible Retirees	<u>0</u>
	<u>214</u>

Post Employment Health Insurance Subsidy

Plan Description - A single-employer retiree benefit plan is operated that provides postemployment health, dental and vision insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements.

The post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution.

The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

Funding Policy – The benefits from this program are paid and the required contribution is based on projected pay-as-you go financing requirements. The retiree is to receive the same health care coverage as active employees. Administrative employees may receive \$1,000 for each full year of District service up to \$12,000. Employees may choose from multiple insurance plans and has the option to add a spouse. The retiree is responsible for any portion of the premiums not paid by the District.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Post Employment Health Insurance Subsidy (Continued)

Annual Pension Cost and Net Pension Obligation - The annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance within the parameter of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

The following table shows the components of the OPEB obligation at the end of the year:

	2015	2014	2013
Annual required contribution	\$ 351,947	\$ 450,112	\$ 433,843
Interest on net pension obligation	60,826	53,606	46,961
Adjustment to annual required contribution	103,094	90,856	79,595
Annual OPEB Cost	309,679	412,862	401,209
Contributions made	64,699	232,367	235,104
Increase in net pension obligation	244,980	180,495	166,105
Net OPEB Obligation (Asset) at beginning of year	1,520,631	1,340,136	1,174,031
Net OPEB Obligation (Asset) at end of year	\$ 1,765,611	\$ 1,520,631	\$ 1,340,136
Percentage of APC contributed	21%	56%	59%

Actuarial Methods and Assumptions - The annual required contribution (ARC) for the current year was determined as part of the July 1, 2014 actuarial valuation using the Projected Unit Credit Cost Method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 4% compounded annually; (b) no future increase in benefit payable from this program; and (c) no post-retirement benefit increases and a payroll increase of 3.75%; (d) an inflation rate of 2.5%. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Post Employment Health Insurance Subsidy (Continued)

Funding Status

Program membership consisted on the following at June 30, 2015:

Active Program Members:

Vested	34
Non-vested	180
Spouses of Ineligible Retirees	3
	<u>217</u>

**12. PROPERTY TAX LIMITATION**

The voters of the State of Oregon approved ballot measure 5, a constitutional limit on property taxes for schools and nonschool government operations, in November, 1990. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this initiative has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue. The voters of the State of Oregon passed ballot measure 50 in May, 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit.

Measure 50 reduced the amount of operating property tax revenues available for its 1997-98 fiscal year, and thereafter. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the property tax limitations. The measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State of Oregon to minimize the impact of the tax cuts to the school districts. The ultimate impact as a result of this measure is not determinable at this time.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**13. COMMITMENTS AND CONTINGENCIES**

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

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

The District, in the normal course of business, is named as a defendant in various lawsuits. There is one matter of pending or threatened litigation. The likely outcome of this lawsuit is not presently determinable and a liability has not been recorded in the financial statements.

**14. RISK MANAGEMENT**

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

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**15. ARTS TAX**

In November, 2012, voters in the City of Portland passed Ballot Measure 26-146 to restore school arts and music education, funded through an income tax of \$35 per person per year. In December of 2012, the District entered into an intergovernmental agreement with the City of Portland to receive a portion of this tax, to be used to provide arts and music education, through certified arts and music teacher, to all K-5 students within the District. Receipts and expenditures for the years ended June 30, 2014 and 2015 are as follows:

	<u>2014</u>	<u>2015</u>
Arts Tax Revenues	\$ 294,264	\$ 316,999
Arts Tax Expenditures	<u>340,606</u>	<u>400,925</u>
Variance	(46,342)	(83,926)
FTE Funded	4	4
Number of Schools Funded	4	4

The District's general fund funded any variance needed to maintain these positions.

**16. SUBSEQUENT EVENTS**

On November 30, 2015, the Multnomah County School District #3 board approved a Qualified Zone Academy Bond (QZAB) in the amount of \$2,160,000 to replace current fleet vehicles for the safe transportation of students and staff. The interest rate on the QZAB is 0.0%. On December 14, 2015, the District also established a new fund to account for these activities.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**17. GASB STATEMENT #54 - FUND BALANCES**

Fund balances by classification for the year ended June 30, 2015 are as follows:

	General Fund	Thompson Special Fund	Debt Service Fund	Capital GO Bond Fund	Non-Major Funds	Total
<b>Fund Balances:</b>						
<b><u>Restricted:</u></b>						
Debt Service	\$ -	\$ -	\$ 1,266,476	\$ -	\$ 61,884	\$ 1,328,360
Food Service	-	-	-	-	47,453	47,453
Special Revenue	-	-	-	-	68,743	68,743
Capital	-	-	-	2,692,362	499,501	3,191,863
Total Restricted	-	-	1,266,476	2,692,362	677,581	4,636,419
<b><u>Committed:</u></b>						
Transportation	-	-	-	-	155,992	155,992
Community Center	-	-	-	-	29,603	29,603
Risk Management	-	-	-	-	280,657	280,657
Grants	-	3,752,982	-	-	10,721	3,763,703
Technology Replacement	-	-	-	-	32,635	32,635
Capital Equipment	-	-	-	-	139,995	139,995
Total Committed	-	3,752,982	-	-	649,603	4,402,585
<b><u>Unassigned:</u></b>						
General	864,107	-	-	-	-	864,107
Early Retirement	34,772	-	-	-	-	34,772
Textbook	64,187	-	-	-	-	64,187
Total Unassigned	963,066	-	-	-	-	963,066
<b>Total Fund Balances</b>	<b>\$ 963,066</b>	<b>\$ 3,752,982</b>	<b>\$ 1,266,476</b>	<b>\$ 2,692,362</b>	<b>\$ 1,327,184</b>	<b>\$ 10,002,070</b>

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**18. RESTATEMENT OF PRIOR YEAR NET POSITION**

Due to the implementation of GASB 68 a restatement of the prior year net position was required. The restatement is as follows:

Net position-beginning as previously reported	\$ 40,005,906
Proportionate share of net pension liability	(18,406,404)
Net outflow/(inflows) of resources	<u>3,362,302</u>
Net position-beginning as restated	<u><u>\$ 24,961,804</u></u>

**REQUIRED SUPPLEMENTAL INFORMATION**



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MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3  
MULTNOMAH COUNTY, OREGON

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND  
SCHEDULE OF CONTRIBUTIONS

June 30, 2015

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

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.36 %	\$ (8,175,753)	\$ 17,422,657	(46.9) %	103.6 %
2014	0.36	18,406,404	16,231,106	113.4	92.0

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

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

**SCHEDULE OF CONTRIBUTIONS**

Year Ended June 30	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2015	\$ 3,569,537	\$ 3,569,537	\$ -	\$ 17,422,657	20.5 %
2014	3,362,302	3,362,302	-	16,231,106	20.7

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

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

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3  
MULTNOMAH COUNTY, OREGON

SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
 EARLY RETIREMENT PROGRAM  
 June 30, 2015

**PLAN I (STIPENDS):**

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Entry Age	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
10/1/2008	\$ -	\$ 738,876	\$ 738,876	0.00%	\$ N/A	N/A
10/1/2009	-	807,461	807,461	0.00%	N/A	N/A
7/1/2012	-	542,678	542,678	0.00%	N/A	N/A
7/1/2014	-	502,070	502,070	0.00%	N/A	N/A

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ (16,575)	(415.00) %
2010	46,867	143.00
2010	95,028	69.00
2012	71,357	83.00
2013	(89,630)	(75.00)
2014	(15,922)	(301.00)
2015	(13,002)	(593.00)

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

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3  
MULTNOMAH COUNTY, OREGON

SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
 POST EMPLOYMENT HEALTH CARE

June 30, 2015

**PLAN II (HEALTH INSURANCE)  
 SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
10/1/2008	\$ -	\$ 3,972,352	\$ 3,972,352	0.00%	\$ N/A	N/A
10/1/2009	-	4,162,481	4,162,481	0.00%	N/A	N/A
7/1/2012	-	3,341,799	3,341,799	0.00%	N/A	N/A
7/1/2014	-	2,487,407	2,487,407	0.00%	N/A	N/A

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 565,083	60.00 %
2010	594,134	56.00
2011	635,547	48.00
2012	662,232	46.00
2013	401,209	59.00
2014	412,862	56.00
2015	309,679	21.00

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

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**MULTNOMAH COUNTY SCHOOL DISTRICT # 3**  
**MULTNOMAH COUNTY, OREGON**

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

**General Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local Sources:				
Taxes-Current	\$ 13,490,000	\$ 14,640,000	\$ 15,100,219	\$ 460,219
Taxes-Prior	450,000	450,000	325,053	(124,947)
Tuition	5,000	5,000	58,296	53,296
Transportation	25,000	25,000	23,759	(1,241)
Earnings on Investments	50,000	50,000	40,862	(9,138)
Extra Curricular	40,000	40,000	39,853	(147)
Miscellaneous	155,000	155,000	172,732	17,732
Total Local Sources	14,215,000	15,365,000	15,760,774	395,774
Intermediate Sources:				
County School Fund	3,000	3,000	511	(2,489)
Other Intermediate	350,000	350,000	316,999	(33,001)
Total Intermediate Sources	353,000	353,000	317,510	(35,490)
State Sources:				
School Support Fund	14,154,038	14,154,038	14,503,347	349,309
Common School Fund	324,015	324,015	342,189	18,174
Total From State Sources	14,478,053	14,478,053	14,845,536	367,483
From Federal Sources:				
Federal Grants	-	-	2,035	2,035
Total From Federal Sources	-	-	2,035	2,035
Total Revenues	\$ 29,046,053	\$ 30,196,053	\$ 30,925,855	\$ 729,802

**MULTNOMAH COUNTY SCHOOL DISTRICT # 3**  
**MULTNOMAH COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)**  
**ACTUAL AND BUDGET - BUDGETARY (NON-GAAP) BASIS**  
**For the Year Ended June 30, 2015**

GENERAL FUND					
BUDGET					
	ORIGINAL	FINAL	SALARIES	EMPLOYEE BENEFITS	PURCHASED SERVICES
EXPENDITURES:					
Instruction:					
Primary, K-3	\$ 6,410,808	\$ 6,410,808	\$ 3,881,496	\$ 2,321,254	\$ 6,158
Elementary Extra-Curricular	-	-	-	-	-
Technology	18,470	18,470	4,164	1,468	-
Middle School Programs	3,210,295	3,210,295	1,891,137	1,079,236	7,094
Middle School Extra-Curricular	33,771	33,771	26,124	9,320	-
High School Programs	3,821,627	3,821,627	2,109,623	1,239,997	23,130
High School Extra-Curricular	415,927	415,927	270,494	68,843	23,481
Special Education Tutoring	21,902	21,902	16,630	4,547	-
District Wide Tutoring	7,822	7,822	6,720	1,673	-
Talented and Gifted/Tutoring	10,773	10,773	7,192	2,388	-
Education for Mentally Disabled	2,343,995	2,343,995	1,440,583	998,340	24,851
Education for Emotionally Disabled	993,269	993,269	68,523	47,356	1,253,995
Restricted Program Emerging Skill	-	-	-	-	-
Learning Disabled	-	-	-	-	-
Extended School Year	5,000	5,000	942	343	-
District Alternative Programs	254,596	254,596	203,383	124,493	-
English as a Second Language	798,880	798,880	435,352	271,676	27,390
Total Instruction	18,347,135	18,347,135	(1) 10,362,363	6,170,934	1,366,099
Support Services:					
Student Safety	197,384	197,384	103,695	91,703	-
Counseling Services	1,100,547	1,100,547	631,746	440,710	-
Health Services	10,000	10,000	-	-	-
Medical Services - Medicaid	35,433	35,433	18,244	17,640	-
Psychological Services	323,196	323,196	177,905	96,366	-
Psychological Testing Services	1,500	21,500	-	-	13,580
Speech Pathology and Audiology Services	364,055	364,055	202,011	114,480	-
Other Student Treatment Services	2,000	2,000	-	-	-
Director - Student Support Services	297,283	1,427,283	176,891	103,807	486,123
Staff/Curriculum Development	313,910	313,910	186,769	104,042	1,451
Educational Media Services	293,701	293,701	162,543	118,283	60
Instructional Staff Development	87,965	87,965	4,125	60,183	570
Board of Education Services	215,560	215,560	-	-	68,711
Graduation	9,000	9,000	-	-	7,862
Office of the Superintendent	317,630	317,630	184,316	113,729	12,876
Office of the Principal	2,143,520	2,143,520	1,386,921	879,658	223
Personnel Administration	174,783	174,783	88,923	50,804	601
Fiscal Services	793,850	793,850	324,351	218,245	36,676
Care and Upkeep of Buildings	2,609,270	2,609,270	716,913	487,922	1,099,595
Operation & Maintenance of Plant Services	88,376	88,376	31,372	25,103	5,709
Vehicle Operation Services	694,607	694,607	264,075	189,548	145,482
Instructional Field Trip	22,136	22,136	13,594	4,816	-
Special Ed Transportation	527,870	527,870	158,860	134,494	665,748
Transportation/Extracurricular	25,000	25,000	18,379	5,935	420
Printing, Publish, Duplication	60,212	60,212	7,178	8,027	(8,544)
Technology Services	476,346	476,346	257,466	138,615	1,524
Total Support Services	11,185,134	12,335,134	(1) 5,116,277	3,404,110	2,538,667
Enterprise and Community Services:					
	110,000	110,000	(1) -	-	93,900
Contingency:					
	250,000	250,000	(1) -	-	-
Debt Services:					
Principal and Interest	143,000	143,000	-	-	-
Total Debt Services	143,000	143,000	(1) -	-	-
Total Expenditures	30,035,269	31,185,269	\$ 15,478,640	\$ 9,575,044	\$ 3,998,666
Excess of Revenues Over (Under) Expenditures					
	(989,216)	(989,216)			
Other Financing Sources, (Uses):					
Sale of Capital Assets	-	-			
Transfers In	589,216	589,216			
Total Other Financing Sources, (Uses)	589,216	589,216			
Net Change in Fund Balance					
	(400,000)	(400,000)			
Beginning Fund Balance					
	650,000	650,000			
Ending Fund Balance					
	\$ 250,000	\$ 250,000			

(1) Appropriation Level

SUPPLIES AND MATERIALS	CAPITAL OUTLAY	OTHER OBJECTS	TOTAL	VARIANCE TO FINAL BUDGET
\$ 85,923	\$ -	\$ 185	\$ 6,295,016	\$ 115,792
2	-	-	2	(2)
7,580	-	68	13,280	5,190
39,013	-	510	3,016,990	193,305
-	-	-	35,444	(1,673)
41,049	-	2,183	3,415,982	405,645
53,301	-	25,527	441,646	(25,719)
-	-	-	21,177	725
-	-	-	8,393	(571)
-	-	-	9,580	1,193
5,492	-	-	2,469,266	(125,271)
-	-	-	1,369,874	(376,605)
1,546	-	-	1,546	(1,546)
2,150	-	-	2,150	(2,150)
-	-	-	1,285	3,715
436	-	-	328,312	(73,716)
3,388	-	699	738,505	60,375
239,880	-	29,172	18,168,448	178,687
-	-	-	195,398	1,986
2,530	-	190	1,075,176	25,371
-	-	-	-	10,000
-	-	-	35,884	(451)
-	-	-	274,271	48,925
-	-	-	13,580	7,920
-	-	-	316,491	47,564
-	-	-	-	2,000
33,804	-	3,012	803,637	623,646
4,890	-	738	297,890	16,020
19,955	-	-	300,841	(7,140)
-	-	-	64,878	23,087
5,091	-	144,133	217,935	(2,375)
3,452	-	-	11,314	(2,314)
7,775	-	10,723	329,419	(11,789)
26,311	-	3,945	2,297,058	(153,538)
8,962	-	9,681	158,971	15,812
5,726	-	193,278	778,276	15,574
141,505	-	13,199	2,459,134	150,136
5,702	-	85	67,971	20,405
77,882	-	127,979	804,966	(110,359)
338	-	-	18,748	3,388
115	-	-	959,217	(431,347)
945	-	-	25,679	(679)
28,777	-	2,600	38,038	22,174
2,371	-	43,171	443,147	33,199
376,131	-	552,734	11,987,919	347,215
-	-	-	93,900	16,100
-	-	-	-	250,000
-	-	142,857	142,857	143
-	-	142,857	142,857	143
\$ 616,011	\$ -	\$ 581,906	30,393,124	792,145
			532,731	1,521,947
			3,020	3,020
			-	(589,216)
			3,020	(586,196)
			535,751	935,751
			328,356	(321,644)
			864,107	\$ 614,107

# RECONCILIATION TO GAAP FUND BALANCE

Early Retirement Fund Ending Fund Balance	34,772
Textbook Fund Ending Fund Balance	64,187
General Fund Ending Fund Balance	<u>\$ 963,066</u>



**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**IDEA Grant Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Federal Sources:				
Grants-in-Aid	\$ 802,637	\$ 802,637	\$ 603,241	\$ (199,396)
Total Revenues	802,637	802,637	603,241	(199,396)
<b>EXPENDITURES:</b>				
Instruction:				
Salaries	384,852	384,852	316,101	68,751
Employee Benefits	283,509	283,507	236,624	46,883
Purchased Services	79,576	79,578	42,694	36,884
Materials and Services	30,904	30,904	-	30,904
Other Objects	15,796	15,796	-	15,796
Total Instruction	794,637	794,637 (1)	595,419	199,218
Support Services:				
Salaries	5,000	5,000	5,629	(629)
Employee Benefits	1,930	1,930	1,600	330
Materials and Services	1,070	1,070	129	941
Other Objects	-	-	464	(464)
Total Support Services	8,000	8,000 (1)	7,822	178
Total Expenditures	802,637	802,637	603,241	199,396
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Thompson Special Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local Sources:				
Rental/Lease	\$ 500,912	\$ 500,912	\$ 501,813	\$ 901
Contributions from Private Sources	17,250	17,250	19,303	2,053
State Sources:				
Grants-in-Aid	-	-	3,133,269	3,133,269
Total Revenues	518,162	518,162	3,654,385	3,136,223
<b>EXPENDITURES:</b>				
Support Services:				
Salaries	127,739	127,739	88,167	39,572
Employee Benefits	32,519	32,519	37,557	(5,038)
Purchased Services	236,189	236,189	182,382	53,807
Supplies and Materials	40,012	40,012	68,896	(28,884)
Other Objects	28,800	28,800	20,193	8,607
Total Support Services	465,259	465,259 (1)	397,195	68,064
Contingency	10,000	10,000 (1)	-	10,000
Total Expenditures	475,259	475,259	397,195	78,064
Excess of Revenues Over (Under) Expenditures	42,903	42,903	3,257,190	3,214,287
<b>Other Financing Sources, (Uses):</b>				
Transfers Out	(490,000)	(490,000) (1)	(40,000)	450,000
Total Other Financing Sources, (Uses)	(490,000)	(490,000)	(40,000)	450,000
Net Change in Fund Balance	(447,097)	(447,097)	3,217,190	3,664,287
<b>Beginning Fund Balance</b>	524,225	524,225	535,792	11,567
<b>Ending Fund Balance</b>	\$ 77,128	\$ 77,128	\$ 3,752,982	\$ 3,675,854

(1) Appropriation Level

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## **SUPPLEMENTARY INFORMATION**

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Debt Service Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local Sources:				
Current Taxes	\$ 2,931,296	\$ 2,931,296	\$ 3,199,544	\$ 268,248
Prior Taxes	90,000	90,000	79,325	(10,675)
Interest	10,000	10,000	10,803	803
Revenues From Local Sources	3,031,296	3,031,296	3,289,672	258,376
<b>EXPENDITURES:</b>				
Debt Service:				
Principal	1,300,000	1,300,000	1,300,000	-
Interest	2,066,550	2,066,550	2,065,164	1,386
Total Expenditures	3,366,550	3,366,550 (1)	3,365,164	1,386
Net Change in Fund Balance	(335,254)	(335,254)	(75,492)	259,762
Beginning Fund Balance	1,368,529	1,368,529	1,341,968	(26,561)
Ending Fund Balance	\$ 1,033,275	\$ 1,033,275	\$ 1,266,476	\$ 233,201

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Capital GO Bond Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
State Sources	\$ -	\$ -	\$ 52,021	\$ 52,021
Local Sources:				
Interest on Investments	160,149	160,149	33,081	(127,068)
Miscellaneous	100,000	100,000	19,242	(80,758)
Total Revenues	260,149	260,149	104,344	(155,805)
<b>EXPENDITURES:</b>				
Facilities Acquisition and Construction:				
Salaries	77,000	77,000	83,325	(6,325)
Employee Benefits	37,833	37,833	34,727	3,106
Purchased Services	1,042,500	1,042,500	665,940	376,560
Materials and Services	350,000	350,000	1,541,647	(1,191,647)
Capital Outlay	13,016,000	13,016,000	6,262,288	6,753,712
Other Objects	-	-	18,164	(18,164)
Total Expenditures	14,523,333	14,523,333 (1)	8,606,091	5,917,242
Beginning Fund Balance	14,263,184	14,263,184	11,194,109	(3,069,075)
Ending Fund Balance	\$ -	\$ -	\$ 2,692,362	\$ 2,692,362

(1) Appropriation Level

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

	TAX ANTICIPATION NOTE FUND	FOOD SERVICE FUND	PRIVATE GRANTS FUND	TRANS- PORTATION FUND
<b>ASSETS:</b>				
Cash and Investments	\$ 61,884	\$ 9,093	\$ 52,541	\$ 155,992
Accounts and Grants Receivable	-	94,520	15,420	-
Total Assets	<u>\$ 61,884</u>	<u>\$ 103,613</u>	<u>\$ 67,961</u>	<u>\$ 155,992</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
Accounts Payable	\$ -	\$ 56,160	\$ 524	\$ -
Payroll Liabilities	-	-	-	-
Due To Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>56,160</u>	<u>524</u>	<u>-</u>
Fund Balances:				
Restricted	61,884	47,453	67,437	-
Committed	-	-	-	155,992
Total Fund Balances	<u>61,884</u>	<u>47,453</u>	<u>67,437</u>	<u>155,992</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 61,884</u>	<u>\$ 103,613</u>	<u>\$ 67,961</u>	<u>\$ 155,992</u>

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3  
MULTNOMAH COUNTY, OREGON

COMBINING BALANCE SHEET  
 ALL NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2015

COMMUNITY CENTER FUND	RISK MANAGEMENT FUND	FOCUS READING GRANT FUND	EDUCATOR EFFECTIVENESS PLT FUND	MT. HOOD CABLE REGULATORY COMMISSION GRANT FUND
\$ 18,791	\$ 281,537	\$ -	\$ -	\$ -
10,812	-	37,940	49,418	256,874
<u>\$ 29,603</u>	<u>\$ 281,537</u>	<u>\$ 37,940</u>	<u>\$ 49,418</u>	<u>\$ 256,874</u>
\$ -	\$ 880	\$ -	\$ -	\$ -
-	-	-	2,860	-
-	-	37,940	46,558	256,874
<u>-</u>	<u>880</u>	<u>37,940</u>	<u>49,418</u>	<u>256,874</u>
-	-	-	-	-
29,603	280,657	-	-	-
<u>29,603</u>	<u>280,657</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 29,603</u>	<u>\$ 281,537</u>	<u>\$ 37,940</u>	<u>\$ 49,418</u>	<u>\$ 256,874</u>

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3  
MULTNOMAH COUNTY, OREGON

COMBINING BALANCE SHEET  
ALL NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2015

MENTORING, MONITORING, & ACCELERATION GRANT FUND	TECHNOLOGY REPLACEMENT FUND	CAPITAL EQUIPMENT FUND	CAPITAL PROJECTS FUND	NONMAJOR FEDERAL SPECIAL REVENUE FUNDS	TOTAL NONMAJOR FUNDS
\$ - 110,504	\$ 29,015 8,735	\$ 139,995 -	\$ 459,071 40,430	\$ - 494,227	\$ 1,207,919 1,118,880
<u>\$ 110,504</u>	<u>\$ 37,750</u>	<u>\$ 139,995</u>	<u>\$ 499,501</u>	<u>\$ 494,227</u>	<u>\$ 2,326,799</u>
\$ 14,965 - 84,818	\$ 5,115 - -	\$ - - -	\$ - - -	\$ 1,424 158 491,339	\$ 79,068 3,018 917,529
<u>99,783</u>	<u>5,115</u>	<u>-</u>	<u>-</u>	<u>492,921</u>	<u>999,615</u>
- 10,721	- 32,635	- 139,995	499,501 -	1,306 -	677,581 649,603
<u>10,721</u>	<u>32,635</u>	<u>139,995</u>	<u>499,501</u>	<u>1,306</u>	<u>1,327,184</u>
<u>\$ 110,504</u>	<u>\$ 37,750</u>	<u>\$ 139,995</u>	<u>\$ 499,501</u>	<u>\$ 494,227</u>	<u>\$ 2,326,799</u>

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

	TAX ANTICIPATION NOTE FUND	FOOD SERVICE FUND	PRIVATE GRANTS FUND	TRANS- PORTATION FUND
<b>REVENUES:</b>				
Intergovernmental-Federal	\$ -	\$ 1,796,646	\$ 14,637	\$ -
Intergovernmental-Local, Intermediate and State	-	18,499	17,324	-
Charges for Services	-	103,641	-	-
Earnings on Investments	315	-	-	-
Miscellaneous	-	154	76,652	74,489
Total Revenues	315	1,918,940	108,613	74,489
<b>EXPENDITURES:</b>				
Instruction	-	-	22,213	-
Support Services	-	-	30,387	-
Enterprise and Community Services	-	1,896,086	-	-
Total Expenditures	-	1,896,086	52,600	-
Excess of Revenues Over, - Under Expenditures	315	22,854	56,013	74,489
<b>Other Financing Sources, (Uses):</b>				
Transfers In	-	-	-	-
Total Other Financing Sources, (Uses)	-	-	-	-
Net Change in Fund Balance	315	22,854	56,013	74,489
Beginning Fund Balance	61,569	24,599	11,424	81,503
Ending Fund Balance	\$ 61,884	\$ 47,453	\$ 67,437	\$ 155,992

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

COMMUNITY CENTER FUND	RISK MANAGEMENT FUND	FOCUS READING GRANT FUND	EDUCATOR EFFECTIVENESS PLT FUND	MT HOOD CABLE REGULATORY COMMISSION GRANT FUND
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	160,000	52,200	256,874
26,439	-	-	-	-
-	-	-	-	-
22,213	60,396	-	-	-
48,652	60,396	160,000	52,200	256,874
-	-	160,000	-	-
-	20,079	-	52,200	256,874
102,113	-	-	-	-
102,113	20,079	160,000	52,200	256,874
(53,461)	40,317	-	-	-
40,000	-	-	-	-
40,000	-	-	-	-
(13,461)	40,317	-	-	-
43,064	240,340	-	-	-
\$ 29,603	\$ 280,657	\$ -	\$ -	\$ -

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

MENTORING, MONITORING, & ACCELERATION GRANT FUND	TECHNOLOGY REPLACEMENT FUND	CAPITAL EQUIPMENT FUND	CAPITAL PROJECTS FUND	NONMAJOR FEDERAL SPECIAL REVENUE FUNDS	TOTAL NONMAJOR FUNDS
\$ -	\$ -	\$ -	\$ -	\$ 1,731,576	\$ 3,542,859
197,830	-	-	97,773	-	800,500
-	46,062	-	-	-	176,142
-	-	-	-	-	315
-	-	75,000	75,617	-	384,521
197,830	46,062	75,000	173,390	1,731,576	4,904,337
-	-	7,254	-	1,359,128	1,548,595
187,109	28,463	-	1,399	340,845	917,356
-	-	-	-	30,297	2,028,496
187,109	28,463	7,254	1,399	1,730,270	4,494,447
10,721	17,599	67,746	171,991	1,306	409,890
-	-	-	-	-	40,000
-	-	-	-	-	40,000
10,721	17,599	67,746	171,991	1,306	449,890
-	15,036	72,249	327,510	-	877,294
\$ 10,721	\$ 32,635	\$ 139,995	\$ 499,501	\$ 1,306	\$ 1,327,184

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**COMBINING BALANCE SHEET**  
**ALL NONMAJOR FEDERAL SPECIAL REVENUE FUNDS**  
**June 30, 2015**

	TITLE IA FUND	PRIORITY FOCUS GRANT FUND	TITLE IIA TEACHER QUALITY FUND
<b>ASSETS:</b>			
Accounts and Grants Receivable	\$ 363,290	\$ 54,570	\$ 34,184
<b>Total Assets</b>	<u>\$ 363,290</u>	<u>\$ 54,570</u>	<u>\$ 34,184</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
Liabilities:			
Accounts Payable	\$ 251	\$ -	\$ 1,047
Payroll Liabilities	79	79	-
Due To Other Funds	362,960	53,185	33,137
<b>Total Liabilities</b>	<u>363,290</u>	<u>53,264</u>	<u>34,184</u>
Fund Balance	<u>-</u>	<u>1,306</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 363,290</u>	<u>\$ 54,570</u>	<u>\$ 34,184</u>

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TITLE III LANGUAGE INSTRUCTION FUND	SYSTEM PERFORMANCE REVIEW FUND	MCKINNEY VENTO FUND	TOTAL NONMAJOR FEDERAL SPECIAL REVENUE FUNDS
<u>\$ 30,908</u>	<u>\$ 3,680</u>	<u>\$ 7,595</u>	<u>\$ 494,227</u>
<u><u>\$ 30,908</u></u>	<u><u>\$ 3,680</u></u>	<u><u>\$ 7,595</u></u>	<u><u>\$ 494,227</u></u>
\$ -	\$ -	\$ 126	\$ 1,424
-	-	-	158
<u>30,908</u>	<u>3,680</u>	<u>7,469</u>	<u>491,339</u>
<u>30,908</u>	<u>3,680</u>	<u>7,595</u>	<u>492,921</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,306</u>
<u><u>\$ 30,908</u></u>	<u><u>\$ 3,680</u></u>	<u><u>\$ 7,595</u></u>	<u><u>\$ 494,227</u></u>

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

	TITLE IA FUND	PRIORITY FOCUS GRANT FUND	TITLE IIA TEACHER QUALITY FUND
<b>REVENUES:</b>			
Federal Sources	\$ 1,256,872	\$ 163,118	\$ 156,689
Total Revenues	1,256,872	163,118	156,689
<b>EXPENDITURES:</b>			
Current:			
Instruction	1,178,671	156,515	-
Support Services	64,169	-	145,721
Enterprise and Community Services	14,032	5,297	10,968
Total Expenditures	1,256,872	161,812	156,689
Net Change in Fund Balance	-	1,306	-
<b>Beginning Fund Balance</b>	-	-	-
<b>Ending Fund Balance</b>	\$ -	\$ 1,306	\$ -

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TITLE III LANGUAGE INSTRUCTION FUND	SYSTEMS PERFORMANCE REVIEW FUND	MCKINNEY VENO FUND	TOTAL
\$ 130,239	\$ 4,300	\$ 20,358	\$ 1,731,576
130,239	4,300	20,358	1,731,576
3,584	-	20,358	1,359,128
126,655	4,300	-	340,845
-	-	-	30,297
130,239	4,300	20,358	1,730,270
-	-	-	1,306
-	-	-	-
\$ -	\$ -	\$ -	\$ 1,306

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**MULTNOMAH COUNTY SCHOOL DISTRICT #3**  
**MULTNOMAH COUNTY, OREGON**

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

**Tax Anticipation Note Fund**

	BUDGET			VARIANCE TO
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
<b>REVENUES:</b>				
Interest	\$ 19,731	\$ 19,731	\$ 315	\$ (19,416)
Total Revenues	19,731	19,731	315	(19,416)
<b>EXPENDITURES:</b>				
Support Services:				
Purchased Services	6,257	6,257	-	6,257
Total Support Services	6,257	6,257 (1)	-	6,257
Debt Services				
Principal	4,035,000	4,035,000	-	4,035,000
Interest	75,000	75,000	-	75,000
Total Debt Services	4,110,000	4,110,000 (1)	-	4,110,000
Total Expenditures	4,116,257	4,116,257	-	4,116,257
Excess of Revenues Over (Under) Expenditures	(4,096,526)	(4,096,526)	315	(4,096,841)
<b>Other Financing Sources, (Uses):</b>				
Proceeds	4,035,000	4,035,000	-	4,035,000
Total Other Financing Sources, (Uses)	4,035,000	4,035,000	-	4,035,000
Net Change in Fund Balance	(61,526)	(61,526)	315	61,841
<b>Beginning Fund Balance</b>	61,526	61,526	61,569	43
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,884</u>	<u>\$ 61,884</u>

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Food Service Fund**

	BUDGET			VARIANCE TO
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
<b>REVENUES:</b>				
Local Sources:				
Charges for Services	\$ 212,000	\$ 212,000	\$ 103,641	\$ (108,359)
Miscellaneous	5,000	5,000	154	(4,846)
State Sources:				
Intergovernmental	21,000	21,000	18,499	(2,501)
Federal Sources:				
Intergovernmental	1,700,000	1,700,000	1,715,168	15,168
Commodities	100,000	100,000	81,478	(18,522)
Total Revenues	2,038,000	2,038,000	1,918,940	(119,060)
<b>EXPENDITURES:</b>				
Enterprise and Community Services:				
Salaries	424,837	424,839	396,528	28,311
Employee Benefits	342,687	342,685	310,617	32,068
Purchased Services	213,800	213,800	187,660	26,140
Supplies and Materials	1,059,331	1,059,331	982,947	76,384
Capital Outlay	62,000	62,000	-	62,000
Other Objects	4,750	4,750	18,334	(13,584)
Total Enterprise and Community Services	2,107,405	2,107,405	(1) 1,896,086	211,319
Total Expenditures	2,107,405	2,107,405	1,896,086	211,319
Net Change in Fund Balance	(69,405)	(69,405)	22,854	92,259
Beginning Fund Balance	69,405	69,405	24,599	(44,806)
Ending Fund Balance	\$ -	\$ -	\$ 47,453	\$ 47,453

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Private Grants Fund**

	BUDGET			VARIANCE TO
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
<b>REVENUES:</b>				
Local Sources	\$ 38,044	\$ 38,044	\$ 76,652	\$ 38,608
Intermediate Sources	-	-	5,498	5,498
State Sources	-	-	11,826	
Federal Sources	-	-	14,637	14,637
Total Revenues	38,044	38,044	108,613	70,569
<b>EXPENDITURES:</b>				
Instruction:				
Salaries	15,000	15,000	8,426	6,574
Employee Benefits	-	-	2,906	(2,906)
Purchased Services	13,637	13,637	2,074	11,563
Supplies and Materials	16,639	16,639	3,868	12,771
Other Objects	-	-	4,939	(4,939)
Total Instruction	45,276	45,276 (1)	22,213	23,063
Support Services:				
Salaries	-	-	9,945	(9,945)
Employee Benefits	-	-	1,621	(1,621)
Purchased Services	9,700	9,700	16,245	(6,545)
Supplies and Materials	17,140	17,140	1,341	15,799
Other Objects	-	-	1,235	(1,235)
Total Support Services	26,840	26,840 (1)	30,387	(3,547)
Enterprise and Community Services:				
Purchased Services	2,500	2,500	-	2,500
Supplies and Materials	3,002	3,002	-	3,002
Total Enterprise/Community Services	5,502	5,502 (1)	-	5,502
Total Expenditures	77,618	77,618	52,600	25,018
Net Change in Fund Balance	(39,574)	(39,574)	56,013	95,587
Beginning Fund Balance	39,574	39,574	11,424	(28,150)
Ending Fund Balance	\$ -	\$ -	\$ 67,437	\$ 67,437

(1) Appropriation Level



**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Transportation Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
State Sources	\$ 75,000	\$ 75,000	\$ 74,489	\$ (511)
Total Revenues	75,000	75,000	74,489	(511)
<b>EXPENDITURES:</b>				
Support Services:				
Capital Outlay	150,000	150,000 (1)	-	150,000
Total Expenditures	150,000	150,000	-	150,000
Net Change in Fund Balance	(75,000)	(75,000)	74,489	149,489
Beginning Fund Balance	81,503	81,503	81,503	-
Ending Fund Balance	\$ 6,503	\$ 6,503	\$ 155,992	\$ 149,489

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Community Center Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local Sources:				
Swim Pool	\$ 44,833	\$ 44,833	\$ 25,252	\$ (19,581)
Rentals	10,000	10,000	1,187	(8,813)
Miscellaneous	30,000	30,000	22,213	(7,787)
Total Revenues	84,833	84,833	48,652	(36,181)
<b>EXPENDITURES:</b>				
Enterprise and Community Services:				
Salaries	85,737	85,737	72,329	13,408
Employee Benefits	22,205	22,205	25,822	(3,617)
Purchased Services	2,280	2,280	95	2,185
Supplies and Materials	911	911	-	911
Other Objects	3,500	3,500	3,867	(367)
Total Expenditures	114,633	114,633 (1)	102,113	12,520
Excess of Revenues Over (Under) Expenditures	(29,800)	(29,800)	(53,461)	(23,661)
<b>Other Financing Sources, (Uses):</b>				
Transfers In	40,000	40,000	40,000	-
Total Other Financing Sources, (Uses)	40,000	40,000	40,000	-
Net Change in Fund Balance	10,200	10,200	(13,461)	(23,661)
<b>Beginning Fund Balance</b>	14,130	14,130	43,064	28,934
<b>Ending Fund Balance</b>	<u>\$ 24,330</u>	<u>\$ 24,330</u>	<u>\$ 29,603</u>	<u>\$ 5,273</u>

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Risk Management Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local Sources:				
Unemployment Insurance	\$ 60,000	\$ 60,000	\$ -	\$ (60,000)
Miscellaneous	10,000	10,000	60,396	50,396
Total Revenues	70,000	70,000	60,396	(9,604)
<b>EXPENDITURES:</b>				
Support Services:				
Salaries	7,260	7,260	250	7,010
Employee Benefits	1,905	1,905	92	1,813
Purchased Services	15,500	15,500	2,772	12,728
Supplies and Materials	28,500	28,500	3,248	25,252
Other Objects	25,000	25,000	1,020	23,980
Staff Services:				
Employee Benefits	150,000	150,000	12,697	137,303
Total Support Services	228,165	228,165 (1)	20,079	208,086
Contingency:	21,624	21,624 (1)	-	21,624
Total Expenditures	249,789	249,789	20,079	229,710
Excess of Revenues Over (Under) Expenditures	(179,789)	(179,789)	40,317	(239,314)
<b>Other Financing Sources, (Uses):</b>				
Transfers Out	(75,000)	(75,000) (1)	-	75,000
Total Other Financing Sources, (Uses)	(75,000)	(75,000)	-	75,000
Net Change in Fund Balance	(254,789)	(254,789)	40,317	295,106
<b>Beginning Fund Balance</b>	254,789	254,789	240,340	(14,449)
<b>Ending Fund Balance</b>	\$ -	\$ -	\$ 280,657	\$ 280,657

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Focus Reading Grant Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
State Sources	\$ 160,000	\$ 160,000	\$ 160,000	\$ -
Total Revenues	160,000	160,000	160,000	-
<b>EXPENDITURES:</b>				
Instruction:				
Salaries	115,589	115,589	93,676	21,913
Employee Benefits	44,411	44,411	66,324	(21,913)
Total Expenditures	160,000	160,000 (1)	160,000	-
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Educator Effectiveness PLT Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
State Sources	\$ 32,052	\$ 32,052	\$ 52,200	\$ (20,148)
Total Revenues	32,052	32,052	52,200	(20,148)
<b>EXPENDITURES:</b>				
Support Services:				
Salaries	30,000	30,000	24,053	5,947
Employee Benefits	-	-	7,193	(7,193)
Purchased Services	2,052	2,052	6,511	(4,459)
Supplies and Materials	-	-	9,434	(9,434)
Other Objects	-	-	5,009	(5,009)
Total Expenditures	32,052	32,052 (1)	52,200	(20,148)
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Mt. Hood Cable Regulatory Commission Grant Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local Sources	\$ -	\$ 363,796	\$ 256,874	\$ 106,922
Total Revenues	-	363,796	256,874	106,922
<b>EXPENDITURES:</b>				
Support Services:				
Instruction	-	363,796	7,011	356,785
Employee Benefits	-	-	5,409	(5,409)
Purchased Services	-	-	122,704	(122,704)
Materials and Services	-	-	109,350	(109,350)
Other Objects	-	-	12,400	(12,400)
Total Expenditures	-	363,796 (1)	256,874	106,922
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Mentoring, Monitoring, and Acceleration Grant Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
State Sources	\$ 179,206	\$ 179,206	\$ 197,830	\$ (18,624)
Total Revenues	179,206	179,206	197,830	(18,624)
<b>EXPENDITURES:</b>				
Support Services:				
Instruction	93,000	93,000	76,466	16,534
Employee Benefits	58,000	58,000	25,595	32,405
Purchased Services	27,500	27,500	63,068	(35,568)
Supplies and Materials	706	706	2,408	(1,702)
Other Objects	-	-	19,572	(19,572)
Total Expenditures	179,206	179,206 (1)	187,109	(7,903)
Net Change in Fund Balance	-	-	10,721	10,721
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ 10,721	\$ 10,721

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Technology Replacement Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local Sources:				
Charges for Services	\$ -	\$ 30,000	\$ 46,062	\$ (16,062)
Total Revenues	-	30,000	46,062	(16,062)
<b>EXPENDITURES:</b>				
Support Services:				
Purchased Services	-	30,000	20,275	9,725
Supplies and Materials	2,000	2,000	8,188	(6,188)
Total Expenditures	2,000	32,000 (1)	28,463	3,537
Net Change in Fund Balance	(2,000)	(2,000)	17,599	19,599
Beginning Fund Balance	4,028	4,028	15,036	11,008
Ending Fund Balance	\$ 2,028	\$ 2,028	\$ 32,635	\$ 30,607

(1) Appropriation Level



**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Capital Equipment Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local Sources				
Miscellaneous	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Total Revenues	75,000	75,000	75,000	-
<b>EXPENDITURES:</b>				
Instruction	34,184	34,184 (1)	7,254	26,930
Enterprise and Community Services	139,247	139,247 (1)	-	139,247
Total Expenditures	173,431	173,431	7,254	166,177
Net Change in Fund Balance	(98,431)	(98,431)	67,746	166,177
<b>Beginning Fund Balance</b>	98,431	98,431	72,249	(26,182)
<b>Ending Fund Balance</b>	\$ -	\$ -	\$ 139,995	\$ 139,995

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Capital Projects Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local Revenue:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 49,749	\$ 29,749
Miscellaneous	375,000	375,000	75,617	(299,383)
State Revenue:				
Intergovernmental	-	-	48,024	48,024
Total Revenues	395,000	395,000	173,390	(221,610)
<b>EXPENDITURES:</b>				
Support:				
Purchased Services	128,000	128,000	1,399	126,601
Capital Outlay	300,000	300,000	-	300,000
Total Support	428,000	428,000 (1)	1,399	426,601
Contingencies	72,346	72,346 (1)	-	72,346
Total Expenditures	500,346	500,346	1,399	498,947
Net Change in Fund Balance	(105,346)	(105,346)	171,991	277,337
<b>Beginning Fund Balance</b>	305,346	305,346	327,510	22,164
<b>Ending Fund Balance</b>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 499,501</u>	<u>\$ 299,501</u>

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

<b><u>Title IA Grant Fund</u></b>				
	<b><u>BUDGET</u></b>		<b><u>ACTUAL</u></b>	<b><u>VARIANCE TO FINAL BUDGET</u></b>
	<b><u>ORIGINAL</u></b>	<b><u>FINAL</u></b>		
<b>REVENUES:</b>				
Federal Sources:				
Grants-in-Aid	\$ 1,426,216	\$ 1,426,216	\$ 1,256,872	\$ (169,344)
<b>EXPENDITURES:</b>				
Instruction:				
Salaries	578,960	578,960	631,477	(52,517)
Employee Benefits	370,039	370,039	391,809	(21,770)
Purchased Services	143,750	143,750	54,501	89,249
Supplies and Materials	56,500	56,500	89,461	(32,961)
Other Objects	40,756	40,756	11,423	29,333
Total Instruction	1,190,005	1,190,005 (1)	1,178,671	11,334
Support Services:				
Salaries	123,693	123,693	27,140	96,553
Employee Benefits	36,301	36,301	17,819	18,482
Purchased Services	17,500	17,500	4,527	12,973
Supplies and Materials	30,199	30,199	14,683	15,516
Total Support Services	207,693	207,693 (1)	64,169	143,524
Community Service:				
Salaries	9,500	9,500	1,864	7,636
Employee Benefits	499	499	582	(83)
Purchased Services	5,520	5,520	7,196	(1,676)
Supplies & Materials	12,999	12,999	4,390	8,609
Total Community Services	28,518	28,518 (1)	14,032	14,486
Total Expenditures	1,426,216	1,426,216	1,256,872	169,344
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Priority Focus Grant Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Federal Sources:				
Grants-in-Aid	\$ 130,000	\$ 162,500	\$ 163,118	\$ 618
Total Revenues	130,000	162,500	163,118	618
<b>EXPENDITURES:</b>				
Instruction:				
Salaries	74,708	107,208	89,294	17,914
Employee Benefits	8,711	8,711	15,378	(6,667)
Purchased Services	15,000	15,000	13,666	1,334
Supplies and Materials	14,577	14,577	12,610	1,967
Other Objects	5,946	5,946	25,567	(19,621)
Total Instruction	118,942	151,442 (1)	156,515	(5,073)
Enterprise and Community Services:				
Salaries	7,893	7,893	3,928	3,965
Employee Benefits	2,666	2,666	1,369	1,297
Supplies and Materials	499	499	-	499
Total Enterprise and Community Services	11,058	11,058 (1)	5,297	5,761
Total Expenditures	130,000	162,500	161,812	688
Net Change in Fund Balance	-	-	1,306	1,306
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ 1,306	\$ 1,306

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Title IIA Teacher Quality Grant Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Federal Sources:				
Grants-in-Aid	\$ 186,178	\$ 186,178	\$ 156,689	\$ (29,489)
<b>EXPENDITURES:</b>				
Support Services:				
Salaries	48,791	48,791	39,771	9,020
Employee Benefits	9,179	9,179	11,233	(2,054)
Purchased Services	50,000	50,000	37,745	12,255
Supplies and Materials	18,600	18,600	3,347	15,253
Other Objects	39,608	39,608	53,625	(14,017)
Total Support Services	166,178	166,178 (1)	145,721	20,457
Enterprise and Community Services:				
Nonpublic School Students:				
Purchased Services	1,000	1,000	4,129	(3,129)
Supplies and Materials	6,000	6,000	-	6,000
Other Objects	13,000	13,000	6,839	6,161
Total Enterprise and Community Services	20,000	20,000 (1)	10,968	9,032
Total Expenditures	186,178	186,178	156,689	29,489
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Title III Language Instruction Grant Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Federal Sources:				
Grants-in-Aid	\$ 165,301	\$ 181,003	\$ 130,239	\$ (50,764)
Total Revenues	165,301	181,003	130,239	(50,764)
<b>EXPENDITURES:</b>				
Instruction:				
Salaries	-	15,702	2,547	13,155
Employee Benefits	-	-	888	(888)
Supplies and Materials	-	-	149	(149)
Total Instruction	-	15,702 (1)	3,584	12,118
Support Services:				
Salaries	97,672	97,672	79,937	17,735
Employee Benefits	20,144	20,145	35,547	(15,402)
Purchased Services	7,650	7,650	2,304	5,346
Supplies and Materials	26,755	26,754	1,983	24,771
Other Objects	13,080	13,080	6,884	6,196
Total Support Services	165,301	165,301 (1)	126,655	38,646
Total Expenditures	165,301	181,003	130,239	50,764
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**

**MULTNOMAH COUNTY, OREGON**

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

**For the Year Ended June 30, 2015**

**System Performance Review Grant Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Federal Sources:				
Grants-in-Aid	\$ 3,215	\$ 4,300	\$ 4,300	\$ -
Total Revenues	3,215	4,300	4,300	-
<b>EXPENDITURES:</b>				
Support Services:				
Salaries	2,090	3,175	3,345	(170)
Employee Benefits	750	750	712	38
Purchased Services	100	100	137	(37)
Supplies and Materials	275	275	106	169
Total Expenditures	3,215	4,300 (1)	4,300	-
Net Change in Fund Balance	-	-	-	-
<b>Beginning Fund Balance</b>	-	-	-	-
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**McKinney-Vento Grant Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Federal Sources:				
Grants-in-Aid	\$ 25,125	\$ 25,125	\$ 20,358	\$ (4,767)
Total Revenues	25,125	25,125	20,358	(4,767)
<b>EXPENDITURES:</b>				
Instruction:				
Salaries	19,750	19,750	10,918	8,832
Employee Benefits	2,750	2,750	1,292	1,458
Supplies & Materials	2,025	2,025	2,348	(323)
Other Objects	600	600	5,800	(5,200)
Total Expenditures	25,125	25,125 (1)	20,358	4,767
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level



**MULTNOMAH SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Early Retirement Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>EXPENDITURES:</b>				
Support Services:				
Supplemental Retirement Program:				
Salaries	\$ 102,617	\$ 102,617	\$ 119,839	\$ (17,222)
Employee Benefits	36,075	36,075	19,328	16,747
Total Support Services	138,692	138,692	(1) 139,167	(475)
Contingency	34,999	34,999	(1) -	34,999
Total Expenditures	173,691	173,691	139,167	34,524
Net Change in Fund Balance	(173,691)	(173,691)	(139,167)	34,524
<b>Beginning Fund Balance</b>	173,691	173,691	173,939	248
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,772</u>	<u>\$ 34,772</u>

(1) Appropriation Level

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

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

**Textbook Fund**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
<b>EXPENDITURES:</b>				
Instruction:	\$ -	\$ - (1)	\$ -	\$ -
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
<b>Other Financing Sources, (Uses):</b>				
Transfers Out	(64,216)	(64,216) (1)	-	64,216
Total Other Financing Sources, (Uses)	(64,216)	(64,216)	-	64,216
Net Change in Fund Balance	(64,216)	(64,216)	-	64,216
<b>Beginning Fund Balance</b>	64,216	64,216	64,187	(29)
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,187</u>	<u>\$ 64,187</u>

(1) Appropriation Level

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

MULTNOMAH COUNTY SCHOOL DISTRICT NO.3  
MULTNOMAH, OREGON

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FIDUCIARY FUND  
For the Year Ended June 30, 2015

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	<u>BALANCE</u> <u>7/1/14</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>6/30/15</u>
<u>STUDENT ACTIVITY FUNDS</u>				
<b>ASSETS:</b>				
Cash	<u>\$ 230,328</u>	<u>\$ 601,887</u>	<u>\$ 573,682</u>	<u>\$ 258,533</u>
Total Assets	<u><u>\$ 230,328</u></u>	<u><u>\$ 601,887</u></u>	<u><u>\$ 573,682</u></u>	<u><u>\$ 258,533</u></u>
<b>LIABILITIES:</b>				
Due to Student Organizations	<u>\$ 230,328</u>	<u>\$ 601,887</u>	<u>\$ 573,682</u>	<u>\$ 258,533</u>
Total Liabilities	<u><u>\$ 230,328</u></u>	<u><u>\$ 601,887</u></u>	<u><u>\$ 573,682</u></u>	<u><u>\$ 258,533</u></u>

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

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

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/14	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/15
Current:						
2014-2015	\$ 15,877,868	\$ 407,244	\$ (49,186)	\$ 6,840	\$ 15,054,628	\$ 373,650
Prior Years:						
2013-2014	295,693	(487)	49,211	12,593	149,022	208,962
2012-2013	130,371	(82)	60,715	11,230	55,600	146,798
2011-2012	106,302	(16)	42,321	16,079	51,074	113,644
2010-2011	32,237	(1)	42,163	9,361	25,479	58,283
Prior	22,707	-	42,166	3,499	5,120	63,252
Total Prior	587,310	(586)	236,576	52,762	286,295	590,939
Total General Fund	<u>\$ 16,465,178</u>	<u>\$ 406,658</u>	<u>\$ 187,390</u>	<u>\$ 59,602</u>	<u>\$ 15,340,923</u>	<u>\$ 964,589</u>

**RECONCILIATION TO REVENUE:**

Cash Collections by County Treasurers Above	\$ 15,340,923
June 30, 2014	(54,826)
June 30, 2015	54,740
Taxes In Lieu	84,435
Total Revenue	<u>\$ 15,425,272</u>

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES**  
**OF TAXES UNCOLLECTED - DEBT SERVICE FUND**  
**For the Year Ended June 30, 2015**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/14	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/15
Current:						
2014-2015	\$ 3,366,669	\$ 86,350	\$ (10,429)	\$ 1,450	\$ 3,192,113	\$ 79,227
Prior Years:						
2013-2014	74,409	(123)	12,382	3,169	37,500	52,583
2012-2013	34,638	(22)	16,131	2,984	14,772	39,003
2011-2012	22,816	(3)	9,083	3,451	10,962	24,391
2010-2011	7,637	-	9,986	2,218	6,035	13,806
Prior	5,856	-	11,294	925	1,354	16,721
Total Prior	145,356	(148)	58,876	12,747	70,623	146,504
Total Debt Service Fund	\$ 3,512,025	\$ 86,202	\$ 48,447	\$ 14,197	\$ 3,262,736	\$ 225,731

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 3,262,736
Accrual of Receivables:	
June 30, 2014	(13,355)
June 30, 2015	12,191
Taxes In Lieu	17,297
Total Revenue	\$ 3,278,869

# MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2015

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S ID NUMBER	GRANT PERIOD	GRANT AWARD	EXPENDITURES
U.S. Department of Education:					
Passed Through Oregon Department of Education:					
Title I Grants to Local Educational Agencies Cluster					
	84.010	28196	7/1/13-9/30/14	\$ 1,161,579	\$ 92,628
	84.010	32654	7/1/14-9/30/15	1,260,659	1,164,244
	84.010	28385	7/1/13-9/30/14	47,669	13,679
	84.010	28386	7/1/13-9/30/14	46,158	12,345
	84.010	28387	7/1/13-9/30/14	39,943	10,900
	84.010	32797	7/1/14-9/30/15	40,111	27,269
	84.010	32798	7/1/14-9/30/15	43,498	35,347
	84.010	32799	7/1/14-9/30/15	42,119	27,567
	84.010	32800	7/1/14-9/30/15	36,448	36,009
Total Title I Grants to Local Educational Agencies Cluster					1,419,989
Special Education Cluster					
	84.027	29849	10/1/13-9/30/14	7,957	8
	84.027	33355	7/1/14-9/30/16	590,981	590,981
	84.027	33775	10/1/14-9/30/15	7,957	7,822
	84.027	31875	7/1/14-6/30/15	900	900
	84.027	32195	8/1/14-6/30/15	3,400	3,400
	84.173	28913	7/1/13-9/30/15	2,615	1,778
	84.173	33515	7/1/14-9/30/16	2,652	2,652
	84.323	26850	10/1/12-6/30/13	3,000	1,700
	84.323	29511	8/1/13-6/30/14	3,000	3,000
	84.323	32742	9/1/14-6/20/15	18,839	9,937
Total Special Education Cluster					622,179
Improving Teacher Quality					
	84.367	28714	7/1/13-9/30/14	127,556	57,748
	84.367	32978	7/1/14-9/30/15	128,030	98,941
Total Improving Teacher Quality					156,689
English Language Acquisition					
	84.365	25154	7/1/12-9/30/13	96,602	7,941
	84.366	30040	7/1/13-9/30/14	77,687	52,628
	84.367	32355	7/1/14-9/30/15	66,086	66,086
	84.365	32830	7/1/14-9/30/15	15,702	3,583
Total English Language Acquisition					130,238

# MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2015

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S ID NUMBER	GRANT PERIOD	GRANT AWARD	EXPENDITURES
Education for Homeless Children and Youth	84.196	28800	7/1/13-9/30/14	\$ 25,880	\$ 16,708
	84.196	34333	7/1/14-9/30/15	25,880	<u>3,651</u>
Total McKinney Homeless					<u>20,359</u>
Total U.S. Department of Education					<u>2,349,454</u>
U. S. Department of Agriculture:					
Passed Through Oregon Department of Education:					
Child Nutrition					
National School Breakfast	10.553	N/A	N/A	N/A	530,629
National School Lunch	10.555	N/A	N/A	N/A	993,688
National School Lunch	10.555	N/A	N/A	N/A	81,478
Summer Food Service Program for Children	10.559	N/A	N/A	N/A	<u>28,003</u>
Total Child Nutrition					<u>1,633,798 (1)</u>
Child and Adult Food Care Program	10.558	N/A	N/A	N/A	<u>93,439</u>
Fresh Fruit and Vegetables	10.582	N/A	N/A	N/A	<u>69,409</u>
Total U. S. Department of Agriculture					<u>1,796,646</u>
Passed Through Multnomah County:					
Schools and Roads	10.665	N/A	N/A	N/A	<u>2,035</u>
Total Multnomah County					<u>2,035</u>
Total Federal Financial Assistance					<u>\$ 4,148,135</u>

(1) - Major Program

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



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PAULY, ROGERS, AND CO., P.C.  
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December 11, 2015

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

We have audited the basic financial statements of the Multnomah County School District No. 3, Multnomah County, Oregon, as of and for the year ended June 30, 2015, and have issued our report thereon dated December 11, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

#### **Compliance**

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

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

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

In connection with our testing nothing came to our attention that caused us to believe the Multnomah County School District No. 3, Multnomah County, Oregon, was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

1. Expenditures exceeded appropriation levels as noted on page 18.
2. Several items did not match between detailed budget document, ED-1, and budget resolutions resulting from clerical errors.

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

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

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

A handwritten signature in dark ink, appearing to read "Tara M. Kamp, CPA". The signature is fluid and cursive, with the letters "Tara" and "Kamp" being more prominent.

Tara M. Kamp, CPA  
PAULY, ROGERS AND CO., P.C.

**GRANT COMPLIANCE REVIEW**

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December 11, 2015

To the Board of Directors  
Multnomah County School District No. 3  
Multnomah County, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Multnomah County School District No. 3 as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 11, 2015.

**Internal Control Over Financial Reporting**

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

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

A handwritten signature in dark ink, reading "Tara M. Kamp, CPA". The signature is fluid and cursive, with the letters "T", "M", and "K" being particularly prominent.

Tara M. Kamp, CPA  
PAULY, ROGERS AND CO., P.C.



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December 11, 2015

To the Board of Directors  
Multnomah County School District No. 3  
Multnomah County, Oregon

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

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

We have audited Multnomah County School District No. 3's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2015. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, Multnomah County School District No. 3, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.



## Report on Internal Control Over Compliance

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

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

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

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



Tara M. Kamp, CPA  
PAULY, ROGERS AND CO., P.C.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3  
MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

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

**FINANCIAL STATEMENTS**

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes ☒ no

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

☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

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

☐ yes ☒ no

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?

☐ yes ☒ no

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

☐ yes ☒ none reported

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

Unmodified

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

☐ yes ☒ no

**IDENTIFICATION OF MAJOR PROGRAMS**

**CFDA NUMBER**

**NAME OF FEDERAL PROGRAM CLUSTER**

10.553, 10.555, 10.559

National School Lunch Program Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 3  
MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

NONE

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

NONE

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

1. BASIS OF PRESENTATION

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

## **THANK YOU PARKROSE COMMUNITY**

With the passing of Ballot Measure 26-123 in May 2011 the wonderful community of Parkrose authorized \$63 million dollar bond.

The students and staff of Parkrose School District will forever be indebted to the Parkrose Community for passing a \$63 million dollar bond.

What did the Bond bring to Parkrose?

- \*A New Middle School – opened September 2014

- \*Enhanced Safety & Security

- \*Technology Updates

This was a victory for the present and future children of the Parkrose School District.