

PORTLAND PUBLIC SCHOOLS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

Portland Public Schools
School District No. 1J,

Multnomah County, Oregon

www.pps.net

501 N DIXON STREET, PORTLAND, OREGON 97227



PORTLAND

Public Schools

PORTLAND PUBLIC SCHOOLS

Annual Comprehensive Financial Report

For the year ended June 30, 2025

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

Prepared by the Finance Department

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON

Annual Comprehensive Financial Report

For the Year Ended June 30, 2025

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PPS



INTRODUCTORY SECTION


PPS

Office of Michelle Morrison
Chief Financial Officer
PORTLAND PUBLIC SCHOOLS
501 N. Dixon, Portland OR 97227
Phone: (503) 916-3115 * Fax: (503) 619-2125

January 28, 2026

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of School District No.1J, Multnomah County, Oregon (Portland Public Schools or the District or PPS) for the fiscal year ended June 30, 2025, together with the audit opinions of our auditors as required by Oregon Revised Statutes. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with District management. We believe the financial statements and related information reflecting the financial position and results of the operations of the District are stated fairly in all material aspects. All disclosures necessary to enable the reader to gain an understanding of the District's financial affairs have been included.

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

Financial Report Presentation

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

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

The ***Introductory Section*** includes the table of contents, this transmittal letter, the District's organizational chart, and copies of certificates awarded for Portland Public Schools' fiscal year 2023-24 ACFR.

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

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

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

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

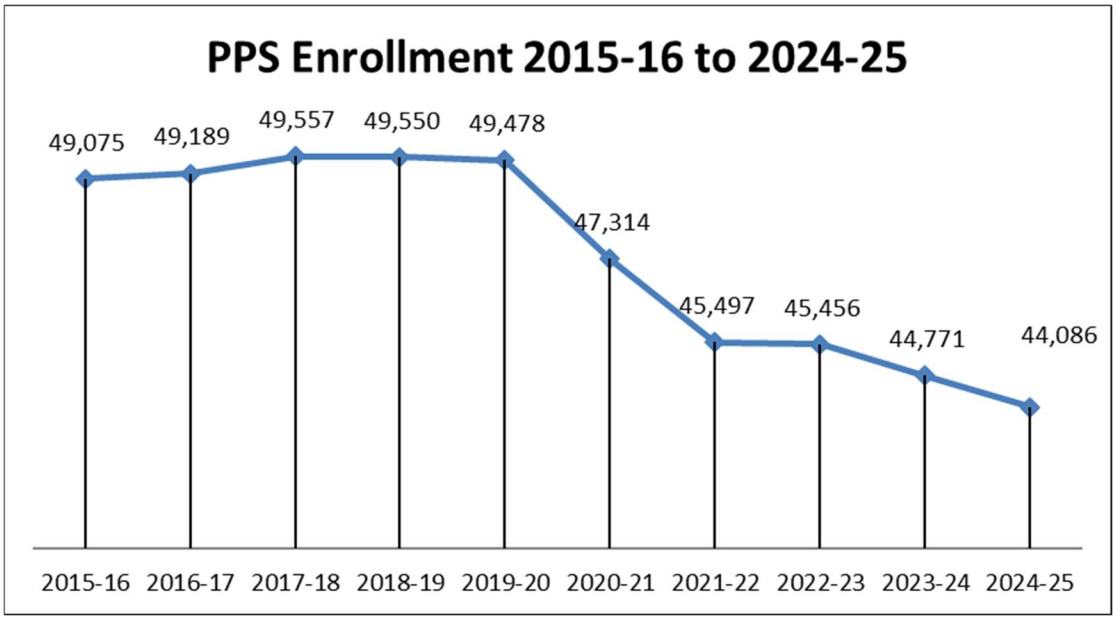
GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's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

Profile of the District

Portland Public Schools, founded in 1851, is a PreK-12 urban school district in Portland, Oregon. The District has no component units and is not a component unit of any other government. With more than 44,000 students in 113 schools and other programs, it is one of the largest school districts in the Pacific Northwest, and the largest and oldest school district in Oregon. With highly trained teachers and staff, an engaged parent community, strong partnerships, and a focus on closing the racial educational achievement gap, the PPS graduation rate continues to be higher than the State of Oregon average graduation rate. Thanks to Portland voters, school improvement general obligation bonds are fueling the modernization of our aging school buildings for 21st century learning.

The District covers an area of over 152 square miles, including portions of the cities of Portland (total population 635,749), Lake Oswego (total population 40,029), and Milwaukie (total population 21,620), based on 2024 estimates by the U.S. Census Bureau Population Estimates Program (PEP). The District maintains 90 campuses with more than 300 buildings and a total floor area of nearly 10 million square feet. The median age of PPS school buildings is 82 years for elementary schools, 75 years for middle schools, and 99 years for high schools. Please see Schedule 17 of the Statistical Section for additional details on each building's size, age and enrollment.

Student enrollment as of October 2024 was 44,086. Enrollment counts are compiled annually on or about the first of October as required by the State of Oregon. An enrolled student is defined as a student who attends one or more schools or programs within the District. Regardless of the number of schools or programs attended, each student is counted only once; the counts are not duplicated.



Source: Enrollment by Program Type, Grade, and Race/Ethnicity Reports –
https://www.pps.net/fs/resource-manager/view/f3b02b50-e320-488c-94ae-db62a49d5044

October 2024 Portland Public Schools Student Enrollment (by Program Type)			
Program Type	**Number of Schools/Programs**	**Enrollment**	**Distribution**
Regular Schools and Programs			
Elementary Schools	56	19,582	44.42%
Middle Schools	15	7,356	16.69%
High Schools	9	13,138	29.80%
Subtotal - Regular Schools	80	40,076	90.90%
PPS Alternative Programs	5	1,554	3.52%
Subtotal - Schools and Alternative Programs	85	41,630	94.43%
Community-Based Programs	8	794	1.80%
Special Services Programs	15	356	0.81%
Public Charter Programs	5	1,306	2.96%
Grand Total	113	44,086	100.00%

Source: Enrollment by Program Type, Grade, and Race/Ethnicity Reports – https://www.pps.net/fs/resource-manager/view/f3b02b50-e320-488c-94ae-db62a49d5044

The District continues to experience an enrollment decline from a recent high of 49,557 in the fiscal year 2017-18 to 44,086 in fiscal year 2024-25. Demographic studies conducted by Portland State University (PSU) project enrollment levels to continue to decrease. The PSU "Middle Series Forecast" scenario estimates enrollment reaching a low of 37,057 in fiscal year 2034-35. Additional details regarding enrollment projections may be found at: https://www.pps.net/departments/research-assessment-and-accountability/data-and-reports/enrollment-projections .

The Board of Education

An elected seven-member board establishes and oversees the District's policies. The Board of Education is the chief governing body and is exclusively responsible for its public decisions. A list of board members can be found on page 9 of this report. The chief administrative officer of the District is the Superintendent, who is appointed by the Board. The Board of Education is accountable for all fiscal matters that significantly affect operations. Dr. Kimberlee Armstrong is the Superintendent of Portland Public Schools.

Budgetary Controls

Under Oregon Revised Statutes (33.710), school districts are municipal corporations empowered to provide elementary and secondary educational services for the children residing within their boundaries. Portland Public Schools fulfills this responsibility by building, operating, and maintaining school facilities, developing and maintaining approved educational programs and courses of study (including career/technical educational programs and programs for English language learners and special-needs students), and providing transportation and feeding of students in accordance with District, State and Federal program guidelines. This report includes all funds of the District.

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

District Budget Principles

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

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

Service Efforts and Accomplishments

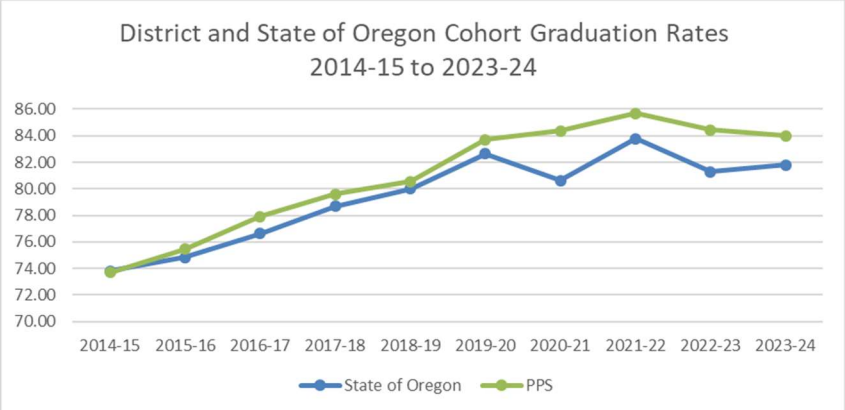
On June 25, 2019, the Board of Education passed resolution number 5909, Portland Public Schools reimagined: Preparing Our Students to Lead Change and Improve the World as the District's Vision. This Vision focuses on what we want to be true for our graduates and includes four main areas: a Graduate Portrait,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

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

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

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

The PPS four-year graduation rate continues to outpace the average graduation rate for the State of Oregon. The graduation rate for the PPS Class of 2024 (the most recent year available from the Oregon Department of Education) was 84%, exceeding the average graduation rate for the State of Oregon Class of 2024 of 81.8%.



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

Factors Affecting Financial Condition

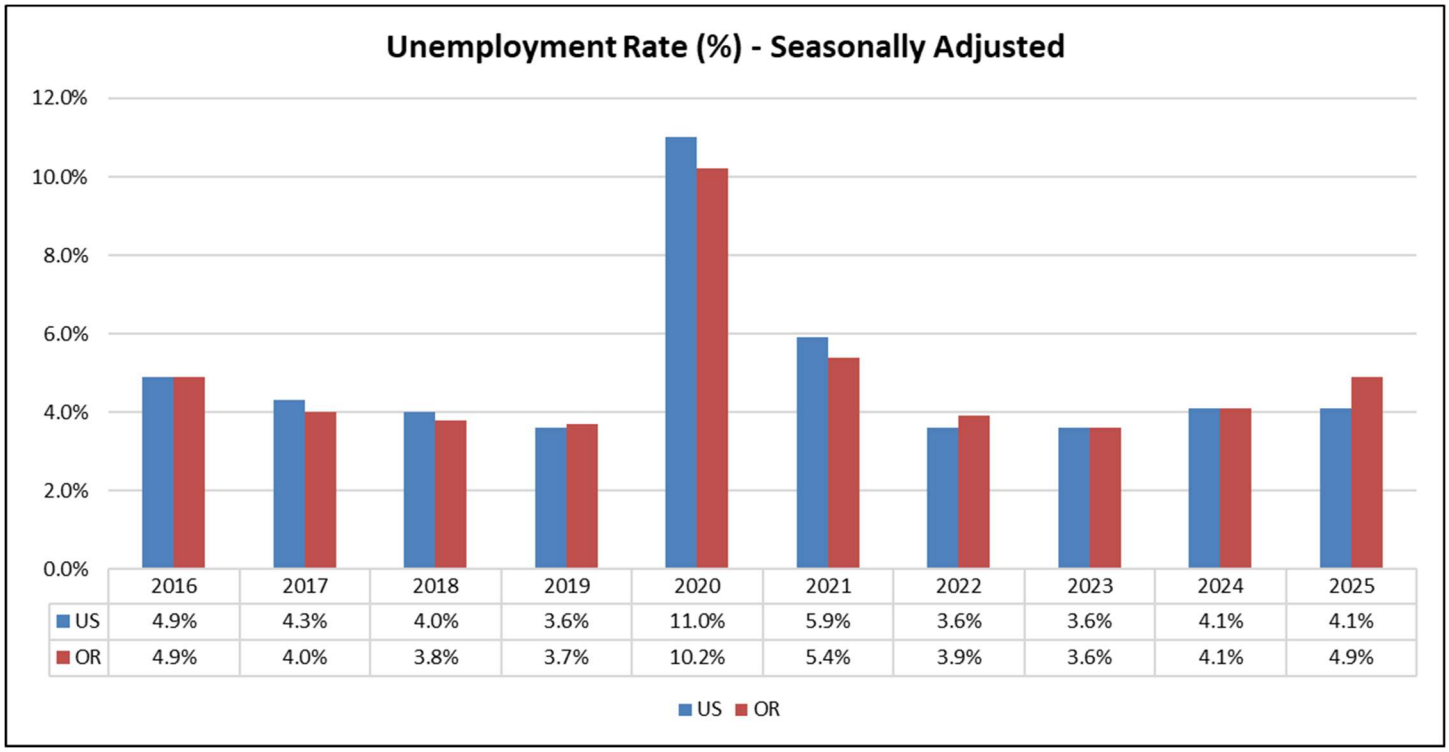
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

PPS derives approximately 81% of its General Fund revenues from the State School Fund and the allocation of certain property taxes within the associated funding distribution formula. Approximately 55% percent of the State School Fund money comes via the appropriation made by the state legislature, while the remainder is from statewide local property tax collections. The state budget and the legislative appropriation are highly dependent upon state revenues through income taxes. The outlook for the state economy is a leading indicator for the health of this revenue stream and is, therefore, of great importance for PPS.

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

Programs within Multnomah County provide for abatement of property taxes for limited periods of time which impacts District revenues directly. More information regarding abated property taxes can be found in Footnote 18.

Oregon State Economy – In June 2025, Oregon's unemployment rate slightly increased to 4.9% from a low of 3.6% in June 2023.



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
US	4.9%	4.3%	4.0%	3.6%	11.0%	5.9%	3.6%	3.6%	4.1%	4.1%
OR	4.9%	4.0%	3.8%	3.7%	10.2%	5.4%	3.9%	3.6%	4.1%	4.9%

Source: Bureau of Labor Statistics, Unemployment Data, Annual Averages

Approximately 19,000 jobs were added statewide over the past year, contributing to a slight increase in the total workforce of 1.0% from June 2024 to June 2025. The education and health services sector had the greatest percentage of jobs created, experiencing a 5.5% year over year increase totaling about 18,300 jobs.

Oregon Employment by Industry (number of jobs, in thousands)					
Industry	June 2024	June 2025	% of Economy	Year-over-Year Change (#)	Year-over-Year Change (%)
Government	312.4	316.7	15.8%	4.3	1.4%
Other Services	64.6	66.5	3.3%	1.9	2.9%
Leisure & Hospitality	206.1	210.8	10.5%	4.7	2.3%
Education & Health Services	334.1	352.4	17.6%	18.3	5.5%
Professional & Business Services	258.5	262.8	13.1%	4.3	1.7%
Financial Activities	103.0	99.8	5.0%	(3.2)	-3.1%
Information	34.4	37.2	1.9%	2.8	8.1%
Trade, Transportation, and Utilities	360.7	356.0	17.8%	(4.7)	-1.3%
Manufacturing	187.0	179.5	9.0%	(7.5)	-4.0%
Construction	114.4	113.5	5.7%	(0.9)	-0.8%
Mining and Logging	6.2	6.1	0.3%	(0.1)	-1.6%
Total Nonfarm	1,981.4	2,001.3		19.9	1.00%

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

Local Economy – Portland and the surrounding metropolitan area have a widely diversified economy. Its centralized location and excellent transportation facilities have established the area as a major distribution point on the West Coast for wholesale trade and high-tech exports.

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

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

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

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

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

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

The 2020 bond also funds additional neighborhood school projects, continued design and planning to modernize Cleveland and Ida B. Wells-Barnett High Schools, and curriculum updates and technology improvements across the district.

A fourth capital bond was passed by voters in May 2025, as District voters passed an eight-year, $1.83 billion capital bond measure to finance capital costs to improve health, safety, learning, modernize, repair schools. PPS remains committed to delivering robust modernization and the upgrade of major building systems as envisioned by the voters, stewarding bond resources prudently and efficiently, and building and maintaining the trust of voters in our community.

Charter Schools

Oregon statute provides state funding for charter schools that flow through districts for schools for which local school boards of education have granted a charter. The District had five charter schools in operation during the 2024-25 fiscal year. Due to their size relative to the District, the charter schools do not fall under the component unit reporting requirements set forth by GASB Statement No. 39.

Independent Audits

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

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

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the 45th consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized ACFR that satisfies both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for this coveted Certificate.

The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ending June 30, 2024. This was the 53rd consecutive year that the District has earned this significant award. The Certificate of Excellence recognizes the District has met the highest standards in school financial reporting, as adopted by ASBO. The District believes that this report for fiscal year 2024-25, which will be submitted to ASBO for review, will also conform to these standards.

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



Michelle Morrison
Chief Financial Officer

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
Principal Officials
Fiscal Year ending June 30, 2025

SCHOOL BOARD

Member	Zone	Term Expiration	Phone
Andrew Scott (7/1/24-1/13/25)	1	June 30, 2027	503-916-3741
Christy Splitt (1/13/25-6/30/25)	1	June 30, 2027	503-916-3741
Michelle DePass	2	June 30, 2027	503-916-3741
Patte Sullivan	3	June 30, 2027	503-916-3741
Herman Greene	4	June 30, 2025	503-916-3741
Gary Hollands	5	June 30, 2025	503-916-3741
Julia Brim-Edwards	6	June 30, 2025	503-916-3741
Edward Wang	7	June 30, 2027	503-916-3741

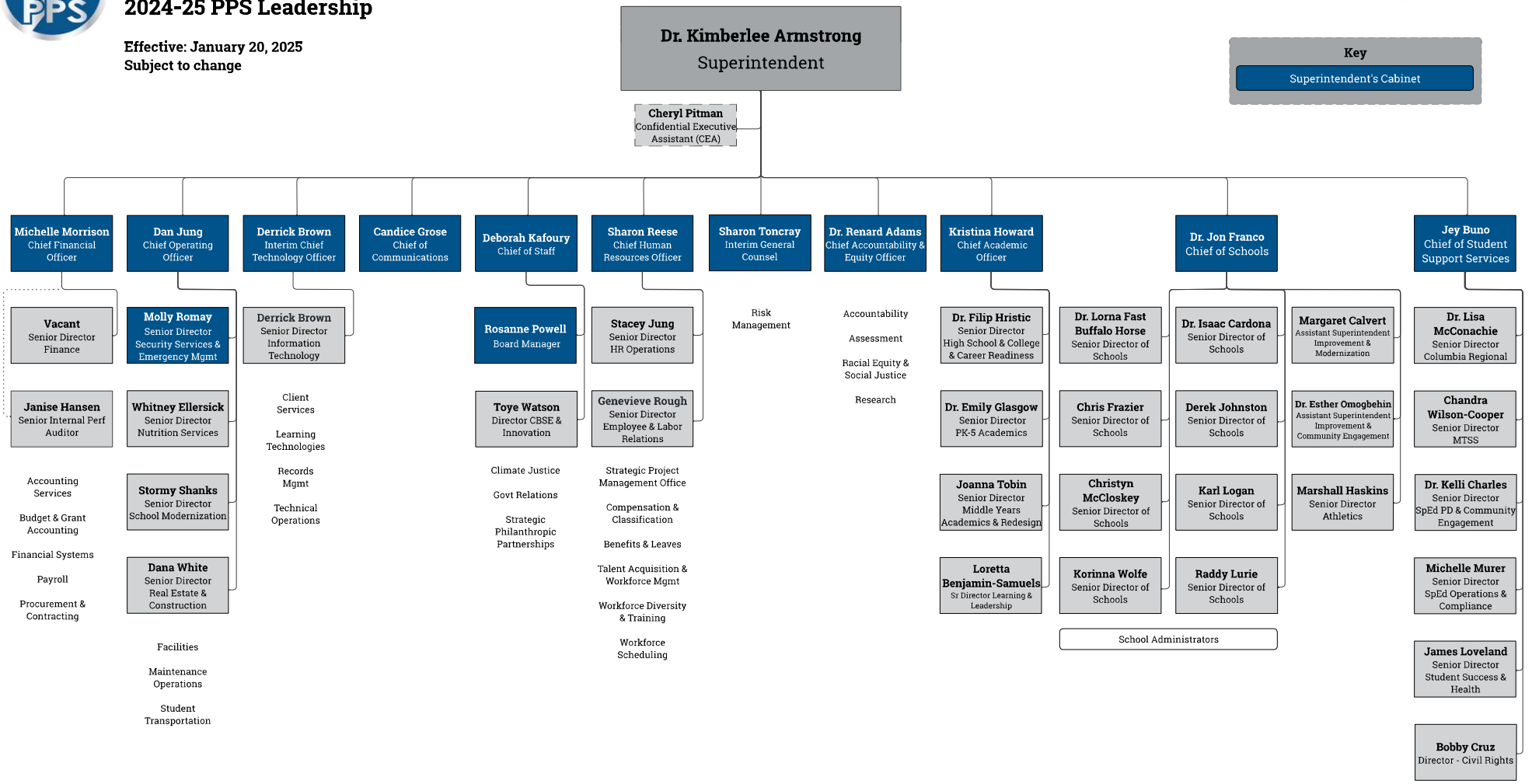
ADMINISTRATIVE STAFF

Dr. Kimberlee Armstrong	Superintendent
Sharon Toncray	Interim General Counsel
Deborah Kafoury	Chief of Staff
Jey Buno	Chief of Student Support Services
Dan Jung	Chief Operating Officer
Candice Grose	Chief of Communications
Derrick Brown/Debra Giles	Interim Chief Technology Officer
Kristina Howard	Chief Academic Officer
Michelle Morrison	Chief Financial Officer
Rosanne Powell	Board Manager
Sharon Reese	Chief Human Resources Officer
Dr. Jon Franco	Chief of Schools
Dr. Renard Adams	Chief of Research, Assessment, and Accountability Assistant

PORTLAND PUBLIC SCHOOLS

2024-25 PPS Leadership

Effective: January 20, 2025
Subject to change



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

School District No. 1J, Multnomah County, Oregon

for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

School District No. 1J, Multnomah County Oregon

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION


PPS

Your peace of mind is our passion.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District No. 1J, Multnomah County, Oregon (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated January 28, 2026, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Talbot, Korvola & Warwick, LLP
Portland, Oregon
January 28, 2026

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
Management's Discussion and Analysis

As management of School District No.1J, Multnomah County, Oregon (Portland Public Schools or the District or PPS), we offer readers this narrative overview and analysis of the financial activities of Portland Public Schools for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-8 of this report.

FINANCIAL AND BUDGETARY HIGHLIGHTS

Budget

On June 11, 2024, the Board of Education (the Board) adopted the fiscal year 2024-25 budget by way of Board Resolution No. 6920. The District's fiscal year 2024-25 budget was based on the Oregon Legislature's biennial budget cycle for 2023-2025 that includes a State School Fund allocation of $10.2 billion, a Student Investment Account (SIA) allocation of $1.1 billion, and a High School Success (Measure 98 or M98) allocation of $136.7 million.

The fiscal year 2024-25 budget continued to focus available resources on the PPS Vision ("PPS Reimagined") and Strategic Plan ("Forward Together"). Five strategic system shifts will be prioritized through 2025: a connected and transformative school District; racial equity aligned systems and structures; cultivating system-wide learning and a diverse workforce; transformative curriculum and pedagogy; and a culture of physical and emotional safety. The fiscal year 2024-25 budget focused on two specific areas: addressing the core needs of students and staff; and increasing academic achievements and reducing academic disparities.

On June 10, 2025, the Board voted to amend the fiscal year 2024-25 budget, by way of Board Resolution No. 7120. This amendment to the budget revised appropriations and recognized resources to align the budget with updated projections.

- **General Fund:** $4 million adjustment to reduce Instruction requirements and increase Support Services and Enterprise and Community Services requirements by $2 million each, to account for projected spending needs within the budget.
- **Special Revenue Fund:** $4 million adjustment to reduce Instruction requirements and increase Support Services based upon anticipated program spending projections.
- **Debt Service Fund:** Correct appropriations budgets by reducing Contingency and identifying the amount as Unappropriated Ending Fund Balance, and correct debt service appropriations to account for rounding.

Other Highlights

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

At June 30, 2025, the 2012 authorization had a remaining balance of $484 thousand, comprised of investment earnings on bond proceeds.

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

The health and safety projects include:

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

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

At June 30, 2025, the 2017 authorization had a remaining balance of $84.3 million, comprised of remaining bond proceeds and investment earnings on bond proceeds.

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

Continuing health and safety projects include:

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

In December 2020, the District issued $365.5 million of the $1.208 billion authorized. A premium of $29.6 million was realized on that sale. In April 2023, the District issued an additional $420.0 million of the 2020 authorization. A premium of $44.8 million was realized on the sale. In May 2025, the District issued an additional $79.4 million of the $1.208 billion authorized. A premium of $149 thousand was realized on that sale. At June 30, 2025, $352 million of the related cash and investments available for capital projects is comprised of unspent bond proceeds and related investment earnings.

In May 2025, District voters passed an eight-year, $1.83 billion capital bond measure to finance capital costs to improve health, safety, learning, modernize, repair schools, as described in the 2025 ballot measure.

Projects include:

- Update and repair aging elementary and middle schools including updating/replacing major building systems, including roofs, siding, heating/cooling
- Update safety, security systems; seismic upgrades
- Renovate/replace schools, including Cleveland, Ida B. Wells High Schools
- Upgrade curriculum materials, technology, including student devices
- Upgrade/expand high school athletic facilities; create district-wide athletic hubs at Jackson Middle School, Marshall High School
- Update high school performing arts/theater facilities

The following table summarizes the remaining balances of the authorized bond proceeds which were unspent as of June 30, 2025.

Summary of Bond Resources as of June 30, 2025
(in thousands)

Authorization		Issued		
Year	Amount	Par	Premium	Unspent Balance
2012	$ 482,000	$ 482,000	$ 56,937	$ -
2017	790,000	790,000	69,408	-
2020	1,208,000	918,910	76,038	289,090
2025	1,830,000	-	-	-
	$ 4,310,000	$ 2,190,910	$ 202,383	$ 289,090

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The government-wide financial statements can be found beginning on page 31 of this report.

Fund Financial Statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. Portland Public Schools' funds can be divided into two categories: governmental funds and proprietary funds. Reports by fund are shown in the Financial Section of the report beginning on page 34.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus more narrowly on near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year.

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

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

Portland Public Schools adopts an annual appropriated budget for each of its funds. A budgetary comparison statement has been provided for each fund individually in either required or supplementary information to demonstrate compliance with the fund level budgets. The basic governmental fund financial statements can be found on pages 31-38 of this report.

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

Internal service funds provide the same type of information as the government-wide financial statements. The internal service fund financial statements provide separate information for the self-insurance fund. The basic internal service fund financial statements can be found on pages 40-42 of this report.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes can be found on pages 43-88 of this report.

Required Supplementary Information (RSI) is located directly after the notes to the basic financial statements on pages 89-101 and represents the required comparison of the budget and actual results on the District's budgetary basis for the General Fund and Special Revenue Fund. In addition, the RSI discloses the District's proportionate share of liabilities/assets and related employer contributions for pension and other post-employment healthcare benefits obligations.

Supplementary Information (SI) presented on pages 102-105 includes budgetary comparison schedules for the Debt Service Fund, Capital Projects Fund and the Proprietary Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Deferred Outflows and Inflows of Resources

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

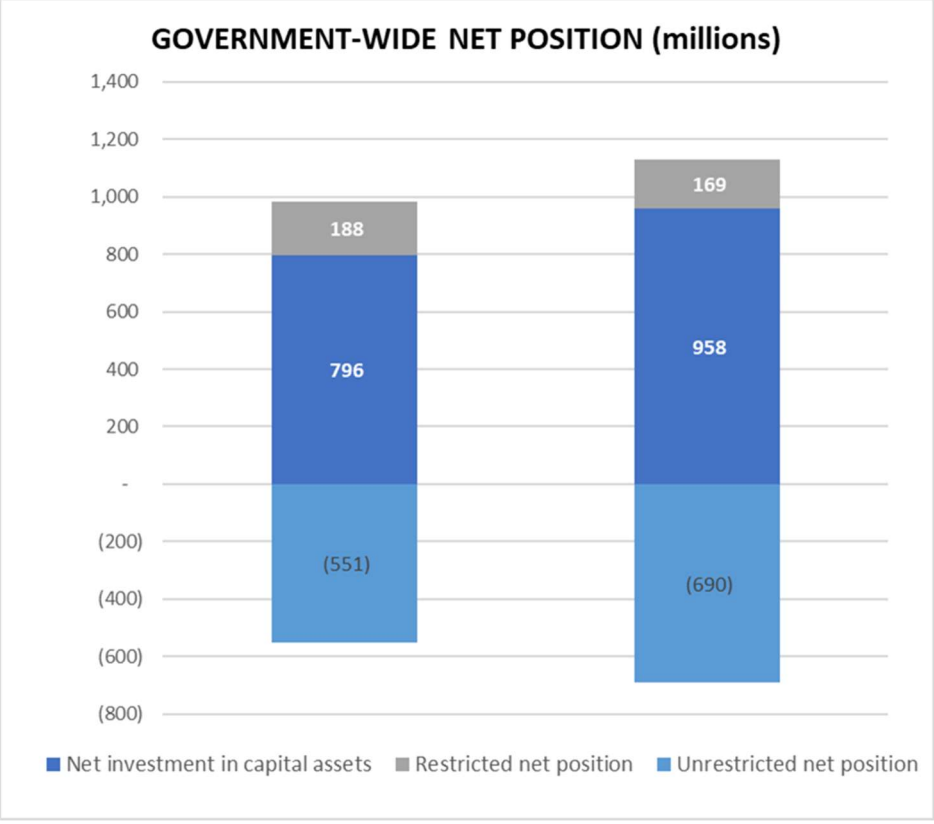
Analysis of Net Position

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

Net Position: 2024 compared to 2025

Net Position is a primary indicator of financial position. The District's assets and deferred outflows exceeded liabilities and deferred inflows by $436 million at June 30, 2025. This represents an increase of $4 million in net position from the prior year and is further discussed below.

Net Position	Government-wide (thousands)			
	2024	2025	$ Change	% change
Assets				
Current or other assets	$1,007,334	$ 864,935	$ (142,399)	-14.1%
Net capital assets	1,884,686	1,997,788	113,102	6.0%
Total Assets	2,892,020	2,862,723	(29,297)	-1.0%
Deferred Outflows of Resources	283,060	412,658	129,598	45.8%
Liabilities				
Long-term liabilities outstandin	1,924,805	2,079,553	154,748	8.0%
Other liabilities	563,426	543,167	(20,259)	-3.6%
Total Liabilities	2,488,231	2,622,720	134,489	5.4%
Deferred Inflows of Resources	254,394	215,771	(38,623)	-15.2%
Net Position				
Net investment in capital assets	795,530	958,166	162,636	20.4%
Restricted	187,531	169,182	(18,349)	-9.8%
Unrestricted	(550,606)	(690,458)	(139,852)	-25.4%
Total Net Position	$ 432,455	$ 436,890	$ 4,435	1.0%



Net Investment in Capital Assets has increased to $958 million, a $162 million increase over prior year. The increase is primarily driven by increases in capital assets related to the capital bond work and payment on related debt.

Restricted Net Position represents the unspent portions of capital project funds, debt service funds, and net assets restricted by grants, donations, and post-employment benefits. Restricted Net Position decreased by $(18) million to $169 million this year, primarily due to completion of work in FY2025 funded through one time proceeds from the loss of property from a winter storm during FY2024 and from the reduction in debt.

Unrestricted Net Position consists of all other amounts not included in the categories noted above. Unrestricted Net Position at June 30, 2025 is a negative $690 million, an increase of $139 million over the prior year.

Analysis of Activities

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

The Statement of Activities of the government-wide financial statements distinguishes functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Portland Public Schools currently does not have any business-type or enterprise fund activities. Additional details regarding revenue and expense changes are presented to provide a better understanding of the District's operations in fiscal year 2024-25 compared to fiscal year 2023-24.

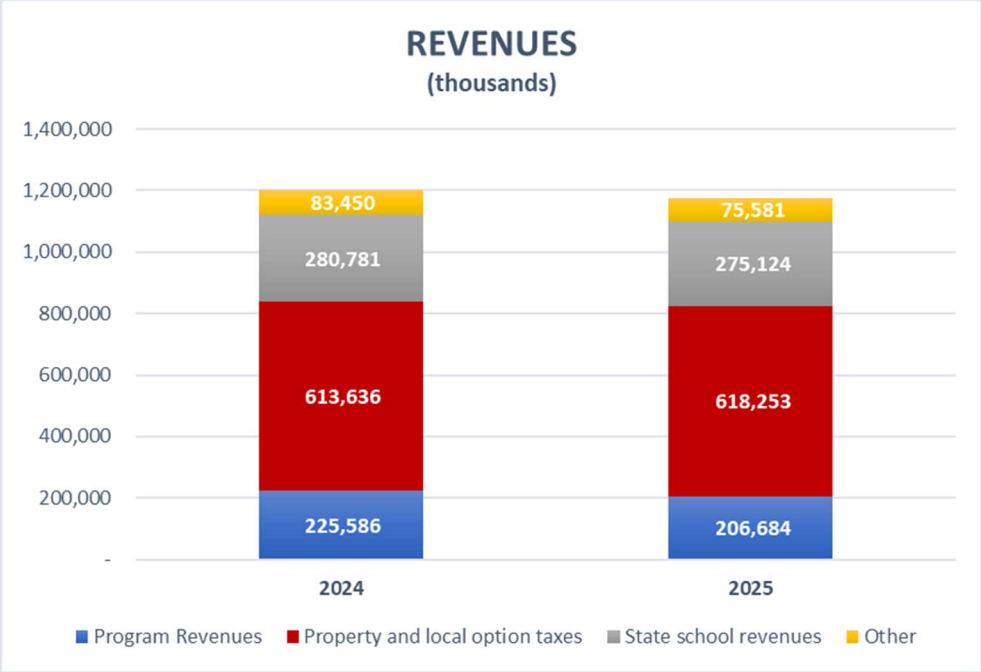
Statement of Activities	Government-wide (thousands)				
	2024	2025	2025- % of Total	$ Change	% Change
Revenues					
Program Revenues					
Charges for services	$ 8,421	$ 4,715	0.4%	$ (3,706)	-44.0%
Operating grants & contributions	203,962	181,471	15.4%	(22,491)	-11.0%
Capital grants & contributions	13,203	20,498	1.7%	7,295	55.3%
Total Program Revenues	225,586	206,684	17.6%	(18,902)	-8.4%
General Revenues					
Property taxes	505,829	513,581	43.7%	7,752	1.5%
Local option taxes	107,807	104,672	8.9%	(3,135)	-2.9%
County & intermediate sources	9,401	15,533	1.3%	6,132	65.2%
Construction excise tax	1,786	1,728	0.1%	(58)	-3.2%
State School Fund	274,366	268,519	22.8%	(5,847)	-2.1%
State Common School Fund	6,415	6,605	0.6%	190	3.0%
Investment earnings	56,177	42,930	3.7%	(13,247)	-23.6%
Other	16,086	15,390	1.3%	(696)	-4.3%
Total General Revenues	977,867	968,958	82.4%	(8,909)	-0.9%
Total Revenues	1,203,453	1,175,642	100.0%	(27,811)	-2.3%
Expenses					
Instruction	508,240	578,290	51.2%	70,050	13.8%
Support services	431,367	458,018	40.6%	26,651	6.2%
Enterprise & community services	30,189	32,536	2.9%	2,347	7.8%
Facilities services	9,520	3,482	0.3%	(6,038)	-63.4%
Interest & fees on long-term debt	67,158	56,942	5.0%	(10,216)	-15.2%
Total Expenses	1,046,474	1,129,268	100.0%	82,794	7.9%
Change in net position	156,979	46,374	10.6%	(110,605)	-70.5%
Net position - beginning of year	275,476	432,455	99.0%	156,979	57.0%
Net Position - restatement of beginning balances (Note 20)		(41,939)			
Net Position - beginning of year as restated		390,516			
Net position - end of year	$ 432,455	$ 436,890	100.0%	$ 4,435	1.0%

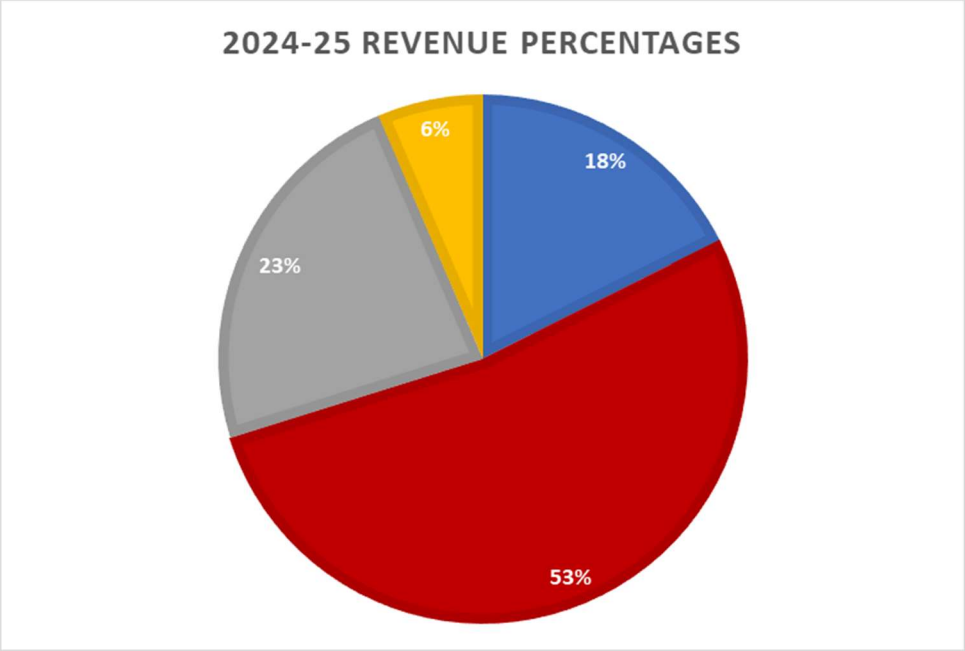
Net position was restated at the beginning of the year due to the implementation of GASB 101. Additional information can be found in Note 20.

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

Revenue and Expenses: 2024 compared to 2025

Revenues for fiscal year 2024-25 were $1.176 billion, a decrease of $27.811 million, or 2.3 percent, from prior year revenues of $1.203 billion. Operating grants and contributions revenues decreased by $22.491 million. Capital grants and contributions increased by $7.295 million. The major decreases in federal and state funding were related to the final quarter of Elementary and Secondary School Emergency Relief Fund (ESSER) grant funding ending September 2024, while modest increases occurred in Student Investment Account (SIA), and Measure 98 (M98). In aggregate, property taxes plus local option taxes increased by $4.617 million over the prior year as assessed values rose only slightly and collection rates were consistent with prior years. State School Fund revenues decreased by $5.847 million from the prior year, due largely to adjustments to prior year grant awards following local revenue final adjustments. Investment revenues decreased by $13.247 million from the prior year due to both declining interest rates and a reduction in funds invested from fund balances and capital bond proceeds related to capital projects.





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

Current year total expenses were $1.129 billion, which is an increase of 7.9 percent, or $82.8 million, over prior year.

- Instruction expenses increased $70 million, or 13.8 percent, compared to 2023-24. The major components of this change were major increases in PERS employer costs, as well as step and COLA increases.

- Support Services expenses increased $26.6 million, or 6.2 percent, from the prior year. The major components of this change were major increases in PERS employer costs, netted with a decrease in overall spending as compared to the prior year which included the one-time acquisition of software subscription services, together with wage increases due to step and COLA increases.

- Together, Instruction and Support Services accounted for 91.8 percent of the District's total expenses in fiscal year 2024-25, compared to 89.8 percent in fiscal year 2023-24.

- Interest and fees on long-term debt decreased by $10.2 million in 2024-25 due to annual debt service payments.

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

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

General Fund. The General Fund is the major operating fund of the District. The fund's ending fund balance decreased by $41.7 million to $44.3 million in fiscal year 2024-25. The General Fund saw an increase of $1.9 million in revenue, largely due to an increase in property taxes, net of a reduction in State School Fund and investment earnings. Instructional expenditures increased by $27.5 million, or 6.7 percent, in fiscal year 2024-25 due primarily to the increase in employer costs of labor netted by a decrease in overall budgets for the year. Support services decreased by $14.1 million, or 3.8 percent as a result of reductions due to decreased budgets. Transfers increased by 9.8 million, or 1110 percent due to a shift in property, casualty and liability insurance from the General Fund to the Internal Service Insurance Reserve Fund.

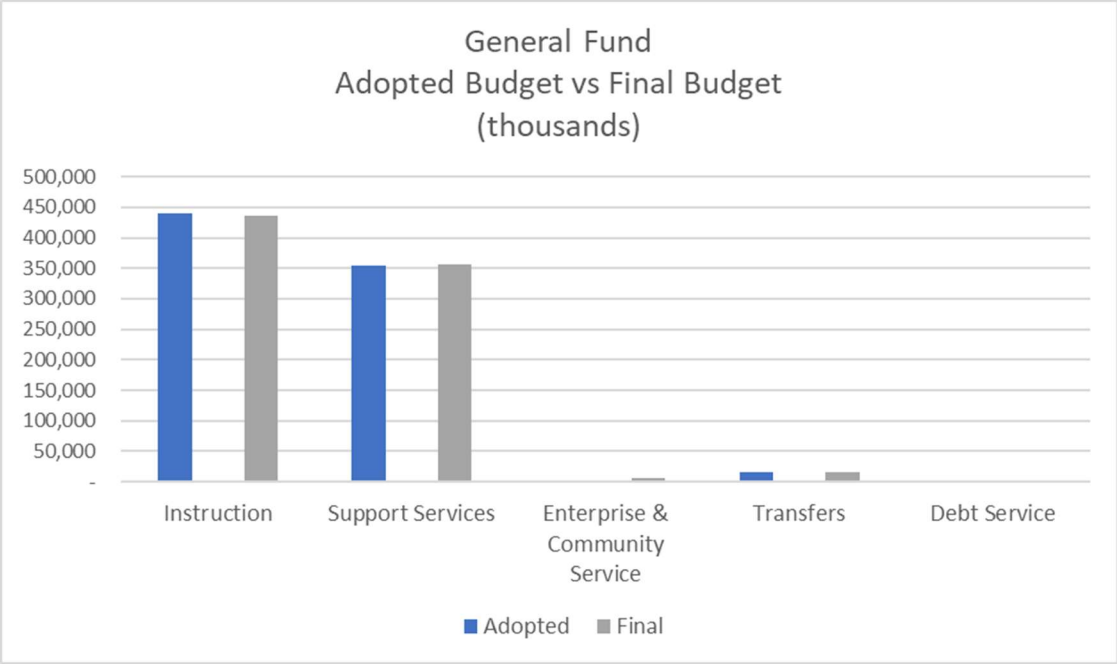
Special Revenue Fund. The Special Revenue Fund ending fund balance decreased by $406 thousand, or 0.9 percent, in fiscal year 2024-25. The Special Revenue Fund saw a decrease of $23.2 million in revenue, largely driven by decreases in federal and state sources. Expenditures across the fund decreased by $14.1 million due to the end of the Elementary and Secondary School Emergency Relief Fund (ESSER) funding.

Debt Service Fund. The Debt Service Fund ending fund balance decreased $7.8 million to $6.9 million in fiscal year 2024-25, primarily due to increased General Obligation (GO) bond debt service and reduced tax revenues utilizing fund balance during the year. Debt Service expenditures increased by $8.2 million in fiscal year 2024-25.

Capital Projects Fund. The Capital Projects Fund ending fund balance decreased $40.6 million to $434 million in fiscal year 2024-25, primarily due to the spend down of issued GO Bonds. Overall spending on capital projects decreased $143 million in fiscal year 2024-25 as bond project work continued

BUDGETARY HIGHLIGHTS FOR THE GENERAL FUND

Adopted budget compared to final budget. There was one amendment to the fiscal year 2024-25 budget. The amendment reallocated funds across Instruction, Support Services, and Enterprise & Community Services, Facilities Acquisition to align the budget with updated projections.



Final budget compared to actual results. The fiscal year 2024-25 actual General Fund expenditures before contingency were $2 million below budgeted expenditures, or roughly 0.2 percent. The Instruction major function exceeded appropriations by a total of $4.1 million, of which salaries and associated payroll costs exceeded budget by -$4.7 million while non-personnel Materials and Services budget savings across Instruction offset the overage by $0.6 million.

2024-25 Final Budget vs Actual Expenditures (thousands)

	Final Budget	Actual Expenditures	$ Change	% of Budget
Instruction	$ 435,084	$ 439,231	$ 4,147	101.0%
Support Services	356,962	$ 356,911	(51)	100.0%
Enterprise & Community Service	5,257	$ 4,727	(530)	89.9%
Transfers	15,895	10,643	(5,252)	67.0%
Debt Service	339	-	(339)	0.0%
	813,537	811,512	(2,025)	99.8%
Operating Contingency	40,856	-	(40,856)	0.0%
	$ 854,393	$ 811,512	$ (42,881)	95.0%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets includes land, building and improvements, vehicles and equipment, construction in progress, and right-of-use leases and subscription assets. As of June 30, 2025, the District had invested $1.99 billion in capital assets, net of depreciation and amortization, as shown in the following table:

Capital assets	**Government-wide (thousands)**			
	2024	2025	$ Change	% change
Land	$ 9,174	$ 9,174	$ -	0.0%
Buildings and site improvements	1,574,357	1,679,021	104,664	6.6%
Vehicles and equipment	103,804	105,121	1,317	1.3%
Right-to-use leased equipment	958	-	(958)	0.0%
Right-to-use subscription assets	20,777	18,979	(1,798)	-8.7%
Construction in progress	601,250	663,885	62,635	10.4%
	2,310,320	2,476,180	165,860	7.2%
less accumulated depreciation and amortization	(425,634)	(478,392)	(52,758)	12.4%
Capital assets, net of depreciation	$ 1,884,686	$ 1,997,788	$ 113,102	6.0%

District-wide, net capital assets increased by $113.1 million in fiscal year 2024-25, and the District recognized $478.4 million of depreciation and amortization. Capital construction accounted for the majority of the increase. Further discussion of capital and right-of-use assets can be found in Note 7 of the financial statements.

Debt Administration. At the end of the current fiscal year, the District had total debt outstanding of $1.6 billion (excluding premiums and discounts), which is comprised of limited tax pension and refunding bonds ($510.3 million) and debt backed by the full faith and credit of the District ($1.17 billion). Further explanation of debt is shown in Note 10 of the Financial Statements.

Outstanding Debt	**Government-wide (thousands)**				
	2024	Increases	Decreases	2025	% change
Limited tax pension and refunding bonds	$578,650	$ -	$ (68,320)	$ 510,330	-11.8%
Other debt	1,217,813	79,480	(124,850)	1,172,443	-10.3%
Lease payable	710		(710)	-	-100.0%
Subscription payable	2,662	1,435	(1,933)	2,164	-72.6%
Total Long Term Debt	1,799,836	80,915	(195,813)	1,684,937	
Unamortized Bond Premium/(Discount)	146,641	149	(9,319)	137,471	-6.4%
Total Long Term Debt, net of Premium (Discount)	$1,946,477	$ 81,064	$(205,132)	$1,822,408	-10.5%

State statutes limit the amount of general obligation debt a school district may issue based on a formula for determining the percentage of the Real Market Value of all taxable properties within the District. The District's general obligation bond debt capacity is 7.95 percent of Real Market Value or $12 billion.

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

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

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The 2025-26 budget will continue to support the District's Vision ("PPS Reimagined") and Strategic Plan ("Forward Together") as well as the goals set by the Board. The budget coincides with the Oregon Legislature's biennial budget cycle for 2025-27, which includes a $11.3 billion State School Fund, and full funding for SIA and M98. One significant unknown for the District continues to be enrollment. The 2024-25 budget assumes enrollment will gradually decrease which represents a continuing decline from pre-pandemic enrollment levels. Enrollment for the District as of October 1, 2024, was 44,086 students, a decline of 5,464 from a pre-pandemic high of 49,550. The enrollment decrease is most significant in PPS Elementary schools, which has been offset somewhat by increases at Middle and High schools, as well as Alternative Programs.

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

The District plans to continue funding a multi-tiered system of student supports. Budgeted expenditures include mental and behavioral health services, school counselors, school-based social workers, school psychologists, and substance abuse supports. The budget also includes continued investments in school safety and security in support of our learning environments.

REQUESTS FOR INFORMATION

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

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BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Statement of Net Position
June 30, 2025
(amounts expressed in thousands)

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 306,672
Cash and cash equivalents held by fiscal agents	4,930
Investments	437,772
Accounts and other receivables	74,869
Property taxes and other taxes receivable	18,121
Leases Receivable	7,265
Inventories	1,538
Prepaid items	487
Total current assets	851,654
Noncurrent assets:	
Net OPEB asset-RHIA	13,281
Capital assets, not depreciated:	
Land	9,174
Construction in progress	663,885
Capital assets, net of accumulated depreciation and amortization:	
Buildings and capital improvements	1,286,679
Vehicles and equipment	30,076
Right-of-use subscriptions	7,974
Total assets	2,862,723
DEFERRED OUTFLOWS OF RESOURCES	
OPEB contributions subsequent to measurement date	6,033
OPEB differences between expected and actual experience	10,217
OPEB differences between actual and expected earnings	375
OPEB differences due to changes in assumptions	2,556
OPEB changes in employer proportion	880
Pension changes in employer proportion	152,046
Pension differences between employer contribution and proportionate share of contributions	157,287
Pension differences between expected and actual experience	22,274
Pension differences due to changes in assumptions	36,848
Pension differences employer share, system	23,283
Pension contributions subsequent to measurement date	859
Total deferred outflows of resources	412,658

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Statement of Net Position (continued)
June 30, 2025
(amounts expressed in thousands)

LIABILITIES		
Accounts payable	$	49,462
Accrued wages and benefits payable		118,962
Unearned revenues		124,050
Claims payable		8,968
Non-current liabilities:		
Due within one year		
Accrued compensated absences		16,570
Accrued interest payable		2,191
Bonds		221,429
Subscription payable		1,535
Due in more than one year		
Accrued compensated absences		29,773
Bonds		1,598,815
Subscription payable		629
Net pension liability-PERS		366,501
Total pension liability-stipend		5,437
Total OPEB liability-RHIS		78,398
Total liabilities		2,622,720
DEFERRED INFLOWS OF RESOURCES		
Deferred Lease Resources		6,368
OPEB differences between expected and actual experience		1,398
OPEB differences due to changes in assumptions		4,975
OPEB changes in employer proportion		671
Pension differences due to changes in assumptions		138
Pension differences between employer contribution and proportionate share of contributions		48,155
Pension differences between expected and actual experience		875
Pension changes in employer proportion		153,191
Total deferred inflows of resources		215,771
NET POSITION		
Net investment in capital assets		958,166
Restricted for:		
Capital projects		124,425
Grants		16,297
Student body activities		5,149
Debt service		10,030
Net OPEB asset-RHIA		13,281
Unrestricted (deficit)		(690,458)
Total net position	$	436,890

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Statement of Activities
For the year ended June 30, 2025
(amounts expressed in thousands)

Functions/Programs	EXPENSES	PROGRAM REVENUES			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instruction	$ 578,290	$ 489	$ 104,548	$ -	$ (473,253)
Support services	458,018	3,104	73,064	-	(381,850)
Enterprise and Community Services	32,536	1,122	3,859	-	(27,555)
Facilities Services	3,482	-	-	20,498	17,016
Interest and fees on long-term debt	56,942	-	-	-	(56,942)
Total governmental activities	$ 1,129,268	$ 4,715	$ 181,471	$ 20,498	(922,584)
GENERAL REVENUES					
Property taxes levied for general purposes					353,972
Property taxes levied for debt service					159,609
Construction excise tax					1,728
Local option taxes levied for general purposes					104,672
State School Fund - general support					268,519
State Common School Fund - general support					6,605
County and intermediate sources - general support					15,533
Investment earnings					42,930
Other					15,390
Total general revenues					968,958
Change in net position					46,374
Net position - beginning of year					432,455
Net position - restatement of beginning balances (Note 20)					(41,939)
Net position - beginning of year as restated					390,516
Net position - end of year					$ 436,890

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Governmental Funds
Balance Sheet
June 30, 2025
(amounts expressed in thousands)

	General Fund	Special Revenue Fund
ASSETS		
Cash and cash equivalents-unrestricted	$ 79,472	$ -
Cash and cash equivalents held by fiscal agents	4,515	-
Investments	64,748	15,943
Prepaid items	112	-
Accounts receivable	9,534	57,817
Leases receivable	7,265	-
Property taxes and other taxes receivable	13,499	-
Due from other funds	11,876	744
Inventories	600	938
Total assets	$ 191,621	$ 75,442
LIABILITIES		
Accounts payable	$ 19,559	$ 5,785
Accrued wages and benefits	107,283	11,188
Due to other funds	744	11,876
Unearned revenues	1,378	1,887
Total liabilities	128,964	30,736
DEFERRED INFLOWS OF RESOURCES		
Unavailable property tax revenue	11,966	-
Unavailable leases revenue	6,368	-
Unavailable grant revenue	-	-
Total deferred inflows of resources	18,334	-
FUND BALANCES		
Nonspendable	712	938
Restricted	-	21,445
Committed	-	22,824
Assigned	43,611	-
Unassigned	-	(501)
Total fund balances	44,323	44,706
Total liabilities, deferred inflows and fund balances	$ 191,621	$ 75,442

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

Debt Service Fund	Capital Projects Fund	Total Governmental Funds
$ 6,018	$ 215,193	$ 300,683
415	-	4,930
-	357,080	437,771
-	-	112
-	7,518	74,869
-	-	7,265
4,622	-	18,121
-	-	12,620
-	-	1,538
$ 11,055	$ 579,791	$ 857,909
$ -	$ 23,732	$ 49,076
-	473	118,944
-	-	12,620
-	120,784	124,049
-	144,989	304,689
4,101	-	16,067
-	-	6,368
-	750	750
4,101	750	23,185
-	-	1,650
5,930	419,549	446,924
1,024	15,083	38,931
-	-	43,611
-	(580)	(1,081)
6,954	434,052	530,035
$ 11,055	$ 579,791	$ 857,909

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2025
(amounts expressed in thousands)

Fund balances - governmental funds (page 38)	$	530,035
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are not financial resources and are not reported in governmental funds.		1,997,788
Long-term taxes and other receivables are not available to pay for current-period expenditures and therefore are a deferred infow of resources in the governmental funds.		16,817
Assets, deferred outlows, liabilities and deferred inflows of the internal service funds are included in activities in the Statement of Net Position.		1,360
Bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		(1,820,244)
Subscription payable is not recognized as a liability in the governmental funds.		(2,164)
Actuarially determined pension activity is not reported in the governmental funds.		(181,528)
Accrued compensated absences are reported when earned as a liability in the Statement of Net Position while in the governmental funds only the unpaid balance of reimbursable unused vacation is reported as a liability.		(46,294)
Accrued property and liability insurance claims incurred but not reported are not due and payable in the current period and therefore are not reported in the governmental funds.		(4,641)
Accrued interest payable is not recognized as a liability in the governmental funds.		(2,191)
Actuarially determined OPEB activity is not reported in the governmental funds.		(52,048)
Net position of governmental activities (page 35)	$	436,890

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


PPS

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2025
(amounts expressed in thousands)

	General Fund	Special Revenue Fund
REVENUES		
Property and other taxes	$ 356,010	$ 382
State School Fund	268,519	-
State Common School Fund	6,605	-
Federal and state support	146	167,633
Local option taxes	105,580	-
County and intermediate sources	12,733	2,800
Charges for services	2,872	910
Extracurricular activities	2	6,773
Investment earnings	10,443	869
Other	6,753	8,194
Total revenues	769,663	187,561
EXPENDITURES		
Current:		
Instruction	439,246	79,733
Support services	356,499	80,064
Enterprise and community services	4,727	28,246
Facilities acquisition and construction	-	-
Debt Service:		
Principal	1,313	321
Interest and fiscal charges	63	7
Total expenditures	801,848	188,371
Excess (deficit) of revenues over expenditures	(32,185)	(810)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	404
Transfers out	(10,643)	-
Issuance from the sale of capital assets	94	-
Issuance of bonds	-	-
Premium on issuance of debt	-	-
Issuance of subscriptions	979	-
Proceeds from the loss of property	-	-
Total other financing sources (uses)	(9,570)	404
Net change in fund balances	(41,755)	(406)
Fund balances - beginning of year	86,078	45,112
Fund balances - end of year	$ 44,323	$ 44,706

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

Debt Service Fund	Capital Projects Fund	Total Governmental Funds
$ 160,495	$ 1,728	$ 518,615
-	-	268,519
-	-	6,605
-	1,162	168,941
-	-	105,580
-	-	15,533
84,639	320	88,741
-	-	6,775
5,584	25,790	42,686
-	2,028	16,975
250,718	31,028	1,238,970
-	-	518,979
-	1,708	438,271
-	-	32,973
-	167,508	167,508
193,170	543	195,347
65,929	36	66,035
259,099	169,795	1,419,113
(8,381)	(138,767)	(180,143)
619	-	1,023
-	(619)	(11,262)
-	-	94
-	79,480	79,480
-	149	149
-	589	1,568
-	18,585	18,585
619	98,184	89,637
(7,762)	(40,583)	(90,506)
14,716	474,635	620,541
$ 6,954	$ 434,052	$ 530,035

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities
For the year ended June 30, 2025
(amounts expressed in thousands)

Net change in fund balances - total governmental funds (page 42)	$	(90,506)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report all capital outlay as expenditures. However, in the Statement of Activities the cost of certain assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays in the current period of $310,719 exceeded depreciation, amortization and disposals of $55,672.		113,780
Property tax revenues that do not provide current financial resources are not reported as revenues in the governmental funds. This is the change in deferred inflow of resources related to property taxes.		1,293
The Internal Service Fund is used to account for all costs incurred for claims arising from workers' compensation activities and property and liability activties. The primary funding sources are charges to other funds. This amount is the change in net position for the year.		(2,975)
Incurred but not reported property and liability insurance claims expenses are reported in the Statement of Activites but they are not reported as expenditures in the governmental funds.		(798)
The issuance of long-term debt (e.g., bonds, leases, SBITAs) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued. Premium amounts are deferred and amortized in the Statement of Activities.		123,469
Pension actuarial liability activity is reported in the Statement of Activities but not in the governmental funds.		(99,579)
OPEB actuarial liability activity is reported in the Statement of Activities but not in the governmental funds.		(1,073)
Change in compensated absences		2,989
Change in interest payable		(226)
Change in net position of governmental activities (page 36)	$	46,374

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Proprietary Fund - Internal Service Fund
Statement of Net Position
June 30, 2025
(amounts expressed in thousands)

ASSETS	
Current Assets	
Cash and cash equivalents	$ 5,989
Prepaid items	375
Total current assets	6,364
Noncurrent Assets	
Net OPEB asset-RHIA	13
Total assets	6,377
DEFERRED OUTFLOWS OF RESOURCES	
OPEB contributions after measurement date	6
OPEB differences due to changes in assumptions	2
OPEB differences between expected and actual experience	10
OPEB changes in employer proportion	1
Pension contributions after measurement date	1
Pension changes in employer proportion	145
Pension differences between employer contribution and proportionate share of contributions	150
Pension differences between expected and actual experience	21
Pension differences due to changes in assumptions	35
Pension differences in Net investment	22
Total deferred outflows of resources	393
Total assets and deferred outflows	6,770
LIABILITIES	
Current Liabilities	
Accounts payable	385
Accrued wages and benefits	68
Claims payable	4,327
Total current liabilities	4,780
Long-term Liabilities	
Total OPEB liability- RHIS	75
Net pension liability- PERS	350
Total pension liability-stipend	5
Total long term liabilities	430
Total liabilities	5,210
DEFERRED INFLOWS OF RESOURCES	
OPEB differences due to changes in assumptions	5
OPEB changes in employer proportion	1
OPEB differences between expected and actual experience	1
Pension changes in employer proportion	146
Pension differences between employer contribution and proportionate share of contributions	46
Pension differences between expected and actual experience	1
Total deferred inflows of resources	200
Total liabilities and deferred inflows of resources	5,410
NET POSITION	
Restricted for Net OPEB asset-RHIA	13
Unrestricted	1,347
Total net position	$ 1,360

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Proprietary Fund - Internal Service Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the year ended June 30, 2025
(amounts expressed in thousands)

OPERATING REVENUES	
Charges for services	$ 614
Total operating revenues	614
OPERATING EXPENSES	
Salaries and benefits	847
Materials and services	7,676
Claims expense	5,967
Total operating expenses	14,490
Operating income (loss)	(13,876)
NON-OPERATING REVENUES	
Federal and state support	499
Investment earnings	244
Total non-operating revenues	743
TRANSFERS	
Transfers in	10,239
Total transfers	10,239
Change in net position	(2,894)
Net position - beginning of year	4,276
Restatement (see note 20)	(22)
Net position - beginning of year	4,254
Net position - end of year	$ 1,360

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

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Proprietary Fund - Internal Service Fund
Statement of Cash Flows
For the year ended June 30, 2025
(amounts expressed in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund services provided and used	$	614
Cash payments for salaries and benefits		(710)
Cash payments for goods and services		(7,565)
Cash payments for claims		(5,726)
Net cash provided by (used for) operating activities		(13,387)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on subscriptions payable		(26)
Net cash provided by (used for) capital financing activities		(26)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash subsidy from state return to work reimbursements		499
Transfers from other funds		10,239
Net cash provided by (used for) noncapital financing activities		10,738
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings		244
Net cash provided by investing activities		244
Net increase in cash and cash equivalents		(2,431)
Cash and cash equivalents at beginning of year		8,420
Cash and cash equivalents at end of year	$	5,989
RECONCILIATION OF OPERATING INCOME TO CASH FROM OPERATING ACTIVITIES		
Operating income	$	(13,876)
Adjustments to reconcile operating income to net cash from operating activities:		
Amortization expense		26
Increase in accounts and other payables		85
Increase in claims payable		241
Decrease in accrued wages and benefits		(11)
Increase in pension related deferred outflows		(232)
Increase in pension liability and pension related deferred inflows		359
Increase in OPEB asset and OPEB related deferred outflows		(12)
Increase in OPEB liability and OPEB related deferred inflows		33
Total adjustments		489
Net cash used for operating activities	$	(13,387)

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


PPS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Government-wide and fund financial statements

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

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

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

Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available within 60 days for taxes and up to 90 days or accounting close of the current fiscal year for all other revenue. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service and expenditures related to compensated absences are recorded only when payment is due.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Property taxes are considered to be susceptible to accrual, if received in cash by the District or a county collecting such taxes within 60 days after year-end. All other revenue items are recognized in the accounting period when they become both measurable and available. For this purpose, the District considers revenues to be available within 90 days or accounting close of the current fiscal. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Measurable means the amount of the transaction can be determined. Available means collectible within the current fiscal year or soon thereafter.

The District reports the following major governmental funds:

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

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

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

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

Additionally, the District reports the following internal service fund:

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

B. Appropriations and Budgetary Controls

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

After the original budget is adopted, the Board of Education may approve appropriation transfers between the levels of control without limitation. Supplemental appropriations may be approved by the Board of Education if any occurrence, condition, or need exists which had not been anticipated at the time the budget was adopted. An appropriation transfer that alters estimated total expenditures by less than 10.00 percent of any individual fund may be adopted at the regular meeting of the Board of Education. For conditions that require either supplemental appropriations or an increase in expenditures greater than 10.00 percent of an individual fund, a supplemental budget must be adopted, requiring public hearings, publications in newspapers and approval by the Board of Education. Supplemental budgets are submitted, reviewed and certified, similar to the original budget, by the Multnomah County Tax Supervising and Conservation Commission subsequent to approval by the Board of Education. Appropriations lapse at the end of each fiscal year. The District had one supplemental budget during budget year 2025.

C. Encumbrances

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

D. Cash and Cash Equivalents and Investments

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

E. Property Taxes

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

F. Inventories and Prepaid Items

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

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

G. Capital Assets

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

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

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

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

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

H. Grant Accounting

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

I. Insurance

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

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

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

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

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

J. Compensated Absences

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

The District's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

K. Receivables and Payables

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

L. Long-term Obligations

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

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

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

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

M. Retirement Plans

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

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

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

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

N. Other Post-Employment Benefits

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

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

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

O. Net Position

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

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

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

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

P. Deferred Inflows and Outflows of Resources

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

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

Q. Lease Receivable

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

R. Management Estimates

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

S. Fund Balance Definitions

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

T. Use of Restricted Resources

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

U. Fund Balance Policy

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

V. Stabilization Arrangements

The District established a PERS Rate Stabilization Reserve Fund by Board Resolutions 2679, adopted on June 16, 2003, and 4471, adopted on June 27, 2011. The purpose of the Fund is to minimize effects of large fluctuations in the PERS rate assessed against District salaries and wages, and to repay the 2002 and 2003 PERS UAL borrowings. This Fund resides within the Special Revenue Fund, and the primary revenue source is 0.11 percent of Current Year Permanent Rate and GAP Property Taxes. Use of the resources must be authorized through formal Board resolution. In any given year, funds may be transferred to the General Fund not to exceed either 1) the increase in PERS rate over rates in effect at June 30, 2011; or 2) the increase in the internally charged PERS UAL fringe rate over the fringe rate in effect at June 30, 2011, multiplied by the PERS eligible budgeted salary base for that year. The ending fund balance in the PERS Rate Stabilization Reserve Fund at June 30, 2025 is $22,824.

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

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

NOTE 3 – STATE CONSTITUTIONAL PROPERTY TAX LIMITS

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

NOTE 3 – STATE CONSTITUTIONAL PROPERTY TAX LIMITS – continued

The District's tax rates for the year ended June 30, 2025 are as follows:

Permanent rate	$ 5.2781 per $1 thousand of assessed value
Local option rate	$ 1.9900 per $1 thousand of assessed value
GO Bond Levy amount	$ 166,000,000 (unrounded dollars)

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

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

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. At June 30, 2025, the District's cash, cash equivalents, and investments were comprised of the following:

	June 30, 2025	Fair Value Measurements Using
Oregon Local Government Investment Pool	$ 50,240	N/A
Cash held in trust with LGIP and US Bank	2,207	N/A
Cash in demand deposits	254,221	N/A
Petty cash	4	N/A
Total cash and cash equivalents	306,672	
Cash and cash equivalents held by fiscal agents	4,930	N/A
US Treasuries	405,774	Level 1
US Government agency securities	31,998	Level 2
Commercial paper and bonds	-	Level 2
Total investments	437,772	
Total cash, cash equivalents and investments	$ 749,374	

A. Investments

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

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS – continued

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

The District requires all securities to be purchased in the District's name and held in third party safekeeping. The Oregon Local Government Investment Pool is unrated. Other investments held at June 30, 2025 are categorized by Moody's and Standard and Poor's ratings as follows:

Moody's Rating	U.S. Government & Agency Obligations	Corporate Notes	Total
Aaa	$ -	$ -	$ -
Aa2	120,813	-	120,813
Aa3	264,994	-	264,994
A1	51,965	-	51,965
	$ 437,772	$ -	$ 437,772
Weighted Average Maturity (Yrs)	0.40	-	0.40

S&P Rating	U.S. Government & Agency Obligations	Corporate Notes	Total
AA+	$ 437,772	$ -	$ 437,772
	$ 437,772	$ -	$ 437,772
Weighted Average Maturity (Yrs)	0.40	-	0.40

Interest rate risk

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

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS – continued

Credit risk

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

Concentration of credit risk-investments

In accordance with GASB 40, the District is required to report all individual non-federal investments which exceed 5.00 percent of total invested funds. As of June 30, 2025, the District held no individual non-federal assets that exceeded 5.00 percent of total invested funds.

Custodial risk-deposits

The District's deposits with financial institutions are insured by the Federal Depository Insurance Corporation (FDIC); interest and non-interest bearing accounts are insured up to $250 thousand. To provide additional security required and authorized by Oregon Revised Statutes, Chapter 295, deposits above insurance limits are covered by collateral held in a multiple financial institution collateral pool administered by the State of Oregon. At June 30, 2025, bank balances of $1,250 were insured by the FDIC. Funds not covered by FDIC insurance are covered by the Oregon State Treasury Collateral Pool. At June 30, 2025, the carrying amount of the District's balance was $254,221 and the bank balance was $258,486.

Custodial credit risk-investments

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

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

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

NOTE 5 – RECEIVABLES

Receivables at June 30, 2025 are summarized as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Fund	Total
Accounts and other receivables:					
Interest Receivable	$ 45	$ 211	$ -	$ -	$ 256
Account Receiable	9,490	3,051	-	7,518	$ 20,059
Lease Receiveables	7,265	-	-	-	$ 7,265
Federal, State, and local grants	-	54,555	-	-	$ 54,555
Total accounts and other receivables	16,800	57,817	-	7,518	$ 82,135
Property and other taxes receivable	13,499	-	4,622	-	$ 18,121
Total	$30,299	$57,817	$4,622	$7,518	$100,256

Lease Receivables at June 30, 2025 are summarized as follows:

	Original Amount	Outstanding at June 30, 2024	Additions	Decreases	Outstanding at June 30, 2025
Riverdale Land Lease, interest at 2.583%, principal and interest ranges from $19 to $46 monthly, due 2051	$ 7,328	$ 7,150	$ -	$ (72)	$ 7,078
	-				
Trillium Building Lease, interest at 0.972%, principal and interest ranges from $14 to $16 monthly, due 2026	809	366	-	(179)	187
Total	$ 8,137	$ 7,516	$ -	$ (251)	$ 7,265

NOTE 6 – PREPAID ITEMS

A summary of changes in prepaid items for the year ended June 30, 2025 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Postage	$ 96	$ 70	$ (54)	$ 112
Insurance	543	-	(543)	-
Workers Compensation Prefund	375	-	-	375
Other	-	(51)	51	-
Total Prepaid Assets	$ 1,014	$ 19	$ (546)	$ 487

Prepaid insurance consists of Owner Controlled Insurance Program (OCIP), which provide liability coverage for major construction contracts, and builders risk insurance for high school rebuilds. The District had one OCIP policy being amortized over five years. OCIP II has been amortized June 2020 to June 2025.

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

NOTE 7 – CAPITAL AND RIGHT-OF-USE ASSETS

A summary of changes in capital assets for the year ended June 30, 2025 is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated or amortized					
Land	$ 9,174	$ -	$ -	$ -	$ 9,174
Construction in progress	601,250	168,011	(295)	(105,081)	663,885
Total capital assets not being depreciated or amortized	610,424	168,011	(295)	(105,081)	673,059
Capital assets being depreciated or amortized					
Buildings and site improvements	1,574,357	109	(526)	105,081	1,679,021
Vehicles and equipment	103,804	1,854	(537)	-	105,121
Right-of-use leased equipment	958	-	(958)	-	-
Right-of-use subscription asset	20,777	1,578	(3,376)	-	18,979
Total capital assets being depreciated or amortized	1,699,896	3,541	(5,397)	105,081	1,803,121
Total general capital assets	2,310,320	171,552	(5,692)	-	2,476,180
Less accumulated depreciation and amortization					
Buildings and site improvements	(351,317)	(41,196)	171	-	(392,342)
Vehicles and equipment	(64,557)	(11,013)	525	-	(75,045)
Right-of-use leased equipment	(272)	-	272	-	-
Right-of-use subscription asset	(9,488)	(4,893)	3,376	-	(11,005)
Total accumulated depreciation and amortization	(425,634)	(57,102)	4,344	-	(478,392)
Total capital assets, net of accumulated depreciation	$ 1,884,686	$114,450	$ (1,348)	$ -	$ 1,997,788

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

Instruction	$ 49,887
Supporting services	2,166
Enterprise and Community Services	156
	$ 52,209

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

Instruction	$ 51
Supporting services	1,808
Enterprise and Community Services	3,034
	$ 4,893

As of June 30, 2025, the District has one school that was closed and idle: Smith elementary school. As of June 30, 2025, the carrying value of this school is $351 million and is included in the capital assets summary above.

NOTE 8 – INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

Interfund balances represent cash owed by one fund to another. Interfund receivables and payables on June 30, 2025, are as follows:

	Due From	Due To
General Fund	$ 11,876	$ 744
Special Revenue Fund	744	11,876
	$ 12,620	$ 12,620

There is a $744 interfund balance between the General Fund and the Special Revenue Fund for monies invested on behalf of Student Body Fund accounts. The Special Revenue Fund was advanced $11,876 by the General Fund to cover unbilled expenditures.

The composition of interfund transfers as of June 30, 2025, is as follows:

	Transfers In	Transfers Out
General Fund	$ -	$ 10,643
Special Revenue Fund	404	-
Debt Service Fund	619	-
Capital Projects Fund	-	619
Internal Service Fund	10,239	-
	$ 11,262	$ 11,262

The District's General Fund also made transfers totaling $404 to the Special Revenue Fund to cover write-offs. The District's General Fund made transfers of $10,239 to the Internal Service Fund for capital asset renewals. The Capital Projects Fund made transfers of $619 to the Debt Service Fund for principal and interest payments on the District's Full Faith & Credit and QZAB obligations.

NOTE 9 – ACCRUED COMPENSATED ABSENCES

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

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

Restated Outstanding June 30, 2024	Increases	Payments	Outstanding June 30, 2025	Due Within One Year
$ 49,352	$ 21,945	$ (24,956)	$ 46,341	$ 16,570

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES

Changes in District long-term debt during fiscal year 2025 were as follows:

	Original Amount	Beginning Balance	Additions	Matured and Redeemed	Ending Balance	Due Within One Year
Pension debt:						
Limited tax pension bonds						
Series 2002	$ 210,104	$ 88,580	$ -	$ (22,550)	$ 66,030	$ 25,130
Series 2003	281,170	127,705	-	(31,550)	96,155	36,215
Series 2021	399,390	362,365	-	(14,220)	348,145	15,410
Total pension debt (Note 11)	890,664	578,650	-	(68,320)	510,330	76,755
Other Debt:						
General Obligation Bonds						
Series 2015B	244,700	97,090	-	(7,665)	89,425	8,390
QZAB Series 2016	4,000	2,600	-	(200)	2,400	200
Full Faith and Credit						
Obligations Series 2016	5,048	2,973	-	(335)	2,638	345
General Obligation Bonds						
Series 2017B	241,890	169,745	-	(3,345)	166,400	3,305
General Obligation Bonds						
Series 2020	441,320	267,390	-	(44,140)	223,250	26,630
General Obligation Bonds						
Series 2020B	365,465	267,255	-	-	267,255	-
General Obligation Bonds						
Series 2020C	53,965	47,545	-	(4,295)	43,250	4,535
General Obligation Bonds						
Series 2023	420,000	363,215	-	(64,870)	298,345	12,345
General Obligation Bonds						
Series 2025	79,480	-	79,480	-	79,480	79,480
Total other debt	1,855,868	1,217,813	79,480	(124,850)	1,172,443	135,230
Total long-term debt	$ 2,746,532	1,796,463	79,480	(193,170)	1,682,773	211,985
Unamortized bond premium (discount)		146,641	149	(9,319)	137,471	9,444
Total long-term debt, net of premiums (discounts)		$ 1,943,104	$ 79,629	$ (202,489)	$ 1,820,244	$ 221,429

A. Limited Tax Pension Bonds

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

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued

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

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

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

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

B. General Obligation Bonds

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

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

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

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued

December, beginning December 15, 2017. The Series 2017B Bonds are not subject to early redemption prior to maturity. The bonds mature on June 15, 2030, with principal payments due annually on June 15. The bonds were issued at a premium of $9.8 million, which is being amortized over the life of the bonds.

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

On August 10, 2017 the District issued $179.7 million in General Obligation Bonds, Series 2017B. The interest rate is fixed at rates ranging from 3.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2017. The Series 2017B Bonds maturing on June 15, 2028 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2027 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2044 with principal payments due annually on June 15. The bonds were issued at a premium of $1.051 million which is being amortized over the life of the bonds.

On April 14, 2020 the District issued $441.3 million in General Obligation Bonds, Series 2020. The interest rate is fixed at rates ranging from 3.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2020. The Series 2020 Bonds maturing on June 15, 2031 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2030 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2037 with principal payments due annually on June 15. The bonds were issued at a premium of $68,202 which is being amortized over the life of the bonds.

As part of a $1.208 billion capital bond measure passed by District voters in 2020, the District has issued the following General Obligation debt to finance school renovation and replacement:

On December 30, 2020 the District issued $365.5 million in General Obligation Bonds, Series 2020B. The interest rate is fixed at rates ranging from 1.50 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2021. The Series 2020B Bonds maturing on June 15, 2031 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2030 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2046 with principal payments due annually on June 15. The bonds were issued at a premium of $29.5 million which is being amortized over the life of the bonds.

On December 30, 2020 the District issued $53.9 million in General Obligation Bonds, Series 2020C. The interest rate is fixed at rates ranging from 1.05 to 2.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning June 15, 2021. The Series 2020C Bonds maturing on June 15, 2031 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2030 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2033 with principal payments due annually on June 15. The bonds were issued at a premium of $16 million which is being amortized over the life of the bonds.

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued

On April 27, 2023 the District issued $420 million in General Obligation Bonds, Series 2023. The interest rate is fixed at rates ranging from 4.00 to 5.00 percent. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2023. The Series 2023 Bonds maturing on June 15, 2034 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2033 in whole or in part; and, if in part, with maturities to be selected by the District at a price of par plus accrued interest, if any, to the date of redemption. The bonds mature on June 15, 2049 with principal payments due annually on June 15. The bonds maturing on June 15, 2049 are subject to partial mandatory redemption on June 15, 2047 and June 15, 2048. The bonds were issued at a premium of $44.8 million which is being amortized over the life of the bonds.

On May 21, 2025 the District Issued $79.48 million in General Obligation Bonds, Series 2025. The interest rate is fixed at 4.25 percent. Principal and interest payments on the bonds are fully payable in June 2026. The Series 2025 Bonds will mature June 15, 2026. This bond fully matures in June 2026. The bonds were issued at a premium of $148.6 thousand which was offset by the underwriter's discount.

A fourth capital bond was passed by voters in May 2025, consisting of an eight-year, $1.83 billion capital bond measure to finance capital costs to improve health, safety, learning, modernize, and improve schools. PPS remains committed to delivering robust modernization and the upgrade of major building systems as envisioned by the voters, stewarding bond resources prudently and efficiently, and building and maintaining the trust of voters in our community.

C. Other Debt

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

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

Article XI-K of the Oregon Constitution allows the state to guarantee the general obligation bonded indebtedness of school districts. For the Series 2013B, 2015B, 2017B, 2020, 2020B, 2020C, 2023 and 2025 GO Bonds mentioned immediately above, the District participated in the Oregon School Bond Guaranty program (ORS 328.321 to 328.356), whereby the State of Oregon (State) guarantees all principal and interest payments until maturity will be made to bondholders when due. Should the District fail to make a payment of debt service on these bonds when due, the State will make the payment on behalf of the District, and then will seek recovery from the District. The State may recover funds by means of intercepting any source of operating moneys normally remitted from the State to the District. Since the inception of the bonds, the District has not used the guarantee, and there are no outstanding amounts due to the State of Oregon as of June 30, 2025.

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued

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

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

Fiscal Year	Limted Tax Pension Bonds	Other Full Faith & Credit	General Obligation Bonds	QZAB	Total
Principal:					
2026	$ 76,755	$ 345	$ 134,685	$ 200	$ 211,985
2027	83,940	355	60,690	200	145,185
2028	50,670	365	66,345	200	117,580
2029	18,495	375	72,460	200	91,530
2030-2034	19,660	390	51,055	200	71,305
2035-2039	118,685	808	270,430	1,000	390,923
2040-2044	142,125	-	223,805	400	366,330
2045-2049	-	-	189,815	-	189,815
2050-2054	-	-	98,120	-	98,120
Total Principal	510,330	2,638	1,167,405	2,400	1,682,773
Interest:					
2026	$ 16,447	$ 74	$ 43,736	$ -	$ 60,257
2027	12,818	63	37,509	-	50,390
2028	8,811	52	34,801	-	43,665
2029	6,686	41	31,721	-	38,449
2030-2034	6,381	30	28,432	-	34,844
2035-2039	25,441	24	109,377	-	134,842
2040-2044	9,886	-	65,715	-	75,601
2045-2049	-	-	32,726	-	32,726
2050-2054	-	-	9,561	-	9,561
Total Interest	86,470	285	393,579	-	480,334
Total Debt Service	$ 596,800	$ 2,923	$ 1,560,984	$ 2,400	$ 2,163,107

D. Lease Payables

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

On February 1, 2023 the District entered into a long-term agreement as the lessee to lease print shop equipment. The lease amount is $17 per month for a term of 120 months including interest at a rate of 2.68 percent. The lease was terminated by the District in January 2025.

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued

Changes in lease payable are as follows:

Description	Outstanding July 1, 2024	Increases	Decreases	Outstanding June 30, 2025
Print Shop	$ 710	$ -	$ (710)	$ -
Total lease payables	$ 710	$ -	$ (710)	$ -

E. Subscription Based Information Technology Agreement (SBITA) Payables

Per GASB 96, SBITA Payables are recognized at the net present value of payments expected to be made during the agreement term at a borrowing rate either explicitly described in the agreement or implicitly determined by the District. The District has multiple agreements with various entities. SBITA expenses totaled approximately $1,933 for the year ended June 30, 2025.

Changes in SBITA payables during the year are as follows:

Description	July 1, 2024	Increases	Decreases	June 30, 2025
Total SBITA payables	$ 2,662	$ 1,435	$ (1,933)	$ 2,164

Future subscription payments are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 1,535	$ 46	$ 1,581
2027	629	15	644
	$ 2,164	$ 61	$ 2,225

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

NOTE 10 – BONDED DEBT AND OTHER FINANCING SOURCES – continued

The SBITAs in effect during the year are as follows:

Commencement	End Date	Initial Asset Value	Net Asset Value as of June 30, 2025	Initial Subscription Liability	Associated Interest Rate	Subscription Liability as of June 30, 2025
7/1/2022	6/30/2025	$ 388	$ -	$ 388	2.18%	$ -
7/1/2022	6/30/2026	133	33	-	N/A	-
7/1/2022	9/23/2024	87	14	87	2.02%	-
7/1/2022	7/31/2025	82	8	-	N/A	-
7/1/2022	6/30/2025	154	-	154	2.18%	-
7/1/2022	6/30/2027	404	393	404	2.02%	397
8/18/2022	9/14/2028	55	29	-	N/A	-
7/1/2022	9/14/2023	115	-	-	N/A	-
7/1/2022	9/23/2024	145	-	145	2.02%	-
7/1/2022	1/31/2027	61	21	61	2.37%	33
7/1/2022	5/24/2028	4,839	2,378	-	N/A	-
7/1/2022	6/14/2028	4,944	2,454	-	N/A	-
7/1/2022	6/30/2025	476	-	476	2.18%	-
7/1/2022	6/30/2025	615	-	615	2.18%	-
7/1/2022	3/31/2027	258	95	258	2.37%	73
8/10/2022	8/9/2025	448	16	-	N/A	-
8/10/2022	8/9/2028	341	412	-	N/A	-
8/10/2022	8/9/2025	755	27	-	N/A	-
5/24/2023	5/23/2029	341	222	-	N/A	-
6/11/2023	6/12/2025	815	-	-	N/A	-
7/1/2023	6/30/2025	1,063	529	1,063	3.02%	570
7/1/2023	8/28/2026	811	320	811	2.90%	285
7/1/2023	3/31/2028	1,179	810	1,179	2.71%	619
10/1/2024	9/30/2027	284	213	284	2.67%	187
			$ 7,974			$ 2,164

F. Accrued Interest Payable

Changes in District accrued interest during fiscal year 2025 were as follows:

Accrued Interest:	Beginning Balance	Additions	Payments and Reductions	Ending Balance
Current Portion				
Bond	$ 1,933	$ 68,768	$ (68,531)	$ 2,170
Lease	2	-	(2)	0
Subscriptions	31	61	(71)	21
Total Accrued Interest	$ 1,966	$ 68,829	$ (68,604)	$ 2,191

NOTE 11 – PENSION PLANS

Pension Plans -Summary

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

	OPERS	Stipend	Net
Net Pension Liability	$ (366,501)	$ -	$ (366,501)
Total Pension Liability	$ -	$ (5,437)	$ (5,437)
Total Pension Expense	$ 99,890	$ 673	$ 100,563
Pension Deferred Outflows of Resources	$ 391,311	$ 1,285	$ 392,596
Pension Deferred Inflows of Resources	$ (202,268)	$ (91)	$ (202,359)

A. Oregon Public Employees Retirement System (OPERS)

General Information about the Pension Plan

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

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

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

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

1. *Pension Benefits.* The OPERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.00 percent for Police and Fire employees, 1.67 percent for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated either under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

   A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for Police and Fire members). General Service employees may retire after reaching age 55. Police and Fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and Fire member benefits are reduced if retirement occurs prior to age 55 with fewer

NOTE 11 – PENSION PLANS – continued

than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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

3. *Disability Benefits.* A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for Police and Fire members) when determining the monthly benefit.

4. *Benefit Changes after Retirement.* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying equity investments of that account.

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

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

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

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

   General Service: 1.50 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for General Service members is age 65, or age 58 with 30 years of retirement credit.

   A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

2. *Death Benefits*. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased.

3. *Disability Benefits.* A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit

NOTE 11 – PENSION PLANS – continued

of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

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

Contributions:

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

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

The District's rates in effect for the fiscal year ended June 30, 2025 were:

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

The District contributed approximately $136 for the year ended June 30, 2025.

Actuarial Valuations:

The employer contribution rates effective July 1, 2024 through June 30, 2025, were set using the entry age normal actuarial cost method. For the Tier One / Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

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

NOTE 11 – PENSION PLANS – continued

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study	2022, published July 24, 2023
Actuarial Assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount Rate	6.90 percent
Projected salary increases	3.40 percent
COLA	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service
Mortality	***Healthy retirees and beneficiaries:*** Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation ***Active members:*** Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Disabled retirees:*** Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Source: OPERS Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2024

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2022 Experience Study.

Discount Rate:
The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 11 – PENSION PLANS – continued

Depletion Date Projection:

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

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

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

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

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target Allocation
Debt Securities	20.0 %	30.0 %	25.0 %
Public Equity	22.5	32.5	27.5
Real Estate	7.5	17.5	12.5
Private Equity	15.0	27.5	20.0
Real Assets	2.5	10.0	7.5
Diversifying Strategies	2.5	10.0	7.5
Opportunity Portfolio	0.0	5.0	0.0
Total			100.0 %

Source: OPERS Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2024

NOTE 11 – PENSION PLANS – continued

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the OPERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Global Equity	27.50 %	7.07 %
Private Equity	25.50	8.83
Core Fixed Income	25.00	4.50
Real Estate	12.25	5.83
Master Limited Partnerships	0.75	6.02
Infrastructure	1.50	6.51
Hedge Fund of Funds - Multistrategy	1.25	6.27
Hedge Fund Equity - Hedge	0.63	6.48
Hedge fund - Macro	5.62	4.83
Assumed Inflation – Mean		2.35 %

Source: OPERS Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2024

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

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	$578,140	$366,501	$189,242

Pension plan fiduciary net position:

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

NOTE 11 – PENSION PLANS – continued

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

At June 30, 2025, the District reported a liability of $366,501 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The District's proportion of the net pension liability was based on the District's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers. At June 30, 2025, the District's proportion was 1.65 percent, which is an increase of 1.14 from the District's proportion of 0.51 percent for the year ended June 30, 2024.

For the year ended June 30, 2025, the District recognized pension expense of $99.8 million for the defined benefit portion of the pension plan. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Pension changes in employer proportion	$ 152,046	$ (153,191)
Pension differences between employer contribution and proportionate share of contributions	157,286	(48,155)
Pension differences between expected and actual experience	21,712	(875)
Pension differences due to changes in assumptions	36,848	(47)
Pension differences between expected and actual earnings	23,283	-
Total (prior to post-measurement date contributions)	391,175	(202,268)
Pension contributions subsequent to measurement date	136	-
Net Deferred Outflow/(Inflow) of Resources	$ 391,311	$ (202,268)

Source: OPERS Schedule of Pension Amounts under GASB 68, June 30, 2024

NOTE 11 – PENSION PLANS – continued

The deferred outflow of resources of $136 thousand resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Employer subsequent fiscal years		Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2026	$	33,541
Fiscal Year 2027		76,220
Fiscal Year 2028		41,476
Fiscal Year 2029		27,514
Fiscal Year 2030		10,156
Total	$	188,907

Source: OPERS Schedule of Pension Amounts under GASB 68, June 30, 2024

Defined Contribution Plan

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Beginning January 1, 2004, OPERS active Tier One and Tier Two members became members of the IAP of OPSRP. OPERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is a part of OPERS and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a $200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

NOTE 11 – PENSION PLANS – continued

Death Benefits:

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

Contributions:

Employees of the District contribute 6.0 percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2025. Included in accrued liabilities at June 30, 2025 are $2.8 million for employee contributions owed to the plan.

B. District Plan – Stipend

Plan Description

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

Total Stipend Liability

The District's total stipend liability of $5.4 million was measured as of June 30, 2024, rolled forward to June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024.

NOTE 11 – PENSION PLANS – continued

Actuarial Assumptions and Other Inputs

The total Stipend liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2024
Measurement Date	June 30, 2024
Inflation	2.40%
Projected salary growth	3.40%
Discount rate	3.93%
Withdrawal, retirement, and mortality rates	December 31, 2022 Oregon PERS valuation
Lapse rates	5% annual lapse rate
Actuarial cost method	Entry Age Normal Level Percent of Pay
Demographic Assumptions	
Mortality	Pub-2010 sex-distinct base tables, as specified below. **Male retiree:** Blend 80% Teachers and 20% general Employees, no set back **Male spouse:** General Employees, set back 12 months **Female retiree**: Teachers, no set back **Female spouse**: General Employees, no set back
Withdrawal	Based on Oregon PERS assumptions. Annual rates are based on gender and duration from hire date.
Retirement	Based on Oregon PERS assumption. Annual rates are based on age, Tier/OPSRP, and duration of service

Discount Rate – Under GASB 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The discount rate in effect for the June 30, 2025 reporting date is 3.93 percent, reflecting the Bond Buyer 20-Year General Obligation Bond Index.

NOTE 11 – PENSION PLANS – continued

Changes in the Total Stipend Liability:

	Total Stipend Liability
Balance at 6/30/2024	$ 5,493
Changes for the year:	
Service cost	152
Interest	194
Effect of economic/demographic gains or losses	302
Effect of assumptions changes or inputs	(8)
Benefit payments	(696)
Net changes	(56)
Balance at 6/30/2025	$ 5,437

Changes in assumptions and other inputs reflect a change in the discount rate from 3.65% in 2024 to 3.93% in 2025.

Sensitivity of the total stipend liability to changes in the discount rate. The following presents the total stipend liability of the District, as well as what the District's total stipend liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total Stipend Liability	$ 5,630	$ 5,437	$ 5,242

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

For the year ended June 30, 2025, the District recognized stipend expense of $673. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to the stipend from the following sources:

	Deferred Ouflows of Resources	Deferred Inflows of Resources
Pension differences between expected and actual experience	$ 563	$ -
Pension differences due to changes in assumptions	-	(91)
Total (prior to post-measurement date contributions)	563	(91)
Pension contributions subsequent to measurement date	722	-
Net Deferred Outflow/(Inflow) of Resources	$ 1,285	$ (91)

NOTE 11 – PENSION PLANS – continued

Deferred outflows of resources related to the stipend of $1.3 million resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2026.

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

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2026	$ 323
Fiscal Year 2027	101
Fiscal Year 2028	48
Total	$ 472

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

Other Post-Employment Benefits (OPEB) - Summary

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

	RHIS	RHIA	Net
Total OPEB Liability	$ (78,398)	$ -	$ (78,398)
Net OPEB Asset	$ -	$ 13,281	$ 13,281
Total OPEB Expense	$ 7,535	$ (496)	$ 7,039
OPEB Deferred Outflows of Resources	$ 18,807	$ 1,256	$ 20,063
OPEB Deferred Inflows of Resources	$ (5,945)	$ (1,099)	$ (7,044)

A. Retirement Health Insurance Subsidy (RHIS)

Plan Description

The District provides a single-employer defined benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses for employees who have retired from the District with a minimum of fifteen accumulated years of service and are eligible to retire from the Oregon retirement system. There are 5,946 active and 320 retired members or beneficiaries currently receiving benefit payments in the plan. Covered employees under the plan are eligible to receive full or part District-paid medical and pharmacy benefits for up to 60 months, or until reaching age 65, whichever comes first. The District also pays a portion of the spouse/domestic partner medical and pharmacy costs during the benefit period. The program was established under separate collective bargaining agreements with the certificated and classified employees and by precedent for all other District employees. The Portland Teachers Association (PAT) group terminated this benefit after September 30, 2019. All other bargaining units and employee groups, except the District Council Unions (DCU), agreed to terminate this benefit after June 30, 2014. The DCU agreed to terminate this benefit after December 31, 2014. Under Oregon Revised Statute (ORS) 243.303 any OPERS qualifying public employee is allowed to pay the full cost for continued coverage under the District group health plans until they become Medicare eligible. The plan does not issue a separate financial report, and there are no assets accumulated in a trust. The plan may be amended by the District under new collective bargaining agreements.

Benefits Provided

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

Employees covered by benefit terms

As of June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	231
Inactive employees entitled to but not yet receiving benefit payments	89
Active employees	5,960
	6,280

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS - continued

Total RHIS Liability

The District's total RHIS liability of $78.4 million was measured as of June 30, 2024, rolled forward to June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024.

Actuarial Methods and Assumptions

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

Health Care Cost Trend – The actuarial calculations used an assumption that medical costs will increase to 8.75 percent in the first year and reach an eventual ultimate rate of 3.75 percent. These trends are based on a long-term medical trend model published and updated by the Society of Actuaries. Known as the "Getzen model", it produces long-range trend assumptions built on assumed long-term relationships between certain key economic factors. It also assumes that dental and vision costs will increase by the lesser of the medical cost trend previously described and 4.00 percent per year**.**

Changes in the Total RHIS Liability

	Increase (Decrease) in Total RHIS Liability
Balance at 6/30/2024	$ 78,365
Changes for the year:	
Service cost	2,770
Interest	2,844
Effect of economic/demographic gains or losses	1,929
Effect of assumptions changes or inputs	(1,062)
Benefit payments	(6,449)
Net changes	32
Balance at 6/30/2025	$ 78,397

Changes in assumptions and other inputs reflect a change in the discount rate 3.65% in 2024 to 3.93% in 2025.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS - continued

Sensitivity of the total RHIS liability to changes in the discount rate. The following presents the total RHIS liability of the District, as well as what the District's total RHIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total RHIS Liability	$ 83,009	$ 78,398	$ 73,981

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

	1% Decrease	Current Trend Rate	1% Increase
Total RHIS Liability	$ 72,585	$ 78,398	$ 84,938

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

For the year ended June 30, 2025, the District recognized RHIS expense of $7.5 million. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to RHIS from the following sources:

	Deferred Ouflows of Resources	Deferred Inflows of Resources
OPEB differences between expected and actual experience	$ 10,217	$ (1,138)
OPEB differences due to changes in assumptions	2,556	(4,807)
Total (prior to post-measurement date contributions)	12,773	(5,945)
OPEB contributions subsequent to measurement date	6,033	-
Total as of June 30, 2023	$ 18,806	$ (5,945)

Deferred outflows of resources related to RHIS of $6.0 million resulting from the District's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIS will be recognized in RHIS expense as follows:

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS - continued

Employer subsequent fiscal years		Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2026	$	2,236
Fiscal Year 2027		1,563
Fiscal Year 2028		752
Fiscal Year 2029		702
Fiscal Year 2030		818
Thereafter		757
Total	$	6,828

B. Retirement Health Insurance Account (RHIA)

Plan Description

As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information and is available at:

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

Benefits

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

Contributions

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

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS – continued

District contributions for the year ended June 30, 2025 were $0. Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.00% of Tier 1 and Tier 2 payroll and 0.0% of OPSRP of annual covered payroll. These contributions occur in all funds that have salary expenditures, which typically are the General Fund, Special Revenue Fund, Capital Projects Fund, and Internal Services Fund. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution (ARC) of the employers, an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2025, 2024, and 2023 were approximately $0, $89, and $58 which equaled the required contributions each year.

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

At June 30, 2025, the District reported an asset of $13.3 million for its proportionate share of the OPERS net RHIA asset. The net RHIA asset was measured as of June 30, 2024, and the total RHIA liability used to calculate the net RHIA asset was determined by an actuarial valuation as of December 31, 2022. The District's proportion of the net RHIA asset was based on the District's actual, legally required contributions made to the RHIA program during the measurement period relative to total actual contributions from all participating employers. At June 30, 2025, the District's proportionate share was 3.29%, which is an increase of 0.36% from its proportion of 2.93% as of June 30, 2024.

For the year ended June 30, 2025, the District recognized RHIA benefit from this plan of $496. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to this RHIA plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
RHIA differences between expected and actual experience	$ -	$ (260)
RHIA differences due to changes in assumptions	-	(168)
RHIA net difference between projected and actual earnings on investments	375	-
RHIA changes in employer proportion	881	(671)
	1,256	(1,099)
RHIA contributions subsequent to measurement date	-	-
Total	$ 1,256	$ (1,099)

Source: OPERS Schedule of OPEB Amounts under GASB 75, June 30, 2024

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS – continued

Deferred outflows of resources related to RHIA of $0 resulting from the District's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIA will be recognized in RHIA expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
Fiscal Year 2026	$ (482)
Fiscal Year 2027	393
Fiscal Year 2028	203
Fiscal Year 2029	43
Total	$ 157

Source: OPERS Schedule of OPEB Amounts under GASB 75, June 30, 2024

Actuarial Methods and Assumptions

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

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

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Net RHIA liability (asset)	$ (12,301)	$ (13,281)	$ (14,139)

RHIA Plan Fiduciary Net Position

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

NOTE 13 - RISK MANAGEMENT

The Internal Service (Self-Insurance) Fund charges other funds for the costs incurred for workers' compensation claims. Charges to other funds by the Self-Insurance Fund are recognized as revenues in the Self-Insurance Fund and as expenditures in the fund incurring the charges. The Self-Insurance Fund recognized approximately $614 thousand of revenues from other governmental funds for the year ended June 30, 2025.

The District is exposed to various risks of loss related to injuries; torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters. The District is self-insured up to $1 million and carries commercial excess insurance. Settlements have not exceeded insurance coverage for the years ended June 30, 2021 through 2025. There have been no reductions to the District's insurance coverage during the year ended June 30, 2025. The District anticipates that all accrued claims losses will be paid within twelve months.

The total claims payable at June 30, 2025 of $8.9 million was made up of approximately $4.3 million in worker's compensation claims and $4.6 million in property and general liability claims (recorded in the Internal Service Fund). Changes in the balances of claims liabilities during the years ended June 30, 2021, through June 30, 2025, were as follows:

Fiscal Year	Beginning Balance	New Claims	Payments on Claims	Ending Balance
2021	$ 6,853	$ 2,516	$ (3,795)	$ 5,574
2022	$ 5,574	$ 5,540	$ (3,985)	$ 7,129
2023	$ 7,129	$ 4,726	$ (4,179)	$ 7,676
2024	$ 7,676	$ 5,533	$ (5,280)	$ 7,929
2025	$ 7,929	$ 3,207	$ (2,168)	$ 8,968

NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES

Contracts

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

Supplier	Commitments
PACIFIC COAST FRESH COMPANY	$ 3,140
AMERESCO INC	14,289
Bora Architects Inc	7,839
Mahlum Architects Inc	5,478
TURNER & TOWNSEND HEERY LLC	4,483
	$ 35,229

NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES - continued

Future District service commitments by fund are as follows:

	Commitments
General Fund	$ 3,140
Capital Projects Fund	32,089
	$ 35,229

Dr. Matthew Prophet Education Center (PEC)

In June 2000, Multnomah County leased a portion of the District's headquarters from the District for $3.5 million under a 99-year agreement. In December 2008, Portland Public Schools reacquired a portion of that space for $800 thousand, which was fully paid as of June 30, 2014. This lease agreement stipulates that a portion of the initial lease payment received from Multnomah County be set aside to be applied toward the County's share of major repairs. Any unused balance earns interest at the monthly interest rate earned from the Local Government Investment Pool. As of June 30, 2025, the Multnomah County Reserve balance held in the Facilities Capital Fund, a sub-fund of the Capital Projects Fund, was $574 thousand.

Pending Legal Actions

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

Grantor Agencies

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

School Support Fund

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

NOTE 15 – FUND BALANCES

Fund balances by classification for the year ended June 30, 2025 are as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Nonspendable					
Prepaid items	$ 112	$ -	$ -	$ -	$ 112
Inventories	600	938	-	-	1,538
	712	938	-	-	1,650
Restricted					
Student Body Funds	-	5,149	-	-	5,149
Dedicated Resources	-	16,183	-	-	16,183
Grants	-	113	-	-	113
Debt Service	-	-	5,930	419,549	425,479
	-	21,445	5,930	419,549	446,924
Committed					
PERS Rate Stabilization	-	22,824	-	-	22,824
PERS UAL Debt Service	-	-	1,024	-	1,024
Capital Grants	-	-	-	15,083	15,083
	-	22,824	1,024	15,083	38,931
Assigned					
Subsequent Appropriation of Fund Balance	43,611	-	-	-	43,611
Unassigned					
General Fund	-	(501)	-	-	(501)
Capital Projects	-	-	-	(580)	(580)
	-	(501)	-	(580)	(1,081)
Total fund balances	$ 44,323	$ 44,706	$ 6,954	$ 434,052	$ 530,035

NOTE 16 – RELATED ORGANIZATIONS

The District includes five charter schools that are legally separate, tax-exempt organizations. The most recent data available indicates charter school total students were 1,306 (representing 3.0% of the District's total enrollment); and that charter schools' Net Position was $5,608. Because of their size relative to the District, the charter schools do not fall under the component unit reporting requirements set forth by GASB Statement No. 39.

NOTE 17 – ARTS TAX

In November, 2012, voters in the City of Portland passed Ballot Measure 26-146 to restore school arts and music education, funded through an income tax of $35 per person per year. In December of 2012, the District entered into an intergovernmental agreement IGA/R 59656 with the City of Portland to receive a portion of this tax, to be used to provide arts and music education, through certified arts and music teachers, to all K-5 students, including charter schools within the District. Revenues and expenditures for the year ended June 30, 2025 are recorded in the General Fund as follows:

	Arts Tax Revenues	Arts Tax Expenditures	FTE Funded	Number of Schools Funded
Non-Charter Schools	$ 5,092	$ 5,092	36.19	60
Charter Schools	256	256	2.77	7
District Total	$ 5,348	$ 5,348	38.96	67

NOTE 18 – TAX ABATEMENTS

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

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

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

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

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

Transit Oriented Development (ORS 307.600 to 307.637)

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

Historic Property (ORS 358.475 to 545)

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

NOTE 18 – TAX ABATEMENTS - continued

Housing Authority Partnership (ORS 456.225)

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

The Following schedule represents the District's portion of tax abatements granted by Multnomah County for 2024-2025. Programs with exemptions totaling more than $500 thousand were listed separately; all other programs were grouped together:

Exemption Program	Amount
City of Portland Low Income Rental Housing	$ 5,260
Historic Property	401
Religious Schools & Student Housing	3,843
Transit Oriented Development, Portland	2,268
Housing Authority Partnership	750
All other exemption programs	2,079
Total Abatements	$ 14,601

NOTE 19 – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2025, the date of the most recent statement of net position, has been evaluated for possible adjustment to the financial statements or disclosure is January 28, 2026, which is the date on which the financial statements were available to be issued.

NOTE 20 – RESTATEMENTS OF BEGINNING BALANCES

During the current year, the District implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the District now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the "Restatement - GASB 101 implementation" column in the table below.

	Net position/fund balance 6/30/2024 as previously	Restatement - GASB 101 implementation	Net position/fund balance 6/30/2024 as restated/adjusted
Government-wide			
Governmental activities	$ 432,455	$ (41,940)	$ 390,515
Total Government-wide	$ 432,455	$ (41,940)	$ 390,515
Governmental funds			
Major funds:			
General Fund	$ 86,078	$ -	$ 86,078
Special Revenue Fund	45,112	-	45,112
Debt Service Fund	14,716	-	14,716
Capital Projects Fund	474,635	-	474,635
Total Governmental funds	$ 620,541	$ -	$ 620,541
Proprietray funds			
Internal Service fund	$ 4,276	$ (22)	$ 4,254
Total Interal Service fund	$ 4,276	$ (22)	$ 4,254

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

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

Total OPEB Liability

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

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

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

Requests for Information:

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

2021	2022	2023	2024	2025
$ 3,141	$ 3,105	$ 3,200	$ 2,727	$ 2,770
2,818	1,720	1,630	2,814	2,844
722	-	-	-	-
(2,676)	-	-	-	-
-	-	11,881	-	1,929
1,151	212	(5,227)	(504)	(1,062)
(7,894)	(7,725)	(7,254)	(6,794)	(6,449)
(2,738)	(2,688)	4,230	(1,757)	32
81,319	78,581	75,893	80,123	78,365
$ 78,581	$ 75,893	$ 80,123	$ 78,366	$ 78,397
$ 386,877	$ 435,531	$ 435,224	$ 496,863	$ 500,000
20.31%	17.43%	18.41%	15.77%	15.68%

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Required Supplementary Information
Schedule of the District's Proportionate Share of Net OPEB Liability (Asset) and District Contributions - RHIA
Last 10 Fiscal Years [1]
(amounts expressed in thousands)

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

	2017	2018	2019	2020
District's proportion of the net OPEB liability/(asset)	3.284%	3.164%	3.194%	3.312%
District's proportionate share of the net OPEB liability (asset)	$ 892	$ (1,321)	$ (3,566)	$ (6,400)
District's covered-employee payroll [2]	$ 316,998	$ 327,668	$ 344,646	$ 356,540
District's proportionate share of net OPEB liability (asset) as a percentage of covered-employee payroll	0.3%	-0.4%	-1.0%	-1.8%
Plan fiduciary net position as a percentage of the total OPEB liability	94.14%	108.89%	124.01%	144.34%
OPEB Measurement Date	6/30/2016	6/30/2017	6/30/2018	6/30/2019

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

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

Schedule of District Contributions

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

Copies of OPERS' most recent actuarial report of its Pension Plan are available at:
http://www.oregon.gov/PERS/Pages/Financials/Previous-Years.aspx

Notes to Required Supplementary Information

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the annual letter from Oregon Public Employees Retirement System's actuary, which can be found at:
https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB75-Letter-from-Actuary-2022.pdf

Changes of Assumptions

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the System, which was published on July 20, 2021, and can be found at:
https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf

2021	2022	2023	2024	2025
2.928%	2.666%	5.109%	2.928%	3.290%
$ (5,966)	$ (9,155)	$ (18,153)	$ (10,722)	$ (13,289)
$ 375,041	$ 386,877	$ 435,531	$ 435,224	$ 496,863
-1.6%	-2.4%	-4.2%	-2.5%	-2.7%
150.05%	183.86%	194.65%	201.58%	220.60%
6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024

2021	2022	2023	2024	2025
$ 71	$ 126	$ 58	$ 89	$ 63
71	126	58	89	63
$ -	$ -	$ -	$ -	$ -
$ 386,877	$ 435,531	$ 435,224	$ 455,883	$ 500,000
0.02%	0.03%	0.01%	0.02%	0.01%

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

District's Proportionate Share of Net Pension Liability

	2016	2017	2018	2019	2020
District's proportion of the net pension liability	0.299%	1.380%	2.102%	2.286%	1.770%
District's proportionate share of the net pension liability	$ 17,185	$ 207,203	$ 283,305	$ 346,266	$ 306,140
District's covered payroll [2]	$ 283,935	$ 316,998	$ 327,668	$ 344,646	$ 356,540
District's proportionate share of net pension liability as a percent of covered payroll	-6.1%	65.4%	86.5%	100.5%	85.9%
Plan fiduciary net position as a percentage of the total pension liability	91.9%	80.5%	83.1%	82.07%	80.23%
OPERS Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019

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

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

Schedule of District Contributions

	2016 [3]	2017 [3]	2018 [4]	2019	2020
Contractually required contribution	$ -	$ -	$ -	$ 8,351	$ 24,834
Contributions in relation to the contractually required contribution	-	-	-	8,351	24,834
Contribution (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 316,998	$ 327,668	$ 344,646	$ 356,540	$ 375,041
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	2.34%	6.62%

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

[4] OPERS side account resources were used to satisfy all contribuiton requirements.

[5] Contribution excess reflects issuance of PERS pension bonds

Copies of OPERS' most recent actuarial report of its Pension Plan are available at:
http://www.oregon.gov/PERS/Pages/Financials/Previous-Years.aspx

Notes to Required Supplementary Information

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the annual letter from Oregon Public Employees Retirement System's actuary, which can be found at:
https://www.oregon.gov/pers/EMP/Pages/GASB.aspx

Changes of Assumptions

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the System, which was published on July 24, 2019, and can be found at:

https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf

2021	2022	2023	2024	2025
2.389%	2.238%	1.318%	0.509%	1.649%
$ 521,329	$ 267,828	$ 201,914	$ 95,458	$ 99,891
$ 375,041	$ 386,877	$ 435,531	$ 435,224	$ 496,863
139.0%	69.2%	46.4%	21.9%	20.1%
75.79%	87.57%	84.55%	81.68%	79.29%
6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024

2021	2022 [5]	2023	2024	2025
$ 17,684	$ 2,724	$ 2,106	$ 56	$ 136
17,684	401,390	4,486	56	136
$ -	$ 398,666	$ 2,380	$ -	$ -
$ 386,877	$ 435,531	$ 435,224	$ 496,863	$ 500,000
4.57%	92.16%	1.03%	0.01%	0.03%

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Required Supplementary Information
Schedule of Changes in the District's Total Pension Liability and Related Ratios-Stipend
Last 10 Fiscal Years [1]
(amounts expressed in thousands)

Total Pension Liability

	2016	2017	2018	2019
Service cost	N/A	$ 174	$ 212	$ 194
Interest	N/A	304	211	228
Change in benefit terms	N/A	-	-	797
Differences between expected and actual experience	N/A	-	-	94
Changes of assumptions or other inputs	N/A	235	(158)	(68)
Benefit payments	N/A	(1,301)	(1,389)	(1,174)
Net change in total pension liability	N/A	(587)	(1,124)	71
Total pension liability - beginning	N/A	8,465	7,877	6,753
Total pension liability - ending	$ 8,465	$ 7,877	$ 6,753	$ 6,824
Covered-employee payroll	N/A	$ 70,988	68,838	63,301
Total pension liability as a percentage of covered-employee payroll	N/A	11.10%	9.81%	10.78%

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

[2] Assets are not accumulated in a trust. Contributions are financed on a pay-as-you-go basis.

Requests for Information:

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

2020	2021	2022	2023	2024	2025
$ 188	$ 207	$ 180	$ 185	$ 150	$ 152
250	209	128	113	203	194
-	264	-	-	-	-
-	145	-	1,285	-	302
79	(69)	9	(274)	(21)	(8)
(1,132)	(875)	(939)	(792)	(824)	(696)
(615)	(119)	(622)	517	(492)	(56)
6,824	6,209	6,090	5,468	5,985	5,493
$ 6,209	$ 6,090	$ 5,468	$ 5,985	$ 5,493	$ 5,437
58,067	68,456	28,623	80,482	104,776	78,056
10.69%	8.90%	19.10%	7.44%	5.24%	6.97%

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2025
(amounts expressed in thousands)

	Budgeted Amounts		Actual			Variance from Final Budget Positive/
	Original	Final	Budget Basis	Adjustments	GAAP Basis	(Negative)
REVENUES						
Property and other taxes	$ 357,426	$ 357,426	$ 356,010	$ -	$ 356,010	$ (1,416)
State School Fund	265,522	265,522	268,519	-	268,519	2,997
Local option taxes	106,002	106,002	105,580	-	105,580	(422)
County and intermediate sources	12,306	12,306	12,733	-	12,733	427
Federal and state support	15	15	146	-	146	131
State Common School Fund	6,042	6,042	6,605	-	6,605	563
Charges for services	2,855	2,855	2,872	-	2,872	17
Investment earnings	9,000	9,000	10,443	-	10,443	1,443
Extracurricular activities	-	-	2	-	2	2
Other	8,037	8,037	6,753	-	6,753	(1,284)
Total revenues	767,205	767,205	769,663	-	769,663	2,458
EXPENDITURES						
Current:						
Instruction:						
Regular programs:						
Salaries and benefits	307,184	307,127	311,577	-	311,577	(4,450)
Materials and services	9,219	9,454	9,108	(53)	9,055	346
Total regular programs	316,403	316,581	320,685	(53)	320,632	(4,104)
Special programs:						
Salaries and benefits	86,417	86,404	86,343	-	86,343	61
Materials and services	35,612	31,625	31,419	68	31,487	206
Total special programs	122,029	118,029	117,762	68	117,830	267
Summer school programs:						
Salaries and benefits	403	393	767	-	767	(374)
Materials and services	249	81	17	-	17	64
Total summer school programs	652	474	784	-	784	(310)
Total instruction	**439,084**	**435,084**	**439,231**	**15**	**439,246**	**(4,147)**
Support services:						
Students:						
Salaries and benefits	84,943	84,384	86,162	-	86,162	(1,778)
Materials and services	3,561	5,823	5,270	-	5,270	553
Total students	88,504	90,207	91,432	-	91,432	(1,225)
Instructional staff:						
Salaries and benefits	29,370	26,671	24,760	-	24,760	1,911
Materials and services	5,981	7,937	4,911	(278)	4,633	3,026
Total instructional staff	35,351	34,608	29,671	(278)	29,393	4,937
General administration:						
Salaries and benefits	7,792	9,106	7,685	-	7,685	1,421
Materials and services	4,851	5,042	2,979	(27)	2,952	2,063
Total general administration	12,643	14,148	10,664	(27)	10,637	3,484

Note: Bolded lines indicate legally required appropriation budget levels of control

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (continued)
For the year ended June 30, 2025
(amounts expressed in thousands)

	Budgeted Amounts		Actual			Variance from Final Budget Positive/
Support services (continued):	Original	Final	Budget Basis	Adjustments	GAAP Basis	(Negative)
School administration:						
Salaries and benefits	$ 54,689	$ 54,178	$ 55,802	$ -	$ 55,802	$ (1,624)
Materials and services	579	1,042	423	-	423	619
Total school administration	55,268	55,220	56,225	-	56,225	(1,005)
Business:						
Salaries and benefits	68,097	68,097	65,502	-	65,502	2,595
Materials and services	57,597	57,597	69,740	(59)	69,681	(12,143)
Total business	125,694	125,694	135,242	(59)	135,183	(9,548)
Central:						
Salaries and benefits	26,658	26,155	26,019	-	26,019	136
Materials and services	10,844	10,930	7,658	(48)	7,610	3,272
Total central	37,502	37,085	33,677	(48)	33,629	3,408
Total support services	**354,962**	**356,962**	**356,911**	**(412)**	**356,499**	**51**
Enterprise and community services:						
Food services:						
Community services:						
Salaries and benefits	1,240	1,240	1,125	-	1,125	115
Materials and services	2,017	4,017	3,602	-	3,602	415
Total community services	3,257	5,257	4,727	-	4,727	530
Total enterprise and community services	**3,257**	**5,257**	**4,727**	**-**	**4,727**	**530**
Other expenditures:						
Debt Service						
Principal	324	324	-	1,313	1,313	324
Interest and fiscal charges	15	15	-	63	63	15
Total debt service	**339**	**339**	**-**	**1,376**	**1,376**	**339**
Total current expenditures	797,642	797,642	800,869	979	801,848	(3,227)
Operating contingency	**40,856**	**40,856**	**-**	-	-	**40,856**
Total expenditures	838,498	838,498	800,869	979	801,848	37,629
Excess (deficit) of revenues over expenditures	(71,293)	(71,293)	(31,206)	(979)	(32,185)	40,087
OTHER FINANCING SOURCES (USES)						
Transfers out	**(15,895)**	**(15,895)**	**(10,643)**	-	**(10,643)**	**5,252**
Proceeds from the sale of capital assets	50	50	94	-	94	44
Issuance of subscriptions	-	-	-	979	979	-
Total other financing sources and (uses)	(15,845)	(15,845)	(10,549)	979	(9,570)	5,296
Net change in fund balance	(87,138)	(87,138)	(41,755)	-	(41,755)	45,383
Fund balance - beginning of year	87,138	87,138	86,078	-	86,078	(1,060)
Fund balance - end of year	$ -	$ -	$ 44,323	$ -	$ 44,323	$ 44,323

Note: Bolded lines indicate legally required appropriation budget levels of control

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2025
(amounts expressed in thousands)

	Budgeted Amounts		Actual			Variance from Final Budget Positive/
	Original	Final	Budget Basis	Adjustments	GAAP Basis	(Negative)
REVENUES						
Property and other taxes	$ 364	$ 364	$ 382	$ -	$ 382	$ 18
Federal and state support	154,933	154,933	167,633	-	167,633	12,700
County and intermediate sources	1,324	1,324	2,800	-	2,800	1,476
Charges for services	2,000	2,000	910	-	910	(1,090)
Investment earnings	750	750	869	-	869	119
Extracurricular activities	5,000	5,000	6,773	-	6,773	1,773
Other	24,096	24,096	8,194	-	8,194	(15,902)
Total revenues	188,467	188,467	187,561	-	187,561	(906)
EXPENDITURES						
Current:						
Instruction:						
Regular programs:						
Salaries and benefits	25,159	25,159	25,817	-	25,817	(658)
Materials and services	17,796	17,796	10,038	-	10,038	7,758
Total regular programs	42,955	42,955	35,855	-	35,855	7,100
Special programs:						
Salaries and benefits	30,435	30,435	30,546	-	30,546	(111)
Materials and services	24,948	20,948	9,154	-	9,154	11,794
Total special programs	55,383	51,383	39,700	-	39,700	11,683
Summer school programs:						
Salaries and benefits	507	507	2,094	-	2,094	(1,587)
Materials and services	169	169	2,084	-	2,084	(1,915)
Total summer school programs	676	676	4,178	-	4,178	(3,502)
Total instruction	**99,014**	**95,014**	**79,733**	**-**	**79,733**	**15,281**
Support services:						
Students:						
Salaries and benefits	21,300	21,300	24,762	-	24,762	(3,462)
Materials and services	12,821	16,821	11,356	(328)	11,028	5,465
Total students	34,121	38,121	36,118	(328)	35,790	2,003
Instructional staff:						
Salaries and benefits	20,277	20,277	23,282	-	23,282	(3,005)
Materials and services	4,182	4,182	6,059	-	6,059	(1,877)
Total instructional staff	24,459	24,459	29,341	-	29,341	(4,882)
General administration:						
Salaries and benefits	-	-	226	-	226	(226)
Materials and services	444	444	231	-	231	213
Total general administration	444	444	457	-	457	(13)
School administration:						
Salaries and benefits	4,788	4,788	6,199	-	6,199	(1,411)
Materials and services	63	63	123	-	123	(60)
Total school administration	4,851	4,851	6,322	-	6,322	(1,471)

Note: Bolded lines indicate legally required appropriation budget levels of control

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (continued)
For the year ended June 30, 2025
(amounts expressed in thousands)

	Budgeted Amounts		Actual			Variance from Final Budget Positive/
	Original	Final	Budget Basis	Adjustments	GAAP Basis	(Negative)
Support services (continued):						
Business:						
Salaries and benefits	$ 27	$ 27	$ 101	$ -	$ 101	$ (74)
Materials and services	5,796	5,796	5,962	-	5,962	(166)
Total business	5,823	5,823	6,063	-	6,063	(240)
Central:						
Salaries and benefits	333	333	423	-	423	(90)
Materials and services	2,779	2,779	1,668	-	1,668	1,111
Total central	3,112	3,112	2,091	-	2,091	1,021
Total support services	**72,810**	**76,810**	**80,392**	**(328)**	**80,064**	**(3,582)**
Enterprise and community services:						
Food Services:						
Salaries and benefits	13,880	12,060	11,847	-	11,847	213
Materials and services	10,660	12,480	12,588	-	12,588	(108)
Total food services	24,540	24,540	24,435	-	24,435	105
Community services:						
Salaries and benefits	2,067	2,067	2,067	-	2,067	-
Materials and services	3,448	3,448	1,744	-	1,744	1,704
Total community services	5,515	5,515	3,811	-	3,811	1,704
Total enterprise and community service	**30,055**	**30,055**	**28,246**	**-**	**28,246**	**1,809**
Facilities acquisition & construction:						
Materials and services	15	15	-	-	-	15
Total facilities acquisition and construction	**15**	**15**	**-**	**-**	**-**	**15**
Other expenditures:						
Debt Service						
Principal	-	-	-	321	321	-
Interest and other charges	-	-	-	7	7	-
Total debt service	**-**	**-**	**-**	**328**	**328**	**-**
Total expenditures	201,894	201,894	188,371	-	188,371	13,523
Excess (deficit) of revenues over expenditures	(13,427)	(13,427)	(810)	-	(810)	12,617
OTHER FINANCING SOURCES (USES)						
Transfers in	1,946	1,946	404	-	404	(1,542)
Total other financing sources (uses)	1,946	1,946	404	-	404	(1,542)
Net change in fund balance	(11,481)	(11,481)	(406)	-	(406)	11,075
Fund balance - beginning of year	33,904	33,904	45,112	-	45,112	11,208
Fund balance - end of year	$ 22,423	$ 22,423	$ 44,706	$ -	$ 44,706	$ 22,283

Note: Bolded lines indicate legally required appropriation budget levels of control

SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2025
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
	Original	Final	Amounts	(Negative)
REVENUES				
Property and other taxes	$ 161,337	$ 161,337	$ 160,495	$ (842)
Charges for services	86,246	86,246	84,639	(1,607)
Investment earnings	5,264	5,264	5,584	320
Total revenues	252,847	252,847	250,718	(2,129)
EXPENDITURES				
Current:				
Debt service:				
Principal	193,170	193,171	193,170	1
Interest and fiscal charges	65,929	65,929	65,929	-
Total debt service	**259,099**	**259,100**	**259,099**	**1**
Total current expenditures	259,099	259,100	259,099	1
Operating Contingencies	**165**	**-**	**-**	**-**
Total expenditures	259,264	259,100	259,099	1
Excess (deficit) of revenues over expenditures	(6,417)	(6,253)	(8,381)	(2,128)
OTHER FINANCING SOURCES (USES)				
Transfers in	619	619	619	-
Total other financing sources (uses)	619	619	619	-
Net change in fund balance	(5,798)	(5,634)	(7,762)	(2,128)
Fund balance - beginning of year	5,798	5,798	14,716	8,918
Fund balance - end of year	$ -	$ 164	$ 6,954	$ 6,790

Note: Bolded lines indicate legally required appropriation budget levels of control

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2025
(amounts expressed in thousands)

	Budgeted Amounts		Actual			Variance from Final Budget Positive/
	Original	Final	Budget Basis	Adjustments	GAAP Basis	(Negative)
REVENUES						
Property and other taxes	$ 2,001	$ 2,001	$ 1,728	$ -	$ 1,728	$ (273)
Federal and state support	650	650	1,162	-	1,162	512
Charges for services	100	100	320	-	320	220
Investment earnings	14,548	14,548	25,790	-	25,790	11,242
Other	22,197	22,197	2,028	-	2,028	(20,169)
Total revenues	39,496	39,496	31,028	-	31,028	(8,468)
EXPENDITURES						
Current:						
Support services:						
Students:						
Salaries and benefits	148	148	17	-	17	131
Total students	148	148	17	-	17	131
General administration:						
Salaries and benefits	-	-	96		96	(96)
Total general administration	-	-	96	-	96	(96)
School administration:						
Salaries and benefits	-	-	28		28	(28)
Materials and services	-	-	29		29	(29)
Total school administration	-	-	57	-	57	(57)
Business:						
Salaries and benefits	159	159	2	-	2	157
Materials and services	1,500	1,500	1,388	-	1,388	112
Bond Issuance Cost	-	-	4	-	4	(4)
Total business	1,659	1,659	1,394	-	1,394	265
Central:						
Salaries and benefits	147	147	144	-	144	3
Total central	147	147	144	-	144	3
Total support services	**1,954**	**1,954**	**1,708**	**-**	**1,708**	**246**
Facilities acquisition & construction:						
Salaries and benefits	7,360	7,360	7,184	-	7,184	176
Bond Issuance Cost	-	-	273		273	(273)
Materials and services	1,020,461	1,020,461	160,041	10	160,051	860,420
Total facilities acquisition and construction	**1,027,821**	**1,027,821**	**167,498**	**10**	**167,508**	**860,323**
Debt service:						
Principal	-	-	-	543	543	-
Interest and fiscal charges	-	-	-	36	36	-
Total debt service	**-**	**-**	**-**	**579**	**579**	**-**
Total expenditures	1,029,775	1,029,775	169,206	589	169,795	860,569
Excess (deficit) of revenues over expenditures	(990,279)	(990,279)	(138,178)	(589)	(138,767)	852,101
OTHER FINANCING SOURCES (USES)						
Transfers in	1,000	1,000	-	-	-	(1,000)
Transfers out	**(619)**	**(619)**	**(619)**	-	**(619)**	**-**
Proceeds from the sale of capital assets	25,000	25,000	-	-	-	(25,000)
Issuance of bonds	404,346	404,346	79,480	-	79,480	(324,866)
Premium on issuance of debt	-	-	149	-	149	149
Issuance of subscriptions	-	-	-	589	589	-
Proceeds from the loss of property	-	-	18,585	-	18,585	18,585
Total other financing sources (uses)	429,727	429,727	97,595	589	98,184	(332,132)
Net change in fund balance	(560,552)	(560,552)	(40,583)	-	(40,583)	519,969
Fund balance - beginning of year	560,552	560,552	474,635	-	474,635	(85,917)
Fund balance - end of year	$ -	$ -	$ 434,052	$ -	$ 434,052	$ 434,052

Note: Bolded lines indicate legally required appropriation budget levels of control

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Internal Services Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2025
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance from Final Budget Positive/
	Original	Final	Amounts	(Negative)
REVENUES				
Federal and state support	$ -	$ -	$ 499	$ 499
Charges for services	8,007	8,007	614	(7,393)
Investment earnings	200	200	244	44
Total revenues	8,207	8,207	1,357	(6,850)
EXPENDITURES				
Current:				
Support services:				
Business:				
Salaries and benefits	644	775	718	57
Materials and services	14,687	14,556	7,676	6,880
Claims expense	8,678	8,678	5,967	2,711
Total support services	**24,009**	**24,009**	**14,361**	**9,648**
Total current expenditures	24,009	24,009	14,361	9,648
Operating Contingencies	**1,500**	**1,500**	**-**	**1,500**
Total expenditures	25,509	25,509	14,361	11,148
Excess (deficit) of revenues over expenditures	(17,302)	(17,302)	(13,004)	4,298
OTHER FINANCING SOURCES (USES)				
Transfers in	12,951	12,951	10,239	(2,712)
Total other financing sources (uses)	12,951	12,951	10,239	(2,712)
Net change in fund balance	(4,351)	(4,351)	(2,766)	1,585
Fund balance - beginning of year	4,351	4,351	4,397	46
Fund balance - end of year	$ -	$ -	1,631	$ 1,631

Reconciliation:	
Net OPEB liability, deferred inflows, and deferred outflows	(50)
Accrued compensated absences	(48)
Net pension liability, deferred inflows, and deferred outflows	(173)
Net position - GAAP basis	$ 1,360

Note: Bolded lines indicate legally required appropriation budget levels of control

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STATISTICAL SECTION


PPS

Statistical Section

This part of the District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents **Page**

Financial Trends (Schedules 1-4) 108

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity (Schedules 5-9) 116

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity (Schedules 10-12) 122

District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information (Schedules 13-14) 126

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information (Schedules 15-17) 128

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Direct District debt (PERS) [3]

Sources:

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

Schedule 1
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Condensed Statement of Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars in thousands)

	Government-wide Activities			
	2025	2024	2023	2022
Assets				
Current and other assets	$ 864,448	$ 1,006,320	$ 1,235,971	$ 866,018
Prepaid pension & other prepaid items	487	1,014	3,656	5,332
Net capital assets	1,997,788	1,884,686	1,629,666	1,384,060
Total assets	2,862,723	2,892,020	2,869,293	2,255,410
Deferred Outflows of Resources				
Pension & OPEB	412,658	283,060	395,025	574,645
Liabilities				
Other current liabilities	301,441	563,426	499,840	351,179
Other long-term liabilities	1,360,611	1,166,839	1,306,558	985,621
Limited tax pension bonds payable	510,330	578,650	640,890	679,186
Pension	371,938	100,951	207,899	273,296
Other post employment benefits	78,398	78,365	80,123	75,893
Total liabilities	2,622,718	2,488,231	2,735,310	2,365,175
Deferred Inflows of Resources				
Pension & OPEB	215,771	254,394	253,532	320,993
Net Position				
Net investment in capital assets	1,040,680	795,530	641,228	590,231
Restricted	54,390	187,531	186,014	188,616
Unrestricted	(658,178)	(550,606)	(551,766)	(634,960)
Total Net Position	$ 436,892	$ 432,455	$ 275,476	$ 143,887

Government-wide Activities					
2021	2020	2019	2018	2017-restated	2016
$ 1,092,171	$ 941,719	$ 590,288	$ 715,738	$ 364,732	$ 487,394
5,098	6,200	3,377	884	1,080	1,628
1,173,371	917,372	735,002	594,103	506,612	382,401
2,270,640	1,865,291	1,328,667	1,310,725	872,424	871,423
249,580	158,473	207,186	173,727	163,562	3,200
328,566	298,341	298,417	278,587	181,480	121,321
1,131,855	854,165	467,836	591,262	359,702	453,679
314,159	336,062	348,223	360,172	372,249	384,075
527,419	312,349	353,090	290,058	215,080	17,185
78,581	81,319	82,302	70,784	78,390	29,933
2,380,580	1,882,236	1,549,868	1,590,863	1,206,901	1,006,193
101,191	111,145	64,329	30,419	12,845	6,062
492,345	585,214	477,058	379,871	297,914	260,146
199,303	681,328	353,527	486,336	172,880	283,176
(653,199)	(1,236,159)	(908,929)	(1,003,037)	(654,554)	(680,955)
$ 38,449	$ 30,383	$ (78,344)	$ (136,830)	$ (183,760)	$ (137,633)

Schedule 2
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars in thousands)

	Government-wide Activities			
	2025	2024	2023	2022
Expenses				
Instruction	$ 578,290	$ 508,240	$491,393	$470,945
Support services	458,016	431,367	414,298	359,554
Enterprise and community services	32,536	30,189	33,374	29,283
Facilities services	3,482	9,520	4,845	9,576
Interest and fees on long-term debt	56,942	67,158	54,988	63,084
Total expenses	1,129,266	1,046,474	998,898	932,442
Program Revenues				
Charges for services:				
Instruction	489	373	363	77
Support services	3,104	5,128	1,997	1,195
Enterprise and community services	1,122	2,920	3,352	725
Operating grants and contributions:				
Instruction	104,548	121,399	126,269	112,774
Support services	73,064	78,449	78,664	61,135
Enterprise and community services	3,859	4,114	10,142	10,672
Capital grants and contributions:				
Facilities services	20,498	13,203	2,110	1,978
Total program revenues	206,684	225,586	222,897	188,556
Net Expenses	(922,582)	(820,888)	(776,001)	(743,886)
General Revenues:				
Property taxes levied for general purposes	353,972	346,636	318,131	304,451
Property taxes levied for debt service	159,609	159,193	146,376	141,897
Construction excise tax	1,728	1,786	4,190	5,437
Local option taxes levied for general purposes	104,672	107,807	110,005	105,314
State School Fund - general support	268,519	274,366	265,672	259,314
State Common School Fund - general support	6,605	6,415	6,362	5,693
County and intermediate sources - general support	15,533	9,401	11,067	15,566
Investment earnings	42,930	56,177	28,912	984
Other	15,390	16,086	16,875	10,668
Total general revenues	968,958	977,867	907,590	849,324
Change in Net Position	$ 46,376	$ 156,979	$131,589	$105,438

Government-wide Activities					
2021	2020	2019	2018	2017	2016
$465,995	$429,149	$428,454	$421,311	$380,939	$364,964
376,660	324,513	310,546	283,984	272,816	241,016
23,731	21,821	22,785	24,218	20,712	21,326
10,844	3,492	6,030	8,531	12,672	1,230
54,640	45,409	44,166	46,416	39,094	40,116
931,870	824,384	811,981	784,460	726,233	668,652
288	251	749	406	533	996
1,472	4,095	4,818	4,741	4,424	3,157
154	3,925	4,239	4,006	3,471	4,521
56,627	57,806	56,796	57,116	57,608	58,619
52,678	29,504	30,196	22,871	22,758	22,356
4,530	2,762	2,969	3,019	2,934	3,085
1,319	11,368	4,500	-	-	-
117,068	109,711	104,267	92,159	91,728	92,734
(814,802)	(714,673)	(707,714)	(692,301)	(634,505)	(575,918)
286,437	273,860	262,657	248,281	242,899	233,548
131,791	126,343	125,486	116,468	49,384	48,985
3,446	4,291	5,991	8,201	7,542	5,886
101,539	98,033	95,173	88,163	83,853	76,467
263,622	266,607	225,135	239,804	207,182	211,253
5,628	5,012	5,493	5,155	6,191	5,810
17,185	19,072	17,362	17,662	17,270	15,772
3,107	12,534	20,229	3,473	4,007	3,140
10,113	17,648	8,674	12,024	17,501	12,120
822,868	823,400	766,200	739,231	635,829	612,981
$ 8,066	$108,727	$ 58,486	$ 46,930	$ 1,324	$ 37,063

Schedule 3
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars in thousands)

	Governmental Activities			
	2025	2024	2023	2022
General Fund				
Nonspendable	$ 712	$ 666	$ 886	$ 2,589
Restricted	-	-	-	-
Assigned	43,611	85,412	94,984	96,215
Unassigned	-	-	9,627	-
Total general fund	44,323	86,078	105,497	98,804
All Other Governmental Funds				
Nonspendable	938	1,605	4,207	3,832
Restricted	446,924	502,525	753,818	551,563
Committed	38,931	32,127	26,008	21,314
Assigned	-	-	10,370	4,716
Unassigned	(1,081)	(1,794)	(8,885)	(10,812)
Total all other governmental funds	485,712	534,463	785,518	570,613
Total Governmental Fund Balances	$530,035	$620,541	$891,015	$669,417

Governmental Activities					
2021	2020	2019	2018	2017	2016
$ 945	$ 511	$ 570	$ 343	$ 360	$ 386
-	-	-	-	-	-
87,746	63,963	39,317	37,939	19,744	37,449
-	-	-	-	-	-
88,691	64,474	39,887	38,282	20,104	37,835
5,664	6,940	3,383	1,017	1,417	2,286
788,139	671,974	347,179	484,006	170,614	281,089
20,246	18,921	18,185	19,116	17,454	16,400
10,204	14,785	10,470	10,400	7,164	6,182
(12,768)	-	(29)	-	-	-
811,485	712,620	379,188	514,539	196,649	305,957
$900,176	$777,094	$419,075	$552,821	$216,753	$343,792

Schedule 4
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars in thousands)

	Governmental Activities			
	2025	2024	2023	2022
Revenues				
Property and other taxes	$ 518,615	$ 508,659	$ 468,529	$ 452,027
State School Fund	268,519	274,366	265,672	259,314
State Common School Fund	6,605	6,415	6,362	5,693
Federal and state support	168,941	191,530	204,165	175,128
Local option taxes	105,580	108,408	110,472	106,124
County and intermediate sources	15,533	9,401	11,067	15,566
Charges for services	88,741	87,278	85,530	78,343
Extracurricular activities	6,775	6,308	5,727	4,020
Investment earnings	42,686	55,912	28,748	969
Other	16,975	20,810	21,032	17,540
Total revenues	1,238,970	1,269,087	1,207,304	1,114,724
Expenditures				
Current:				
Instruction	518,979	500,785	471,504	460,824
Support services	438,272	456,599	432,422	379,062
Enterprise and community services	32,973	32,129	34,878	30,630
Facilities acquisition and construction	167,508	310,350	285,448	256,688
PERS UAL lump sum payment	-	-	-	398,666
Debt Service:				
Principal	195,347	176,254	148,555	129,626
Interest and fiscal charges	66,035	76,911	79,370	90,940
Total expenditures	1,419,114	1,553,028	1,452,177	1,746,436
Excess (deficit) of revenues over expenditures	(180,144)	(283,941)	(244,873)	(631,711)
Other Financing Sources (Uses)				
Transfers in	1,023	1,505	1,901	1,825
Transfers out	(11,262)	(1,505)	(1,901)	(1,825)
PERS Bond Proceeds	-	-	-	399,390
Proceeds from the sale of capital assets	94	115	66	114
Issuance of debt, including premium/discount	79,480	-	420,000	-
Issuance of refunding bonds	-	-	-	-
Premium on issuance of debt	149	-	44,832	1,449
Issuance of leases	-	-	958	-
Issuance of subscriptions	1,568	3,052	615	-
Proceeds from insurance recovery	18,585	10,300	-	-
Total other financing sources (uses)	89,637	13,467	466,471	400,953
Net change in fund balances	$ (90,506)	$ (270,474)	$ 221,598	$ (230,759)
Debt service as a percentage of noncapital expenditures	20.9%	20.4%	19.5%	20.2%

Governmental Activities					
2021	2020	2019	2018	2017	2016
$ 421,602	$ 403,864	$ 398,930	$ 377,578	$ 298,114	$ 287,036
263,622	266,607	225,135	239,804	207,182	211,253
5,628	5,012	5,493	5,155	6,191	5,810
108,683	90,493	81,482	69,771	70,667	71,022
102,417	98,789	97,188	89,663	84,106	76,593
17,185	19,072	17,362	17,663	17,270	15,772
57,059	59,597	56,311	56,836	52,953	49,312
1,237	4,914	7,191	7,304	7,489	7,905
3,018	12,400	19,954	3,392	3,930	3,097
14,628	12,717	13,074	15,471	22,414	16,214
995,079	973,465	922,120	882,637	770,316	744,013
417,112	408,759	394,080	386,975	369,841	362,126
347,414	319,604	300,421	278,758	266,961	248,378
23,914	21,936	22,830	22,961	22,838	21,924
287,538	207,452	164,764	113,043	149,868	127,490
-	-	-	-	-	-
119,759	117,984	114,537	109,874	50,065	47,020
72,016	59,750	59,304	57,598	46,867	46,610
1,267,753	1,135,485	1,055,936	969,209	906,440	853,549
(272,674)	(162,020)	(133,816)	(86,572)	(136,124)	(109,536)
2,466	1,931	6,125	6,997	16,141	7,407
(2,466)	(1,931)	(6,125)	(6,997)	(16,141)	(7,407)
-	-	-	-	-	-
152	10,517	70	740	37	117
365,465	509,522	-	421,900	9,048	-
53,965	-	-	-	-	-
31,205	-	-	-	-	-
-	-	-	-	-	-
(55,031)	-	-	-	-	-
-	-	-	-	-	-
395,756	520,039	70	422,640	9,085	117
$ 123,082	$ 358,019	$ (133,746)	$ 336,068	$ (127,039)	$ (109,420)
19.6%	19.2%	19.5%	19.6%	12.8%	12.9%

Schedule 5
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Assessed Values of Taxable Property within School District No. 1J Boundaries
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year Ending June 30,	Assessed Value (not including exempt property)				
	Real Property	Personal Property	Manufactured Structures	Public Utility	Total Assessed Value
2025	$ 67,359,137	$ 2,342,234	$ 15,544	$ 2,669,806	$ 72,386,721
2024	65,382,386	3,113,097	13,408	2,743,259	71,252,150
2023	63,253,507	2,405,740	24,540	2,696,487	68,380,274
2022	60,776,757	2,359,964	24,851	2,485,712	65,647,284
2021	58,784,786	2,344,506	22,738	2,437,442	63,589,472
2020	56,156,552	2,472,239	22,330	2,177,977	60,829,098
2019	53,550,558	2,212,720	23,701	2,194,854	57,981,833
2018	52,196,539	2,009,538	22,243	1,913,350	56,141,671
2017	49,437,875	1,943,596	23,198	1,799,222	53,203,891
2016	47,216,863	1,838,347	23,782	1,710,931	50,789,923

Notes

Beginning July 1, 1997 property taxes were based on an assessed value. Assessed value is defined as the lower of "maximum assessed value" or "real market value". For the 1997-1998 tax year, "maximum assessed value" was set at the 1995-1996 real market value less 10 percent. Assessed value for later years is limited to 3 percent annual increases.

The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997.

Source for real market values is Tax Supervising & Conservation Commisssion and Multnomah County annual reports yearly real market and assessed values by county.

Sources

FY 2016-2025: Oregon Property Tax Statistics Supplement for the appropriate fiscal year. Values are the *combined* total for the taxing district, "Portland 1J School", in Multnomah, Clackamas and Washington counties.

https://www.oregon.gov/dor/gov-research/pages/research-reports-and-statistics.aspx

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

Add: Non-Profit Housing	Less: Urban Renewal Excess	**Total Net Assessed Value**	Total Direct Tax Rate	Amount tax rate will raise	Less: Reduction and Adjustments	**Total Taxes Imposed (Net Levy)**
$ 25,114	$ 1,359,910	**$ 71,051,925**	9.6019	$ 682,233	$ 39,283	**$ 642,950**
24,556	2,270,130	**69,006,576**	9.6509	665,976	29,979	**635,997**
24,101	5,910,772	**62,493,603**	9.5681	597,945	5,407	**592,538**
23,660	6,056,382	**59,614,562**	9.6016	572,395	5,011	**567,384**
23,246	7,567,172	**56,045,546**	9.6698	541,949	5,578	**536,371**
22,459	7,148,348	**53,703,209**	9.6734	519,493	4,575	**514,918**
22,055	6,891,397	**51,112,491**	9.7571	498,710	3,065	**495,645**
21,662	6,457,719	**49,705,614**	9.6863	481,463	4,666	**476,797**
23,566	5,882,588	**47,344,869**	8.3304	394,402	7,687	**386,715**
22,880	5,237,111	**45,575,692**	8.3632	381,159	12,569	**368,590**

Schedule 6
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $1,000 of assessed value)

	District Direct Rates			
Fiscal Year	General Tax Permanent Rate	Local Option	General Obligation Debt Service Bonds	Total Direct Tax Rate
2025	$ 5.2781	$ 1.9900	$ 2.3338	$ 9.6019
2024	5.2781	1.9900	2.3828	9.6509
2023	5.2781	1.9900	2.3000	9.5681
2022	5.2781	1.9900	2.3335	9.6016
2021	5.2781	1.9900	2.4017	9.6698
2020	5.2781	1.9900	2.4053	9.6734
2019	5.2781	1.9900	2.4890	9.7571
2018	5.2781	1.9900	2.4182	9.6863
2017	5.2781	1.9900	1.0623	8.3304
2016	5.2781	1.9900	1.0951	8.3632

Fiscal Year	Multnomah County	Port of Portland	Metro		City of Portland	Portland Community College	Multnomah Education Service District
2025	$ 4.3434	$ 0.0701	$ 0.0966	#	$ 4.5770	$ 0.2828	$ 0.4576
2024	4.3434	0.0701	0.0966		4.5770	0.2828	0.4576
2023	4.3434	0.0701	0.0966		4.5770	0.2828	0.4576
2022	4.3434	0.0701	0.0966		4.5770	0.2828	0.4576
2021	4.3434	0.0701	0.0966		4.5770	0.2828	0.4576
2020	4.3434	0.0701	0.0966		4.5770	0.2828	0.4576
2019	4.3434	0.0701	0.0966		4.5770	0.2828	0.4576
2018	4.3434	0.0701	0.0966		4.5770	0.2828	0.4576
2017	4.3434	0.0701	0.0966		4.5770	0.2828	0.4576
2016	4.3434	0.0701	0.0966		4.5770	0.2828	0.4576

Notes

The permanent and local option tax rates are determined by the State of Oregon Constitution and State Statutes. Existing districts cannot increase their permanent rate authority. Local option levies are limited to five years for operations and ten years for capital projects. Elections for local option levies must meet the double majority election test, except in the November general election in even numbered years. Rates for debt service are set based on each year's requirements.

Sources

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

Schedule 7
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Principal Property Tax Payers for Multnomah County
Prior Year and Nine Years Ago
Taxing District - 311 Portland Public School District
(dollars in thousands)

	2024 [1]			2015		
Taxpayers with Ten Highest Taxable Assessed Values	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pacifcorp (PP&L)	$ 718,237	1	1.04 %	$ 299,787	1	0.69 %
Portland General Electric Co	535,158	2	0.78	254,208	3	0.58
Weston Investment Co LLC	313,915	3	0.45	231,629	4	0.53
Port of Portland	279,848	4	0.41	213,083	6	0.49
Comcast Corporation	234,428	5	0.34	257,204	2	0.59
Fred Meyer Sores Inc	195,763	6	0.28	-	-	-
111 SW 5th Avenue Investors LLC	195,184	7	0.28	155,136	10	0.36
Daimler Trucks North America	181,460	8	0.26	-	-	-
Schnitzer Steel Industries LLC	162,014	9	0.23	-	-	-
AAT Lloyd District LLC	160,791	10	0.23	-	-	-
Evraz Inc NA	-	-	-	218,465	5	0.50
AT&T Inc	-	-	-	170,140	8	0.39
Capref Lloyd Center LLC	-	-	-	173,304	7	0.40
CenturyLink	-	-	-	167,056	9	0.38
Subtotal of Ten Largest Taxpayers	2,976,798		4.30	2,140,012		4.91
All Other Taxpayers	66,029,778		95.70	41,496,776		95.09
Total All Taxpayers	$ 69,006,576		100.00 %	$ 43,636,788		100.00 %

Notes
[1] 2025 information not available at time of distribution

Sources
Multnomah County, Division of Assessment and Taxation

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

Schedule 8
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Principal Property Tax Payers for Multnomah County
Prior Year and Nine Years Ago
Taxing District - 170 Multnomah County
(dollars in thousands)

	2024 [1]			2015		
Taxpayers with Ten Highest Taxable Assessed Values	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Portland General Electric Co	$ 886,258	1	0.92 %	$ 423,066	3	0.67 %
Pacifcorp (PP&L)	809,106	2	0.84	335,313	4	0.53
Port of Portland	806,553	3	0.84	571,028	1	0.90
Boeing Company	552,334	4	0.57	-		-
Comcast Corporation LLC	365,000	5	0.38	469,303	2	0.74
Alaska Airlines Inc	362,298	6	0.38	277,695	5	0.44
Weston Investment Co LLC	359,265	7	0.37	267,709	6	0.42
Fred Meyer Sores Inc	243,151	8	0.25	-		-
Northwest Natural Gas Co	223,997	9	0.23	-		-
Kaiser Foundation	215,531	10	0.22	-		-
Evraz Inc NA	-	-	-	218,465	7	0.34
Centurylink	-	-	-	197,090	8	0.31
AT&T Inc	-	-	-	191,761	9	0.30
Capref Lloyd Center LLC	-	-	-	173,304	10	0.27
Subtotal of Ten Largest Taxpayers	4,823,493		5.00	3,124,734		4.92
All Other Taxpayers	91,651,348		95.00	60,394,967		95.08
Total All Taxpayers	$ 96,474,841		100.00 %	$ 63,519,701		100.00 %

Notes

[1] 2025 information not available at time of distribution

Sources

Multnomah County, Division of Assessment and Taxation
Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year.

Schedule 9
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Property Tax Levies and Collections
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year Ending June 30,	Net Taxes Levied for the Fiscal Year [1]	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years [2]	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	$ 642,950	$ 609,415	94.78%	$ -	$ 609,415	94.78%
2024	635,997	603,722	94.93	4,098	607,820	95.57
2023	592,538	565,245	95.39	5,443	570,688	96.31
2022	567,384	544,882	96.03	6,293	551,175	97.14
2021	536,371	512,270	95.51	7,945	520,215	96.99
2020	514,918	490,715	95.30	8,968	499,683	97.04
2019	495,645	474,602	95.75	7,909	482,511	97.35
2018	476,797	451,059	94.60	7,954	459,013	96.27
2017	386,715	368,085	95.18	6,635	374,720	96.90
2016	368,590	350,212	95.01	7,015	357,227	96.92

Notes

The net taxes levied are combined for Multnomah, Washington, and Clackamas counties. Responsibility for the collection of all property taxes rests within each County's Department of Assessment and Taxation. Current taxes are assessed as of July 1, become due as of November 15 and become delinquent as of May 15. Assessed taxes become a lien upon real property in the fourth year of delinquency. Proceeds of tax sales are applied to delinquent taxes, interest and other costs attributable to the property sold.

[1] The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997. Additional information can be found on Schedule 5. Note that the Net Taxes Levied in Schedule 5 is based on the Assessed Value, while data for this schedule is based on the actual Net Taxes Levied.

[2] Collections in subsequent years includes current year revenue received for taxes levied in prior years.

Sources

Multnomah, Washington and Clackamas Counties, Division of Assessment and Taxation

Schedule 10
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per student and per capita)

	General Bonded Debt						
Fiscal Year	General Obligation Bonds	Less Amount Available for Repayment	Net Unamortized Premium (Discount)	Net General Obligation Bonds Outstanding	Percentage of Assessed Taxable Value of Property [1]	Per Student [2]	General Obligation Debt Per Capita [4]
2025	1,167,405	(5,930)	137,471	1,298,946	1.83%	29,464	N/A
2024	1,212,240	(12,491)	146,737	1,346,486	1.95%	30,075	1,692
2023	1,323,490	(15,516)	156,056	1,464,030	2.34%	32,208	1,843
2022	1,011,460	(11,780)	117,985	1,117,665	1.87%	24,566	1,406
2021	1,105,125	(10,482)	125,762	1,220,405	2.18%	25,794	1,496
2020	832,405	(13,568)	106,051	924,888	1.72%	18,693	1,134
2019	495,390	(10,552)	41,224	526,062	1.03%	10,617	647
2018	593,880	(4,229)	43,937	633,588	1.27%	12,785	780
2017	276,870	(3,301)	35,507	309,076	0.65%	6,283	383
2016	311,720	(2,698)	37,726	346,748	0.76%	7,066	433
2015	343,575	(1,363)	39,974	382,186	0.92%	7,946	492
2014	108,890	(361)	10,209	118,738	0.28%	2,499	155
2013	144,840	-	13,347	158,187	0.39%	3,329	206

	Other Governmental Activities Debt				
Fiscal Year	Limited Tax Pension Bonds [5]	Full Faith & Credit Obligations	Recovery Zone Bond	Qualified Zone Academy Bond (QZAB)	Leases and Subscriptions Payable
2025	510,330	2,638	-	2,400	2,164
2024	578,650	2,973	-	2,600	3,373
2023	640,890	3,298	-	2,800	2,585
2022	679,186	3,613	607	3,000	-
2021	314,159	3,918	1,700	3,200	-
2020	336,062	4,213	2,761	3,400	-
2019	348,222	4,503	3,790	3,600	-
2018	360,172	7,402	4,789	3,800	-
2017	372,250	10,200	5,757	4,000	-
2016	384,074	7,601	6,698	-	-

Notes

Details regarding the District's outstanding debt can be found in the notes to the financial statements.

[1] See Schedule 5 for property value data. The actual value of taxable property cannot be reasonably estimated so assessed value is used here.

[2] Student enrollment data can be found in Schedule 17.

[3] Includes net general bonded debt and other governmental activities debt, excluding amounts available for repayment.

[4] Per capita is calculated using the estimated District population from the US Department of Commerce, Bureau of Economic Analysis as reported in Schedule 13. Data for 2024 and 2025 not available at time of printing.

[5] Limited Tax Pension Bonds are not included in the General Bonded Debt schedule above since they are not repaid directly with property tax dollars.

[6] Population data is found at: https://www2.census.gov/programs-surveys/popest/tables/2020-2024/counties/totals/

Total Net Assessed Value
71,051,925
69,006,576
62,493,603
59,614,562
56,045,546
53,703,299
51,112,491
49,705,614
47,344,869
45,575,692
43,636,787
41,746,866
40,341,885

Net Unamortized Premium (Discount)	Total District [3]	Per Student [2]	Per Capita [4]
(85)	1,822,408	41,338	-
(96)	1,946,573	43,478	2,446
(108)	2,129,119	46,839	2,681
1,259	1,815,851	39,939	2,284
(131)	1,553,864	32,839	1,904
(142)	1,284,892	25,966	1,575
(153)	896,729	18,094	1,103
(165)	1,013,980	20,458	1,249
(176)	704,584	14,320	872
(187)	747,819	15,234	933

Schedule 11
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Direct and Overlapping Governmental Activities Debt
June 30, 2025
(dollars in thousands)

Overlapping Issuer	Net Property-tax Backed Debt[1]	Percent Overlapping	Overlapping Debt [2]
Burlington Water District	$ 913	100.00 %	$ 913
City of Beaverton	27,525	1.66	457
City of Lake Oswego	78,360	4.13	3,233
City of Milwaukie	51,835	0.73	381
City of Portland	369,220	85.18	314,494
Clackamas County	88,690	0.10	86
Clackamas Cty RFPD 1	19,635	0.13	25
Clackamas Soil & Water Conservation	4,643	0.10	4
Metro	904,080	34.64	313,201
Mt Hood Community College	65,925	0.06	41
Multnomah County	440,658	72.81	320,843
Multnomah Cty RFPD 10	90	0.18	-
Multnomah ESD	58,416	72.22	42,187
Port of Portland	-	31.56	-
Portland Community College	569,075	43.88	249,708
Tualatin Hills Park & Rec District	32,064	1.16	373
Tualatin Valley Fire & Rescue District	42,025	1.66	700
Urban Flood Safety & Water Quality District	15,137	73.38	11,108
Valley View Water District	704	100.00	704
Washington County	112,639	0.55	623
Subtotal, overlapping debt			1,259,081
Direct District debt (SPITA) [3]			$ 2,164
Direct District debt (PERS) [3]			510,330
Direct District debt (other) [3]			1,309,914
Subtotal, Direct debt			1,822,408
Total direct and overlapping debt			$ 3,081,489

Notes

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

[1] Net Property-tax Backed Debt includes all General Obligation (GO) bonds and Limited-tax GO bonds, less self-supporting unlimited tax (GO) and self-supporting limited-tax (GO) debt.

[2] Overlapping Debt is calculated using Net Property-tax Backed Debt times Percent Overlapping that are provided by Oregon State Treasury, Debt Management Division.

[3] Direct District debt is net of unamortized premiums and discounts.

Sources

Oregon State Treasury, Debt Mangement Division: Overlapping Debt Report

Schedule 12
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2024

Real Market Value	$ 151,420,136
Debt Limit (7.95% of Real Market Value) [1]	$ 12,037,901
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	1,304,876
Less: Amount Available in Debt Service Funds	(5,930)
Amount of Debt Applicable to Debt Limit	1,298,946
Legal Debt Margin	$ 10,738,955

	Debt Limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2025	$ 12,037,901	$ 1,298,946	$ 10,738,955	10.79%
2024	12,455,098	1,346,486	11,108,612	10.81
2023	12,487,714	1,464,030	11,023,684	11.72
2022	11,707,470	1,117,665	10,589,805	9.55
2021	11,149,825	1,220,405	9,929,420	10.95
2020	10,698,745	924,888	9,773,857	8.64
2019	10,472,898	526,062	9,946,836	5.02
2018	9,670,978	633,588	9,037,390	6.55
2017	8,501,342	309,076	8,192,266	3.64
2016	7,228,979	346,748	6,882,231	4.80

Allowable Percentage of Real Market Value:	
[A] Kindergarten through eighth grade, 9 x .0055	4.95%
[B] Ninth through twelfth, 4 x .0075	3.00%
Allowable Percentage	7.95% [1]

Notes

[1] ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values within the District based on the following:

[A] For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value.

[B] For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value.

Sources

Tax Supervising and Conservation Commission Annual Reports for the relevant fiscal year

Schedule 13
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Demographic and Economic Statistics
Last Ten Calendar Years
Multnomah County

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income (dollars)	Unemployment Rate[2]
2025	-[1]	$ -[1]	$ -[1]	4.9%
2024	-[1]	-[1]	-[1]	3.7
2023	789,698	59,837,123	75,772	3.6
2022	795,083	55,618,917	69,954	3.9
2021	815,871	56,502,646	70,331	5.6
2020	815,637	52,080,033	63,852	11.6
2019	812,855	49,399,774	60,773	4.0
2018	811,880	46,966,887	57,850	4.0
2017	807,555	43,873,915	54,329	4.1
2016	801,539	41,735,341	52,069	4.9

Notes

[1] Data for 2024 and 2025 not available at time of printing.

[2] Oregon unemployment rates as of June 30 each year.

Sources As of July 2024, not seasonally adjusted.

US Department of Commerce, Bureau of Economic Analysis: population, personal income and per capita information.

Portland Business Journal, Book of Lists, published December 2015 and December 2024

Schedule 14
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Principal Employers for the Portland Metro Area
Current Year and Nine Years Ago

	2025			2016		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Ten Largest Employers						
Intel	23,192	1	1.77 %	18,600	1	1.62 %
Oregon Health & Science University	20,917	2	1.59	14,963	3	1.31
Providence	20,700	3	1.58	16,139	2	1.41
Kaiser Permanente	13,086	4	1.00	11,898	4	1.04
Nike Inc	10,700	5	0.81	8,500	7	0.74
Fred Meyer Stores	7,638	6	0.58	10,813	5	0.94
Portland Public Schools	7,638	7	0.58	6,135	8	0.54
City of Portland	6,631	8	0.50	5,481	10	0.48
Multnomah County	5,626	9	0.43	5,995	9	0.52
Beaverton School District	5,432	10	0.41			
Legacy Health System				8,700	6	0.76
Subtotal of Ten Largest Employers	121,560		9.25	107,224		9.36
All Other Employers	1,192,108		90.75	1,037,976		90.64
Total Portland MSA[1] Employment	1,313,668 [2]		100.00 %	1,145,200		100.00 %

Notes

[1] Portland-Vancouver-Hillsboro MSA includes Clackamas, Columbia, Multnomah, Washington, and Yamhill counties in Oregon, and Clark and Skamania counties in Washington.

[2] As of May 2025, not seasonally adjusted. State of Oregon Employment Department

Sources

Portland Business Journal, Book of Lists, published Sepember 2024

Oregon Employment Department, Workforce and Economic Research

Schedule 15
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Full-time Equivalent District Employees by Assignment/Function
Last Ten Fiscal Years

	Full-time Equivalent Employees for the Fiscal Year			
Assignment/Function	2025	2024	2023	2022
Teachers	2,665.7	2,650.9	2,685.6	2,720.8
Educational Assistants	677.4	693.0	675.9	647.5
School Level Administration	167.2	169.5	179.0	184.5
District Level Administration [1]	4.0	4.0	4.0	7.0
Other Staff	2,607.5	2,628.4	2,595.8	2,383.0
Total FTE	6,121.8	6,145.8	6,140.3	5,942.8

Notes

[1] Beginning in fiscal year 2020, Special Education staff previously shown as District Level Administration were reclassified to School Level Administration

Sources

Internal: System Planning and Performance - Analytics

2021	2020	2019	2018	2017	2016
2,749.2	2,709.3	2,697.3	2,684.2	2,737.7	2,632.5
640.1	688.5	647.1	680.8	674.3	667.8
174.5	172.5	165.5	167.3	166.5	151.0
4.0	4.0	16.0	19.2	21.0	22.0
2,330.2	2,234.4	2,048.1	2,275.2	2,123.1	1,959.4
5,898.0	5,808.7	5,574.0	5,826.7	5,722.6	5,432.7

Schedule 16
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
Meal and Transportation Services Provided
Last Ten Fiscal Years

	2025		2024		2023		2022	
Nutrition Services								
Number of Meals Served[1]								
Paid Meals	2,161,999	40%	1,985,084	36%	2,036,421	37%	-	0%
Reduced Meals	-	0%	34,306	1%	46,519	1%	-	0%
Free Meals	3,292,929	60%	2,830,463	52%	2,354,745	43%	4,651,199	100%
Total meals served	5,454,928	100%	4,849,853	100%	4,437,685	100%	4,651,199	100%
Average Daily Breakfast Served	10,675		8,611		7,627		6,712	
Average Daily Lunch Served	20,588		17,555		17,188		18,437	
Student Participation[2]	49.12%		41.19%		39.87%		45.25%	
Transportation								
Number of buses	316		312		286		220	
Total miles traveled	3,938,789		3,575,635		3,429,840		2,744,944	
Cost per mile	$ 11.96		$ 13.07		$ 12.33		$ 11.68	
Area encompased by District (sq mi)	160		160		160		160	

	2021		2020		2019		2018	
Nutrition Services								
Number of Meals Served[1]								
Paid Meals [3]	-	0%	1,191,926	29%	1,621,312	34%	1,466,345	32%
Reduced Meals [3]	-	0%	199,756	5%	292,962	6%	261,833	6%
Free Meals	4,370,010	100%	2,767,579	67%	2,877,464	60%	2,877,750	62%
Total meals served	4,370,010	100%	$ 4,159,261	100%	$ 4,791,738	100%	4,605,928	100%
Average Daily Breakfast Served	5,316		8,192		9,010		8,985	
Average Daily Lunch Served	5,332		13,830		17,356		17,793	
Student Participation[2]	12.76%		37.36%		37.78%		38.67%	
Transportation								
Number of buses	289		257		270		270	
Total miles traveled	851,568		2,993,965		3,587,525		3,506,305	
Cost per mile	$ 26.57		$ 8.62		$ 7.51		$ 6.69	
Area encompased by District (sq mi)	160		160		160		160	

	2017		2016	
Nutrition Services				
Number of Meals Served[1]				
Paid Meals [3]	1,372,455	29%	1,114,504	20%
Reduced Meals [3]	180,707	4%	209,753	4%
Free Meals	3,225,700	67%	4,141,824	76%
Total meals served	4,778,862	100%	5,466,081	100%
Average Daily Breakfast Served	9,831		10,724	
Average Daily Lunch Served	18,173		19,083	
Student Participation[2]	42.00%		44.40%	
Transportation				
Number of buses	260		245	
Total miles traveled [4]	4,174,150		3,273,739	
Cost per mile	$ 4.88		$ 5.91	
Area encompased by District (sq mi)	160		160	

Notes

[1] Number of meals served includes breakfast, lunch, snack, and supper.

[2] *Student participation is based on the average daily lunch count during the school year divided by the number of students enrolled at the sites where we serve meals. Number of enrolled students is pulled from the SY 2024-2025 RAA enrollment reports.

[3] Per USDA guidance, free meals were available to all students during the 2020-2021 & 2021-2022 school years.

[4] Due to COVID and Comprehensive Distance Learning, fewer students were transported to school sites during the 2020-2021 & 2021-2022 school years.

Sources

Internal: District Nutrition Services and Transportation departments

Schedule 17
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Building and Student Enrollment Information
Last Ten Fiscal Years

	BUILDING			STUDENT ENROLLMENT									
School or Program Type	Year	Age	Square Footage	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Abernethy	1924	101	45,464	284	330	353	374	451	507	520	516	519	513
Ainsworth	1912	113	53,483	584	585	563	553	594	644	625	638	605	600
Alameda	1921	104	72,748	496	521	538	525	623	704	730	734	747	730
Arleta	1929	96	98,245	252	274	256	269	485	526	490	454	457	456
Astor	1949	76	29,472	408	375	368	393	394	416	434	425	455	493
Atkinson	1953	72	53,170	373	366	337	342	390	391	419	420	432	435
Beach	1928	97	82,155	295	325	346	351	382	436	428	442	464	631
Beverly Cleary	1911	114	96,900	535	560	604	657	692	742	782	897	884	859
Boise-Eliot / Humboldt	1926	99	93,629	315	338	356	340	334	343	325	499	532	540
Bridger [2]	1951	-	75,786	-	-	329	337	514	516	504	531	500	476
Bridger Creative Science [2]	1951	74	75,786	474	515	-	-	-	-	-	-	-	-
Bridlemile	1956	69	54,157	419	446	458	435	437	508	518	535	511	480
Buckman	1922	103	99,875	308	371	395	400	446	427	450	474	459	481
Capitol Hill	1917	108	49,621	318	361	333	324	346	416	443	442	448	437
César Chávez	1928	97	104,371	454	481	467	485	544	549	550	540	551	522
Chapman	1923	102	78,102	349	344	350	341	375	484	484	532	584	643
Chief Joseph	1948	77	43,215	275	265	261	269	305	351	358	363	326	604
Clark [2]	1955	70	48,651	331	341	-	-	-	-	-	-	-	-
Creative Science School [2]	1955	-	48,651	-	-	423	419	450	468	466	479	492	476
Creston	1948	77	77,144	241	238	260	250	385	375	361	372	356	392
Duniway	1926	99	104,760	387	409	422	436	468	512	504	499	519	494
East Sylvan (Odyssey)	1932	93	24,875	211	227	225	219	244	-	-	-	-	-
Faubion	2017	8	133,576	589	643	684	703	740	786	767	710	532	479
Forest Park	1998	27	59,634	303	321	328	333	348	402	418	443	455	449
Glencoe	1923	102	61,457	356	372	394	373	395	449	451	489	492	500
Grout	1927	98	87,080	294	302	316	340	350	370	382	392	384	376
Harrison Park [3]	1955	-	107,735	-	-	575	529	601	637	658	638	676	729
Hayhurst	1954	71	48,918	314	335	350	351	380	640	629	592	552	499
Irvington	1932	93	67,340	249	235	2,514	248	320	325	339	459	446	493
James John	1929	96	67,638	367	348	337	332	316	351	347	368	405	429
Kelly	1952	73	75,233	385	376	2,830	372	419	476	498	532	604	610
King	1925	100	153,475	312	343	334	315	324	341	321	389	386	400
Laurelhurst	1923	102	56,555	656	659	674	649	688	698	692	698	684	691
Lee	1952	73	61,161	257	295	276	236	262	269	276	425	447	456
Lent	1948	77	73,479	256	308	284	277	476	475	507	530	523	564
Lewis	1952	73	45,745	264	298	320	337	368	410	390	389	412	382
Llewellyn	1928	97	74,326	373	393	415	395	460	509	484	489	517	531
Maplewood	1948	77	37,713	295	301	310	291	347	374	383	378	384	359
Markham	1950	75	76,805	341	402	426	424	416	430	445	456	418	377
Marysville	1921	104	51,553	320	394	313	248	402	383	392	403	381	390
Peninsula	1952	73	59,957	235	234	225	201	237	265	267	279	266	374
Richmond	1908	117	82,254	530	537	539	551	600	627	632	647	649	629
Rieke	1959	66	32,886	278	288	300	313	329	368	379	386	410	402
Rigler	1931	94	78,199	301	255	223	237	268	307	308	441	472	451
Rosa Parks	2006	19	65,697	172	198	197	214	266	280	276	272	298	329
Rose City Park	2018	7	69,082	446	464	468	464	529	538	532	-	-	-
Roseway Heights	1921	-	99,825	-	-	-	-	-	-	-	661	643	697
Sabin	1927	98	66,567	293	302	312	340	360	418	452	551	524	568
Scott	1949	76	65,425	494	500	453	429	460	485	459	521	512	473
Sitton	1949	76	57,289	339	335	346	307	337	374	367	364	401	390
Skyline	1939	86	35,760	226	218	215	205	181	248	274	293	300	300
Stephenson	1964	61	39,652	285	310	307	320	322	371	347	352	340	322
Sunnyside Environmental	1925	100	76,671	461	447	465	469	522	549	581	604	602	574
Vernon	1931	94	88,010	563	578	555	517	569	607	545	522	471	407
Vestal	1929	96	111,481	257	264	232	207	228	249	272	341	381	412
Whitman	1954	71	55,559	198	180	153	152	185	220	254	283	287	271
Winterhaven	1930	95	61,453	322	316	313	292	291	299	321	354	353	350
Woodlawn	1926	99	99,840	306	299	288	283	315	327	354	346	342	426
Woodmere	1954	71	50,130	242	248	235	253	269	273	310	286	303	312
Woodstock	1955	70	63,752	394	451	491	479	526	543	548	552	527	496
Elementary Schools Total			4,209,172	19,582	20,421	27,805	20,705	23,265	24,988	25,248	26,627	26,620	27,159

Schedule 17
SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON
School Building and Student Enrollment Information
Last Ten Fiscal Years (continued)

	BUILDING			STUDENT ENROLLMENT									
School or Program Type	Year	Age	Square Footage	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Beaumont	1926	99	81,381	435	434	448	467	518	573	571	591	569	571
da Vinci	1928	97	72,063	427	407	434	415	443	450	456	457	461	458
George	1950	75	85,038	404	367	387	385	432	438	421	417	360	369
Gray	1951	74	82,744	438	472	483	478	509	566	542	536	546	566
Harriett Tubman	1952	73	83,673	328	320	361	388	443	430	491	-	-	-
Harrison Park [3]	1955	70	107,735	372	321	-	-	-	-	-	-	-	-
Hosford	1925	100	74,964	537	517	566	629	676	651	588	621	631	640
Jackson	1964	61	218,118	715	711	793	752	803	793	746	659	597	606
Kellogg	2021	4	108,112	594	677	661	684	-	-	-	-	-	-
Lane	1926	99	79,824	418	391	336	363	416	432	433	454	443	481
Mt. Tabor	1952	73	84,785	467	503	607	645	721	724	741	718	730	694
Ockley Green	1925	100	66,338	410	428	483	485	487	487	505	531	626	-
Roseway Heights	1921	104	99,825	565	551	583	589	617	614	588	-	-	-
Sellwood	1913	112	81,470	576	567	563	553	549	588	612	589	583	560
West Sylvan	1953	72	96,171	670	722	759	727	802	833	822	876	911	966
Middle Schools Total			1,422,241	7,356	7,388	7,464	7,560	7,416	7,579	7,516	6,449	6,457	5,911
Benson	1917	108	412,855	896	818	827	895	1,005	1,055	1,035	1,026	994	914
Cleveland	1929	96	260,463	1422	1,474	1,547	1,623	1,581	1,560	1,651	1,586	1,609	1,600
Franklin	1915	110	292,223	1809	1,811	1,968	2,014	2,010	1,936	1,856	1,745	1,612	1,570
Grant	1923	102	328,425	2149	2,178	2,159	2,126	1,965	1,813	1,638	1,512	1,476	1,481
Ida B. Wells-Barnett	1954	71	274,040	1650	1,652	1,558	1,597	1,540	1,558	1,535	1,512	1,413	1,324
Jefferson	1909	116	330,332	459	525	607	588	620	641	656	677	590	524
Lincoln	2022	3	295,912	1686	1,579	1,528	1,462	1,481	1,588	1,698	1,705	1,703	1,696
Leodis V McDaniel	1955	70	315,482	1615	1,650	1,443	1,369	1,173	1,079	1,157	1,146	1,070	1,134
Marshall	1959	66	283,343	-	-	-	-	-	-	-	-	-	-
Roosevelt	1921	104	274,942	1452	1,457	1,488	1,376	1,292	1,195	994	859	881	940
High Schools Total			3,068,017	13,138	13,144	13,125	13,050	12,667	12,425	12,220	11,768	11,348	11,183
PPS Alternative Programs Total			302,529	1,554	1,352	1,553	1,795	1,243	1,632	1,631	1,659	1,760	1,817
School and Alternative Programs Total			9,001,959	41,630	42,305	49,947	43,110	44,591	46,624	46,615	46,503	46,185	46,070
Community-Based			-	794	759	683	637	872	973	912	1,035	968	964
Special Services Total			89,443	356	376	456	455	408	496	529	455	451	451
Public Charter Schools Total			16,755	1,306	1,331	1,294	1,295	1,443	1,385	1,494	1,564	1,585	1,590
Total All			9,108,157	44,086	44,771	52,380	45,497	47,314	49,478	49,550	49,557	49,189	49,075

Enrollment and Square Footage Summary by Category

	Square Footage	2025	2024	2023	2023	2021	2022	2019	2018	2017	2016
Regular Programs											
Elementary Schools	4,209,172	19,582	20,421	27,805	20,705	23,265	24,988	25,248	26,627	26,620	27,159
Middle Schools	1,422,241	7,356	7,388	7,464	7,560	7,416	7,579	7,516	6,449	6,457	5,911
High Schools	3,068,017	13,138	13,144	13,125	13,050	12,667	12,425	12,220	11,768	11,348	11,183
PPS Alternative Programs	302,529	1,554	1,352	1,553	1,795	1,243	1,632	1,631	1,659	1,760	1,817
Plus enrollment not normally within PPS facilities:											
Community Based Programs	-	794	759	683	637	872	973	912	1,035	968	964
Special Services	89,443	356	376	456	455	408	496	529	455	451	451
Public Charter Programs	16,755	1,306	1,331	1,294	1,295	1,443	1,385	1,494	1,564	1,585	1,590
Other or vacant facilities	1,156,926										
	10,265,083	44,086	44,771	52,380	45,497	47,314	49,478	49,550	49,557	49,189	49,075

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
ADMw [4]	52,441	52,232	53,581	55,688	57,825	57,825	57,823	57,779	57,876	57,491

Age of Buildings	Median	Newest
Elementary Schools	82	7
Middle Schools	75	4
High Schools	99	3
Focus/Alternative Schools	92	72
Inactive or Other Facilities	67	47

[1] Enrollment counts are compiled on or about the first school day in October. An enrolled student is defined as a student who attends one or more schools or programs within the District. Regardless of the number of schools or programs attended, each student is counted only once; the counts are unduplicated.

[2] Creative Science School merged with Briger and became Bridger Creative Science School & Clark reopened in Fall 2023/2024

[3] Harrison Park changed to a Middle School from a Elementary School in Fall 2023/2024

[4] "ADMw" is "Extended Average Daily Membership, or the average enrollment over the school year, adjusted for part-time students and students with special needs and other weighting factors. The ADMw reported is the number used by ODE to allocate to PPS, and is "Extended" in that they use the higher of the current and prior year for the district for distribution of the state school fund. The most recent two years are preliminary data."



SINGLE AUDIT SECTION


PPS

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

Board of Education
School District No. 1J, Multnomah County, Oregon
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District No. 1J, Multnomah County, Oregon (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 28, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

District's Response to Findings

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

Purpose of This Report

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

Talbot, Korvola & Warwick, LLP

Portland, Oregon
January 28, 2026

TKW

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Education
School District No. 1J, Multnomah County, Oregon
Portland, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited School District No. 1J, Multnomah County, Oregon (the District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2025-001, 2025-002, 2025-003, 2025-004, 2025-005, and 2025-006, to be significant deficiencies.

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

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

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

Talbot, Korvola & Warwick, LLP

Portland, Oregon
January 28, 2026

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SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

ALN/ Grant	Grant Description	Pass-Through Grantor's No.	Period Covered	Direct or Pass-Thru	Award Amount	Expenditures	Agency Total
	Department of Agriculture						
	Food and Nutrition Service						
	Child Nutrition Cluster						
10.553	***School Breakfast Program***						
202	School Breakfast Program	N/A	07/01/2024-06/30/2025	Pass-Thru		$3,489,063	
10.555	***National School Lunch Program***						
202	Donated Foods		07/01/2024-06/30/2025	Pass-Thru		1,480,909	
202	National School Lunch Program	N/A	07/01/2024-06/30/2025	Pass-Thru		11,242,466	
10.559	***Summer Food Service Program for Children***						
202	Donated Foods		07/01/2024-06/30/2025	Pass-Thru		981	
202	Summer Food Service Program for Children	N/A	07/01/2024-06/30/2025	Pass-Thru		238,935	
10.582	***Fresh Fruit and Vegetable Program***						
202	Fresh Fruit and Vegetable Grants	Multiple	07/01/2024-06/30/2025	Pass-Thru		144,761	
				Total Child Nutrition Cluster		**16,597,116**	
			Pass-Thru from Oregon Department of Education			16,597,116	
	Department of Agriculture Total						**$16,597,116**
	Department of Education						
	Office of Career, Technical, and Adult Education						
84.048	***Career and Technical Education - Basic Grants to States***						
G2295	FED- Carl Perkins	76387	07/01/2023-09/30/2024	Pass-Thru	471,245	10,682	
G2374	FED- Carl Perkins	81257	07/01/2024-09/30/2025	Pass-Thru	470,328	433,750	
						444,432	
	Office of Elementary and Secondary Education						
84.01	***Title I Grants to Local Educational Agencies***						
G2230	FED- Title IA- School Budgets	72595	07/01/2022-09/30/2023	Pass-Thru	9,931,724	13,261	
G2231	FED- Title IA- Central	72595	07/01/2022-09/30/2023	Pass-Thru	9,931,724	4,978	
G2236	FED-Title ID	73063	07/01/2022-09/30/2023	Pass-Thru	216,786	60,811	
G2273	FED- Title IA- School Budgets	76560	07/01/2023-09/30/2024	Pass-Thru	11,212,457	94,063	
G2274	FED- Title IA- Central	76560	07/01/2023-09/30/2024	Pass-Thru	11,212,457	1,376,919	
G2275	FED- Title IA- Focus/Priority	76560	07/01/2023-09/30/2024	Pass-Thru	11,212,457	34,950	
G2279	FED- Title ID	76926	07/01/2023-09/30/2024	Pass-Thru	134,498	128,719	
G2287	FED - ESSA 2023-24	79401	11/01/2022 - 09/30/2024	Pass-Thru	1,507,230	178,250	
G2317	FED- Title IA- Equitable Share	76560	07/01/2023-09/30/2024	Pass-Thru	644,362	164,938	
G2336	FED- Title IA- School Budgets	82244	07/01/2024-09/30/2025	Pass-Thru	8,377,836	7,684,240	
G2337	FED- Title IA- Central	82244	07/01/2024-09/30/2025	Pass-Thru	529,274	305,345	
G2338	FED- Title IA- Focus/Priority	82244	07/01/2024-09/30/2025	Pass-Thru	1,390,482	760,636	
G2339	FED- Title IA- Equitable Share	82244	07/01/2024-09/30/2025	Pass-Thru	471,110	234,084	
G2343	FED- Title ID	82085	07/01/2024-09/30/2025	Pass-Thru	168,212	121,812	
G2351	FED - ESSA 2024-25	SB135770	07/01/2024-09/30/2025	Pass-Thru	928,884	746,186	
						11,909,192	
84.011	***Migrant Education State Grant Program***						
G2234	FED- Title IC- Migrant Ed Pres	73265	07/01/2022-09/30/2023	Pass-Thru	8,311	44	
G2235	FED- Title IC- Migrant Ed Summ	75620	07/01/2022-09/30/2023	Pass-Thru	128,276	36,637	
G2276	FED- Title IC- Migrant Educati	77043	07/01/2023-09/30/2024	Pass-Thru	516,525	73,481	
G2277	FED- Title IC- Migrant Ed PreK	76960	07/01/2023-09/30/2024	Pass-Thru	11,490	5,253	
G2278	FED- Title IC- Migrant Ed Summ	80391	07/01/2023-09/30/2024	Pass-Thru	71,995	25,788	
G2340	FED- Title IC- Migrant Educati	82769	07/01/2024-09/30/2025	Pass-Thru	432,176	408,971	
G2341	FED- Title IC- Migrant Ed Pres	82788	07/01/2024-09/30/2025	Pass-Thru	9,592	1,026	
G2342	FED- Title IC- Migrant Ed Summ	84395	07/01/2024-09/30/2025	Pass-Thru	52,934	18,490	
						569,692	
84.013	***Title I State Agency Program for Neglected and Delinquent Children and Youth***						
G2300	FED- DART Title IND	35391	07/01/2023-06/30/2025	Pass-Thru	677,292	195,855	
84.06	***Indian Education Grants to Local Educational Agencies***						
G2349	FED- Indian Education (Title V	S060A240938	07/01/2024-06/30/2025	Direct	155,339	155,339	
						155,339	
84.184	***School Safely National Activities***						
G2262	FED-SBMH	S184H220169	01/01/2023-12/31/2027	Direct	5,538,155.00	1,099,599	
84.196	***Education for Homeless Children and Youth***						
G2286	FED- McKinney Homeless	79862	07/01/2023-09/30/2025	Pass-Thru	49,391	24,140	
G2350	FED- McKinney Homeless	83265	07/01/2024-09/30/2026	Pass-Thru	50,624	18,091	
						42,231	
84.365	***English Language Acquisition State Grants***						
G2239	FED- Title III- English Langua	73119	07/01/2022-09/30/2023	Pass-Thru	529,400	20,919	
G2282	FED- Title III- English Lang A	77007	07/01/2023-09/30/2024	Pass-Thru	544,524	450,791	
G2346	FED- Title III- English Langua	82347	07/01/2024-09/30/2025	Pass-Thru	539,376	318,372	
G2381	FED- Title III- Equitable Shares	82347	07/01/2024-09/30/2025	Pass-Thru	6,368	2,857	
G2363	FED- Title III- Immigrant Subgrant	79729	07/01/2023-09/30/2025	Pass-Thru	37,312	1,968	
						794,907	
84.367	***Supporting Effective Instruction State Grants***						
G2238	FED- Title IIA- Private School	72792	07/01/2022-09/30/2023	Pass-Thru	1,367,338	36,663	
G2280	FED- Title IIA- Teacher Qualit	76757	07/01/2023-09/30/2024	Pass-Thru	1,140,900	255,590	
G2281	FED- Title IIA- Private School	76757	07/01/2023-09/30/2024	Pass-Thru	163,627	61,506	
G2344	FED- Title IIA- Teacher Qualit	82507	07/01/2024-09/30/2025	Pass-Thru	1,122,957	802,294	
G2345	FED- Title IIA- Private School	82507	07/01/2024-09/30/2025	Pass-Thru	174,495	108,171	
						1,264,224	
84.424	***Student Support and Academic Enrichment Program***						
G2241	FED- Title IV-A Student Sup-Pr	72989	07/01/2022-09/30/2023	Pass-Thru	768,271	30,306	
G2284	FED- Title IV-A SSAE Private	77176	07/01/2023-09/30/2024	Pass-Thru	727,934	28,951	
G2347	FED- Title IV-A Student Suppor	82704	07/01/2024-09/30/2025	Pass-Thru	904,360	572,665	
G2348	FED- Title IV-A Student Suppor	82704	07/01/2024-09/30/2025	Pass-Thru	904,360	49,130	
						681,053	

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

ALN/ Grant	Grant Description	Pass-Through Grantor's No.	Period Covered	Direct or Pass-Thru	Award Amount	Expenditures	Agency Total
	Office Of Special Education and Rehabilitative Services						
	Special Education Cluster (IDEA)						
84.027	***Special Education Grants to States***						
G2302	FED- DART IDEA	35391	07/01/2023-06/30/2025	Pass-Thru	179,195	53,632	
G2303	FED- IDEA Sec 611	78043	07/01/2023-09/30/2025	Pass-Thru	9,750,508	1,361,643	
G2309	FED- CRP - 611	11046	07/01/2023-06/30/2025	Pass-Thru	15,669,010	9,233,278	
G2310	FED- CRP - Audiology	11046	07/01/2023-06/30/2025	Pass-Thru	919,212	548,137	
G2311	FED- CRP - TBI	11046	07/01/2023-06/30/2025	Pass-Thru	43,125	21,875	
G2333	FED- IDEA Sec 611	83432	07/01/2024-09/30/2026	Pass-Thru	8,856,878	7,203,328	
G2314	FED- Providence Nursing	37739	07/01/2023-06/30/2025	Pass-Thru	50,266	17,399	
						18,439,293	
84.173	***Special Education Preschool Grants***						
G2304	FED- IDEA Sec 619	77858	07/01/2023-09/30/2025	Pass-Thru	83,484	69,336	
G2313	FED- CRP - 619	11046	07/01/2023-06/30/2025	Pass-Thru	71,082	71,082	
G2334	FED- IDEA Sec 619	83624	07/01/2024-09/30/2026	Pass-Thru	80,308	32,467	
						172,885	
				Total Special Education (IDEA) Cluster			**18,612,178**
84.126	***Rehabilitation Services Vocational Rehabilitation Grants to States***						
G2307	FED- YTP Summer Work Program	182910	04/22/2024-04/01/2025	Pass-Thru	141,669	128,522	
G2331	FED- Youth Transition Program	182994	07/01/2024-09/30/2025	Pass-Thru	485,568	282,199	
G2332	FED- OR Commission for the Bli	101-24	07/01/2024-09/30/2025	Pass-Thru	280,000	266,955	
						677,676	
84.326	***Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities***						
G2123	FED-Oregon Defblind Project	H326T230011	07/01/2023-09/30/2028	Direct	667,715	57,493	
	COVID-19 Education Stabilization Fund						
84.425	***Elementary and Secondary School Emergency Relief Fund***						
G2094	FED - ESSER III	64968	03/13/2020-09/30/2024	Pass-Thru	73,869,717	623,132	
G2104	FED-ARP-HCY I	69308	07/01/2021-09/30/2024	Pass-Thru	62,142	14	
G2114	FED-ARP-HCY II	69389	04/23/2021-09/30/2024	Pass-Thru	351,648	4,496	
G2565	Education Stabilization Fund	75958	06/15/2023-09/30/2024	Direct	250,000	85,711	
G2566	Title VI Indian Ed - ESSER III	80410	02/15/2024-09/30/2024	Pass-Thru	97,800	51,408	
G2366	FED-HQIM Health and Ethnic Stu	80935	02/01/2024-09/30/2024	Pass-Thru	887,879	555,498	
						1,320,258	
	Office of Postsecondary Education						
84.334	***Gaining Early Awareness and Readiness for Undergraduate Programs***						
G1827	FED-E3 Engage Empower Elevate	P334A180117	10/01/2018-09/30/2025	Direct	10,964,800	2,324,211	

Direct Funding	3,636,642
Pass-Thru from Oregon Department of Education	35,834,021
Pass-Thru from Oregon Commission for the Blind	266,955
Pass-Through from Oregon Department of Human Servic	410,721

Department of Education Total **$40,148,339**

Department of Health and Human Services

	Administration for Children and Families						
	Head Start Cluster						
93.6	***Head Start***						
G2288	FED-Head Start Federal	10CH012375	11/01/2023-10/31/2024	Direct	6,382,217	1,174,863	
G2352	FED- Head Start	10CH012375-02	11/01/2024-10/31/2025	Direct	6,382,217	3,925,298	
						5,100,162	
				Total Head Start Cluster			**5,100,162**
93.658	**Foster Care Title IV-E**						
G2294	FED-Foster Care Transportation	IGA 35883	7/1/2023-9/30/2025	Pass-Thru	2,000,000	110,774	
	Centers for Disease Control and Prevention						
93.079	***Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance***						
G1770	FED - SAY Wellness	NU87PS004369-05-04	08/01/2022-07/31/2024	Direct	837,531	145,926	
G2385	SAYWellness FY2025-29	1 NU87DP000004-01-00	08/01/2024-07/31/2029	Direct	425,000	216,653	
						362,578	
93.276	***Drug-Free Communities Support Program Grants***						
G2389	FED- CDC Drug Free Communities	1 NH28CE003732-01-00	9/30/2024-9/29/2029	Direct	124,828	32,896	
	Substance Abuse and Mental Health Services Administration						
93.788	***Opioid STR***						
G1912	FED-Health for K-5	159879	04/15/2019-09/30/2025	Direct	65,180	65,180	
	Office of Assistant Secretary for Health						
93.297	***Teenage Pregnancy Prevention Program***						
G1985	FED-MultCo Teen Pregnancy	HD-IGA-E-12731-2021	07/01/2020-06/30/2025	Pass-Thru	438,886	29,214	
	Centers for Medicare and Medicaid Services						
	Medicaid Cluster						
93.778	***Medical Assistance Program***						
G2023	FED-Medicaid-CRP Audiology	Medicaid	07/01/2020-N/A	Pass-Thru	104,215	54,027	
G2025	FED-Medicaid-Special Education	Medicaid	07/01/2020-N/A	Pass-Thru	212,288	204,396	
G2024	FED-Medicaid-DART LTCT	Medicaid	07/01/2020-N/A	Pass-Thru	334,952	320,036	
						578,459	
				Total Medicaid Cluster			**578,459**

Direct Funding	5,495,636
Pass-Thru from Multnomah County	29,214
Pass-Thru from Oregon Health Authority	65,180
Pass-Thru from Oregon Department of Human Services	689,234

Department of Health and Human Services Total **$6,279,264**

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

ALN/ Grant	Grant Description	Pass-Through Grantor's No.	Period Covered	Direct or Pass-Thru	Award Amount	Expenditures	Agency Total
	Department of The Interior						
	US Geological Survey						
15.808	***US Geological Survey Research and Data Collection***						
G2119	USGS - Mt Tabor	92396-IGAR	10/01/2021-06/15/2025	Direct	141,100	94,000	
G2564	USGS ShakeAlert STEM FY24	4500174137	09/15/2023-06/14/2025	Direct	155,000	89,303	
						183,303	
				Direct Funding		183,303	
	Department of The Interior Total						**$183,303**
	Department of Transportation						
	Federal Highway Administration						
20.205	***Highway Planning and Construction***						
G2392	FED - ODOT Safe Routes to Schools 25-26	HU-25-10-27	10/01/2024-9/30/2026	Pass-Thru	150,000	15,348	
				Pass-Thru from Oregon Department of Transportation		15,348	
	Federal Highway Administration Total						**$15,348**
	National Science Foundation						
47.076	***STEM Education***						
G1923	FED - Developing Leaders	1906565	09/01/2019-08/31/2025	Direct	1,088,014	131,106	
				Direct Funding		131,106	
	National Science Foundation Total						**$131,106**
	Department of Homeland Security						
	Federal Emergency Management Agency						
97.036	***Disaster Grants - Public Assistance (Presidentially Declared Disasters)***						
J0358	FED- Weather Related Incidents		7/1/2024-6/30/2025	Direct	750,000	750,000	
	Department of Homeland Security Total			Direct Funding		750,000	**$750,000**
	Grand Total						**$64,104,476**

This schedule is prepared on the modified accrual basis of accounting.
1 Donated food is valued at estimated fair value.


PPS

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2025

Purpose of the Schedule

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for State, Local and Indian Tribal Governments, where applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

Federal Financial Assistance

Pursuant to Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs

Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

Reporting Entity

The reporting entity is fully described in notes to the financial statements. The Schedule includes all federal programs administered by the District for the year ended June 30, 2025.

Expenditure Recognition

Expenditures of federal awards are accounted for under the modified accrual basis of accounting. Expenditures are recorded when the liability is incurred. Donated commodities are valued at their estimated fair value.

Subrecipients

The District does not pass-through federal awards to any subrecipients.

SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

SECTION I — SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:				Unmodified
Internal control over financial reporting:				
• Material weakness(es) identified?	Yes		No	X
• Significant deficiency(ies) identified?	Yes	X	No	
Noncompliance material to financial statements noted?	Yes		No	X

Federal Awards

Internal control over major federal programs:				
• Material weakness(es) identified?	Yes		No	X
• Significant deficiency(ies) identified?	Yes	X	No	
Type of auditor's report issued on compliance for major federal programs:				Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes	X	No	

Identification of major federal programs:

Assistance Listing Number(s)	***Name of Federal Program or Cluster***
84.010	Title I Grants to Local Educational Agencies (Title 1, Part A of the ESEA)
10.553, 10.555, 10.559, 10.582	Child Nutrition Cluster
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:				$ 1,923,086
Auditee qualified as low-risk auditee?	Yes		No	X

SECTION II — FINANCIAL STATEMENT FINDINGS

Finding 2025-001

Criteria: Under 2 CFR 200.510(b), the District is required to prepare a Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the auditee's financial statements that includes the total federal awards expended as determined in accordance with 2 CFR 200.502. Additionally, the District has the responsibility for establishing and maintaining effective internal control over financial reporting and compliance.

Condition: A significant deficiency in internal controls over financial reporting was related to the District's preparation of the SEFA and the recording of grant-related balances. During our audit procedures, it was noted the SEFA misstated expenditures for various federal programs prior to being corrected. Additionally, the District had recorded unavailable revenue as federal grant revenue in the Capital Projects Fund and misclassified revenue between various federal and state grants in the Special Revenue Fund.

Cause: The cause appears to be related to staff turnover.

Effect or potential effect: The Schedule of Federal Awards misstated federal expenditures for various federal programs prior to being corrected. These adjustments impacted revenue in the Capital Projects Fund and the Special Revenue Fund. Additionally, there were misstatements of revenue related to state funds found during other audit procedures unrelated to the Schedule of Federal Awards.

Recommendation: Management should implement compensating controls over grant revenues, grant receivables, and unavailable grant revenue. Additionally, management should implement compensating controls over the preparation of the schedule of federal expenditures.

Views of responsible officials: The District understands and concurs with this finding.

SECTION III — FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

See Finding 2025-001.

Finding 2025-002

Award Year: 2024-2025

Federal program: U.S. Department of Agriculture – 10.553, 10.555,10.559, 10.582 Child Nutrition Cluster

Pass-through entity: Oregon Department of Education

Criteria: Per 2 CFR 200.303, a non-Federal entity must "establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Condition:	The District could not provide documentation of review and approval of the indirect costs charged to the federal program. The deficiency in controls over compliance related to indirect costs is considered a significant deficiency.
Cause:	The cause appears to be related to staff turnover.
Effect or potential effect:	There is potential for indirect costs in excess of the allowed indirect cost rate to be charged to the federal program.
Questioned Costs:	No questioned costs identified.
Context:	The District appears to have not retained documentation of review and approval of the indirect costs charged to the federal program.
Recommendation:	The District should ensure controls related to compliance with indirect cost requirements are implemented.

Views of responsible officials: The District understands and concurs with this finding.

Finding 2025-003

Award Year:	2024-2025
Federal program:	U.S. Department of Education – 84.010 Title I Grants to Local Educational Agencies (Title 1, Part A of the ESEA)
Pass-through entity:	Oregon Department of Education
Criteria:	Per 2 CFR 200.303, a non-Federal entity must “establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.”
Condition:	The District could not provide documentation of review and approval of the indirect costs charged to the federal program. The deficiency in controls over compliance related to indirect costs is considered a significant deficiency.
Cause:	The cause appears to be related to staff turnover.
Effect or potential effect:	There is potential for indirect costs excess of the allowed indirect cost rate to be charged to the federal program.
Questioned Costs:	No questioned costs identified.
Context:	The District appears to have not retained documentation of review and approval of the indirect costs charged to the federal program.
Recommendation:	The District should ensure controls related to compliance with indirect cost requirements are implemented.

Views of responsible officials: The District understands and concurs with this finding.

Finding 2025-004

Award Year:	2024-2025
Federal program:	U.S. Department of Education – 84.010 Title I Grants to Local Educational Agencies (Title 1, Part A of the ESEA)
Pass-through entity:	Oregon Department of Education
Criteria:	Per 2 CFR 200.303, a non-Federal entity must "establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."
Condition:	The District could not provide documentation of time and effort certifications or an acceptable alternative for payroll charged to the federal program. The deficiency in controls over compliance related to reporting is considered a significant deficiency.
Cause:	The cause appears to be related to staff turnover.
Effect or potential effect:	Without adequate controls over allowable costs related to payroll, the District could charge unallowable costs to the grant.
Questioned Costs:	No questioned costs identified.
Context:	Out of a population of 5,107 payroll transactions, excluding related benefits, totaling $6,240,176, a sample of 40 transactions, totaling $42,514, was selected. Of the sample selected, the District could not provide documentation of time and effort certifications or an acceptable alternative for 10 transactions, totaling $22,591.
Recommendation:	The District should ensure controls related to compliance with allowable costs requirements related to payroll are implemented.

Views of responsible officials: The District understands and concurs with this finding.

Finding 2025-005

Award Year:	2024-2025
Federal program:	U.S. Department of Education – 84.425 Education Stabilization Fund
Pass-through entity:	Oregon Department of Education
Criteria:	Per 2 CFR 200.303, a non-Federal entity must "establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."
Condition:	The District could not provide documentation of review and approval of the indirect costs charged to the federal program. Additionally, indirect costs in excess of the allowed indirect cost rate of 4.51% were charged to the federal program prior to being corrected. The deficiency in controls over compliance related to indirect costs is considered a significant deficiency.

Cause: The cause appears to be related to staff turnover and errors in the calculation to determine indirect costs originally charged to the federal program.

Effect or potential effect: Audit procedures identified indirect costs of $1,603 in excess of the allowed indirect cost rate charged to the federal program prior to being corrected.

Questioned Costs: As the error was corrected, no questioned costs identified.

Context: Indirect costs for the fiscal year were recalculated based on total expenditures charged to the grant.

Recommendation: The District should ensure controls related to compliance with indirect cost requirements are implemented.

Views of responsible officials: The District understands and concurs with this finding.

Finding 2025-006

Award Year: 2024-2025

Federal program: U.S. Department of Education – 84.425 Education Stabilization Fund.

Pass-through entity: Oregon Department of Education

Criteria: Per 2 CFR 200.303, a non-Federal entity must "establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Condition: The District could not provide documentation of review and approval of the ESSER Annual Performance Report submitted to the Oregon Department of Education. The deficiency in controls over compliance related to reporting is considered a significant deficiency.

Cause: The cause appears to be related to staff turnover.

Effect or potential effect: Without adequate controls over reporting, the District could submit reports with errors or fail to comply with the reporting requirements of federal programs.

Questioned Costs: No questioned costs identified.

Context: For the one report the District was required to submit to the Oregon Department of Education, the District could not provide documentation of the review and approval of the report prior to being submitted.

Recommendation: The District should ensure controls related to compliance with reporting requirements are implemented.

Views of responsible officials: The District understands and concurs with this finding.



COMPLIANCE SECTION


PPS

Your peace of mind is our passion.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH OREGON STATE REGULATIONS

Board of Education
School District No. 1J, Multnomah County
Portland, Oregon

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District No. 1J, Multnomah County, Oregon (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 28, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except for:

- The District had expenditures on a budgetary basis which exceeded appropriations by $4,147 thousand for General Fund – Instruction and by $3,584 thousand for Special Revenue Fund – Support Services.

- The District utilized the process for budget transfers rather than a supplemental budget for a reduction in appropriations.
- Out of a sample of 60 teachers selected, there were variances between the District's records and the years of experience reported to the Oregon Department of Education for four teachers.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001, that we consider to be a significant deficiency.

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

Purpose of This Report

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

Talbot, Korvola & Warwick, LLP

Portland, Oregon
January 28, 2026


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Portland Public Schools Nondiscrimination Statement

Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. The District prohibits discrimination and harassment on any basis protected by law, including but not limited to, an individual's perceived or actual race, color, religion, sex, sexual orientation, gender expression or identity, national or ethnic origin, marital status, age, mental or physical disability, pregnancy, familiar status, economic status, veteran's status, or because of the perceived or actual race, color, religion, sex, sexual orientation, national or ethnci origin, marital status, age, mental or physical disability, pregnancy, familiar status, economic status, or veterans' status or any other persons with whom the individual associates.

Board of Education Policy 1.80.020-P

Contact Information for Civil Rights Matters

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District 504:	James Loveland	jlovelan@pps.net
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2024-25 ACFR Preparation

Prepared by the Finance Department

Myong Leigh, Interim Chief Financial Officer (July - December 2024)
Michelle Morrison, Chief Financial Officer (January - June 2025)