



As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.

**Reynolds School District
Board of Education Business Meeting**

March 20, 2024

6:00 PM

Building I, Edgefield Campus

2408 SW Halsey Street

Troutdale, Oregon 97060

I.	5:30p - Executive Session	3
	The Reynolds School Board and the Superintendent will recess into Executive Session at 6:00p, under ORS 192.660(2)(a) Personnel and ORS 192.660(2)(d) Negotiations. Executive Session is closed to the public.	
II.	6:00p - Call to Order	4
	A. Roll Call	
	B. Consider Approval of the March 20, 2024 Agenda	
	C. Pledge of Allegiance	
	D. Land Acknowledgement	5
	E. Mission and Vision	6
III.	6:10p - Recognition	
	A. Student Recognition	7
	B. Staff Recognition	8
	C. Volunteer/Community Partner Recognition	9
	D. Resolution 2023-2024-018: Public School Volunteer Appreciation Month	10
	E. Resolution 2023-2024-019: National Assistant Principals Week	11
	F. Resolution 2023-2024-020: Arab American Heritage Month	12
	G. Resolution 2023-2024-021: School Library Month	13
IV.	6:30p - High School Student Report	14
V.	6:40p - Public to be Heard	15
	Members of the public will address the board with comments and the board will listen only. Public Comment will be limited to 7 speakers with 3 minutes each. Forms must be turned in before the meeting start time.	
VI.	6:50p - Bargaining Group Updates	16
VII.	7:00p - Presentation to the Board	
	A. Charter School Audits	17
VIII.	7:20p - Superintendent's Reports	230
	A. Announcements/Reports	
	B. Financial Report	231

	C. Enrollment Report	233
	D. Communications Report	237
IX.	7:35p - Consent Agenda	244
	A. Approval of Personnel Order	
	B. Approval of Prior Meeting Minutes	245
	C. RHS Field Trip: Oregon State Thespian Festival in Salem, Oregon	248
	D. Higher Education Coordinating Commission Grant Acceptance	259
	E. Resolutions 2023-2024 -018 to -021	290
X.	7:40p - Action Items	
	A. Budget Committee Applications	291
XI.	7:45p - Board Announcements and Discussion	296
	A. Individual Board Members - Announcements and Reports	
	B. Upcoming Board Meetings	
XII.	8:00p - Adjourn	297



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To: Board of Directors

From: Frank Caropelo, Superintendent

Subject: Executive Session

Type: Action Item Report / Presentation

Policy: BDC: Executive Session

Date: March 20, 2024

Connection to Strategic Plan Goal Topics:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Marginalized Students | <input checked="" type="checkbox"/> Culturally Responsive Teaching |
| <input checked="" type="checkbox"/> Student and Staff Wellness | <input checked="" type="checkbox"/> Professional Development |
-

Summary / Background:

The Reynolds School Board and the Superintendent will recess into Executive Session at 5:30p, under ORS 192.660(2)(a) Personnel and ORS 192.660(2)(d) Negotiations. Executive Session is closed to the public.

Previous Board Action:

Not Applicable.

Financial Implications:

Not Applicable.

Motion:

Not Applicable.



As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.

To: Board of Directors

From: Frank Caropelo, Superintendent

Subject: Call to Order

Type: Action Item Report / Presentation

Policy: BDDF: Conduct of Board Meetings

Date: March 20, 2024

Connection to Strategic Plan Goal Topics:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Marginalized Students | <input checked="" type="checkbox"/> Culturally Responsive Teaching |
| <input checked="" type="checkbox"/> Student and Staff Wellness | <input checked="" type="checkbox"/> Professional Development |

Roll Call:

- | | |
|--------------------------------------|---|
| • Position 1: Vice Chair Aaron Muñoz | • Position 5: Director Patty Carrera |
| • Position 2: Director Joyce Rosenau | • Position 6: Chair Ana Gonzalez Muñoz |
| • Position 3: Director Michael Reyes | • Position 7: Director Francisco Ibarra |
| • Position 4: Director Cayle Tern | • Student Representative: Giovanni Vaz |

Motion to Approve Agenda:

- A. Motion Made by Board Member:
 - a. I move that the Board approve the March 20, 2024 agenda as presented.
- B. Motion Seconded by Another Board Member
- C. Points of Clarification / Discussion
- D. Call for Board Vote

Pledge of Allegiance

Land Acknowledgement

Mission and Vision

Land Use Acknowledgment & Guidelines



Approved and Apdopted on May 27, 2020

Reynolds School District expresses our gratitude and appreciation to traditional village sites of the Multnomah, Kathlamet, Clackamas, bands of Chinook, Tualatin, Kalapuya, Molalla and many other Tribes who made their homes along the Columbia River, and which is now home to a vibrant native community representing over 400 different tribal nations.

We believe that it is our responsibility as a school district to educate our students, staff and families about the true history of colonialism and the continued need to address colonialism today. This land acknowledgement will encourage our community to reflect upon the land we are standing on and engage in conversations centered in honoring the land.

Land acknowledgments will take place in conjunction with the Pledge of Allegiance, which will be recited after the Land Use Acknowledgement, during the following times:

- School Board meetings
- District-wide community meetings
- School assemblies
- Athletic Competitions
- Parent and community school evening events

Land Use Acknowledgment

We respectfully acknowledge that the land on which we are gathering today is the traditional homeland of a diverse array of indigenous tribes and bands. Multnomah County rests on traditional village sites of the Multnomah, Wasco, Cowlitz, Kathlamet, Clackamas, Bands of Chinook, Tualatin, Kalapuya, Molalla, and many other tribes who made their homes along the Columbia River, creating communities and summer encampments to harvest and use the plentiful natural resources of the area. Multnomah County is now home to a vibrant indigenous community representing over 400 different tribal nations.

We recognize Indigenous peoples as the traditional stewards of this land and acknowledge the enduring relationship between the land and the people since time immemorial. We make this acknowledgement to open a space of recognition, inclusion, and respect for our sovereign tribal partners and all indigenous students, families, and staff in our community.

mission:

We lead with equity to educate and support all students to graduate with the skills and confidence to thrive.



vision:

As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.



Reynolds School Board

STUDENT RECOGNITION

March 2024

7

Dania Diaz Cruz





Reynolds School Board

STAFF RECOGNITION

March 2024

8

Gordon Williford





Reynolds School Board

COMMUNITY PARTNER RECOGNITION

March 2024

9

Love's Travel Stop





RESOLUTION 2023-2024-018

PROCLAIMING THE CELEBRATION OF PUBLIC SCHOOL VOLUNTEER WEEK

WHEREAS, students in Reynolds School District schools are the key to our community’s and the world’s future; and

WHEREAS, the education of the District’s students is best achieved through the combined efforts of families, staff, and community members alike; and

WHEREAS, volunteers from the community who work with our students and in our schools are critical to the success achieved by the District’s students; and

WHEREAS, volunteer efforts enrich learning experiences beyond what are normally available for students; and

WHEREAS, volunteers extend the District’s financial resources by assisting staff;

NOW, THEREFORE, BE IT RESOLVED that in honor of the service of all students, Reynolds School District endorses and supports the recognition and celebration of the efforts of volunteers during the week of April 22 through 26, 2024 hereby established as Public School Volunteer Week.

Adopted this 20th day of March 2024.

Signed:

Attest:

Chair, Reynolds School Board of Directors

Superintendent of Schools / Clerk



RESOLUTION 2023-2024-019

PROCLAIMING THE CELEBRATION OF NATIONAL ASSISTANT PRINCIPALS WEEK

WHEREAS, the Reynolds School Board has designated the week of April 1 through April 5, 2024 as "National Assistant Principals Week" in coordination with the efforts of the National Association of Elementary School Principals, the American Federation of School Administrators, and the National Association of Secondary School Principals working with the U.S. Congress and resolutions thereof;

WHEREAS, an assistant principal, as a member of the school administration, interacts with many sectors of the school community, including support staff, instructional staff, students, and parents;

WHEREAS assistant principals are responsible for establishing a positive learning environment and building strong relationships between school and community;

WHEREAS assistant principals play a pivotal role in the instructional leadership of their schools by supervising student instruction, mentoring teachers, recognizing the achievements of staff, encouraging collaboration among staff, ensuring the implementation of best practices, monitoring student achievement and progress, facilitating and modeling data-driven decision making to inform instruction, and guiding the direction of targeted intervention and school improvement;

WHEREAS the day-to-day logistical operations of schools require assistant principals to monitor and address facility needs, attendance, transportation issues, and scheduling challenges, as well as to supervise extra- and co-curricular events;

WHEREAS assistant principals are entrusted with maintaining an inviting, safe, and orderly school environment that supports the growth and achievement of each and every student by nurturing positive peer relationships, recognizing student achievement, mediating conflicts, analyzing behavior patterns, and providing interventions when necessary;

NOW, THEREFORE, BE IT RESOLVED that in honor of the service of all elementary, middle level, and high school assistant principals, and to recognize the importance of their school leadership so that every child has access to a high-quality education, and to celebrate school leader accomplishments, the week of April 3 through April 7, 2023 is hereby designated in Reynolds School District to be "National Assistant Principals Week."

Adopted this 20th day of March 2024.

Signed:

Attest:



RESOLUTION 2023-2024-020

PROCLAIMING THE CELEBRATION OF NATIONAL ARAB AMERICAN HERITAGE MONTH

WHEREAS, for over a century, Arab Americans have been making valuable contributions to virtually every aspect of American society: in science, medicine, law, business, education, technology, government, military service, culture; and

WHEREAS, Victor George Atiyeh, who served as the 32nd Governor of Oregon from 1979 to 1987, was the first Arab American elected as Governor of a State; and

WHEREAS, since migrating to America, men and women of Arab descent have shared their rich culture and traditions with neighbors and friends, while also setting examples of model citizens and public servants; and

WHEREAS, Arab Americans have also enriched our society by sharing in the entrepreneurial American spirit that makes our nation free and prosperous; and

WHEREAS, the history of Arab Americans in the United States remains neglected and individuals are harmed by misconceptions, bigotry, and anti-Arab hate in the forms of crimes and speech; and

WHEREAS, Arab American issues, such as civil rights abuses, harmful stereotyping, and bullying must be combatted in the forms of education and awareness; and

WHEREAS, Arab Americans join all Americans in the desire to see a peaceful and diverse society, where every individual is treated equally and feels safe; and

WHEREAS, the contributions and heritage of Arab Americans have helped us build a better state and nation;

NOW, THEREFORE, BE IT RESOLVED that Reynolds School District does hereby proclaim April 2024 as National Arab American Heritage Month.

Adopted this 20th day of March 2024.

Signed:

Attest:

Chair, Reynolds School Board of Directors

Superintendent of Schools / Clerk



RESOLUTION 2023-2024-021

PROCLAIMING THE CELEBRATION OF NATIONAL SCHOOL LIBRARY MONTH

WHEREAS, the month of April has been designated nationally as School Library Month by the American Association of School Librarians;

WHEREAS, school libraries provide materials for teachers and students that will encourage growth and knowledge and help teachers and students become effective users of ideas and information; and

WHEREAS, the school library media specialist role is to provide the leadership and expertise necessary to ensure that the school library is an integral part of the instructional program of the school; and

WHEREAS, school libraries provide materials to meet individual needs, varied interests, abilities, socioeconomic backgrounds and maturity levels of the students served; and

WHEREAS, school libraries contribute to developing a culture of innovation and creativity for students by delivering personalized learning experiences for students through its use of collaborative workspaces and an environment that allows for reading and learning, investigation and research, and the lifelong pursuit of knowledge; and

WHEREAS, lifelong learning begins and is systematically developed through the school library curriculum of elementary and secondary schools; and

WHEREAS, the school library contributes to the individual growth and development of all students, while fostering both excellence and equity in education; and

WHEREAS, the school library and media specialists of Reynolds School District have dedicated themselves to work for quality school libraries for all students;

WHEREAS, it is both fitting and proper that special recognition be given to school library programs and the role of certified school library and media specialists in education throughout Reynolds School District;

NOW, THEREFORE, BE IT RESOLVED that Reynolds School District does hereby proclaim April 2024 as National School Library Month.

Adopted this 20th day of March 2024.

Signed:

Attest:



As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.

To: Board of Directors

From: Frank Caropelo, Superintendent

Subject: Student Report

Type: Action Item Report / Presentation

Policy: BDDH: Public to be Heard; BDDH-AR: Public to be Heard at Board Meetings

Date: March 20, 2024

Connection to Strategic Plan Goal Topics:

- Marginalized Students
- Culturally Responsive Teaching
- Student and Staff Wellness
- Professional Development

Summary / Background:

According to policy BCBA-AR, student reporters may be appointed by each high school to provide school news to the Board at each Business Meeting.

Student reporters are encouraged to share news about school events, activities, sports, academic happenings and other high interest activities at the school.

Previous Board Action:

Not Applicable.

Financial Implications:

Not Applicable.

Motion:

Not Applicable.



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To: Board of Directors

From: Frank Caropelo, Superintendent

Subject: Public to be Heard

Type: Action Item Report / Presentation

Policy: BDDH: Public to be Heard; BDDH-AR: Public to be Heard at Board Meetings

Date: March 20, 2024

Connection to Strategic Plan Goal Topics:

- Marginalized Students
- Culturally Responsive Teaching
- Student and Staff Wellness
- Professional Development

Summary / Background:

Members of the public will address the Board with comments and the Board will listen only. The Board may choose not to address a request if it does not fall within the scope of Board Governance. Oregon law prohibits the Board from discussing specific employees or their job performance.

Those wishing to speak must sign-up prior to the start of the meeting. The first 7 submissions will be able to speak for 3 minutes.

Written Public Comment can be submitted on the RSD website at any time.

Previous Board Action:

Not Applicable.

Financial Implications:

Not Applicable.

Motion:

Not Applicable.



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To: Board of Directors

From: Frank Caropelo, Superintendent

Subject: Bargaining Group Updates

Type: Action Item Report / Presentation

Policy: BD/BDA: Board Meetings

Date: March 20, 2024

Connection to Strategic Plan Goal Topics:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Marginalized Students | <input checked="" type="checkbox"/> Culturally Responsive Teaching |
| <input checked="" type="checkbox"/> Student and Staff Wellness | <input checked="" type="checkbox"/> Professional Development |
-

Summary / Background:

Reynolds Education Association (REA) and Oregon School Employees Association, Chapter 37 (OSEA), will provide an update to the Board of Directors.

Previous Board Action:

Not Applicable.

Financial Implications:

Not Applicable.

Motion:

Not Applicable.



As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.

To: Board of Directors

From: Holly Langan, Executive Director of Financial Services

Subject: 2022-2023 District Audit Report

Type: Action Item Report / Presentation

Policy: DIE: Audits

Date: March 20, 2024

Connection to Strategic Plan Goal Topics:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Marginalized Students | <input checked="" type="checkbox"/> Culturally Responsive Teaching |
| <input checked="" type="checkbox"/> Student and Staff Wellness | <input checked="" type="checkbox"/> Professional Development |
-

Summary / Background:

The auditing firm of Pauly, Rogers and Co will present the annual comprehensive financial reports for HOLLA School, Multnomah Learning Academy, Reynolds Arthur Academy, and Rockwood Prep for fiscal year 2022-2023.

Previous Board Action:

Not Applicable.

Financial Implications:

Not Applicable.

Motion:

Not Applicable.

HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023



12700 SW 87th Ave.
Tigard, OR 97223

HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

FINANCIAL REPORT
For the Year Ended June 30, 2023

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HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

2022-23

BOARD OF DIRECTORS

Keela Tillery, President

Dr. Marty Palacios, Secretary

Gustavo Olvera, Treasurer

All board members receive mail at the address below:

ADMINISTRATION

Eric Knox, Founder & Executive Director (Registered Agent)

14513 SE Stark St
Portland, OR 97233

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HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

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

February 5, 2024

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
HOLLA School
Multnomah County, Oregon

Qualified and Unmodified Opinions

We have audited the accompanying basic financial statements of the governmental activities, each major fund, the aggregate remaining fund information and trust funds of HOLLA School (the School), as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the three matters described in the Basis for Qualified and Unmodified Opinions section of our report, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the School, as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on Each Major Fund and the Aggregate Remaining Fund Information

In our opinion, the basic governmental financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, the aggregate remaining fund information and the trust funds of the School, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Basic Financial Statements section of our report. We are required to be independent of the School 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.

Matters Giving Rise to the Qualified Opinion on the Governmental Activities

Management has also not recorded a lease liability or a corresponding right-to-use asset for a long term copier lease in accordance with GASB 87, *Leases*. Accounting principles generally accepted in the United States of America require that all leases in excess of one year in term be recorded on the Statement of Net Position as a lease liability and corresponding right-to-use asset. The amount by which this departure would affect net position, liabilities and expenses of the governmental activities is not reasonably determinable.

Responsibilities of Management for the Basic Financial Statements

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

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School'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.

Auditors' Responsibilities for the Audit of the Basic Financial Statements

Our objectives are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted 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 basic financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic 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 basic 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 the School'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 basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School'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.

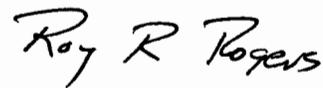
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated February 5, 2024, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive, slightly slanted style.

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

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HOLLA School

MANAGEMENT'S DISCUSSION AND ANALYSIS For the year ended June 30, 2023

As management of the School, we offer the following narrative overview and analysis of the School's financial statements for the fiscal year ended June 30, 2023. Because the information contained in this discussion is select in nature, it should be considered in conjunction with the financial statements included in this audit report.

These financial statements are presented in conformance with Governmental Accounting Standards Board (GASB) Statement No. 34. GASB 34 requires the School's financial statements to be presented on the same basis as those of our sponsoring district, Reynolds School District.

The School's financial statements consist of the following:

- Government-wide financial statements.
- Fund financial statements.
- Notes to the basic financial statements.
- General fund financial statements, including budget to actual comparison.

The government-wide financial statements are designed to provide an overview of the School's financial operations, in a manner similar to a private-sector business. The Statement of Net Position presents information regarding all assets and liabilities, with the difference between the two reported as net position. Changes in net position may serve as a useful indicator of whether or not the overall financial position of the School is improving or deteriorating. The Statement of Activities presents information showing how the School's net position increased or decreased during the year under audit. All activities in the government-wide financial statements are presented on the full accrual basis of accounting, in which they are reported as soon as the event occurs, regardless of the timing of associated cash flows.

The fund financial statements are presented focusing on near-term inflows and outflows of available resources, as well as balances of available resources available at the end of the year. The Schedule of Revenues, Expenditures and Changes in Fund Balance also includes the School's budget, which is approved by the Board of Directors each year. This information is useful in assessing the School's near-term financial situation, and in the analysis of its annual budget.

The following is current year Statement of Net Position:

Assets:	2023
Current & Other Assets	\$ 203,092
Capital Assets - Net	5,149
Total Assets	<u>208,241</u>
Deferred Outflows of Resources	
Pension related deferrals	-
Total Assets & Pension Related Deferrals	<u>208,241</u>
Liabilities:	
Current & Other Liabilities	25,001
Net Pension Liability	-
Total Liabilities	<u>25,001</u>
Deferred Inflows of Resources	
Pension related deferrals	-
Total Liabilities & Pension Deferrals	<u>25,001</u>
Net Position:	
Net Investment in Capital Assets	5,149
Unrestricted	178,091
Restricted for Net OPEB	-
Total Net Position	<u>\$ 183,240</u>

The following is current year Statement of Activities:

Revenue:	2023
Operating Grants	\$ 330,491
General Revenues	613,887
Total Revenue	<u>944,378</u>
Expenses:	
Instruction	452,800
Support Services/Enterprise	439,794
Total Expenses	<u>892,594</u>
Beginning Net Position	131,456
Change in Net Position	51,784
Ending Net Position	<u>\$ 183,240</u>

An analysis of the government-wide financial statements shows the following:

- Fiscal year 2022-2023 was the first year of operation for the School. Total assets, which consist of cash, accounts receivable, prepaid expenses, and capital and leased assets, were \$208,241. Total liabilities were \$25,001. All activities of the School are governmental activities.
- Our revenues during 2022-2023 were from multiple sources as our first year did not have the school on record at Oregon Department for Education for true enrollment. State School Funds represented \$437,038. Other grant and donor revenue totaled \$330,491. The School was able to take advantage of CARES Act funds from Reynolds School district to the amount of \$176,381. Total revenues from all sources for the year were \$944,378.
- Our expenses totaled \$892,594 for the 2022-2023 year.

An analysis of the governmental fund financial statements shows the following:

- The Schedule of Revenues, Expenses and Changes in Fund Balance–Actual and Budget presents greater detail regarding the School’s revenues and expenses for the year. The following are significant budgetary variations we feel should be discussed further:
 1. Total revenues for the fiscal year were less than budgeted. We are still waiting for a large true up of State School fund to the tune of approximately \$200,000. The Oregon Department of Education is one year behind actual student counts. With adding a grade a year, our revenue will continue to be behind our actual student counts.
 2. Actual instruction expenses include costs for classroom supplies, textbooks and equipment that are budgeted as support services and actual support services are less than what was budgeted. We needed to be very mindful of our funds as we were waiting for State School Funds as well as it was challenging to hire staff.
 3. The School is committed to budgeting conservatively as continue to grow our school and build a sustainable model.

Our average enrollment for 2022-2023 was 46. Our school is considered Title 1 based on our district demographic. At the time of this letter, our enrollment is 74. We offer Kindergarten through 3rd grade. In 2024-2025, we will be adding a 4th grade.

The School Board of Directors is hopeful for the future of the school. The School is here to serve the children in an academic model that honors their lived experience, promotes the whole child and meets them where they are by exploring their curiosity, criticality and creativity. The board continues to improve in structure and aligning the right people in the correct position to assist the school in its’ future success.

Please refer to the notes to the financial statements for a discussion of other issues related to the 2022-2023 year. Within that section are explanations of the School organization and operation, a summary of significant accounting policies, and other important information.

This financial report is designed to provide a general overview of the School’s finances for all those with an interest in the School’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Jennifer Frankamp, 14513 SE Stark St, Portland OR 97233.

Eric Knox
Executive Director/Founder

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HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

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HOLLA SCHOOL
PORTLAND, OREGON

STATEMENT OF NET POSITION
June 30, 2023

ASSETS:

Current Assets	
Cash and cash equivalents	\$ 103,449
Accounts receivable	91,559
Prepaid Expenses	<u>8,084</u>
Total Current Assets	203,092
Long Term Assets	
Capital assets, net of accumulated depreciation	<u>5,149</u>
Total Assets	<u>208,241</u>

LIABILITIES:

Current Liabilities	
Accounts payable	18,550
Payroll liabilities	4,969
Other liabilities	<u>1,482</u>
Total Current Liabilities	<u>25,001</u>

NET POSITION:

Invested in capital assets, net	5,149
Unrestricted	<u>178,091</u>
Total Net Position	<u>\$ 183,240</u>

See accompanying notes to the basic financial statements.

HOLLA SCHOOL
PORTLAND, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 452,800	\$ -	\$ 330,491	\$ (122,309)
Support Services	424,709	-	-	(424,709)
Enterprise & Community Services	15,085	-	-	(15,085)
Total Governmental Activities	<u>\$ 892,594</u>	<u>\$ -</u>	<u>\$ 330,491</u>	<u>(562,103)</u>
General Revenues:				
State Sources - ADM				437,038
Federal Cares Act				176,381
Interest and Investment Earnings				<u>468</u>
Total General Revenues				<u>613,887</u>
Changes in Net Position				51,784
Net Position - Beginning				<u>131,456</u>
Net Position - Ending				<u>\$ 183,240</u>

See accompanying notes to ³⁶ basic financial statements.

HOLLA SCHOOL
PORTLAND, OREGON

BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2023

	GENERAL FUND
ASSETS:	
Cash and cash equivalents	\$ 103,449
Prepaid Expenses	8,084
Accounts receivable	91,559
	<hr/>
Total Assets	\$ 203,092
	<hr/> <hr/>
LIABILITIES AND FUND BALANCE:	
Liabilities:	
Accounts payable	\$ 18,550
Payroll liabilities	4,969
Other liabilities	1,482
	<hr/>
Total Liabilities	25,001
Fund Balance:	
Nonspendable	8,084
Unassigned	170,007
	<hr/>
Total Fund Balance	178,091
	<hr/>
Total Liabilities and Fund Balance	\$ 203,092
	<hr/> <hr/>

See accompanying notes to the basic financial statements.

HOLLA SCHOOL
PORTLAND, OREGON

Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
June 30, 2023

Total Fund Balances - Governmental Fund	\$	178,091
Net Capital Assets		<u>5,149</u>
Net Position	\$	<u><u>183,240</u></u>

See accompanying notes to the basic financial statements.

HOLLA SCHOOL
PORTLAND, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
For the Year Ended June 30, 2023

	<u>GENERAL FUND</u>
REVENUES:	
Local sources	
Grants and Contributions	\$ 330,491
Earnings on Investments	468
State sources	
ADM	437,038
Federal sources	
Federal Cares Act	<u>176,381</u>
Total Revenues	<u>944,378</u>
EXPENDITURES:	
Instruction	452,800
Support services	424,709
Enterprise & community services	15,085
Capital Outlay	<u>5,149</u>
Total Expenditures	<u>897,743</u>
Net Change in Fund Balance	46,635
Beginning Fund Balance	<u>131,456</u>
Ending Fund Balance	<u><u>\$ 178,091</u></u>

See accompanying notes to ~~89~~ basic financial statements.

HOLLA SCHOOL
PORTLAND, OREGON

Reconciliation of the Governmental Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the Year Ended June 30, 2023

Total Net Changes in Fund Balances - Governmental Funds \$ 46,635

Capital asset additions are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital assets additions exceeds depreciation.

Capital Asset Addition 5,149

Change in Net Position of Governmental Activities \$ 51,784

See accompanying notes to ~~40~~ basic financial statements.

HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. THE FINANCIAL REPORTING ENTITY

HOLLA School (the School) is a nonprofit corporation organized under provisions of Oregon Revised Statutes Chapter 338 for the purpose of operating a charter school. It is governed by a board. Generally accepted accounting principles require that these financial statements present the School and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate entities that are included in the School's reporting because of the significance of their operational or financial relationships with the School. All significant activities and entities with which the School exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and Statement of Activities display information as a whole. The Statement of Net Position and the Statement of Activities were prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions."

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

FUND FINANCIAL STATEMENTS

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

HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for the general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Grant revenue is not considered available and, therefore, is not recognized until received. Expenditures are recorded when the liability is incurred. Capital assets are expensed and the related depreciation expense and accumulated depreciation is not reported in the governmental funds.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

There is one major governmental fund:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund (there are no other funds). The principal revenue sources are payments of state school support from Reynolds School District, program fees, fundraising, donations and grants.

NET POSITION

Net position is comprised of the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

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

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

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

C. BUDGETS

A budget is prepared for the General Fund on the modified accrual basis of accounting in the main program categories as listed below. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America except that capital outlay and inventory are expensed when purchased, pension and OPEB costs are not recorded until paid, and depreciation expense is not recorded.

HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

C. BUDGETS (CONTINUED)

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

LEVEL OF CONTROL

Instruction
Support Services
Enterprise and Community Services
Operating Contingency

A comparison of budget amounts to actual amounts can be found on page 15 of this report.

D. CAPITAL ASSETS

Capital assets are reported in the government wide financial statements. Capital assets are defined as equipment, structures or furnishings with a useful life of more than one year and valued at one thousand dollars (\$1,000) or more, including actual or estimated tax, shipping and handling, and land, buildings, and improvements, other than buildings valued at five thousand dollars (\$5,000) or more. All items over one thousand dollars (\$1,000) with a useful life of more than one year will be capitalized. Assets under one thousand dollars (\$1,000) with a useful life of more than one year may be capitalized only upon permission of an Administrator or Director of Finance/Operations. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets will be depreciated from the next preceding year.

E. RETIREMENT PLAN

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

F. ESTIMATES

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

G. CASH AND CASH EQUIVALENTS

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

H. ACCOUNTS RECEIVABLE

Accounts receivable consists of payments and grants due but not yet received from Reynolds School District and US Department of Education.

I. FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions* is followed. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are nonspendable, restricted, committed, assigned, and unassigned.

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

There are no restricted, committed, or assigned fund balances at year end.

J. DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. At June 30, 2023, there were no deferred outflows representing PERS pension and OPEB RHIA related deferrals reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2023, there were no deferred inflows representing PERS pension and OPEB RHIA related deferrals reported in the Statement of Net Position.

HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

K. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. There were no securities held at year end.

2. CASH AND CASH EQUIVALENTS

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total credit union balance per the bank statements as of June 30, 2023 was \$97,916, all of which was insured by the National Credit Union Share Insurance Fund (NCUSIF).

Cash in the financial statement consisted of:

Rivermark Business Checking	\$	98,444
Rivermark Business Saving		5
Bill.com Money Out Clearing		5,000
	\$	<u>103,449</u>

HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND CASH EQUIVALENTS (CONTINUED)

CREDIT RISK – DEPOSITS

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. The School does not have a deposit policy for custodial credit risk. As of June 30, 2023, none of the credit union balances were exposed to custodial credit risk.

INTEREST RATE RISK - INVESTMENTS

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments at year end.

CREDIT RISK - INVESTMENTS

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE.

CONCENTRATION OF CREDIT RISK

There were no investments at June 30, 2023.

3. CAPITAL ASSETS

Changes in Capital Assets for the year ended June 30, 2023 are as follows:

	Balance July 1, 2022	Additions	(Deletions)	Balance June 30, 2023
Capital Assets				
Leasehold Improvements	-	-	-	-
Equipment	-	5,149	-	5,149
Total	-	5,149	-	5,149
Accumulated Depreciation				
Leasehold Improvements	-	-	-	-
Equipment	-	-	-	-
Total	-	-	-	-
Total Net Capital Assets	-			5,149

Accumulated Depreciation will begin in FYE 2023-2024.

HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. LEASES

In September 2022, the School entered into a contract to lease a building from Boys & Girls Clubs of Portland Metropolitan Area. The period of the lease was September 1, 2022 to June 30, 2025. The School has the option to terminate the Lease after the first ten months from its execution or by June 30, 2023. Besides the base rent of \$5,000 each month, the School also pays additional rent of 21.3% of the common area expenses. If the School does not exercise its option to terminate, and the Base Rent shall increase to 102.5% of the Base Rent with respect to the immediately preceding year.

5. DEFINED BENEFIT PENSION PLAN

Due to this being the first year of operations for the school, there were no pension plan statements available for the year ended June 30 2023.

6. LONG TERM OBLIGATION

There was no long-term debt at June 30, 2023.

7. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize exposure to these risks. Settled claims have not exceeded this commercial coverage for the past fiscal year.

8. TAX STATUS

The School is established pursuant to Section 501(c) (3) of the Internal Revenue Code, and, accordingly, the change in net position is exempt from income taxes. A favorable determination letter from the Internal Revenue Service and the Board believes that the School continues to qualify and to operate in accordance with applicable provisions of the Internal Revenue Code.

U.S. Generally Accepted Accounting Principles requires management to evaluate tax positions taken and recognize a tax liability (or asset) if the School has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Due to this being the first fiscal year of operation for the School, management believes it is no longer subject to income tax examinations for years prior to 2022.

9. COMMITMENTS AND CONTINGENCIES

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

The School operates under authority of the Reynolds School District who grants a charter to the School and exercises some oversight as required by Oregon law. The effect of non-renewal of the charter has not been determined or reflected in these financial statements.

HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. The ultimate impact on the School's finance is not determinable.

HOLLA SCHOOL

OTHER INFORMATION

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HOLLA SCHOOL
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GOVERNMENTAL FUND
For the Year Ended June 30, 2023

REVENUES:	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
Local Sources	\$ 538,500	\$ 538,500	\$ 330,959	\$ (207,541)
State Sources	416,663	416,663	437,038	20,375
Federal Sources	204,657	204,657	176,381	(28,276)
Total Revenues	<u>1,159,820</u>	<u>1,159,820</u>	<u>944,378</u>	<u>(215,442)</u>
 EXPENDITURES:				
Instruction	659,267	659,267	452,800	206,467
Support Services	364,760	364,760	424,709	(59,949)
Enterprise & Community Services	28,000	28,000	15,085	12,915
Capital Outlay	-	-	5,149	(5,149)
Operating Contingency	17,397	17,397	-	17,397
Total Expenditures	<u>1,069,424</u>	<u>1,069,424</u>	<u>897,743</u>	<u>171,681</u>
Net Change in Fund Balance	90,396	90,396	46,635	(43,761)
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>131,456</u>	<u>131,456</u>
Ending Fund Balance	<u>\$ 90,396</u>	<u>\$ 90,396</u>	<u>\$ 178,091</u>	<u>\$ 87,696</u>

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HOLLA SCHOOL

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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

February 5, 2024

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of HOLLA School (the School) as of and for the year ended June 30, 2023, and have issued our report thereon dated February 5, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether HOLLA School's basic 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 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of basic financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Deposits of public funds with financial institutions (ORS Chapter 295).**
- **Insurance and fidelity bonds in force or required by law.**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Programs funded from outside sources.**

In connection with our testing nothing came to our attention that caused us to believe that the School was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

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

Roy R Rogers

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

**MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023



**12700 SW 72nd Ave.
Tigard, OR 97223**

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

2022-23

BOARD OF DIRECTORS

<u>Name</u>	<u>Term End Date</u>
Codi Tillson, President and Secretary	June 30, 2023
Matt Luce, Treasurer	June 30, 2023
Tim Manson	June 30, 2024
Jimmy Martindale	June 30, 2023

All board members receive mail at the address below:

ADMINISTRATION

Jo Ann Lindenthal, Executive Director
22565 NE Halsey Street
Fairview, OR 97024

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MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

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November 6, 2023

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Multnomah Learning Academy
Multnomah County, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of Multnomah Learning Academy (the Academy) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Academy, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Basic Financial Statements section of our report. We are required to be independent of the Academy 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 these basic 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 basic 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 Academy'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.

Auditors' Responsibilities for the Audit of the Basic Financial Statements

Our objectives are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted 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, including omissions, 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 basic financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic 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 basic 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 Academy'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 basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy'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 the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing 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 Schedules of Net Pension Liability and Contributions for PERS or the Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

Other Information

Management is responsible for the other information included in the annual report. The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as listed in the table of contents, does not include the basic financial statements and our auditors' 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 6, 2023 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Hans Graichen

HANS K. GRAICHEN, CPA
PAULY, ROGERS AND CO., P.C.

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**MULTNOMAH LEARNING ACADEMY
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the year ended June 30, 2023**

As management of Multnomah Learning Academy (the Academy), we offer the following narrative overview and analysis of the Academy’s basic financial statements for the year ended June 30, 2023. It is management’s goal in preparing this discussion to assist users of these basic financial statements in interpreting key data found in the pages that follow, and to analyze the results of this fiscal year. Because the information contained in this discussion is necessarily select in nature, it should be read and interpreted in conjunction with those financial statements.

The Academy’s basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

A budget-to-actual schedule is also included in this report.

The government-wide financial statements are designed to provide an overview of the Academy’s financial operations, in a manner similar to a private-sector business. The Statement of Net position presents information regarding all assets and liabilities, with the difference between the two being reported as net position. Changes in net position may serve as a useful indicator of whether or not the overall financial position of the Academy is improving or deteriorating. The Statement of Activities presents information showing how the Academy’s net position increased or decreased during the year under audit. All activities in the government-wide financial statements are presented on the full accrual basis of accounting, in which they are reported as soon as the event occurs, regardless of the timing of associated cash flows.

The fund financial statements are presented focusing on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. This information might be useful in assessing the Academy’s near-term financial situation, and is useful in the preparation and analysis of annual budgets. The governmental fund financial statements provide a reconciliation to the government-wide financial statements.

An analysis of the government-wide financial statements shows the following:

- The Academy had \$2,760,512 invested in capital assets, net of related debt and depreciation at June 30, 2023.
- The Academy’s assets exceeded its liabilities at June 30, 2023 by \$4,522,829
- The Academy’s net assets increased by \$988,051 from the net position at July 1, 2022 of \$3,534,778 to \$4,522,829 during fiscal year 2022-2023.

**MULTNOMAH LEARNING ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2023**

CONDENSED STATEMENT OF NET POSITION

	<u>2023</u>	<u>2022</u>	<u>% Change</u>
ASSETS:			
Current and other assets	\$ 5,188,856	\$ 4,036,105	28.6%
Capital assets, net of depreciation	3,808,310	3,855,330	-1.2%
Right-to-use assets, net of amortization	3,132,514	3,273,810	-4.3%
Total Assets	<u>12,129,680</u>	<u>11,165,245</u>	<u>8.6%</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Pension related deferral - PERS	2,882,597	2,157,497	33.6%
TOTAL ASSETS AND PENSION RELATED DEFERRALS:			
	<u>\$ 15,012,277</u>	<u>\$ 13,322,742</u>	<u>12.7%</u>
LIABILITIES:			
Current and other liabilities	\$ 1,337,708	\$ 860,738	55.4%
Noncurrent liabilities	7,832,569	6,849,854	14.3%
Total Liabilities	<u>9,170,277</u>	<u>7,710,592</u>	<u>18.9%</u>
DEFERRED INFLOWS OF RESOURCES:			
Pension related deferral - PERS	1,319,171	2,077,372	-57.5%
TOTAL LIABILITIES AND PENSION RELATED DEFERRALS:			
	<u>10,489,448</u>	<u>9,787,964</u>	<u>7.2%</u>
Net Position			
Net investment in capital assets	2,760,512	2,663,706	3.6%
Unrestricted	1,762,317	871,072	102.3%
Total Net Position	<u>4,522,829</u>	<u>3,534,778</u>	<u>28.0%</u>
TOTAL LIABILITIES, PENSION RELATED DEFERRALS AND NET POSITION:			
	<u>\$ 15,012,277</u>	<u>\$ 13,322,742</u>	<u>12.7%</u>

CONDENSED STATEMENT OF ACTIVITIES

	<u>2023</u>	<u>2022</u>	<u>% Change</u>
REVENUES:			
Charges for services	\$ 351	\$ 256	37.1%
Operating grants / contributions	9,303	3,497	166.0%
General revenues	7,609,083	6,177,759	23.2%
Total Revenues	<u>7,618,737</u>	<u>6,181,512</u>	<u>23.3%</u>
EXPENDITURES:			
Instruction	4,121,773	3,543,110	16.3%
Support services	2,341,321	1,889,355	23.9%
Enterprise community services	29,641	4,956	498.1%
Debt service	108,132	119,724	-9.7%
Facility acquisition	29,819	30,821	-3.3%
Total Expenses	<u>6,630,686</u>	<u>5,587,966</u>	<u>18.7%</u>
Change in Net Position	988,051	593,546	-66.5%
Beginning Net Position	3,534,778	2,941,232	20.2%
Ending Net Position	<u>\$ 4,522,829</u>	<u>\$ 3,534,778</u>	<u>28.0%</u>

**MULTNOMAH LEARNING ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2023**

The Schedules of Revenues, Expenditures and Changes in Fund Balance, included in the other information, also includes the Academy's budget, which is approved by the board of directors each year. This information is useful in assessing the Academy's near-term financial situation, and in the analysis of its annual budget.

- Our revenues from State sources were \$681,851 higher than budgeted amounts due to a recalculation of actual enrollment numbers at the end of the year to State School Funds received per student throughout the year. This figure also includes final state calculations for years 21-22.
- Our revenue from local sources were \$32,658 higher than budgeted.
- Our revenue from federal sources were \$246,493 higher than budgeted. We received federal source funds on a reimbursement basis through our school district.
- Additional funds collected were allocated to school programs, curriculum, staffing, and property maintenance, and set aside for future curriculum adoption needs.
- Total expenditures were \$181 under budgeted amounts due to conservative spending and the four (4) grants collected that covered many of the anticipated expenses to prepare campuses for fall 2023. Our expenditures reflect our expenses from our federal sources and grants reimbursed this year.

Please refer to the notes to the basic financial statements for a discussion of other issues related to the 2022-2023 school year. Within that section are explanations of the Academy's organization and operation, a summary of significant accounting policies, and other important information.

As of June 30, 2023, the money market account balance was \$2,127,553 pending project expenses and building maintenance. Funds not expensed in the budget get transferred from general checking into the money market account. These funds are set aside for unforeseen expenditures, our continued growth at the elementary and middle school, and site projects at both campuses. We are also using money market funds to offset additional expenses not covered under general funds such as additional staff to maintain continued behavioral supports, which is still a need. Funds also set aside to provide additional Professional Development reimbursement funds for our educational staff. Due to our current loan requirements, the Academy must fund all future expansions, renovations and maintenance with available cash on hand. MLA continues to do general maintenance on both campuses each summer to maintain buildings in good working order. ESSER and SIA grant funds used to continue to improve student learning and building operations.

We anticipate that revenues will remain consistent. Enrollment is not full all year but we continue to offer openings as they become available to attempt to maintain capacity.

Staffing positions remained steady from the previous year with the exception of an increased number of additional support staff to handle behavioral needs. The Academy also replaced some administrative staff this year as well. Salaries increased school-side by \$3,000 to base salary on top of the standard 3% annual percentage increase this year. The Academy anticipates that the current employee positions will continue through the 2023-2024 school year. The Academy is hoping to maintain current enrollment and staffing into the 2023-2024 school year if it balances with expected funding. The Academy will reassess if funding projections change.

**MULTNOMAH LEARNING ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2023**

This financial report is designed to provide a general overview of the Academy's finances for all those with an interest in the Academy's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director Jo Ann Lindenthal, 22565 NE Halsey St. Fairview, OR 97024.

Jo Ann Lindenthal, Executive Director

BASIC FINANCIAL STATEMENTS

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MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON
STATEMENT OF NET POSITION
at June 30, 2023

ASSETS:	
Current:	
Cash and cash equivalents	\$ 4,388,397
Accounts receivable	739,338
Prepaid expenses, current	<u>35,775</u>
Total Current Assets	<u>5,163,510</u>
Non-current:	
Deposits receivable	25,346
Capital assets not being depreciated	1,432,867
Capital assets being depreciated, net of depreciation	2,375,443
Right-to-use asset, net of amortization	<u>3,132,514</u>
Total Non-current Assets	<u>6,966,170</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pension related deferrals - PERS	<u>2,882,597</u>
TOTAL ASSETS AND PENSION RELATED DEFERRALS	<u><u>\$ 15,012,277</u></u>
LIABILITIES:	
Current:	
Accounts payable	\$ 47,663
Payroll liabilities	713,362
Current portion of lease liability	400,798
Current portion of note payable	<u>175,885</u>
Total Current Liabilities	<u>1,337,708</u>
Non-current:	
Lease liability, net of current portion	2,787,467
Note payable, net of current portion	816,162
Net pension liability - PERS	<u>4,228,940</u>
Total Non-current Liabilities	<u>7,832,569</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related deferrals - PERS	<u>1,319,171</u>
TOTAL LIABILITIES AND PENSION RELATED DEFERRALS	<u>10,489,448</u>
NET POSITION:	
Net investment in capital assets	2,760,512
Unrestricted	<u>1,762,317</u>
Total Net Position	<u>4,522,829</u>
TOTAL LIABILITIES, AND PENSION RELATED DEFERRALS AND NET POSITION	<u><u>\$ 15,012,277</u></u>

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

STATEMENT OF ACTIVITIES
for the Year Ended June 30, 2023

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 4,121,773	\$ -	\$ 9,303	\$ (4,112,470)
Support services	2,341,321	-	-	(2,341,321)
Enterprise and community service	29,641	351	-	(29,290)
Debt service	108,132	-	-	(108,132)
Facility acquisition	29,819	-	-	(29,819)
Total Governmental Activities	\$ 6,630,686	\$ 351	\$ 9,303	(6,621,032)
General Revenues				
Federal aid				1,058,031
State aid				6,526,267
Interest				24,785
Total General Revenues				7,609,083
Changes in Net Position				988,051
Net Position - Beginning				3,534,778
Net Position - Ending				\$ 4,522,829

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON
 BALANCE SHEET - GOVERNMENTAL FUND
 at June 30, 2023

	GENERAL FUND
ASSETS:	
Cash and cash equivalents	\$ 4,388,397
Accounts receivable	739,338
Prepaid expenses	35,775
Total Assets	\$ 5,163,510
 LIABILITIES AND FUND BALANCE:	
Liabilities:	
Accounts payable	\$ 47,663
Payroll liabilities	713,362
Total Liabilities	761,025
Fund Balances:	
Nonspendable	35,775
Assigned	23,500
Unassigned	4,343,210
Total Fund Balances	4,402,485
Total Liabilities and Fund Balance	\$ 5,163,510

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
at June 30, 2023

Total Fund Balances - Governmental Fund	\$ 4,402,485
<p>The net pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.</p>	
Net Pension Liability - PERS	(4,228,940)
<p>Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and contributions subsequent to the measurement date.</p>	
Deferred Inflow of Resources - PERS	(1,319,171)
Deferred Outflows of Resources - PERS	2,882,597
<p>Refundable rental deposits paid on a long-term lease contract, not receivable in the current period, are reported as an expenditure in the governmental fund. The Statement of Net Position includes those deposits among the assets of the Academy as a whole.</p>	
Deposits Receivable	25,346
<p>Debt applicable to the Academy's governmental activities is not due and payable in the current period and accordingly is not reported as a fund liability. All debt, both current and long-term, is reported in the Statement of Net Position.</p>	
Long Term Note Payable	(992,047)
<p>The cost of capital assets (land, buildings and improvements, computers and equipment, leasehold improvements) purchased or constructed is reported as an expenditure in the governmental fund. The Statement of Net Position includes those capital assets among the assets of the Academy as a whole.</p>	
Capital Assets (Net of Depreciation)	3,808,310
<p>Right-to-use assets are not financial resources and therefore are not reported in the governmental funds.</p>	
Right-to-Use Assets, Net	3,132,514
<p>Long-term liabilities applicable to the Academy's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.</p>	
Lease Payable	(3,188,265)
Net Position	\$ 4,522,829

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
for the Year Ended June 30, 2023

REVENUES:

Federal aid	\$ 1,058,031
State aid	6,526,267
Interest	24,785
Miscellaneous	9,654
Other financing sources and uses	273,504
Total Revenues	<u>7,892,241</u>

EXPENDITURES:

Current:	
Instruction	3,961,522
Support services	1,791,228
Enterprise and community services	29,641
Total Current	<u>5,782,391</u>
Debt service	666,758
Capital outlay	<u>351,374</u>
Total Expenditures	<u>6,800,523</u>

Net Change in Fund Balance	1,091,718
Beginning Fund Balance	<u>3,310,767</u>
Ending Fund Balance	<u>\$ 4,402,485</u>

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
for the Year Ended June 30, 2023

Total Net Changes in Fund Balances - Governmental Funds	\$ 1,091,718
<p>The pension revenue (expense) represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.</p>	
Pension Revenue (Expense) - PERS	(194,104)
<p>Capital asset additions are reported in governmental funds as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense or amortization expense. This is the amount by which capital outlay exceeds depreciation and amortization.</p>	
Capital Asset Additions	48,051
Depreciation Expense	(95,071)
Amortization Expense	(414,800)
<p>Prepaid expenditures, not expected to be used within one fiscal year, are reported as expenditures in the governmental fund.</p>	
Long Term Prepaid Expenditures	(6,369)
<p>Repayment of principal is an expenditure in the governmental fund but reduces the liability in the Statement of Net Position.</p>	
Debt Principal Repaid	166,304
<p>Long-term lease payments are recorded as debt service in governmental funds. This payment is a reduction to the lease liability in the Statement of Net Position.</p>	
Payment on Lease Liability	392,322
Change in Net Position of Governmental Activities	\$ 988,051

NOTES TO THE
BASIC FINANCIAL STATEMENTS

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MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. THE FINANCIAL REPORTING ENTITY

Multnomah Learning Academy (the Academy) is a non-profit corporation organized under provisions of Oregon Revised Statutes Chapter 338 for the purpose of operating a charter Academy. It is governed by a board of directors. Generally accepted accounting principles require that the basic financial statements present the Academy and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate entities that are included in the Academy's reporting because of the significance of their operational or financial relationships. All significant activities and entities with which the Academy exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Academy as a whole. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions."

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

FUND FINANCIAL STATEMENTS

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

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for the general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is 60 days. Grant revenue is not considered available and, therefore, is not recognized until received. Expenditures are recorded when the liability is incurred.

Revenues susceptible to accrual are federal, state, and local shared revenue.

There is the following major governmental fund:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund (there are no other funds). The principal revenue sources are payments of state school support from Reynolds School District, federal aid, fees, fundraising and donations.

GRANTS

Unreimbursed expenditures due from grantor agencies are reflected in the government-wide financial statements as receivables and revenue. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the Balance Sheet and Statement of Net Position.

NET POSITION

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

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There was not a restricted net position at June 30, 2023.

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

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

Restricted resources are spent first when both restricted and unrestricted resources are available for expenses.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions* is followed. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned.

- Non-spendable fund balance represents amounts that are not in a spendable form. The non-spendable fund balance represents prepaid items at June 30, 2023.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The assigned balance represents funds that have been set aside to subsidize continuing education and/or development for employees of MLA who apply for the grant. Each year \$25,000 is set aside for this purpose. The assigned balance at June 30 of each year represents the unused portion for that year.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

There were no restricted or committed fund balances at year-end.

The governing body has not established a policy on the order in which unrestricted resources are to be used when these amounts are available for expenditure. As a result of this, the default approach assumes that committed amounts should be reduced first, followed by assigned amounts, and then the unassigned amounts. When an expenditure is incurred for both restricted and unrestricted fund balance, it is applied to restricted fund balance first.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BUDGET

A budget is prepared for the General Fund on the modified accrual basis of accounting in the main program categories as listed below. Modified accrual basis differs from accrual in that no depreciation expense is recognized, capital assets are expensed when purchased, rental deposits are expensed when not receivable in the current period, pension costs are not recorded until paid, inventory is expensed when purchased and debt principal is an expenditure when paid. The budget is prepared on a basis consistent with generally accepted accounting principles in the United States of America, except as stated above.

The expenditures budgets are made of the following levels:

LEVEL OF CONTROL

- Instruction
- Support services
- Enterprise and community services
- Facilities acquisition and construction
- Debt service

Budget variances are shown on page 29.

D. CAPITAL ASSETS

Capital assets, which include equipment, buildings, land and improvements are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more, and a useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The cost of normal maintenance and repair that do not add function to the asset or materially extend the useful life of the asset are expensed as incurred.

Capital assets are depreciated using the straight-line method over the following useful lives:

Building and Improvements	50 years
Computers and Equipment	5 to 10 years
Leasehold Improvements	10 years
Furnishings	15 years

E. SUPPLY INVENTORY

Detailed supply inventory records are not maintained. Inventories are not considered to be material by management at year-end.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. RETIREMENT PLANS

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

G. FAIR VALUE INPUTS, METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

There were no investments at June 30, 2023.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. At June 30, 2023, there were deferred outflows representing PERS pension related deferrals reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2023, there were deferred inflows representing PERS pension related deferrals reported in the Statement of Net Position.

I. ESTIMATES

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

J. PREPAID EXPENSES

Prepaid expenses represent subscriptions for services that will be used in future years.

K. ACCOUNTS RECEIVABLE

The accounts receivable are all current and are considered by management to be fully collectible. Therefore, no provision for uncollectable amounts has been made.

L. DEPOSITS RECEIVABLE

Deposits receivable are reported for payment of a security deposit equal to one month rent on the property leased at 3240 S. Troutdale Road, Troutdale, Oregon. The deposit will be returned to the Academy within sixty days of the termination of the lease.

M. LEASES

Leases are reported in accordance with GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. See Note 7.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

N. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS – (SBITA)

Subscription Right-to-Use Assets

Subscription assets are assets in which the government obtains control of the right to use the underlying IT asset. The value of the subscription asset is initially measured as the sum of the initial subscription liability amount, any payments made to the IT software vendor before commencement of the subscription term, and any capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized in a straight-line manner over the course of the subscription term.

Subscription Liabilities

In the government-wide financial statements, subscription liabilities are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of subscription payments expected to be made during the subscription term is reported as other financing sources. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government’s incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

Management has determined that they do not have any material multi-year subscription technology arrangements that would require reporting a subscription liability or a right-to-use subscription asset.

2. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2023 was \$4,362,099, of which \$500,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

At June 30, 2023 cash and cash equivalents consisted of the following:

Bank Demand Deposits	\$	2,260,844
Money Market		2,127,553
Total	\$	<u>4,388,397</u>

CREDIT RISK – DEPOSITS

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. There is no deposit policy for custodial credit risk unless held at a qualified depositor for public funds. As of June 30, 2023 none of the bank balances were exposed to custodial credit risk.

MULTNOMAH LEARNING ACADEMY
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NOTES TO THE BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS

Policy is to follow state statutes governing cash management. Statutes authorize investing in banker's acceptances, repurchase agreements, obligations of the United States and its agencies and instrumentalities.

INTEREST RATE RISK - INVESTMENTS

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There were no investments.

CREDIT RISK - INVESTMENTS

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE.

CONCENTRATION OF CREDIT RISK

At June 30, 2023 there were no investments.

3. CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2023 are as follows:

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>
Capital Assets, Non-Depreciable				
Land	\$ 1,432,867	\$ -	\$ -	\$ 1,432,867
Capital Assets, Depreciable				
Buildings and improvements	\$ 2,986,935	\$ 28,051	\$ -	\$ 3,014,986
Computers and equipment	148,987	20,000	(80,850)	88,137
Leasehold improvements	252,240	-	-	252,240
Totals	<u>3,388,162</u>	<u>48,051</u>	<u>(80,850)</u>	<u>3,355,363</u>
Accumulated Depreciation				
Buildings and improvements	711,576	59,937	-	771,513
Computers and equipment	121,317	9,910	(80,850)	50,377
Leasehold improvements	132,806	25,224	-	158,030
Total Accumulated Depreciation	<u>965,699</u>	<u>95,071</u>	<u>(80,850)</u>	<u>979,920</u>
Net Capital Assets, Depreciable	<u>\$ 2,422,463</u>			<u>\$ 2,375,443</u>

Deletions represent: a server and Wi-Fi access points that were replaced by individual items below the capitalization policy; and the camera systems at the elementary school and the middle school that were removed and completely replaced with new security cameras.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

4. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global 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 2.0 percent.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

4. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$848,795, excluding amounts to fund employer specific liabilities.

Pension Asset or Liability

At June 30, 2023, the Academy reported a net pension liability of \$4,228,940 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. The Academy's proportion of the net pension liability was based on a projection of the Academy's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2022 and 2021, the Academy's proportion was .028 percent and .021 percent, respectively. Pension expense for the year ended June 30, 2023 was \$194,104.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

4. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The rates in effect for the year ended June 30, 2023 were:

- (1) Tier 1/Tier 2 – 26.83%
- (2) OPSRP general services – 23.72%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 205,281	\$ 26,372
Changes in assumptions	663,544	6,062
Net difference between projected and actual earnings on investments	-	756,053
Changes in proportionate share	960,194	126,692
Difference between contributions and proportionate share of system contributions	204,783	403,992
Subtotal - amortized deferrals (below)	2,033,802	1,319,171
Contributions subsequent to measurement date	848,795	-
Deferred outflow (inflow) of resources	\$ 2,882,597	\$ 1,319,171

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

Subtotal amounts related to pension as deferred outflows of resources, \$2,033,802, and deferred inflows of resources, (\$1,319,171), net to \$714,631 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2024	\$ 248,915
2025	72,365
2026	(157,561)
2027	490,603
2028	60,309
Total	\$ 714,631

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

4. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Valuations – The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2020
Measurement date	June 30, 2022
Experience study	2020, Published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><u>Health retirees and beneficiaries:</u> Pub-2010 Health Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Active members:</u> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Disabled retirees:</u> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

MULTNOMAH LEARNING ACADEMY
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NOTES TO THE BASIC FINANCIAL STATEMENTS

4. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
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: June 30, 2022 PERS ACFR; p. 104)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund of Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2022 PERS ACFR; p. 74)

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

4. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2022 and 2021 was 6.90, for both years, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Academy’s proportionate share of the net pension liability to changes in the discount rate – The following presents the Academy’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the Academy’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Academy's proportionate share of the net pension liability (asset)	\$ 7,499,660	\$ 4,228,940	\$ 1,491,499

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer’s reporting date that are expected to have a significant effect on the employer’s share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the Academy are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member’s IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

MULTNOMAH LEARNING ACADEMY
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NOTES TO THE BASIC FINANCIAL STATEMENTS

4. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

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 Academy pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSERP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSERP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The Academy did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

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

<https://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

5. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA)

Retirement Health Insurance Account

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the Academy contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Funding Policy:

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the Academy currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The Academy's contributions to RHIA for the year ended June 30, 2023 were not considered material to the basic financial statements by management.

At June 30, 2023, the Academy's net OPEB liability/(asset) and deferred inflows and outflows for RHIA were not considered material to the basic financial statements by management and were not accrued in the government-wide statements.

6. SERVICE AGREEMENTS

There is a month-to-month service agreement for IT support services. The monthly payment under the agreement for the elementary school was \$3,877 per month until April 2023, when it increased to \$4,589 per month. The monthly payment under the agreement for the middle school was \$3,427 per month until April 2023, when it increased to \$4,377 per month. Total service agreement for the year ended June 30, 2023 for the elementary school was \$48,660. Total service agreement for the year ended June 30, 2023 for the middle school was \$43,974. Since this is a month-to-month service agreement, there are no future minimum payments.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. LEASE LIABILITY AND RIGHT-TO-USE ASSET

On November 1, 2021 the Academy entered into a 6-year lease with Yoshida Real Estate Holding XV, as Lessee, for use of the premises located at 3220-3240 S Troutdale, Oregon 97060 for middle school space. An initial lease liability was recorded in the amount of \$3,534,201. As of June 30, 2023, the value of the lease liability is \$2,894,473. Required monthly payments were \$30,777 until November 2022 when they increased to \$31,682. Monthly payments will increase every November 1 for the duration of the lease. The lease liability has a discount rate of 1.7222%, which is based on a U.S. Treasury A rating at a 122-month credit spread and the daily treasury part yield curve rate at 122 months. The premises' estimated useful life was 122 months as of July 1, 2021 when GASB 87 was implemented. The value of the right-to-use asset as of June 30, 2023 is \$3,534,201 with accumulated amortization of \$696,187 and is included with 'buildings' on the lease class activities table below. The Academy has an extension option for an additional 6-year term. The Lessor has an extension option for an additional 6-year term.

On April 1, 2020 the Academy entered into a 37-month lease with Yoshida Real Estate Holding XV, as Lessee, for use of the premises located at 26948 SE Stark Street, Troutdale, Oregon 97060 for an indoor play area and café (Annex). An initial lease liability was recorded in the amount of \$106,041. The lease expired during the year ended June 30, 2023, so the value of the lease liability is now \$0. Required monthly fixed payments were \$4,413 until November 2022 when they increased to \$4,590. The lease liability had a discount rate of 0.5925%, which is based on a U.S. Treasury A rating at a 24-month credit spread and the daily treasury part yield curve rate at 24 months. The premises' estimated useful life was 24 months as of July 1, 2021 when GASB 87 was implemented. This lease agreement was replaced by a new agreement by the lessor effective July 1, 2023. The removal of the right-to-use asset and lease liability are reflected by reductions in the tables below. See next paragraph for replacement lease agreement.

On March 1, 2023 the Academy entered into a new lease with Yoshida Real Estate Holding XV, as Lessee, for use of the premises located at 26948 SE Stark Street, Troutdale, Oregon 97060 for an indoor play area and café (Annex). Lease payments begin July 1, 2023. An initial lease liability was recorded in the amount of \$273,504. As of June 30, 2023, the value of the lease liability is \$273,504. Required monthly fixed payments will be \$4,604 for the year ending June 30, 2024. Monthly payments increase each July 1st by .3%. The lease liability has a discount rate of 0.5925%, which is based on a U.S. Treasury A rating at a five-year credit spread and the daily treasury part yield curve rate at five years. The premises' estimated useful life was five years as of contract commencement. The value of the right-to-use asset as of June 30, 2023 is \$273,504 and has not yet begun to amortize.

On January 1, 2020 the Academy entered into a five-year lease with Pacific Office Automation, as Lessee, for use of eight copiers. An initial lease liability was recorded in the amount of \$48,536. As of June 30, 2023, the value of the lease liability is \$20,288. Required monthly fixed payments are \$1,561, which includes \$350 for toner, parts, and labor. The \$350 for toner, parts, and labor has been properly excluded from the total lease liability. The lease liability has a discount rate of 0.8453%, which is based on a U.S. Treasury A rating at a 41-month credit spread and the daily treasury part yield curve rate at 41 months. The equipment's estimated useful life was 41 months as of July 1, 2021 when GASB 87 was implemented. The value of the right-to-use asset as of June 30, 2023 is \$48,536 with accumulated amortization of \$27,540 and is included with 'equipment' on the lease class activities table below.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. LEASE LIABILITY AND RIGHT-TO-USE ASSET (CONTINUED)

Lease Liability

	Changes in Lease Liability			Balance at June 30, 2023
	Balance at July 1, 2022	Additions	Reductions	
Buildings				
Middle School	\$ 3,218,143	\$ -	\$ (323,670)	\$ 2,894,473
Annex (old)	54,196	-	(54,196)	-
Annex (new)	-	273,504	-	273,504
Equipment				
Copiers	34,464	-	(14,176)	20,288
Mailing Equipment	280	-	(280)	-
	\$ 3,307,083	\$ 273,504	\$ (392,322)	\$ 3,188,265

Principal and Interest Requirements to Maturity

For year ended June 30,	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 400,798	\$ 48,686	\$ 449,484
2025	398,984	42,618	441,602
2026	399,361	36,402	435,763
2027	405,836	30,095	435,931
2028	412,418	23,680	436,098
2029-2032	1,170,868	33,055	1,203,923
	\$ 3,188,265	\$ 214,536	\$ 3,402,801

Right-to-Use Asset Underlying Lease Liability

Amount of Lease Assets by Major Classes
of Underlying Asset (Right-to-Use Asset)

Asset Class	At June 30, 2023		
	Lease Asset Value	Accumulated Amortization	Net Value
Buildings	\$ 3,807,705	\$ 696,187	\$ 3,111,518
Equipment	48,536	27,540	20,996
	\$ 3,856,241	\$ 723,727	\$ 3,132,514

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. LEASE LIABILITY AND RIGHT-TO-USE ASSET (CONTINUED)

Right-to-Use Asset Underlying Lease Liability (Continued)

	Changes in Right-to-Use Asset			Balance at June 30, 2023
	Balance at July 1, 2022	Additions	Reductions	
Buildings				
Middle School	\$ 3,534,201	\$ -	\$ -	\$ 3,534,201
Annex (old)	106,041	-	(106,041)	-
Annex (new)	-	273,504	-	273,504
Equipment				
Copiers	48,536	-	-	48,536
Mailing Equipment	907	-	(907)	-
Total	<u>3,689,685</u>	<u>273,504</u>	<u>(106,948)</u>	<u>3,856,241</u>
Accumulated Amortization				
Buildings				
Middle School	348,561	347,626	-	696,187
Annex (old)	53,163	52,878	(106,041)	-
Annex (new)	-	-	-	-
Equipment				
Copiers	13,517	14,023	-	27,540
Mailing Equipment	634	273	(907)	-
Total	<u>415,875</u>	<u>414,800</u>	<u>(106,948)</u>	<u>723,727</u>
Total Lease Assets, Net	<u><u>\$ 3,273,810</u></u>			<u><u>\$ 3,132,514</u></u>

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. LONG TERM OBLIGATIONS

Changes in the note payable are as follows:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Outstanding 7/1/2022</u>	<u>Issued</u>	<u>Matured and Redeemed</u>	<u>Outstanding 6/30/2023</u>
July 2, 2018	5.15%	\$ 1,733,000	\$ 1,158,351	\$ -	\$(166,304)	\$ 992,047

A note was entered into on July 2, 2018 with Columbia State Bank at 5.15% interest in 30 monthly payments of \$18,572 and a final payment of \$17,324 due July 1, 2028. In the event of default, the full balance of the loan may become immediately due at the discretion of the lender.

The note is collateralized by land, buildings and improvements costing \$3,487,082. For the year ended June 30, 2023 total depreciation on these assets was \$41,668. At June 30, 2023 accumulated depreciation was \$624,682 and the net book value of the collateral was \$2,862,400. The annual principal and interest on the JP Morgan Chase debt is payable as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-24	\$ 175,885	\$ 46,977	\$ 222,862
2024-25	185,160	37,702	222,862
2025-26	194,924	27,938	222,862
2026-27	205,203	17,659	222,862
2028-29	230,875	6,902	237,777
	<u>\$ 992,047</u>	<u>\$ 137,178</u>	<u>\$ 1,129,225</u>

9. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize exposure to these risks. Settled claims have not exceeded this commercial coverage in the last three fiscal years.

10. COMMITMENTS & CONTINGENCIES

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

The Academy operates under authority of the Reynolds School District who grants a charter to the Academy and exercises some oversight as required by Oregon law. The effect of non-renewal of the charter has not been determined.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

11. TAX STATUS

The Academy is established pursuant to Section 501(c)(3) of the Internal Revenue Code, and, accordingly, the change in net position is exempt from income taxes. A favorable determination letter has been obtained from the Internal Revenue Service and the Board believes that the Academy, continues to qualify and to operate in accordance with applicable provisions of the Internal Revenue Code.

U.S. Generally Accepted Accounting Principles requires management to evaluate tax positions taken and recognize a tax liability (or asset) if an uncertain position has been taken that more likely would not be sustained upon examination by the Internal Revenue Service. The Academy is subject to routine audits by taxing jurisdictions; however, there is currently no audit for any tax period in progress. Management believes it is no longer subject to income tax examinations for years prior to 2019.

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REQUIRED
SUPPLEMENTARY INFORMATION

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MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
for the year ended June 30, 2023

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Entity's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.028 %	\$ 4,228,940	\$ 2,696,858	156.8 %	84.5 %
2022	0.021	2,551,535	2,625,443	97.2	87.6
2021	0.021	4,634,238	2,366,278	195.8	75.8
2020	0.023	4,021,743	1,982,159	202.9	80.2
2019	0.020	3,079,511	1,887,078	163.2	82.1
2018	0.018	2,434,546	1,594,985	152.6	83.1
2017	0.016	2,334,770	1,275,194	183.1	80.5
2016	0.015	854,245	895,047	95.4	91.9
2015	0.014	(314,299)	871,608	(36.1)	103.6
2014	0.014	707,594	751,557	94.2	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date at 6/30 for each year presented.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	\$ 848,795	\$ 848,795	\$ -	\$ 3,170,840	26.8 %
2022	761,782	761,782	-	2,696,858	28.2
2021	909,015	909,015	-	2,625,443	34.6
2020	740,274	740,274	-	2,366,278	31.3
2019	506,191	506,191	-	1,982,159	25.5
2018	524,179	524,179	-	1,887,078	27.8
2017	379,129	379,129	-	1,594,985	23.8
2016	327,116	327,116	-	1,275,194	25.7
2015	238,279	238,279	-	895,047	26.6
2014	218,808	218,808	-	871,608	25.1

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date at 6/30 for each year presented.

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OTHER INFORMATION

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MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

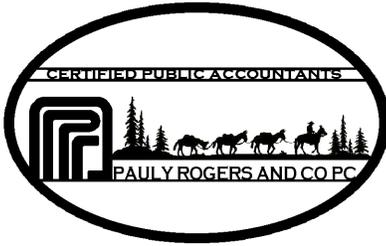
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUND
 - ACTUAL AND BUDGET -
 for the Year Ended June 30, 2023

REVENUES:	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Federal sources	\$ 811,538	\$ 811,538	\$ 1,058,031	\$ 246,493
State sources	5,844,416	5,844,416	6,526,267	681,851
Local sources	1,781	1,781	34,439	32,658
Other financing sources and uses	-	-	273,504	273,504
Total Revenues	<u>6,657,735</u>	<u>6,657,735</u>	<u>7,892,241</u>	<u>1,234,506</u>
 EXPENDITURES:				
Instruction	3,949,242	3,949,242	3,961,522	(12,280)
Support services	2,578,693	2,578,693	1,791,228	787,465
Enterprise and community services	20,545	20,545	29,641	(9,096)
Facilities acquisition and construction	29,000	29,000	351,374	(322,374)
Debt service	222,862	222,862	666,758	(443,896)
Total Expenditures	<u>6,800,342</u>	<u>6,800,342</u>	<u>6,800,523</u>	<u>(181)</u>
Net Change in Fund Balance	(142,607)	(142,607)	1,091,718	1,234,325
Beginning Fund Balance	<u>379,583</u>	<u>379,583</u>	<u>3,310,767</u>	<u>2,931,184</u>
Ending Fund Balance	<u>\$ 236,976</u>	<u>\$ 236,976</u>	<u>\$ 4,402,485</u>	<u>\$ 4,165,509</u>

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**REPORTS ON LEGAL AND
OTHER REGULATORY REQUIREMENTS**

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

November 6, 2023

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Multnomah Learning Academy as of and for the year ended June 30, 2023, and have issued our report thereon dated November 6, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

- **Deposits of public funds with financial institutions (ORS Chapter 295)**
- **Insurance and fidelity bonds in force or required by law.**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Programs funded from outside sources.**
- **Indebtedness limitations, restrictions and repayment.**

In connection with our testing nothing came to our attention that caused us to believe the Multnomah Learning Academy was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

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

Hans Graichen

HANS K. GRAICHEN, CPA
PAULY, ROGERS AND CO., P.C.

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**MASTERY LEARNING INSTITUTE
ARTHUR ACADEMY - REYNOLDS
MULTNOMAH COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023



12700 SW 7th Ave.
Tigard, OR 97223

MASTERY LEARNING INSTITUTE – ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON

FINANCIAL REPORT

For the Year Ended June 30, 2023

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MASTERY LEARNING INSTITUTE – ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON

2022-23

<u>BOARD OF DIRECTORS</u>	<u>Term Expiration</u>
Bonnie Grossen, PhD – Chair/President	October 30, 2024
Charles Arthur – Member	October 30, 2024
Gary Davis – Member	October 30, 2023
Teresa Schantin – Member	October 30, 2023
Jerry Silbert – Member	October 30, 2023
Susan Spreadborough – Member	October 30, 2023

All board members receive mail at the address below:

Stephani Walker, Executive Director
Mastery Learning Institute
13809 S.E. Division
Portland, Oregon 97236

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**MASTERY LEARNING INSTITUTE – ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON**

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November 7, 2023

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mastery Learning Institute – Arthur Academy – Reynolds
Multnomah County, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of Mastery Learning Institute – Arthur Academy – Reynolds (the School) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the School, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Basic Financial Statements section of our report. We are required to be independent of the School 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 these basic 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 basic 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 School'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.

Auditors' Responsibilities for the Audit of the Basic Financial Statements

Our objectives are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted 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, including omissions, 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 basic financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic 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 basic 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 School'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 basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School'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 the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing 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 Schedules of Net Pension Liability and Contributions for PERS or the Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

Other Information

Management is responsible for the other information included in the annual report. The listing of board members containing their term expiration dates, located before the table of contents, does not include the basic financial statements and our auditors' 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.

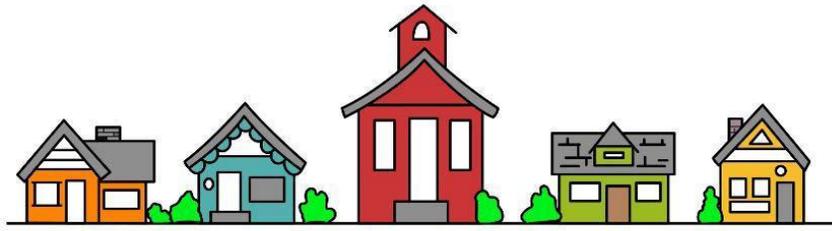
Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 7, 2023 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Hans Graichen

HANS K. GRAICHEN, CPA
PAULY, ROGERS AND CO., P.C.

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ARTHUR ACADEMY

Public Charter School

MASTERY LEARNING INSTITUTE – ARTHUR ACADEMY – REYNOLDS MANAGEMENT’S DISCUSSION AND ANALYSIS For the year ended June 30, 2023

As management of Mastery Learning Institute – Arthur Academy – Reynolds Charter School, we offer the following narrative overview and analysis of the School’s basic financial statements for the year ended June 30, 2023. Because the information contained in this discussion is select in nature, it should be considered in conjunction with the basic financial statements included in this audit report.

Financial Highlights

- The School showed an increase in its financial position during the year ended June 30, 2023. Our total assets increased from \$3,404,952 to \$3,762,285 of which \$1,478,333 are capital assets, net of depreciation.
- Liabilities of \$327,201 were all current as of June 30, 2023, which excludes the net pension liability of \$997,700.
- Our total net position increased from \$2,152,595 to \$2,457,639. All activities of the School are governmental activities.
- The increase in net position was \$305,044.
- Our revenues came primarily from State School Fund revenues, which were \$1,822,547 and other revenues totaled \$293,992. Total revenues from all sources for the year were \$2,116,539.
- Our expenses totaled \$1,811,495 for the year. Our largest expenditures were for instructional costs, which totaled \$1,098,455.

The School’s basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

The government-wide financial statements are designed to provide an overview of the School’s financial operations, in a manner similar to a private-sector business. The statement of net position presents information regarding all assets and liabilities, with the difference between the two being reported as net position. Changes in net position may serve as a useful indicator of whether or not the overall financial position of the School is improving or deteriorating. The statement of activities presents information showing how the School’s net position increased or decreased during the year under audit. All activities in the government-wide financial statements are presented on the full accrual basis of accounting, in which they are reported as soon as the event occurs, regardless of the timing of associated cash flows.

The fund financial statements are presented focusing on near-term inflows and outflows of available resources, as well as balances of available resources available at the end of the year. The Reconciliation of Governmental Funds provides reconciliation between the fund financial statements and the government-wide financial statements.

ARTHUR ACADEMY – MASTERY LEARNING INSTITUTE
13717 SE Division, Portland, OR 97236 (503) 762-6061 Fax (503) 761-4143

	2023	2022	% Change
Assets			
Current and other assets	\$ 2,283,952	\$ 1,846,811	23.7%
Capital assets (net)	1,478,333	1,558,141	-5.1%
Total Assets	<u>3,762,285</u>	<u>3,404,952</u>	<u>10.5%</u>
Deferred Outflows of Resources			
Pension related deferrals	403,359	549,854	-26.6%
Liabilities			
Current and other liabilities	327,201	245,662	33.2%
Net pension liability	997,700	828,519	20.4%
Total Liabilities	<u>1,324,901</u>	<u>1,074,181</u>	<u>23.3%</u>
Deferred Inflows of Resources			
Pension related deferrals	383,104	728,030	-47.4%
Net Position			
Net investment in capital assets	1,478,333	1,558,141	-5.1%
Unrestricted	979,306	594,454	64.7%
Total Net Position	<u>\$ 2,457,639</u>	<u>\$ 2,152,595</u>	<u>14.2%</u>

	2023	2022	% Change
Revenues			
Federal aid	\$ 260,122	\$ 410,634	-36.7%
State aid	1,842,927	1,544,568	19.3%
Charges for services	4,274	3,185	34.2%
Miscellaneous	9,216	17,916	-48.6%
Total Revenues	<u>2,116,539</u>	<u>1,976,303</u>	<u>7.1%</u>
Expenses			
Instruction	1,098,455	1,050,025	4.6%
Support services	613,799	476,865	28.7%
Enterprise and community service	19,433	5,868	231.2%
Unallocated depreciation	79,808	77,736	2.7%
Total Expenses	<u>1,811,495</u>	<u>1,610,494</u>	<u>12.5%</u>
Change in Net Position	305,044	365,809	16.6%
Beginning Net Position	2,152,595	1,786,786	20.5%
Ending Net Position	<u>\$ 2,457,639</u>	<u>\$ 2,152,595</u>	<u>14.2%</u>

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Analysis of the General Fund is as follows:

	<u>2023</u>	<u>2022</u>	<u>% Change</u>
Assets	\$ 2,264,707	\$ 1,827,566	23.9%
Liabilities	<u>327,201</u>	<u>245,662</u>	<u>33.2%</u>
Fund Balances			
Nonspendable	2,083	33,659	-93.8%
Unassigned	<u>1,935,423</u>	<u>1,548,245</u>	<u>25.0%</u>
Total Fund Balances	<u>\$ 1,937,506</u>	<u>\$ 1,581,904</u>	<u>22.5%</u>
	<u>2023</u>	<u>2022</u>	<u>% Change</u>
Revenues			
Federal aid	\$ 260,122	\$ 410,634	-36.7%
State aid	1,842,927	1,544,568	19.3%
Fees and charges	4,274	3,185	34.2%
Miscellaneous	<u>9,216</u>	<u>17,916</u>	<u>-48.6%</u>
Total Revenues	<u>2,116,539</u>	<u>1,976,303</u>	<u>7.1%</u>
Expenses			
Current			
Instruction	1,122,961	1,044,326	7.5%
Support service	618,543	472,054	31.0%
Enterprise and community service	19,433	5,868	231.2%
Capital outlay	<u>-</u>	<u>24,100</u>	<u>-100.0%</u>
Total Expenses	<u>1,760,937</u>	<u>1,546,348</u>	<u>13.9%</u>
Change in Fund Balance	355,602	429,955	17.3%
Beginning Fund Balance	<u>1,581,904</u>	<u>1,151,949</u>	<u>37.3%</u>
Ending Fund Balance	<u>\$ 1,937,506</u>	<u>\$ 1,581,904</u>	<u>22.5%</u>

As we write this in the fall of 2023, we are currently at an enrollment of 170 students. We expect student enrollment to remain the same. Student retention has been good, with a waiting list for enrollments. The School's revenues remain difficult to predict due to the unstable school funding environment in Oregon. The School's Board of Directors remains committed to budgeting conservatively to handle possible downward trends in per-pupil funding, should that result.

Please refer to the notes to the basic financial statements for a discussion of other issues related to the 2022-2023 year. Within that section are explanations of Arthur Academy – Reynolds' organization and operation, a summary of significant accounting policies, and other important information.

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Business, Jill Domine, Arthur Academy - Reynolds, 13809 S.E. Division, Portland, Oregon 97236.



Jill Domine
Arthur Academy
Director of Business

BASIC FINANCIAL STATEMENTS

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MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY - REYNOLDS
MULTNOMAH COUNTY, OREGON

STATEMENT OF NET POSITION
at June 30, 2023

ASSETS:

Cash and cash equivalents	\$ 1,715,046
Accounts receivable	353,012
Related party receivable	194,566
Prepaid expenses	21,328
Capital assets, net of depreciation	<u>1,478,333</u>
Total Assets	3,762,285

DEFERRED OUTFLOWS OF RESOURCES:

Pension related deferrals - PERS	<u>403,359</u>
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TOTAL ASSETS AND PENSION RELATED DEFERRALS	<u>\$ 4,165,644</u>
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LIABILITIES:

Accounts payable	\$ 9,185
Related party payable	189,067
Payroll liabilities	128,949
Net pension liabilities - PERS	<u>997,700</u>
Total Liabilities	1,324,901

DEFERRED INFLOWS OF RESOURCES:

Pension related deferrals - PERS	<u>383,104</u>
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TOTAL LIABILITIES AND PENSION RELATED DEFERRALS	<u>1,708,005</u>
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NET POSITION:

Net investment in capital assets	1,478,333
Unrestricted	<u>979,306</u>
Total Net Position	<u>2,457,639</u>

TOTAL LIABILITIES, PENSION RELATED DEFERRALS AND NET POSITION	<u>\$ 4,165,644</u>
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See accompanying notes to the basic financial statements.

MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY - REYNOLDS
MULTNOMAH COUNTY, OREGON

STATEMENT OF ACTIVITIES
for the Year Ended June 30, 2023

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 1,098,455	\$ 4,274	\$ -	\$ (1,094,181)
Support Services	613,799	-	-	(613,799)
Enterprise and Community Service	19,433	-	-	(19,433)
Unallocated Depreciation	79,808	-	-	(79,808)
Total Governmental Activities	\$ 1,811,495	\$ 4,274	\$ -	(1,807,221)
General Revenues:				
Federal aid				260,122
State aid				1,842,927
Miscellaneous				9,216
Total General Revenues				2,112,265
Changes in Net Position				305,044
Net Position-Beginning				2,095,344
Prior Period Adjustment				57,251
Net Position - Ending				\$ 2,457,639

See accompanying notes to the basic financial statements.

MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY - REYNOLDS
MULTNOMAH COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUND
at June 30, 2023

ASSETS:

Cash and cash equivalents	\$ 1,715,046
Accounts receivable	353,012
Related party receivable	194,566
Prepaid expenses	<u>2,083</u>
 Total Assets	 <u>\$ 2,264,707</u>

LIABILITIES:

Accounts payable	\$ 9,185
Related party payable	189,067
Payroll liabilities	<u>128,949</u>
 Total Liabilities	 <u>327,201</u>

FUND BALANCES:

Nonspendable	2,083
Unassigned	<u>1,935,423</u>
 Total Fund Balances	 <u>1,937,506</u>
 Total Liabilities and Fund Balance	 <u>\$ 2,264,707</u>

See accompanying notes to the basic financial statements.

MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY - REYNOLDS
MULTNOMAH COUNTY, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
at June 30, 2023

Fund Balance - Governmental Fund	\$ 1,937,506
<p>The PERS net pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.</p>	
Net Pension Liability - PERS	(997,700)
<p>Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and contributions subsequent to the measurement date.</p>	
Deferred Inflows of Resources - PERS	(383,104)
Deferred Outflows of Resources - PERS	403,359
<p>Prepaid expenditures, not expected to be used within one fiscal year, are reported as expenditures in the governmental fund. The Statement of Net Position includes all prepaid expenditures among the assets of the School as a whole.</p>	
Long Term Prepaid Expenditures	19,245
<p>The cost of capital assets (site improvements, buildings and improvements, and equipment) purchased or constructed is reported as an expenditure in the governmental fund. The Statement of Net Position includes those capital assets among the assets of the School as a whole.</p>	
Capital assets, net of depreciation	<u>1,478,333</u>
Net Position	<u>\$ 2,457,639</u>

See accompanying notes to the basic financial statements.

MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY - REYNOLDS
MULTNOMAH COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
for the Year Ended June 30, 2023

REVENUES:

Federal aid	\$ 260,122
State aid	1,842,927
Fees and charges	4,274
Miscellaneous	9,216
	<hr/>
Total Revenues	2,116,539

EXPENDITURES:

Current:

Instruction	1,122,961
Support service	618,543
Enterprise and community service	19,433
Total Current	<hr/> 1,760,937
	<hr/>
Total Expenditures	1,760,937

Excess of Revenues Over (Under) Expenditures	355,602
Beginning Fund Balance, restated	1,581,904
Ending Fund Balance	<hr/> <hr/> \$ 1,937,506

See accompanying notes to the basic financial statements.

MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY - REYNOLDS
MULTNOMAH COUNTY, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
for the Year Ended June 30, 2023

Net Change in Fund Balance - Governmental Fund	\$ 355,602
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The PERS pension revenue (expense) represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.

Pension Revenue (Expense) - PERS	29,250
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Capital outlays are reported in the governmental fund as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.

Depreciation Expense	<u>(79,808)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 305,044</u></u>
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See accompanying notes to the basic financial statements.

NOTES TO THE
BASIC FINANCIAL STATEMENTS

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MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. THE FINANCIAL REPORTING ENTITY

Arthur Academy – Reynolds (the School) is a non-profit corporation organized under provisions of Oregon Revised Statutes Chapter 338 for the purpose of operating a charter school. It is governed by a board of directors. Accounting principles generally accepted in the United States of America require that these financial statements present Arthur Academy – Reynolds and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate entities that are included in the School’s reporting because of the significance of their operational or financial relationships. All significant activities and entities with which the School exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and Statement of Activities display information about the School as a whole.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Non-exchange Transactions.”

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

FUND FINANCIAL STATEMENTS

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

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is 60 days. Grant revenue is not considered available and, therefore, is not recognized until received. Expenditures are recorded when the liability is incurred.

Revenues susceptible to accrual are federal, state, and local shared revenue.

There is the following major governmental fund:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund (there are no other funds). The principal revenue sources are payments of state school support from Reynolds School District, federal aid, program fees, fundraising and donations.

GRANTS

Unreimbursed expenditures due from grantor agencies are reflected in the government-wide financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the balance sheet and statement of net position.

NET POSITION

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

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

Restricted – consists of external constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There was no restricted net position at June 30, 2023.

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

Restricted resources are spent first when both restricted and unrestricted resources are available for expenses.

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30 2023, there were deferred outflows representing PERS pension related deferrals reported in the Statement of Net position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. At June 30 2023, there were deferred inflows representing PERS pension related deferrals reported in the Statement of Net Position.

FUND EQUITY

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions* is followed. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned.

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

There were no restricted, committed, or assigned fund balances at year end.

Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BUDGET

A budget is prepared for the General Fund on the modified accrual basis of accounting in the main program categories as listed below. Modified accrual basis differs from accrual in the fact that no depreciation expense is recognized, capital assets are expensed when purchased, debt is expensed when paid, pension costs are not recorded until paid, and inventory is expensed when purchased. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except as noted above.

The expenditure budgets are made at the following levels:

LEVEL OF CONTROL

Salaries and Associated Payroll Costs
Purchased Services
Supplies and Materials
Capital Outlay

D. CAPITAL ASSETS

Capital assets, which include buildings, site improvements and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more, and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The cost of normal maintenance and repair that do not add function to the asset or materially extend the useful life of the asset are expensed as incurred.

Capital assets are depreciated using the straight-line method over the following useful lives:

Site Improvements	10 years
Building and Improvements	50 years
Equipment	5 to 10 years

E. SUPPLY INVENTORY

Detailed supply inventory records are not maintained. Inventory on hand at year end was considered immaterial by management.

F. PREPAID EXPENSES

Prepaid expenses represent subscriptions for services that will be used in future years, and a field trip deposit to be used in the next year.

G. ACCOUNTS RECEIVABLE

Management believes all accounts receivable are fully collectable; therefore, an allowance for doubtful accounts has not been determined. All accounts receivable are current.

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. LEASES

Leases are reported in accordance with GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Management did not identify any leases that fell under the requirements of GASB Statement No. 87, *Leases*.

I. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS – (SBITA)

Subscription Right-to-Use Assets

Subscription assets are assets in which the government obtains control of the right to use the underlying IT asset. The value of the subscription asset is initially measured as the sum of the initial subscription liability amount, any payments made to the IT software vendor before commencement of the subscription term, and any capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized in a straight-line manner over the course of the subscription term.

Subscription Liabilities

In the government-wide financial statements, subscription liabilities are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of subscription payments expected to be made during the subscription term is reported as other financing sources. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

Management has determined that they do not have any material multi-year subscription technology arrangements that would require reporting a right-to-use subscription liability or a right-to-use subscription asset.

J. RETIREMENT PLANS

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

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. ESTIMATES

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

L. FAIR VALUE INPUTS, METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

There were no investments at June 30, 2023.

2. TAX STATUS

The School is established pursuant to Section 501(c)(3) of the Internal Revenue Code, and, accordingly, the change in net position is exempt from income taxes. A favorable determination letter has been obtained from the Internal Revenue Service and the Board believes that the School continues to qualify and operate in accordance with applicable provisions of the Internal Revenue Code.

MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

2. TAX STATUS (CONTINUED)

U.S. Generally Accepted Accounting Principles require management to evaluate tax positions taken and recognize a tax liability (or asset) if an uncertain position has been taken that more likely than not would not be sustained upon examination by the Internal Revenue Service. The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2019.

3. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2023 was \$1,720,546, of which \$250,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

At June 30, 2023 cash and cash equivalents consisted of the following:

Bank Demand Deposits	\$ 1,714,546
Cash on Hand	500
Total	<u><u>\$ 1,715,046</u></u>

CREDIT RISK – DEPOSITS

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2023 none of the bank balance was exposed to custodial credit risk.

INVESTMENTS

Policy is to follow state statutes governing cash management. Statutes authorize investing in banker's acceptances, repurchase agreements, obligations of the United States and its agencies and instrumentalities.

INTEREST RATE RISK - INVESTMENTS

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There were no investments.

CREDIT RISK - INVESTMENTS

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE.

CONCENTRATION OF CREDIT RISK

At June 30, 2023 there were no investments.

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2023 are as follows:

	Capital Assets <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	Capital Assets <u>June 30, 2023</u>
Capital Assets				
Site Improvements	\$ 216,960	\$ -	\$ -	\$ 216,960
Building & Improvements	2,250,490	-	-	2,250,490
Equipment	57,818	-	-	57,818
Total	<u>2,525,268</u>	<u>-</u>	<u>-</u>	<u>2,525,268</u>
Accumulated Depreciation:				
Site Improvements	196,511	3,932	-	200,443
Building & Improvements	734,890	71,056	-	805,946
Equipment	35,726	4,820	-	40,546
Total	<u>967,127</u>	<u>79,808</u>	<u>-</u>	<u>1,046,935</u>
Total Net Capital Assets	<u>\$ 1,558,141</u>			<u>\$ 1,478,333</u>

5. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global 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 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
 - Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
 - General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
 - iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$171,808, excluding amounts to fund employer specific liabilities.

Pension Asset or Liability

At June 30, 2023, the School reported a net pension liability of \$997,700 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The School’s proportion of the net pension liability was based on a projection of the School’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2022 and 2021, the School’s proportion was .007 percent for both years. Pension expense (revenue) for the year ended June 30, 2023 was (\$29,250).

The rates in effect for the year ended June 30, 2023 were:

- (1) Tier 1/Tier 2 – 26.83%
- (2) OPSRP general services – 23.72%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 48,430	\$ 6,222
Changes in assumptions	156,545	1,430
Net difference between projected and actual earnings on investments	-	178,370
Changes in proportionate share	25,021	110,810
Differences between contributions and proportionate share of contributions	1,555	86,272
Subtotal - Amortized deferrals (below)	231,551	383,104
Contributions subsequent to measuring date	171,808	-
Deferred outflow (inflow) of resources	\$ 403,359	\$ 383,104

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Subtotal amounts related to pension as deferred outflows of resources, 231,551 and deferred inflows of resources, (\$383,104), net to (\$151,553) and will be recognized in pension expense (revenue) as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2024	\$ (16,070)
2025	(60,461)
2026	(117,951)
2027	53,332
2028	(10,403)
Total	<u>\$ (151,553)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2020
Measurement date	June 30, 2022
Experience study	2020, Published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><u>Health retirees and beneficiaries:</u> Pub-2010 Health Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Active members:</u> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Disabled retirees:</u> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%

(Source: June 30, 2022 PERS ACFR; p. 104)

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund of Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2022 PERS ACFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2022 and 2021 was 6.90 percent, for both years, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School’s proportionate share of the net pension liability to changes in the discount rate – The following presents the School’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the School’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
School's proportionate share of the net pension liability (asset)	\$ 1,769,335	\$ 997,700	\$ 351,878

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer’s reporting date that are expected to have a significant effect on the employer’s share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the School are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member’s IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

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.

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions:

Employees of the School pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSERP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSERP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The School did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

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

<https://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

6. OTHER POST- EMPLOYMENT BENEFIT PLAN – (RHIA)

Retirement Health Insurance Account

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the School contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

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

MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. OTHER POST- EMPLOYMENT BENEFIT PLAN – (RHIA)

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the School currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer’s portion is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The School’s contributions to RHIA for the year ended June 30, 2023 were not considered material to the basic financial statements by management.

At June 30, 2023, the School’s net OPEB liability/(asset) and deferred inflows and outflows for RHIA were not considered material to the basic financial statements by management and were not accrued in the government-wide statements.

7. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize exposure to these risks. Settled claims have not exceeded this commercial coverage in the last three fiscal years.

8. RELATED PARTY TRANSACTIONS

Arthur Academy – General Services is a related party to all other Arthur Academy Charter Schools (including Reynolds) by virtue of being under the administration of the same board of directors and operating under similar principles of governance. All payroll related expenditures are made by the Arthur Academy – General Services on behalf of each school. General Services is reimbursed for those expenditures and the administration thereon. Furthermore, the Arthur Academy – General Services is involved in the cash flow management of each school, including loans and inter-entity borrowings.

Payments are made to Arthur Academy – General Services for administrative costs and payroll and related expenses. During the fiscal year ended June 30, 2023, \$1,476,300 was paid to Arthur Academy – General Services. At June 30, 2023 Arthur Academy – Reynolds had a balance of \$189,067 due to Arthur Academy – General Services, which was for payroll and related expenses, and shared services. There is no interest being charged on this outstanding payable and there is no specific due date.

At June 30, 2023, Arthur Academy – Reynolds had a related party receivable in the amount of \$194,566 due from Arthur Academy – General Services for payroll and shared services. There is no interest being charged on this outstanding receivable, and there is no specific due date.

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY – REYNOLDS
MULTNOMAH COUNTY, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

9. COMMITMENTS & CONTINGENCIES

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

The School operates under authority of the Reynolds School District who grants a charter to the School and exercises some oversight as required by Oregon law. The effect of non-renewal of the charter on these financial statements has not been determined.

10. PRIOR PERIOD ADJUSTMENT

The previously issued financial statements have been restated. Management identified \$57,251 in ESSER funds that was spent in the fiscal year ended June 30, 2022 but was not paid until July 2022. It should have been recognized as revenue in the fiscal year ended June 30, 2022. This caused the beginning net position on the Statement of Activities to increase by \$57,251, increasing from \$2,095,344 to \$2,152,595 and the beginning fund balance on the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund to increase by \$57,251, increasing from \$1,524,653 to \$1,581,904.

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REQUIRED
SUPPLEMENTARY INFORMATION

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MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY - REYNOLDS
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
for the year ended June 30, 2023

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) The School's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.007 %	\$ 997,700	\$ 690,567	144.5 %	84.5 %
2022	0.007	828,519	666,883	124.2	87.6
2021	0.008	1,684,538	678,142	248.4	75.8
2020	0.006	1,364,093	703,783	193.8	80.2
2019	0.006	1,103,899	600,671	183.8	82.1
2018	0.006	767,606	584,435	131.3	83.1
2017	0.001	155,439	598,074	26.0	80.5
2016	0.008	436,804	526,388	83.0	91.9
2015	0.045 *	(194,143)	419,621	(46.3)	103.6
2014	0.045 *	434,445	405,476	107.1	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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

* Prior to 2016, Employer's proportion is the Mastery Learning Institute amount in total. Going forward, it will be just the one School's share.

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	\$ 171,808	\$ 171,808	\$ -	\$ 704,829	24.4 %
2022	168,214	168,214	-	690,567	24.4
2021	166,470	166,470	-	666,883	25.0
2020	169,822	169,822	-	678,142	25.0
2019	152,647	152,647	-	703,783	21.7
2018	127,016	127,016	-	600,671	21.1
2017	92,864	92,864	-	584,435	15.9
2016	83,875	83,875	-	598,074	14.0
2015	95,049	95,049	-	526,388	18.1
2014	86,860	86,860	-	419,621	20.7

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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

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**REPORTS ON LEGAL AND
OTHER REGULATORY REQUIREMENTS**

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November 7, 2023

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Mastery Learning Institute – Arthur Academy – Reynolds as of and for the year ended June 30, 2023, and have issued our report thereon dated November 7, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

- **Deposits of public funds with financial institutions (ORS Chapter 295)**
- **Insurance and fidelity bonds in force or required by law.**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Programs funded from outside sources.**

In connection with our testing nothing came to our attention that caused us to believe the Mastery Learning Institute – Arthur Academy – Reynolds was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

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

Hans Graichen

HANS K. GRAICHEN, CPA
PAULY, ROGERS AND CO., P.C.

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KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023



12700 SW ⁷²₁₆₇nd Ave.
Tigard, OR 97223

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

FINANCIAL REPORT

For the Year Ended June 30, 2023

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KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

2022-2023

BOARD OF DIRECTORS

Jerome “Jerry” Fladoos, Board Chair

Tina Long

Catherine Nicewood

Preston Salami

Ana Weekland

Pete Kurzenhauser

All board members receive mail at the address below:

ADMINISTRATION

John Nelson, Executive Director (Registered Agent)
740 SE 182nd Ave
Portland, OR 97233

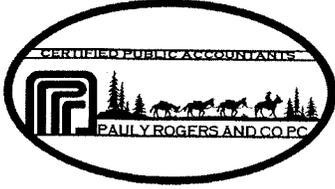
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KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

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PAULY, ROGERS AND Co., P.C.
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(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

November 1, 2023

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
KNOVA Learning (dba Rockwood Preparatory Academy Charter School)
Multnomah County, Oregon

Opinions

We have audited the accompanying basic financial statements of the governmental activities and major fund of KNOVA Learning (the School), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the School, as of June 30, 2023, 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 the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School 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 these basic 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 basic financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted 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 basic financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic 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 basic 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 School'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 basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School'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 the management's discussion and analysis, and 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

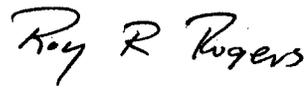
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members, located before the table of contents, but does not include the basic financial statements and our auditors' 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 1, 2023, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

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KNOVA LEARNING

MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION & ANALYSIS

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Knova Learning Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS For the year ended June 30, 2023

As management of KNOVA Learning, we offer the following narrative overview and analysis of the School's financial statements for the fiscal year ended June 30, 2023. Because the information contained in this discussion is select in nature, it should be considered in conjunction with the financial statements included in this audit report.

These financial statements are presented in conformance with Governmental Accounting Standards Board (GASB) Statement No. 34. GASB 34 requires the School's financial statements to be presented on the same basis as those of our sponsoring district, Reynolds School District.

The School's financial statements consist of the following:

- Government-wide financial statements.

- Fund financial statements.

- Notes to the basic financial statements.

- General fund financial statements, including budget to actual comparison.

The government-wide financial statements are designed to provide an overview of the School's financial operations, in a manner similar to a private-sector business. The Statement of Net Position presents information regarding all assets and liabilities, with the difference between the two reported as net position. Changes in net position may serve as a useful indicator of whether or not the overall financial position of the School is improving or deteriorating. The Statement of Activities presents information showing how the School's net position increased or decreased during the year under audit. All activities in the government-wide financial statements are presented on the full accrual basis of accounting, in which they are reported as soon as the event occurs, regardless of the timing of associated cash flows.

The fund financial statements are presented focusing on near-term inflows and outflows of available resources, as well as balances of available resources available at the end of the year. The Schedule of Revenues, Expenditures and Changes in Fund Balance also includes the School's budget, which is approved by the Board of Directors each year. This information is useful in assessing the School's near-term financial situation, and in the analysis of its annual budget.

The following is a comparison of current to prior year Statement of Net Position:

	<u>2023</u>	<u>2022</u>	<u>% Change</u>
Assets			
Current and other assets	\$ 1,999,582	\$ 697,877	186.5%
Loan origination Fees	58,051	71,500	-18.8%
Right-to-use assets, net amortization	88,021	34,852	152.6%
Capital assets, net depreciation	<u>4,824,390</u>	<u>4,729,932</u>	<u>2.0%</u>
Total assets	6,970,044	5,534,161	25.9%
Deferred Inflows of Resources			
Net pension related deferrals	<u>988,122</u>	<u>873,034</u>	<u>13.2%</u>
Total assets and pension related Deferrals	<u>7,958,166</u>	<u>6,407,195</u>	<u>24.2%</u>
Liabilities			
Current and other liabilities	396,838	95,085	317.4%
Lease Liability	87,675	34,457	154.4%
Net pension liability	1,749,542	1,220,825	43.3%
Accrued interest expense	26,813	15,420	73.9%
Noncurrent liabilities (net)	<u>3,575,000</u>	<u>3,575,000</u>	<u>0.0%</u>
Total liabilities	<u>5,835,868</u>	<u>4,940,787</u>	<u>18.1%</u>
Deferred Inflows of Resources			
Net pension related deferrals	<u>697,293</u>	<u>1,217,563</u>	<u>-42.7%</u>
Total liabilities and pension related deferrals	<u>6,533,161</u>	<u>6,158,350</u>	<u>6.1%</u>
Net Position			
Net investment in capital assets	1,249,916	1,155,327	8.2%
Unrestricted	<u>175,269</u>	<u>(906,482)</u>	<u>-119.3%</u>
Total net position	<u>\$ 1,425,005</u>	<u>\$ 248,845</u>	<u>472.6%</u>

The following is a comparison of current to prior year statement of Statement of Activities:

	<u>2023</u>	<u>2022</u>	<u>% Change</u>
Revenues			
Charges for services	\$ 533	\$ 2,805	-81.0%
Operating Grants	1,053,384	9,587	10887.6%
General Revenues	6,593,440	3,302,316	99.7%
Total Revenues	<u>7,647,357</u>	<u>3,314,708</u>	<u>130.7%</u>
Expenses			
Instruction	2,247,674	1,423,864	57.9%
Support Services	3,922,594	1,435,902	173.2%
Community Services	-	69	-100.0%
Facilities Acquisition & Construction	-	-	
Other Expense	300,929	15,728	1813.3%
Total Expenses	<u>6,471,197</u>	<u>2,875,563</u>	<u>125.0%</u>
Change in Net Position	1,176,160	439,145	167.8%
Beginning Net Position	248,845	(190,300)	-230.8%
Ending Net Position	<u>\$ 1,425,005</u>	<u>\$ 248,845</u>	<u>472.6%</u>

An analysis of the government-wide financial statements shows the following:

- Fiscal year 2022-2023 was the twelfth year of operations for the KNOVA Learning Center. Total assets, which consist of cash, accounts receivable, prepaid expenses, and capital and leased assets, were \$6,970,044. Total liabilities were \$5,835,868. The school purchased their current building in June of 2023, hence the increase in assets as well as liabilities. All activities of the School are governmental activities.
- Our revenues during 2022-2023 were primarily from State School Funds, which were \$4,063,700. Other grant revenue totaled \$1,053,384. Other miscellaneous income included \$653,244 in reimbursements of payroll costs through an Employee Retention Credit (ERC) program. We also had a flood in our building that resulted in a large insurance reimbursement in the amount of \$1,873,543 for the work to restore the building. Total revenues from all sources for the year were \$7,647,357.
- Our expenses totaled \$6,471,197 for the 2022-2023 year.

An analysis of the governmental fund financial statements shows the following:

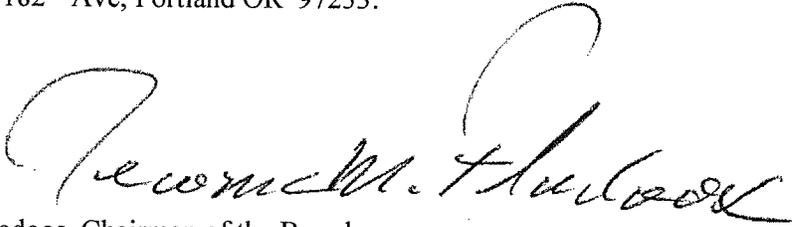
- The Schedule of Revenues, Expenses and Changes in Fund Balance—Actual and Budget presents greater detail regarding the School’s revenues and expenses for the year. The following are significant budgetary variations we feel should be discussed further:
 1. Total revenues for the fiscal year were greater than budgeted. We had a large true up of State School fund to the tune of \$500,000 as well as increased enrollment that hadn’t been budgeted. Our enrollment appears to have stabilized. The addition of the completed apartments directly behind the school have brought additional students.
 2. Actual instruction expenses include costs for classroom supplies, textbooks and equipment that are budgeted as support services and actual support services are more than what was budgeted. This is due to many factors, including buying a building as well as additional staff to support our existing student population, and also our building costs for the flood repairs,
 3. The School is committed to budgeting conservatively. Our approach is to build our budget so as to operate the School on the revenue from the state school funds and SIA alone.

Our average enrollment for 2022-2023 was 327. Our ELL population averaged about 93 students.

KNOVA leadership stayed steady in 2022-2023. KNOVA's Board of Directors is hopeful this will be a stable building opportunity to continue to attract new students in the new housing developments close to the school. The board continues to improve in structure and aligning the right people in the correct position to assist the school in its' future success.

Please refer to the notes to the financial statements for a discussion of other issues related to the 2022-2023 year. Within that section are explanations of KNOVA Learning's organization and operation, a summary of significant accounting policies, and other important information.

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to John Nelsen Chief Operating Officer, KNOVA Learning, 740 SE 182nd Ave, Portland OR 97233.

A handwritten signature in black ink, appearing to read "Jerry M. Fladoos". The signature is written in a cursive style with a large, looping initial "J".

Jerry Fladoos, Chairman of the Board
KNOVA Learning

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2023

ASSETS:

Cash and cash equivalents	\$ 586,064
Accounts receivable	1,400,352
Prepaid expenses	13,166
Long term obligations loan origination fees	58,051
Right-to-use asset, net of amortization	88,021
Capital assets, net of depreciation	<u>4,824,390</u>
Total Assets	6,970,044

DEFERRED OUTFLOWS OF RESOURCES:

Pension related deferrals - PERS	985,074
OPEB related deferrals - RHIA	<u>3,048</u>
Total Deferred Outflows	<u>988,122</u>

Total Assets and Deferred Outflows of Resources	<u>7,958,166</u>
---	------------------

LIABILITIES:

Accounts payable	288,254
Payroll liabilities	83,156
Unearned revenue	25,428
Current Lease liability	27,090
Long-Term Lease Liability	60,585
Net pension liability - PERS	1,749,542
Accrued interest expense	26,813
Long term obligations	<u>3,575,000</u>
Total Liabilities	5,835,868

DEFERRED INFLOWS OF RESOURCES:

Pension related deferrals - PERS	<u>697,293</u>
Total Liabilities and Pension Related Deferrals	<u>6,533,161</u>

NET POSITION:

Net Investment in Capital Assets	1,249,736
Unrestricted	<u>175,269</u>
Total Net Position	<u>\$ 1,425,005</u>

See accompanying notes to the basic financial statements

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 2,247,674	\$ 533	\$ 379,719	\$ (1,867,422)
Support services	3,922,594	-	673,665	(3,248,929)
Other Expense	300,929	-	-	(300,929)
Total Governmental Activities	<u>\$ 6,471,197</u>	<u>\$ 533</u>	<u>\$ 1,053,384</u>	<u>(5,417,280)</u>

General Revenues

State School Fund - General Support	4,063,700
Employee Retention Credit (ERC) Funding	653,244
Insurance Proceeds	1,873,543
Interest on investments	2,953

Total General Revenues 6,593,440

Change in Net Position 1,176,160

Net Position - Beginning 248,845

Net Position - Ending \$ 1,425,005

See accompanying notes to the basic financial statements

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2023

	<u>GENERAL FUND</u>
ASSETS:	
Cash and cash equivalents	\$ 586,064
Accounts receivable	1,400,352
Prepaid expenses	<u>13,166</u>
Total Assets	<u>\$ 1,999,582</u>
LIABILITIES AND FUND BALANCE:	
Liabilities:	
Accounts payable	\$ 288,254
Payroll liabilities	83,156
Unearned Revenue	<u>25,428</u>
Total Liabilities	<u>396,838</u>
Fund Balances:	
Nonspendable	13,166
Unassigned	<u>1,589,578</u>
Total Fund Balances	<u>1,602,744</u>
Total Liabilities and Fund Balance	<u>\$ 1,999,582</u>

See accompanying notes to the basic financial statements

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
June 30, 2023

Total Fund Balances - Governmental Fund	\$	1,602,744
<p>The net PERS pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.</p>		
		(1,749,542)
<p>Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and contributions subsequent to the measurement date.</p>		
Deferred Outflows - PERS		985,074
Deferred Inflows - PERS		(697,293)
Deferred Outflows - RHIA		3,048
<p>The cost of capital assets (buildings and improvements, and furniture) that are leased, purchased, or constructed are reported as an expenditure in the governmental fund. The Statement of Net Position includes those capital assets among the assets of the School as a whole.</p>		
Capital Assets, Net of Depreciation		4,824,390
Right-to-Use Assets, Net of Amortization		88,021
<p>Proceeds from long term debt issues and lease financings are reported as an other financing source in the governmental fund but as a liability on the Statement of Net Position. Accrued interest on long term debt and lease liabilities is not reported in the governmental fund but is recorded as a liability on the Statement of Net Position. Loan origination fees are fully expensed in the governmental fund but are amortized over the term of the loan in the Statement of Activities.</p>		
Long term obligations loan origination fees		58,051
Long term obligations		(3,575,000)
Lease liabilities		(87,675)
Accrued interest		(26,813)
Net Position	\$	1,425,005

See accompanying notes to the basic financial statements

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
For the Year Ended June 30, 2023

REVENUES:

Local sources	\$ 1,890,197
State sources	4,701,258
Federal Sources	<u>1,055,902</u>
Total Revenues	<u>7,647,357</u>

EXPENDITURES:

Instruction	2,188,820
Support services	4,022,716
Facilities Acquisition and Construction	213,000
Other Uses	<u>310,344</u>
Total Expenditures	<u>6,734,880</u>

Other Financing Sources, (Uses):

Lease Proceeds	<u>87,475</u>
Total Financing Sources, (Uses)	<u>87,475</u>

Net Change in Fund Balance	999,952
Beginning Fund Balance	<u>602,792</u>
Ending Fund Balance	<u>\$ 1,602,744</u>

See accompanying notes to the basic financial statements
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KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

Reconciliation of the Governmental Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the Year Ended June 30, 2023

Total Net Changes in Fund Balances - Governmental Funds	\$ 999,952
The PERS pension expense represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.	112,281
The RHIA OPEB income represents the changes in net OPEB asset (liability) from year to year due to changes in total OPEB liability and the fair value of the OPEB plan's net position available to pay OPEB benefits.	(5,640)
Capital outlays are reported in the governmental fund as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. Leased assets are amortized over their lease term as amortization expense.	
Capital asset additions	213,000
Depreciation expense	(118,542)
Amortization expense	(34,306)
In Governmental Funds long-term debt proceeds and lease financings are reported as other financing sources and payments toward these liabilities are expenditures. In the Statement of Net Position, however, debt and lease financing increases liabilities not revenue while payments reduce liabilities rather than increase expenditures.	
Loan origination fee amortization	(13,449)
Accrued interest	(11,393)
Lease payments	34,257
Change in Net Position of Governmental Activities	<u>\$ 1,176,160</u>

See accompanying notes to the basic financial statements

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. THE FINANCIAL REPORTING ENTITY

KNOVA Learning (the School) is a non-profit corporation organized under provisions of Oregon Revised Statutes Chapter 338 for the purpose of operating a charter school doing business as Rockwood Preparatory Academy Charter School. It is governed by a board. Generally accepted accounting principles require that these basic financial statements present the School and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate entities that are included in the School's reporting because of the significance of their operational or financial relationships with the School. All significant activities and entities with which the School exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and Statement of Activities display information about the School as a whole. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions."

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

FUND FINANCIAL STATEMENTS

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

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION
(CONTINUED)

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period which is 60 days. Grant revenue is not considered available and, therefore, is not recognized until received. Expenditures are recorded when the liability is incurred.

Revenues susceptible to accrual are state and local shared revenue.

The following major governmental fund is reported:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund (there are no other funds). The principal revenue sources are payments of state school support from Reynolds School District, fees, fundraising and donations.

GRANTS

Unreimbursed expenditures due from grantor agencies, if any, are reflected in the government-wide financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as liability in the balance sheet and statement of net position.

FUND BALANCES

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions, is followed. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are nonspendable, restricted, committed, assigned, and unassigned.

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

FUND BALANCE (CONTINUED)

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

There were no restricted, committed or assigned fund balances at year end.

The governing body has not established a policy on the order in which unrestricted resources are to be used when these amounts are available for expenditure. As a result of this, the default approach is used which assumes restricted resources are spent first when both restricted and unrestricted (committed, assigned, or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

NET POSITION

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

Restricted – consists of external constraints placed on assets by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There is no restricted net position at June 30, 2023.

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

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

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BUDGET

A budget is prepared for the General Fund on the modified accrual basis of accounting in the main program categories as listed below. Modified accrual basis differs from accrual in that no depreciation expense is recognized, capital assets are expensed when purchased, inventory is expensed when purchased, debt proceeds are recorded as revenue rather than a liability, pension costs are not recorded until paid, and debt principal is an expenditure when paid. The budget is prepared on a basis consistent with generally accepted accounting principles in the United States of America, except as stated above.

Expenditures are made at the following levels for each fund:

LEVEL OF CONTROL

Instruction
Support Services
Facilities Acquisition & Construction
Debt Service

A comparison of actual to budgeted amounts can be found on page 33.

D. CAPITAL ASSETS

Capital assets, which include buildings and improvements, and furniture, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and a life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Depreciation is recorded on capital assets using the straight line method over the useful life of the asset, or in the case of tenant improvements, over the useful life or the remaining term of the lease, whichever is shorter.

Furniture and fixtures	3 to 7 years
Building improvements	5 years
Site improvements	30 years

E. SUPPLY INVENTORY

Detailed supply inventory records are not maintained. Inventories are not considered to be material by management at year end.

F. CASH AND CASH EQUIVALENTS

The Cash and Cash Equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition.

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. RETIREMENT PLANS

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

H. ESTIMATES

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

I. PREPAID EXPENSES

Prepaid expenses are reported for purchases of services paid for during the year but not used until next year.

J. LOAN ORIGINATION FEES

Loan origination fees, necessary to secure loan proceeds, are expensed in the budgetary statements, but are amortized over the term of the corresponding loan in the government-wide financial statements.

K. DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. At June 30, 2023, there were deferred outflows representing PERS pension related deferrals as well as OPEB (RHIA) related deferrals reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2023, there were deferred inflows representing PERS pension related deferrals reported in the Statement of Net Position.

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

1 Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

M. STATE SCHOOL FUND

Pursuant to ORS 338.155, students of a public charter school are considered to be residents of the school district in which the public charter school is located. The School reports the number of fulltime equivalent students and related data to the Oregon Department of Education. A representative from the Oregon Department of Education reports the number of full-time equivalent students and related data to Reynolds School District. Reynolds School District verifies the information received by the State of Oregon. Within ten days of receipt from the State of Oregon, Reynolds School District is required to send payment to the School on a percentage of the funds they receive for those students. The percentage is established by the charter agreement between the Oregon Department of Education and the School.

N. UNEARNED REVENUE

Unearned revenue represents money received by the School for services that have yet to be performed. At June 30, 2023, there was a balance of \$25,428 in unearned revenue; this represents an overpayment of State School Funds from Reynolds School District. Reynolds School District remits funds throughout the year and amounts earned are adjusted on a continual basis.

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. RIGHT-TO-USE ASSETS

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

M. LEASE LIABILITY

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

2. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2023 was \$565,295, of which, \$298,285 was covered by federal depository insurance, and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Cash and Cash Equivalents at June 30, 2023 consisted of:

Cash on Hand	\$ 27,091
Checking Accounts	255,570
Savings Accounts	<u>303,403</u>
	<u>\$ 586,064</u>

CREDIT RISK – DEPOSITS

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2023, none of the bank balance was exposed to custodial credit risk.

INTEREST RATE RISK - INVESTMENTS

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There were no investments.

CREDIT RISK - INVESTMENTS

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE.

CONCENTRATION OF CREDIT RISK

At June 30, 2023 there were no investments. 200

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2023 are as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets Not Being Depreciated				
Land	\$ 2,701,000	\$ -	\$ -	\$ 2,701,000
Total Capital Assets Not Being Depreciated	2,701,000	-	-	2,701,000
Capital Assets Being Depreciated				
Buildings & Improvements	1,807,932	145,030	-	1,952,962
Equipment, Furniture, & Fixtures	300,711	67,970	-	368,681
Totals	2,108,643	213,000	-	2,321,643
Accumulated Depreciation				
Buildings & Improvements	-	48,637	-	48,637
Equipment, Furniture, & Fixtures	79,711	69,905	-	149,616
Totals	79,711	118,542	-	198,253
Net Capital Assets	\$ 4,729,932			\$ 4,824,390

Depreciation expense was allocated to the following function:

Instruction	\$ 118,542
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4. ACCOUNTS RECEIVABLE

Accounts receivable of \$1,400,352 consists of \$635,000 in insurance receivable, \$256,594 in state grant receivables and \$508,758 in state school fund general support receivables.

5. PREPAID EXPENSES

Prepaid expenses are items which have been paid for but have a benefit extending into the next fiscal year. The prepaid expense balance of \$13,166 primarily consists of a \$12,146 balance related to payment to Renaissance Learnings for a math curriculum subscription. The remaining balance is comprised of payments for other services and dues that will be expensed during the 2023-2024 fiscal year.

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LOAN ORIGINATION FEES

On June 16, 2022 the School incurred \$71,500 in loan origination fees to secure a loan from Portland Charter Partners for the sole purpose of purchasing the facility at 740 SE 182nd Avenue, Portland, OR 97233 where the School operates. The loan origination fees are being amortized over the term of the loan. See Note 7. Long-Term Obligations (Note Payable) for additional information about the loan.

Loan origination fees are being amortized as follows:

<u>Year</u>	<u>Loan Origination Fees</u>
2023-24	\$ 12,953
2024-25	14,379
2025-26	15,686
2026-27	<u>15,033</u>
Subtotal	<u>\$ 58,051</u>

7. LONG-TERM OBLIGATIONS (NOTE PAYABLE)

On June 16, 2022 the School and Portland Charter Partners entered into an agreement by which the School would purchase the facility at 740 SE 182nd Avenue, Portland, OR 97233 where it operates. In doing so the School secured a term loan from Portland Charter Partners in the amount of \$3,575,000 with a five-year term to maturity, monthly interest only payments commencing September 1, 2022, and a balloon principal payment at maturity on June 16, 2027. Any payment not made on its due date is subject to a 5% late payment penalty and if not paid by the fifth day of the month the School will be in default; once in default, the lender may increase the default interest rate by an additional 9% or the maximum amount permitted by law or may declare any and all portion of the obligation immediately due and payable. The School can prepay without penalty or premium but no prepayment will postpone or reduce the scheduled monthly payments unless the lender agrees in advance. The School has granted a first lien Trust Deed on the property to guarantee loan payment.

Future payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2023-24	\$ -	\$ 324,729
2024-25	-	360,479
2025-26	-	393,250
2026-27	<u>3,575,000</u>	<u>376,865</u>
Subtotal	<u>\$ 3,575,000</u>	<u>\$ 1,455,323</u>

See Note 6. Loan Origination Fees for a description of the fees incurred to secure the loan with Portland Charter Partners and the related amortization.

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. RIGHT-TO-USE ASSETS AND LEASE LIABILITIES

On 7/01/2020, the School entered into a 40 month lease as Lessee for the use of Konica Minolta Copier. On July 1, 2021 an initial lease liability was recorded in the amount of \$50,189. As of 06/30/2023, the value of the lease liability is \$7,215. The School is required to make monthly fixed payments of \$1,806. The lease has an interest rate of 0.6241%. The value of the right to use asset as of 06/30/2023 of \$50,189 with accumulated amortization of \$42,037 is included with Equipment on the Lease Class activities table found below.

On 4/14/2021, the School entered into a 37 month lease as Lessee for the use of Konica Minolta C458. On July 1, 2021 an initial lease liability was recorded in the amount of \$8,500. As of 06/30/2023, the value of the lease liability is \$2,855. The School is required to make quarterly fixed payments of \$717. The lease has an interest rate of 0.7505%. The value of the right to use asset as of 06/30/2023 of \$8,500 with accumulated amortization of \$5,901 is included with Equipment on the Lease Class activities table found below.

On 11/10/2023, the School entered into a 60 month lease as Lessee for the use of Kyocera copiers. On January 1, 2023 an initial lease liability was recorded in the amount of \$87,475. As of 06/30/2023, the value of the lease liability is \$77,605. The School is required to make monthly fixed payments of 1,462. The lease has an interest rate of 0.7505%. The value of the right to use asset as of 06/30/2023 of \$87,475 with accumulated amortization of \$10,205 is included with Equipment on the Lease Class activities table found below.

Right-to-Use Assets

Amount of Lease Assets by Major Classes of Underlying Asset (Right-to-Use Asset)

<u>Asset Class</u>	<u>Lease Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
Copiers	\$ 146,164	\$ 58,143	\$ 88,021
Total	<u>\$ 146,164</u>	<u>\$ 58,143</u>	<u>\$ 88,021</u>

Changes in Right-to-Use Asset

<u>Asset Class</u>	<u>Balance at July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2023</u>
Copiers	\$ 58,689	\$ 87,475	\$ -	\$ 146,164
Accumulated Amortization Copier	<u>23,837</u>	34,306	-	<u>58,143</u>
Total Lease Assets, Net	<u>\$ 34,852</u>			<u>\$ 88,021</u>

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. RIGHT-TO-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Lease Liabilities

	Changes in Lease Liability				
Asset Class	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Due within a year
Copiers	\$ 34,457	\$ 87,475	\$ (34,257)	\$ 87,675	\$ 27,090
Total	\$ 34,457	\$ 87,475	\$ (34,257)	\$ 87,675	\$ 27,090

Total future scheduled payments below comprise all lease liabilities, including the one with a commencement date subsequent to the reporting date.

Principal and Interest Requirements to Maturity

Fiscal Year	Equipment	
Ending June 30,	Principal Payments	Interest Payments
2024	\$ 27,090	\$ 546
2025	17,148	396
2026	17,277	267
2027	17,407	137
2028	8,753	19
Total	\$ 87,675	\$ 1,365

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global 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 2.0 percent.

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
- Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
- General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
- A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$394,684, excluding amounts to fund employer specific liabilities.

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability - At June 30, 2023, the School reported a net pension liability of \$1,749,542 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. The School's proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2022 and 2021, the School's proportion was .11 percent and .10 percent, respectively. Pension income/(expense) for the year ended June 30, 2023 was (\$112,281).

The rates in effect for the year ended June 30, 2023 were:

- (1) Tier 1/Tier 2 – 26.83%
- (2) OPSRP general services – 23.72%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 84,926	\$ 10,910
Changes in assumptions	274,513	2,508
Net difference between projected and actual earnings on pension plan investments	-	312,784
Net changes in proportionate share	187,593	216,886
Differences between contributions and proportionate share of contributions	43,353	154,205
Subtotal - Amortized Deferrals (below)	590,385	697,293
Contributions subsequent to measuring date	394,689	-
Deferred outflow (inflow) of resources	\$ 985,074	\$ 697,293

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

Subtotal amounts related to pension as deferred outflows of resources, \$590,385, and deferred inflows of resources, (\$697,293), net to \$(106,908) and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2024	(30,790)
2025	(60,446)
2026	(161,290)
2027	139,390
2028	6,228
Thereafter	-
Total	\$ (106,908)

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> 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 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
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: June 30, 2022 PERS ACFR; p. 104)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2022 PERS ACFR; p. 74)

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 the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School’s proportionate share of the net pension liability to changes in the discount rate – the following presents the School’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the School’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
School's proportionate share of the net pension liability	\$ 617,044	\$ 1,749,542	\$ 3,102,662

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the School for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the School.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

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NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Death Benefits:

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

Contributions:

Employees of the School pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The School did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

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

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

10. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA)

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the School contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

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

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NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Participating Schools are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the School currently contributes .05% of annual covered OPERF payroll and .00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The School's contributions to RHIA are included with PERS and equaled the required contributions for the year.

At June 30, 2023, the School reported a net OPEB asset of \$0 for its proportionate share of the net OPEB asset. The OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), the School's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2022 and 2021, the School's proportion was .00 percent and .00 percent, respectively. OPEB expense for the year ended June 30, 2023 was \$5,641.

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$	-
Net amortization of employer-specific deferred amounts from:		
- Changes in proportionate share (per paragraph 64 of GASB 75)		5,641
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)		-
Employer's Total OPEB Expense/(Income)	\$	5,641

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Net changes in proportionate share	3,048	-
Differences between School contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	3,048	-
School contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	\$ 3,048	\$ -

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the fiscal year ended June 30, 2024.

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NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Subtotal amounts related to OPEB as deferred outflows of resources, \$3,048, and deferred inflows of resources, (\$0), net to \$3,048 and will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2024	\$ 3,048
2025	-
2026	-
2027	-
2028	-
Thereafter	-
Total	<u>\$ 3,048</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of

Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2022. That independently audited report was dated February 2, 2023 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB-75-RHIA-2022.pdf>

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
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 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2022 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2022 PERS ACFR; p. 74)

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Sensitivity of the School’s proportionate share of the net OPEB asset to changes in the discount rate – The following presents the School’s proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent, as well as what the School’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
School's proportionate share of the net OPEB asset	\$ -	\$ -	\$ -

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

11. LINE OF CREDIT

There is a line of credit with Wells Fargo bank with a limit of \$100,000 and interest rate of 14.5%. At June 30, 2023, there is currently a \$0 balance on this line.

12. COMMITMENTS & CONTINGENCIES

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

The School operates under authority of the Reynolds School District who grants a charter to the School and exercises some oversight as required by Oregon law. The effect of non-renewal of the charter has not been determined.

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. The ultimate impact on the School’s finances is not determinable.

13. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage for the last three fiscal years.

KNOVA LEARNING
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

14. TAX STATUS

The School is established pursuant to Section 501(c)(3) of the Internal Revenue Code, and, accordingly, the change in net position is exempt from income taxes. A favorable determination letter has been obtained from the Internal Revenue Service and management believes that the School continues to qualify and to operate in accordance with applicable provisions of the Internal Revenue Code.

U.S. Generally Accepted Accounting Principles requires management to evaluate tax positions taken by the School and recognize a tax liability (or asset) if the School has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The School's management believes it is no longer subject to income tax examinations for years prior to 2019.

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MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2023

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.01142595 %	\$ 1,749,542	\$ 1,176,425	148.7 %	84.5 %
2022	0.01020204	1,220,825	1,082,443	112.8	87.6
2021	0.01195495	2,608,981	1,196,624	218.0	75.8
2020	0.01163892	2,013,254	1,096,828	183.6	80.2
2019	0.01264728	1,915,896	1,093,910	175.1	82.1
2018	0.01262643	1,702,048	1,136,247	149.8	83.1
2017	0.01349135	2,025,365	1,324,370	152.9	80.5
2016	0.01966195	1,128,883	645,106	175.0	91.9
2015	0.01765475	(400,183)	542,444	(73.8)	103.6
2014	0.01765475	900,948	548,485	164.3	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	\$ 394,689	\$ 394,689	\$ -	\$ 1,753,423	22.5 %
2022	349,661	349,661	-	1,176,425	29.7
2021	340,396	340,396	-	1,082,443	31.4
2020	325,386	325,386	-	1,196,624	27.2
2019	262,438	262,438	-	1,096,828	23.9
2018	265,794	265,794	-	1,093,910	24.3
2017	229,061	229,061	-	1,136,247	20.2
2016	197,668	197,668	-	1,324,370	14.9
2015	146,682	146,682	-	645,106	22.7
2014	174,700	174,700	-	542,444	32.2

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years.

KNOVA LEARNING OREGON
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

OPEB-RHIA

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset/ (liability) (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset/ (liability) (NOA(L))	(c) Employer's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.00000000 %	\$ -	\$ 1,176,425	-	194.6 %
2022	0.00000000	-	1,082,443	-	183.9
2021	0.00603701	12,301	1,196,624	0.010	150.1
2020	0.00869916	16,810	1,096,828	0.015	144.4
2019	0.00870790	9,720	1,093,910	0.009	124.0
2018	0.00864448	3,608	1,136,247	0.003	108.9
2017	0.00996130	(2,705)	1,324,370	(0.002)	94.2

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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

Amounts for covered payroll "c" use the prior year's data to match the measurement date used by the OPEB plan for each year.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	\$ N/A	\$ N/A	\$ N/A	-	N/A %
2022	N/A	N/A	N/A	1,176,425	N/A
2021	N/A	N/A	N/A	1,082,443	N/A
2020	N/A	N/A	N/A	1,196,624	N/A
2019	N/A	N/A	N/A	1,096,828	N/A
2018	N/A	N/A	N/A	1,093,910	N/A
2017	N/A	N/A	N/A	1,136,247	N/A

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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

All statutorily required contributions were made and are included within PERS contributions (see p. 31).

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OTHER INFORMATION

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MULTNOMAH COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GENERAL FUND
 - ACTUAL AND BUDGET -
 For the Year Ended June 30, 2023

	GENERAL FUND			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
State Sources				
State School Fund	\$ 3,518,580	\$ 3,518,580	\$ 4,063,700	\$ 545,120
State Grants	-	-	637,558	637,558
Federal Sources				
Federal Grants	864,513	864,513	1,055,902	191,389
Local Sources				
Miscellaneous	-	-	16,654	16,654
Insurance Proceeds	-	-	1,873,543	1,873,543
Total Revenues	<u>4,383,093</u>	<u>4,383,093</u>	<u>7,647,357</u>	<u>3,264,264</u>
EXPENDITURES:				
Instruction	2,469,533	2,469,533	2,188,820	280,713
Support Services	1,349,316	1,349,316	4,022,716	(2,673,400)
Facilities Acquisition and Construction	-	-	213,000	(213,000)
Other Uses				
Debt Service	310,344	310,344	310,344	-
Total Expenditures	<u>4,129,193</u>	<u>4,129,193</u>	<u>6,734,880</u>	<u>(2,605,687)</u>
Excess of Revenues Over, (Under) Expenditures	<u>253,900</u>	<u>253,900</u>	<u>912,477</u>	<u>658,577</u>
Other Financing Sources, (Uses):				
Lease Proceeds	-	-	87,475	(87,475)
Total Financing Sources, (Uses)	<u>-</u>	<u>-</u>	<u>87,475</u>	<u>-</u>
Net Change in Fund Balance	253,900	253,900	999,952	746,052
Beginning Fund Balance	<u>602,792</u>	<u>602,792</u>	<u>602,792</u>	<u>-</u>
Ending Fund Balance	<u>\$ 856,692</u>	<u>\$ 856,692</u>	<u>\$ 1,602,744</u>	<u>\$ 746,052</u>

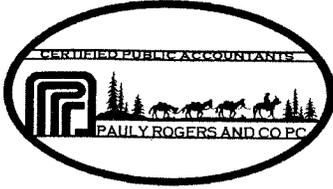
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KNOVA LEARNING

MULTNOMAH COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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

November 1, 2023

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of KNOVA Learning Oregon as of and for the year ended June 30, 2023, and have issued our report thereon dated November 1, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the basic 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 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of the basic financial 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:

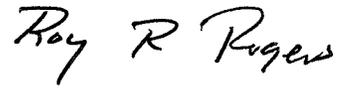
- **Deposits of public funds with financial institutions (ORS Chapter 295).**
- **Insurance and fidelity bonds in force or required by law.**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Programs funded from outside sources (ORS 297.465).**

In connection with our testing nothing came to our attention that caused us to believe that KNOVA Learning Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

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

A handwritten signature in black ink that reads "Roy R Rogers". The letters are cursive and fluid.

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

To: Board of Directors

From: Frank Caropelo, Superintendent

Subject: Superintendent's Report

Type: Action Item Report / Presentation

Policy: BD/BDA: Board Meetings; BDDF: Conduct of Board Meetings

Date: March 20, 2024

Connection to Strategic Plan Goal Topics:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Marginalized Students | <input checked="" type="checkbox"/> Culturally Responsive Teaching |
| <input checked="" type="checkbox"/> Student and Staff Wellness | <input checked="" type="checkbox"/> Professional Development |
-

Summary / Background:

Superintendent Caropelo will provide announcements and reports to the Board:

- a. Superintendent Report – Frank Caropelo
- b. Financial Report – Frank Caropelo and Holly Langan
- c. Enrollment Report – Holly Langan
- d. Communication Report – Steve Padilla

Previous Board Action:

Not Applicable.

Financial Implications:

Not Applicable.

Motion:

Not Applicable.

General Fund 2023–2024 Financial Summary at February 2024			General Fund 2024–2025 Beginning Budget Assumptions	
RESOURCES	FY24 Adopted Budget	FY24 Forecasted Balance	FY25 Revenue	Assumptions
Operating Revenues				
State School Fund Formula	\$ 143,208,191	\$ 136,007,804	\$ 138,727,960	Second year of biennium, so 49-51 split is 1.02 x FY23
Local Sources	4,925,499	1,751,538	1,751,538	
Intermediate Sources	2,065,727	2,000,000	1,500,000	This is mostly ESD apportionment
State Sources	2,600,000	2,600,000	2,600,000	High Cost Disability Grant
Federal Sources	60,000	282,628	35,000	FEMA or other Federal funds
All Other Sources	9,651,226	6,634,166	5,886,538	
Total Operating Revenues	\$ 152,859,417	\$ 142,641,970	\$ 144,614,498	Total FY25 NEW Revenue
Beginning Fund Balance	41,519,249	26,681,850	9,718,933	This is prior year ending fund balance minimum of 5% of adopted revenues
TOTAL RESOURCES	\$ 194,378,666	\$ 169,323,820	\$ 154,333,431	Total FY25 Resources
REQUIREMENTS BY OBJECT	FY24 Adopted Budget	FY24 Forecasted Balance	FY25 Expenditures	Assumptions
Operating Expenditures				
Salaries	\$ 79,532,650	\$ 78,560,006	\$ 80,916,806	FY24 x 1.03 for step increases; no COLA included
Associated Payroll Costs	37,755,098	39,037,203	42,212,474	Average % of Salaries x FY25 Forecast
Purchased Services	25,765,740	26,385,343	30,385,343	FY24 + 4million for ESS subs in ESSER (includes Charter School Payments); SPED/nurses; utilities
Supplies and Materials	7,604,112	6,207,000	6,207,000	FY24 with cost reductions
Capital Outlay	1,383,500	1,350,971	1,350,971	This is primarily bus replacement
Other Objects	1,701,727	1,957,440	2,153,184	This includes 10% increase for liability insurance; QZAB principal payments
Transfers	1,846,250	1,846,250	1,846,250	Capital projects, Early Retirement, Nutrition Services
Total Operating Expenditures	\$ 155,589,077	\$ 155,344,212	\$ 165,072,027	Total FY25 Operating Requirements
Contingencies	29,070,656			Note no contingencies added here
Unappropriated Ending Fund Balance	9,718,933		7,716,672	Required 5% of FY25 Revenues
TOTAL REQUIREMENTS	\$ 194,378,666	\$ 155,344,212	\$ 172,788,698	Total FY25 Requirements
Ending Fund Balance		\$ 13,979,608	\$ (18,455,268)	Operating Deficit with 5% balances and only step increases
			4,260,674	**Possible additional FY24 carryforward based on Feb Forecast

Elementary Enrollment By Classroom

School	Kinder	1st Grade	2nd Grade	3rd Grade	4th Grade	5th Grade		Total	Variance	
									Proj	Diff
Alder	23								Alder	
	16	18	16	23	18	25				
	12	19	14	18	22	26				
Dual Language		25	22	25	28	27				
Total	51	62	52	66	68	78		377	342	35
# of Classes	3	3	3	3	3	3		18		
Average Class Size	17.00	20.67	17.33	22.00	22.67	26.00				
Davis	21	14	22	16	17	25			Davis	
	20	16	21	15	18	24				
		16	22	16	19	20				
		16								
Total	41	62	65	47	54	69		338	362	-24
# of Classes	2	4	3	3	3	3		18		233
Average Class Size	20.50	15.50	21.67	15.67	18.00	23.00				
Fairview	16	15	20	16	19	16			Fairview	
	15	15	22	16	18	17				
	15	16		16	16	17				
STEP	1	3	3	2	3	3				
Total	47	49	45	50	56	53		300	278	22
# of Classes	3	3	2	3	3	3		17		
Average Class Size	15.67	16.33	22.50	16.67	18.67	17.67				
Glenfair	16	20	18	21	23	21			Glenfair	
	16	20	17	24	23	21				
	17	20	18	22	23	22				
	17	21	18			21				
Total	66	81	71	67	69	85		439	404	35

# of Classes	4	4	4	3	3	4		22		
Average Class Size	16.50	20.25	17.75	22.33	23.00	21.25				
Hartley	18	17	21	20	20	18			Hartley	
	18	18	21	21	20	20				
	19	18	21	21		18				
Total	55	53	63	62	40	56		329	296	33
# of Classes	3	3	3	3	2	3		17		
Average Class Size	18.33	17.67	21.00	20.67	20.00	18.67				
Margaret Scott	19	16	18	19	17	17			Margaret Scott	
	22	16	18	19	18	17				
	21	15	17	19	18	17				
Total	62	47	53	57	53	51		323	294	29
# of Classes	3	3	3	3	3	3		18		234
Average Class Size	20.67	15.67	17.67	19.00	17.67	17.00				
Salish Ponds	17	19	18	18	23	19			Salish Ponds	
	17	19	18	19	22	19				
	16	18	15	19	22	18				
Total	50	56	51	56	67	56		336	298	38
# of Classes	3	3	3	3	3	3		18		
Average Class Size	16.67	18.67	17.00	18.67	22.33	18.67				
Sweetbriar	15	21	21	19	26	23			Sweetbriar	
	16	21	19	19	26	23				
	14									
Total	45	42	40	38	52	46		263	236	27
# of Classes	3	2	2	2	2	2		13		

Average Class Size	15.00	21.00	20.00	19.00	26.00	23.00				
Troutdale	19	20	19	20	21	23			Troutdale	
	17	20	18	20	21	20				
	17	20	19	19	8	15	Split Class			
Life Skills	2	3	6	5	3	2				
Total	55	63	62	64	53	60		357	347	10
# of Classes	3	3	3	3	2.5	2.5		17		
Average Class Size	18.33	21.00	20.67	21.33	21.20	24.00				
Wilkes	20	21	20	17	19	19			Wilkes	
	21	22	20	18	19	17				
	23	23	20	17	20	18				
			20	18	20	18				
Life Skills	2	7	2	3	2	4				
Total	66	73	82	73	80	76		450	439	11
# of Classes	3.0	3.0	4	4	4	4		22		235
Average Class Size	22.00	24.33	20.50	18.25	20.00	19.00				
Woodland	18	18	20	18	24	22			Woodland	
	17	19	22	17	23	24				
	17	19	20	18	21	24				
	18									
Life Skills	4	4	6	3	5	9				
Total	74	60	68	56	73	79		410	387	23
# of Classes	4	3	3	3	3	3		19		
Average Class Size	18.50	20.00	22.67	18.67	24.33	26.33				
									Proj	Diff
Elem Total	612	648	652	636	665	709		3922	3683	239
Total # of Classes	34	34	33	33	32	34				
Total Average Class Size	18.00	19.06	19.76	19.27	21.11	21.16				

Secondary Enrollment By Grade Level

School	6th	7th	8th	9th	10th	11th	12th	Total	Variance	
	Grade		Proj	Diff						
HB Lee MS	224	217	211					652	638	14
Reynolds MS	234	241	267					742	777	-35
Walt Morey MS	175	175	184					534	550	-16
RHS + Middle College				649	619	514	535	2317	2711	-394
RLA					46	60	98	204	200	4
									Proj	Diff
Secondary Total	633	633	662	649	665	574	633	4449	4876	-427
Elementary Total								3922	3683	
Total Reynolds:								8371	8559	-188

Charter School Enrollment Report

School	Kinder	1st Grade	2nd Grade	3rd Grade	4th Grade	5th Grade	6th - 8th Grades	Total	Variance	
									Proj	Diff
Arthur Academy	27	32	27	29	28	28		171	175	-4
Rockwood Prep	69	63	62	61	51	49		355	372	-17
MLA	48	46	48	48	48	46	271	555	575	-20
HOLLA	18	19	20	18				75	56	19
									Proj	Diff
Charter Total	162	160	157	156	127	123	271	1156	1178	-22
Total Reynolds and Charters:								9,527	9,737	-210



As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.

Superintendent Report: Communications

Steve Padilla, Director of Communications

March 20, 2024

RSD Communications Activities in April

- Attending school activities to post on social media
- Conduct media interviews as appropriate
- Securing articles for our monthly newsletter
- Assisting schools/families with ParentSquare questions
- Collaborating with RSD's IT Department and Volunteer Matters to synch our systems for badge printing



RSD Social Media in April

Social Media Activities

- **Arab American Heritage Month**
- **World Autism Awareness Month**
- **Apr 2: International Children's Book Day**
- **Apr 3: Paraprofessionals Appreciation Day**
- **Apr 7: World Health Day**
- **Apr 7-13: National Library Week**
- **Apr 8-12: National Assistant Principals Week**
- **Apr 22-26: Public School Volunteer Week**
- **Apr 22: Earth Day**
- **Apr 24-30: National Student Leadership Week**

Award-winning Sabes que – Did You Know!

- We conducted a podcast with RLA students to discuss how CTE is benefiting them; we also conducted a podcast with a bus driver who's written three children's books!
- We are securing interviews with various departments for upcoming podcasts
- Our Podcasts can be found on Amazon Music, Spotify, iHeartRadio, Pandora, and Apple Podcasts!

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Questions?

As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.



As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.

To: Board of Directors

From: Frank Caropelo, Superintendent

Subject: Consent Agenda

Type: Action Item Report / Presentation

Policy: BD/BDA: Board Meetings; BDDF: Conduct of Board Meetings

Date: March 20, 2024

Connection to Strategic Plan Goal Topics:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Marginalized Students | <input checked="" type="checkbox"/> Culturally Responsive Teaching |
| <input checked="" type="checkbox"/> Student and Staff Wellness | <input checked="" type="checkbox"/> Professional Development |

Summary / Background:

- A. Approval of Personnel Order
- B. Approval of Prior Meeting Minutes
- C. RHS Field Trip Request: Oregon State Thespian Festival in Salem, Oregon
- D. Higher Education Coordinating Commission Grant Acceptance
- E. Resolutions 2023-2024 -018 to -021

Previous Board Action:

Not Applicable.

Financial Implications:

Not Applicable.

Motion:

- A. Motion Made by Board Member:
 - a. I move that the Board approve all Consent Agenda items as presented.
- B. Motion Seconded by Another Board Member
- C. Points of Clarification / Discussion
- D. Call for Board Vote



As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.

**Reynolds School District
Board of Education Business Meeting
Meeting Minutes**

February 28, 2024

6:00 PM

Building I, Edgefield Campus

Present: Patty Carrera, Ana Gonzalez Muñoz, Francisco Ibarra, Aaron Muñoz, Michael Reyes, Joyce Rosenau,

Absent: Cayle Tern.

I. 5:00p - Executive Session

The Reynolds School Board and the Superintendent will recess into Executive Session at 6:00p, under ORS 192.660(2)(a) Personnel, ORS 192.660(2)(b) Personnel, ORS 192.660(2)(d) Negotiations, and ORS 192.660(2)(h) Legal Counsel. Executive Session is closed to the public.

II. 6:00p - Call to Order

- Chair Ana Gonzalez Muñoz called the February 28, 2024 Business Meeting to order at 6:26p.

A. Roll Call

B. Consider Approval of the February 28, 2024 Agenda

I move that the Board approve the February 28, 2024 agenda as presented. This motion, made by Francisco Ibarra and seconded by Aaron Muñoz, Passed.

Yea: 6, Nay: 0

C. Pledge of Allegiance

D. Land Acknowledgement

- Director Michael Reyes read the Land Acknowledgement into the record.

E. Mission and Vision

- Chair Ana Gonzalez Muñoz read the Mission and Vision into the record.

III. 6:10p - Action on Executive Session Hearing

I move to affirm the grievance decision reviewed in Executive Session. This motion, made by Michael Reyes and seconded by Francisco Ibarra, Passed.

Yea: 6, Nay: 0

IV. 6:15p - Recognition

A. Student Recognition

B. Staff Recognition

C. Volunteer/Community Partner Recognition

D. Resolution 2023-2024-015 Classified Employee Appreciation Month

- Read into the record by Chair Ana Gonzalez Muñoz

E. Resolution 2023-2024-016 Women's History Month

- Read into the record by Director Francisco Ibarra.

F. Resolution 2023-2024-017 National School Social Worker Appreciation Month

- Read into the record by Director Patty Carrera.

V. 6:35p - High School Student Report

VI. 6:40p - Public to be Heard

Members of the public will address the board with comments and the board will listen only. Public Comment will be limited to 7 speakers with 3 minutes each. Forms must be turned in before the meeting start time.

VII. 7:00p - Bargaining Group Updates

VIII. 7:10p - Presentation to the Board

A. Mid-Year Data: STAR, 9th Grade on Track, and 4/5 Year Graduation

- HB Lee started math interventions after reviewing the fall data. This is in addition to regular classes.
- Adopting to block schedules takes time. Schools are implementing learning walks to help.

B. Article 18 / Discipline Report

- Continuing work on common language and definitions between schools.
- The Article 18 Committee will be reviewing disaggregated data.

C. Equity Policy Report

- Effective community engagement - moving beyond the idea that one back to school night is all that's needed.
- Consulting with families and reporting back.

IX. 7:35p - Superintendent's Reports

A. Announcements/Reports

B. Financial Report

C. Enrollment Report

D. Communications Report

X. 7:50p - Consent Agenda

I move that the Board approve all Consent Agenda items as presented. This motion, made by Aaron Muñoz and seconded by Michael Reyes, Passed.

Yea: 6, Nay: 0

A. Approval of Personnel Order

B. Approval of Prior Meeting Minutes

C. 2024-2025 Certified Staff Calendars: First and Last Days, Breaks

D. Updated Budget Calendar

E. RHS Field Trip Request: JROTC Drill Competition in Redmond, Oregon

F. RHS Field Trip Request: Dance and Drill State Championships in Salem, Oregon

G. Resolutions 2023-2024-015 to -017

H. MESD Local Service Plan

XI. 7:55p - Action Items

A. ESS Contract Renewal

I move that the Board approve the Personal Services Contract between Reynolds School District and ESS West, LLC. This motion, made by Michael Reyes and seconded by Francisco Ibarra, Passed.

Yea: 6, Nay: 0

B. Plan of Action: Audit Findings Fiscal Year End June 30, 2023

I move that the Board approve the Plan of Action 2022-23 Oregon Audits Division as presented. This motion, made by Patty Carrera and seconded by Aaron Muñoz, Passed.

Yea: 6, Nay: 0

XII. 7:55p - Board Announcements and Discussion

A. Individual Board Members - Announcements and Reports

B. Upcoming Board Meetings

XIII. 8:00p - Adjourn

- Board Chair Ana Gonzalez Muñoz adjourned the February 28, 2024 Business Meeting at 9:02p.

To: Board of Directors

From: Frank Caropelo, Superintendent

Subject: Oregon State Thespian Festival

Type: Action Item Report / Presentation

Policy: IICA: Field Trips and Special Events

Date: March 20, 2024

Connection to Strategic Plan Goal Topics:

- | | |
|--|---|
| <input type="checkbox"/> Marginalized Students | <input type="checkbox"/> Culturally Responsive Teaching |
| <input checked="" type="checkbox"/> Student and Staff Wellness | <input type="checkbox"/> Professional Development |
-

Summary / Background:

The RHS Theatre department would like to attend the State Thespian Festival in Salem, Oregon April 3-6, 2024. Each year high school theatre departments from around the state get together to learn from theatre professionals and see each other perform. This is a three-day event held in Salem, OR.

Previous Board Action:

The board has approved attendance since 2012 (excluding 2021, when it was online due to COVID).

Financial Implications:

Cost to attend is approximately \$280 per student, which includes travel to and from the festival, a hotel room for 3 nights, and the cost of the conference itself. Students are responsible for paying their own way however, several fundraising opportunities are available and in the past several students have fundraised the entire cost of attendance. Additionally, there is a scholarship fund available through their designated Thespian ASB account. All students who apply for financial assistance will receive it.

Motion:

- A. Motion Made by Board Member:
 - a. I move that the Board approve the Oregon State Thespian Festival for Reynolds High School students as presented.
- B. Motion Seconded by Another Board Member
- C. Points of Clarification / Discussion
- D. Call for Board Vote

Field Trips and Special Events**

The board recognizes the educational value of field trips and co-curricular activities involving transportation. The board is also accountable for expenditures and the effective and legal use of district vehicles. Therefore, all trips and costs must be approved within the following policy:

1. Principals, by delegation from the superintendent, may authorize the use of district vehicles for educational field trips and state sanctioned co-curricular activities for which funds have been budgeted.

Principals may also authorize the use of district vehicles for other school-related activities. Expenses for such activities shall be paid by the participants or student organizations;

2. Overnight trips shall have the approval of the board through the superintendent. Parents shall be provided an itinerary and give permission for student participation prior to the trip. Expenses for unbudgeted trips must be paid by the participants or student organizations;
3. Trips over an extended number of days require approval from the principal and the superintendent. Expenses are to be paid by the participants or student organizations. Use of district vehicles must be approved by the superintendent.

Emergency procedure plans and itineraries must be filed with the superintendent and the principal prior to the trip;

4. Scheduled departure times shall be maintained. Planned refreshment stops may be made on long trips. Discretion must be exercised in the duration of such stops. Refreshment stops must no unduly delay the return of the bus to the school;
5. Chaperons will maintain discipline and are responsible for the safety of students on educational field trips and co-curricular activity trips. However, bus drivers shall have the ultimate authority involving safety and disciplinary decisions relating to travel;
6. Students demonstrating unruly behavior may be prohibited from participating in future educational field trips or co-curricular trips. Disciplinary action is the responsibility of the principal or designee;
7. Students attending school functions via school transportation will return by the same transportation. The only exception will be if a parent requests, in person, of the supervisor that the student return with the parent;

8. Trips occurring outside the school year require the approval of the principal, the superintendent and the board. Expenses for such trips shall be paid by the participants or student organizations. Use of district vehicles beyond a 25 mile radius, for other than league competitions or other than a one-day basis, may be permitted. Legal and effective use of vehicles will be ascertained by the superintendent.

Emergency procedure plans and itineraries must be filed with the principal and the superintendent;

9. A bus field trip request for less than 15 people will not be authorized. If, upon arrival at the pick up site, there are less than 10 students and chaperons to be transported, the field trip will be cancelled;
10. Student travel requests over 100 miles out-of-state, one-way or any overnight travel must have prior board approval.

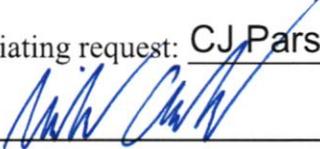
Reynolds School District
INITIAL REQUEST FOR STUDENT TRAVEL OVER 100 MILES ROUND TRIP

Name of Group: RHS Thespian Troupe #3556 School: Reynolds High School

Note: This initial request must be submitted and approved 30 days before any commitment can be made or before any money-making activities can be started.

Date Request Submitted: 02/03/2024 Date(s) of Activity: 04/03 - 04/06/24

If sufficient space is not available on this form, supporting data should be attached.

1. Purpose of the trip. (Complete related section on the next page.)
Oregon State Thespian Festival
2. List staff member(s) responsible for students. List all other supervisors on trip.
CJ Parsons, Brittni Finley
3. School equipment to be used:
None
4. Lodging:
The Hotel Salem - 4370 Commercial St Se, Salem, OR 97302 US
5. Will Student Travel Insurance be obtained? Yes No
6. Estimated number of students: 30 Number of supervisors: 3
7. Parent permission slip on file: Yes No
8. Person or persons initiating request: CJ Parsons Date: 02/03/2024
9. Principal approval:  Date: 2-29-24

Decision: Preliminary approval to continue with planning Yes No

If denied, reason _____

District Activities Coordinator Date

Final Approval Yes No

District Activities Coordinator

Date

Reynolds School District
PURPOSE OF TRIP

1. List itinerary.
See attached document for schedule of event (TD Copy of 2023 State Festival). The 2023 outline will be duplicated and followed for the 2024 festival. Any changes to the schedule will be minimal.
2. What are the objectives of the trip and how are the experiences provided on the trip related to the class or school program?
Workshops and performances made available to students on this trip will expose them to fine performing arts on a professional level, and afford them opportunities to work with working professionals in the theatre industry.
3. How will the activities on the trip provide opportunities for students to obtain new skills, insights, knowledge or appreciations?
The festival provides workshops that teach students different fundamental skills in theatre, but also skills in listening, creative problem solving, and incorporating ideas from a wide range of different voices.
4. What effect does the trip have on other classes or programs?
Students will miss 2 full days of classes for the Thursday & Friday portions of the event, as well as any Wednesday evening programs after school for travel to Salem.
5. Estimated cost of trip \$ 10,455 . Describe how the trip will be funded. (School funding? Fund raisers? Student/Parent funding?)
The students participating in the winter musical will call for donations from their community with a goal to raise \$8,000. The Thespian Troupe is hosting another fundraiser with a goal of \$1,000. Otherwise, funds will be provided by students/parents. Per person cost is \$350 which includes lodging and registration fees.
6. Describe methods of transportation. List names of drivers, types of automobiles, and whether a Type 10/20 license will be required for drivers (see Policy EEAE).
Bus transportation (1 bus needed) dispatched through Reynolds School District Transportation office. One bus will be needed to transport students to and from the hotel to the festival venue at the Salem Convention Center.
7. Describe supervision plans to ensure maximum safety for students.
Two supervisors and two sets of parent chaperones will attend. Students will be roomed in pairs, according to preference and safety, with a set of chaperones placed in between each room, travel in pairs to each event, and give hourly check-ins. Each event and workshop will have educators and parents present.

Reynolds School District
STUDENT CONTRACT: FIELD TRIPS AND AWAY-FROM-SCHOOL ACTIVITIES

To: Student and Parent(s)

The Reynolds School District is proud of its students and is confident that in most circumstances student conduct on field trips and away-from-school activities will be reasonable and prudent. However, in the event that a student chooses not to abide by the rules established by the adult(s) in charge, he/she should be aware of the consequences. The student should fill in the information requested below and sign the contract. If the student is under 18 years of age, his/her parent should also sign.

Student Name: _____

School: Reynolds High School

Description of field trip/activity: Oregon State Thespian Festival

Location/Destination: Salem, OR - Salem Convention Center

Date(s) of field trip/activity: April 3rd - 6th, 2024

Name(s) of person in charge of field trip/activity: CJ Parsons

I understand that the above named trip is an official school activity and that all rules and regulations applying in the Reynolds School District are in effect. Among these rules are the following:

1. All directions and guidelines established by the adult(s) in charge will be followed;
2. There will be no use of alcoholic beverages or other drugs at any time;
3. There will be no smoking while on the bus or van;
4. All established time schedules will be followed;
5. Reasonable and proper behavior will be maintained at all times during the trip.

I recognize that in the case of serious violation of the rules, that my parent(s) will be called collect and that I will be sent at home at their expense.

Student Signature

Date

Parent Signature

Date

(Complete student health history on next page.)

Reynolds School District
HEALTH HISTORY FOR SCHOOL FIELD TRIPS

Student Name: _____

Birth Date: _____

Address: _____

Home Telephone: _____

Parent/Guardian Name: _____

Home Telephone: _____

Work Telephone: _____

Parent/Guardian Name: _____

Home Telephone: _____

Work Telephone: _____

Person to be called in case of emergency if parent/guardian cannot be reached:

Name: _____

Relationship: _____

Telephone: _____

Medical Contact Information:

Physician: _____

Telephone: _____

Please list any allergies (bee sting, medications, etc.) or illness that the school should be aware of:

Medications student is currently taking:

Any special information/instructions concerning medication:

I hereby give my permission for non-prescription medication (for example, aspirin) to be given to my child if deemed advisable by designated school personnel. In case of surgical emergency, I hereby give permission to the physician selected by the school director, or in his/her absence, his/her designee, to hospitalize, secure treatment for and to order injections, anesthesia or surgery for my child as named above.

Any directions to the contrary should be specified on the reverse side of this form and signed.

Activity:

Parent/Guardian Signature

Date

Last year's schedule sample

2023 OT State Festival Schedule: Tentative Proposal - MS ticketed, Opening and Closing tracked Showcase+ can be either

THURSDAY				
75 min. sess 20 min. pass	Registration, Advocacy Prep & Event, STO Candidate meeting, <i>Tech Design Judging, Honor Troupe, State Showcase Aud, Opening Ceremony, Theatre Etiquette Video, STEVE 130-10:30pm, Thespian Connections(pm activities), Grownup Hospitality Room =Needs judges</i>			
THURSDAY	What	Who	What	Who
9:30-12:00	Set Up: Vendor, Guest Artist and Judge check in need to be open by 10:30	ALL	STEVE host - DOWNSTAIRS	Scott
10:30 -11:30	Judge Training	??*/Fewer		Judges
12:00-3:10	Registration UPSTAIRS	ALL		Jeff W & Jo
	<i>Showcase Auditions & Tech Design</i>	Fewer	Scheduling the times of auditioners callbacks; Assigning the rooms	Jeff W, Jim F - Volunteers
	<i>Honor Troupe</i>	Givler/ Andrew	STEVE host	
	Advocacy Prep		Thespimon Go -Scavenger Hunt	Tiffany +STO
310-425	STO Candidate Meeting	Dani, STO & ITO		
	Workshop Session 1			
445-6	Advocacy Event		All State Musical Theatre rehearsal?	
600-700	<i>Opening Ceremony</i> (welcome, awards, Keynote, Anon Th)		<i>Dinner</i>	
700-720	Passing Time		Passing Time	
7:30-830	<i>Dinner</i>		<i>Opening Ceremony</i> (welcome, awards, Keynote, Anon Th)	
830-850	Passing Time		Passing Time	
8:50-10:30	Evening Events: Thespian Connections			

FRIDAY						
75 min. sess 30 min. pass	Jr Thespian Day, Mainstage Activity, STO Speeches, Theatre Etiquette Video, Awards & Scholarships, STEVE 10-10 Sessions: Workshops, PIPs, One Acts & <i>Chapter Selects</i> , Grownup Hospitality Room, Thespian Connections (evening activities) <i>*Needs judges</i>					
FRIDAY	What	Who	What	Who	What	Who
9-9:30	Set Up	4STO	Set Up	Board - Franklin	Set Up JR Day	F + 3 STO
9:30-12:30	Session 2&3 930-1045 and 1115 -1230		Ticketed Mainstage Show(s) 1 (if in SHG, MS might be able to watch?)		10-10:30 Welcome 10:30-11:30 Wrkshp 1(B/L)	Franklin Eric Nepom
1230-230	Lunch		Lunch		11:30-12:30 Wrkshp 2(B/L) 12:30-1:15 Lunch (SCC)	Paul Malone
230-345	Session 4		Session 4		1:15-1:45 Thtre tour 1:45-2:45 Tech plygrnd (B/L)	Tech - 15 min stations
345-415	Passing Time		Passing Time		2:45-3:30 Watch One Acts (
415-530	Sessions 5		Sessions 5		3:30-4 Closing	
530-6	Passing time		Passing time			
6-715	<i>ShowCase+</i> OR Showcase Act I		Dinner			
715-745	Passing Time		Passing Time			
745-9	Dinner		<i>ShowCase+</i> OR Showcase Act II			
9-10:30	TD Mtg/Hospitality Room/Artist Intro (CC)			Thespian Connections		

	SATURDAY			
75 min sess 20 min pass	Mainstage Activity, Theatre Etiquette Video, Parade of Troupes, Sessions: Workshops, One-Acts: Playwriting?, <i>Tech Challenge</i> , STEVE 1230-3:30, TD Meeting/Board vote, TP Meeting/STO vote, Closing Ceremony <i>*Needs judges</i>			
SATURDAY	WHAT	WHO	WHAT	WHO
9-9:30			Set Up - House opens 9:30 Parade of Troupes	
9:30-12:30	Sessions 6&7 9:30-10:45 and 11:15-12:30		Ticketed Mainstage Show(s) 2	
1230-230	Lunch		Lunch	
	Lunch Meetings: 1230-1:15 TTO Mtg & STO vote (1 officer/troupe)	STO Dani?	Lunch Meeting: 1:30- 2:30 = TD Mtg & Board vote,	Adult Board
230-345	<i>Closing Ceremony</i> (Regional 50 hr plays, Playwriting Perfs, Tech Challenge, Awards, All-State MT, Board/STO)		Session 8	
345-415	Passing Time		Passing Time	
415-530	Session 8		<i>Closing Ceremony</i> (Regional 50 hr plays, Playwriting Perfs, Tech Challenge, Awards, All-State MT, Board/STO)	
530	Strike and Clean		Strike and Clean	

Mainstage Events: 2-4 Mainstage Shows presented, delegates would see 1 if troupes stay together for mainstage productions, State showcase/design awards, Opening Ceremony (Welcome, Awards, Keynote, Anon Th), Closing Ceremony (Regional 50-hr plays, Playwriting Perfs, Tech Challenge, Awards, All-State MT)

8 Sessions (W/S, 1A, PIP)

Cons of ticketing and not tracking - If troupes don't get tickets to shows they want, will they still go to workshops, etc? Consider that, pre-Covid, our name badge was our "ticket" to Festival; seating assignments were printed on them. This has many options-

Food for thought - Do troupes NEED to go as a whole to see Mainstages? If a troupe comes with two chaperones and students want to see different shows, and the TD is okay with it, is that an option? Troupes don't attend W/S or one-acts together, but that gathering time is one time troupes are together in the schedule, outside of their own arrangements (ex: some troupes plan to eat dinner together)



As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.

To: Board of Directors

From: Frank Caropelo, Superintendent

Subject: Grant Acceptance: Higher Education Coordinating Commission Agreement

Type: Action Item Report / Presentation

Policy: DD: Funding Proposals and Applications

Date: March 20, 2024

Connection to Strategic Plan Goal Topics:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Marginalized Students | <input type="checkbox"/> Culturally Responsive Teaching |
| <input type="checkbox"/> Student and Staff Wellness | <input type="checkbox"/> Professional Development |

Summary / Background:

This agreement serves to fund the Oregon Youth Corps (OYC) program at RLA in order for students to train and gain experience in natural conservation work.

Previous Board Action:

This is a grant renewal. In prior years, the Board has approved receipt of these funds from the Higher Education Coordinating Commission.

Financial Implications:

This agreement represents a \$90,000 investment into the RLA OYC program to fund school year and summer work crew to complete service projects with regional partners in environmental restoration. Eligible expenses include purchase of equipment and PPE, student transportation and student incentives.

Motion:

- A. Motion Made by Board Member:
 - a. I move that the Board approve grant agreement number 23-149G with the State of Oregon Higher Education Coordinating Commission.
- B. Motion Seconded by Another Board Member
- C. Points of Clarification / Discussion
- D. Call for Board Vote

Informational Cover Page - Grant

THIS PAGE IS NOT PART OF THE AGREEMENT

Agreement No. 23-149G

AGREEMENT INFORMATION	
Project Title:	Community Stewardship Corps 2023-2025
Allowable Cost Period:	01/01/2024-06/30/2025
Effective Period:	Date of last signature – September 30, 2025
Amount:	\$90,000
Funding Source:	Oregon Youth Employment Program General Funds - 80052
GRANTEE INFORMATION	
Grantee:	Reynolds School District
Address:	1204 NE 201st Ave Fairview, OR 97024
Administrator:	Rose Sandy
Phone:	503-320-2510
Email:	rsandy@rsd7.net
Fiscal Contact:	Holly Langan
Phone:	503-661-7200
Email:	hlangan@rsd7.net
HECC INFORMATION	
Administrator:	Jeremy Ahola
Phone:	503-689-6662
Email:	Jeremy.w.ahola@hecc.oregon.gov
Procurement Contact:	Jeanie Stunzner
Phone:	971-372-1133
Email:	Jeanie.stunzner@hecc.oregon.gov

STATE OF OREGON GRANT AGREEMENT

Agreement No. 23-149G

This Agreement is between the State of Oregon acting by and through its Higher Education Coordinating Commission (“HECC”) and Reynolds School District (“Grantee”), each a “Party” and, together, the “Parties”.

SECTION 1: AUTHORITY

This Agreement is authorized by ORS 350.075 and ORS 418.657

SECTION 2: PURPOSE

The purpose of this Agreement is to provide disadvantaged and at-risk youth with career and work-based learning opportunities to gain valuable work skills training with an emphasis on education and lifelong learning. Oregon Youth Corps’ (“OYC”) Community Stewardship Corps (“CSC”) work projects focus on natural resource enhancement and community stewardship in order to protect, conserve, rehabilitate and improve the natural, historical, and cultural resources of Oregon.

SECTION 3: TERM OF AGREEMENT

This Agreement is effective when all Parties have executed this Agreement and all necessary approvals have been obtained. This Agreement terminates on September 30, 2025 unless terminated earlier in accordance with Section 18.

SECTION 4: GRANT ADMINISTRATORS

4.1 HECC’s Grant Administrator is:

Jeremy Ahola
3225 25th Street SE
Salem, OR 97302
Phone: 503-689-6662
Email: Jeremy.w.ahola@hecc.oregon.gov

4.2 Grantee’s Grant Administrator is:

Rose Sandy
1204 NE 201st Ave
Fairview, OR 97024

Phone: 503-320-2510

Email: rsandy@rsd7.net

- 4.3 Either Party may change its Grant Administrator by providing written notice to the other Party.

SECTION 5: PROJECT ACTIVITIES

Grantee shall perform the project activities set forth in Exhibit A (the “Project”), attached and incorporated by this reference.

SECTION 6: GRANT

In accordance with the terms and conditions of this Agreement, HECC shall provide Grantee up to \$90,000 (“Grant Funds”) for the purposes described in this Agreement.

- 6.1 **Disbursement Generally.** Upon execution of this Agreement, Grantee will submit a Spend Plan for HECC review and approval. Grantee may submit disbursement requests in alignment with their approved Spend Plan no more frequently than quarterly.

To be processed for payment, disbursement or reimbursement requests must be filled out and submitted in a form substantially similar to the Sample Oregon Youth Corps Standard Disbursement Request Form (Exhibit D), and include a description of how the costs correspond to the approved budget categories as listed on disbursement request form.

Grantee shall e-mail disbursement requests to: HECC.finance@HECC.Oregon.gov and a copy to the Grant Administrator.

- 6.2 **Allowable Cost Period.** The Allowable Cost Period is the period between **January 1, 2024 to June 30, 2025.**

- 6.3 **Allowable Costs.** The Grant Funds shall only be used to pay for costs of the Project incurred by Grantee during the Allowable Cost Period and used for the Project as set forth in Exhibit A. Any changes to the Project must be approved by HECC in writing; however, notwithstanding the foregoing, if HECC determines a requested change to the Project is material, HECC may require the execution of an amendment to this Agreement.

- 6.4 **Conditions Precedent to Disbursement.** HECC’s obligation to disburse Grant Funds to Grantee under this Agreement is subject to satisfaction of each of the following conditions precedent:

6.4.1 HECC has received sufficient funding and expenditure authorizations to allow HECC, in the exercise of its reasonable administrative discretion, to make the disbursement.

6.4.2 No default as described in Section 12 has occurred.

- 6.4.3 Grantee's representations and warranties set forth in Section 7 are true and correct on the date of disbursement(s) with the same effect as though made on the date of disbursement.
- 6.4.4 By execution of this Agreement, Grantee certifies in writing that is has complied with all applicable requirements under Section 11.
- 6.4.5 HECC has received and accepted all reports related to this Agreement due at time of disbursement.
- 6.5 **Backup Documentation.** Upon request by HECC, Grantee will promptly provide backup documentation satisfactory to HECC to support Grantee's expenditure of Grant Funds.
- 6.6 **Duplicate Payment.** Grantee shall not be compensated for, or receive any other form of duplicate, overlapping or multiple payments for the same costs financed by or costs and expenses paid for by Grant Funds from any agency of the State of Oregon or the United States of America or any other party, organization or individual.
- 6.7 **Suspension of Funding and Project.** HECC may by written notice to Grantee, temporarily cease funding and require Grantee to stop all, or any part, of the Project dependent upon Grant Funds for a period of up to 180 days after the date of the notice, if HECC has or reasonably projects that it will have insufficient funds from the funding source to disburse the full amount of the Grant Funds. Upon receipt of the notice, Grantee must immediately cease all Project activities dependent on Grant Funds, or if that is impossible, must take all necessary steps to minimize the Project activities allocable to Grant Funds. If HECC subsequently projects that it will have sufficient funds, HECC will notify Grantee that it may resume activities. If sufficient funds do not become available, Grantee and HECC will work together to amend this Grant to revise the amount of Grant Funds and Project activities to reflect the available funds. If sufficient funding does not become available or an amendment is not agreed to within a period of 180 days after issuance of the notice, HECC will either (i) cancel or modify the stop-work order by a supplemental written notice or (ii) terminate this Agreement as permitted by either the termination at HECC's discretion or for cause provisions of this Agreement.

SECTION 7: REPRESENTATIONS AND WARRANTIES

Grantee represents and warrants to HECC that:

- 7.1 Grantee is a public school district duly organized and validly existing under the laws of the State of Oregon and is eligible to receive the Grant Funds. Grantee has full power, authority and legal right to make this Agreement and to incur and perform its obligations hereunder;
- 7.2 The making and performance by Grantee of this Agreement (a) have been duly authorized by Grantee according to its governing laws and organizational documents, (b) do not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency or any provision of Grantee's

enabling law, organizational documents or other organizational rules or policies; and (c) do not and will not result in the breach of, or constitute a default or require any consent under any other agreement or instrument to which Grantee is a party or by which Grantee or any of its properties may be bound or affected. No authorization, consent, license, approval of, or filing or registration with or notification to any governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by Grantee of this Agreement, other than those that have already been obtained;

- 7.3 This Agreement has been duly executed and delivered by Grantee and, when executed by HECC, constitutes a legal, valid and binding obligation of Grantee enforceable in accordance with its terms; and
- 7.4 The representations and warranties set forth in this Section are in addition to, and not in lieu of, any other representations or warranties provided by Grantee.
- 7.5 Grantee acknowledges that the Oregon False Claims Act, ORS 180.750 to 180.785, applies to any action or conduct by Grantee pertaining to this Agreement that constitutes a “claim” (as defined by the Oregon False Claims Act, ORS 180.750 (1)). By its execution of this Agreement, Grantee certifies the truthfulness, completeness, and accuracy of any statement or claim it has made, it makes, it may make, or causes to be made that pertains to this Agreement or to the Project. In addition to other penalties that may be applicable, Grantee further acknowledges that if it makes, or causes to be made, a false claim or performs a prohibited act under the Oregon False Claims Act, the Oregon Attorney General may enforce the liabilities and penalties provided by the Oregon False Claims Act against Grantee. Nothing in this Section or this Agreement may be construed as limiting or derogating from any authority granted the Oregon Attorney General under 180.750 to 180.785.
- 7.6 Grantee shall immediately report in writing, to HECC, any credible evidence that a principal, employee, agent, or subcontractor of Grantee, or any subgrantee or other person, has made a false claim or committed a prohibited act under the Oregon False Claims Act, or has committed a criminal or civil violation of laws pertaining to fraud, bribery, gratuity, conflict of interest, or similar misconduct in connection with this Agreement or monies paid by HECC under this Agreement.
- 7.7 Grantee must include subsections 7.5 through 7.6 of this Section in each subcontract or subgrant Grantee may award in connection with the performance of this Agreement. In doing so, Grantee may not modify the terms of those subsections, except to identify the subcontractor or subrecipient who will be subject to those provisions.

SECTION 8: GOVERNING LAW, CONSENT TO JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively “Claim”) between HECC or any other agency or department of the State of Oregon, or both, and Grantee that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of

Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this Section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, to or from any Claim or from the jurisdiction of any court. GRANTEE, BY EXECUTION OF THIS AGREEMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

SECTION 9: OWNERSHIP OF WORK PRODUCT

- 9.1** As used in this Section 9 and elsewhere in this Agreement, the following terms have the meanings set forth below:
- 9.1.1** "**Third Party Intellectual Property**" means any intellectual property owned by parties other than Grantee or HECC.
 - 9.1.2** "**Work Product**" means every invention, discovery, work of authorship, trade secret or other tangible or intangible item that Grantee is required to deliver to HECC under this Agreement, and all intellectual property rights therein.
- 9.2** Grantee retains ownership of all Work Product, and grants HECC an irrevocable, non-exclusive, perpetual, royalty-free, fully paid-up, world-wide license to use, to reproduce, to prepare derivative works based upon, to distribute, to perform and to display the Work Product, to authorize others to do the same on HECC's behalf, and to sublicense the Work Product to other entities without restriction.
- 9.3** If the Work Product created by Grantee under this Agreement is a derivative work based on Third Party Intellectual Property, or is a compilation that includes Third Party Intellectual Property, Grantee shall secure on HECC's behalf and in the name of HECC an irrevocable, non-exclusive, perpetual, royalty-free, fully paid-up, world-wide license allowing HECC and other entities the same rights listed above for to use, reproduce, prepare derivative works based upon, distribute copies of, perform and display the pre-existing element of the Third party Intellectual Property employed in the Work Product.
- 9.4** If state or federal law requires that HECC or Grantee grant to the United States a license to any intellectual property in the Work Product then Grantee shall execute such further documents and instruments as HECC may reasonably request in order to make any such grant or to assign ownership in such intellectual property to the United States or HECC.
- 9.5** If state or federal law requires that HECC or Grantee grant to the United States a license to any intellectual property in the Work Product, or if state or federal law requires that HECC or the United States own the intellectual property in the Work Product, then Grantee shall execute such further documents and instruments as HECC may reasonably request in order to make any such grant or to assign ownership in such intellectual property to the United States or HECC.

SECTION 10: INDEMNIFICATION

- 10.1** Subject to the conditions and limitations of the Oregon Constitution, Article XI, Section 9, and the Oregon Tort Claims Act, ORS 30.260 et seq., Grantee shall defend, save, hold harmless, and indemnify the State of Oregon and HECC and their officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature whatsoever, including attorney’s fees, resulting from, arising out of, or relating to the activities of Grantee or its officers, employees, subcontractors, or agents under this Agreement or in connection with the Project.
- 10.2** Grantee will have control of the defense and settlement of any claim that is subject to this Section. But neither Grantee nor any attorney engaged by Grantee may defend the claim in the name of the State of Oregon or any of its agencies, nor purport to act as legal representative of the State of Oregon or any of its agencies, without first receiving from the Attorney General, in a form and manner determined appropriate by the Attorney General, authority to act as legal counsel for the State of Oregon. Nor may Grantee settle any claim on behalf of the State of Oregon or any of its agencies without the approval of the Attorney General. The State of Oregon may, at its election and expense, assume its own defense and settlement in the event that the State of Oregon determines that Grantee is prohibited from defending the State of Oregon, or is not adequately defending the State of Oregon’s interests, or that an important governmental principle is at issue and the State of Oregon desires to assume its own defense.

SECTION 11: BACKGROUND CHECK/CRIMINAL HISTORY VERIFICATION

This Section 11 is only applicable to Grantee if their employee, potential employee, or volunteer will be interacting unsupervised and in-person with “Vulnerable Populations” (defined as minors, elderly, and persons with disabilities) in the completion of the Project Activities under this Agreement.

- 11.1** To the extent permitted by law, Grantee shall obtain a criminal history record check on any employee, potential employee or volunteer working with Vulnerable Populations and funded with resources from this Grant, as follows:
- 11.1.1** By having the applicant as a condition of employment or volunteer service, apply for and receive a criminal history check from a local Oregon State Police office and furnish a copy thereof to Grantee; or
 - 11.1.2** As the employer, by contacting a local Oregon State Police office for an “Oregon only” criminal history check on the applicant/employee/volunteer; or
 - 11.1.3** By use of another method of criminal history verification that is at least as comprehensive as those described in Sections 11.1.1 and 11.1.2 above.
A criminal record check will indicate convictions of child abuse, offenses against persons,

sexual offenses, child neglect, or any other offense bearing a substantial relation to the qualifications, functions or duties of an employee or volunteer scheduled to work with Vulnerable Populations.

- 11.2** To the extent permitted by law, in addition to information resulting from checks or screening required by applicable federal, state, tribal, or local law, and/or by Grantee's written policies and procedures, current and appropriate information includes the results of public sex offender and child abuse websites/registries. A search (by current name, and, if applicable, by previous name(s) or aliases), of the pertinent and reasonably- accessible federal, state, and (if applicable) local and tribal sex offender and child abuse websites/public registries, including:
- 11.2.1** The Dru Sjodin National Sex Offender Public Website (www.nsopw.gov);
 - 11.2.2** The website/public registry for each state (and/or tribe, if applicable) in which the individual lives, works, or goes to school, or has lived, worked, or gone to school at any time during the past five years; and
 - 11.2.3** The website/public registry for each state (and/or tribe, if applicable) in which the individual is expected to, or reasonably likely to, interact with a participating Vulnerable Populations in the course of activities under the award.
- 11.3** Grantee shall develop a policy or procedures to review criminal arrests or convictions of employees, potential employees or volunteers. The review must examine:
- 11.3.1** The severity and nature of the crime;
 - 11.3.2** The number of criminal offenses;
 - 11.3.3** The time elapsed since commission of the crime;
 - 11.3.4** The circumstances surrounding the crime;
 - 11.3.5** The subject individual's participation in counseling, therapy, education or employment evidencing rehabilitation or a change in behavior; and
 - 11.3.6** The police or arrest report confirming the subject individual's explanation of the crime.
- 11.4** Grantee must determine after receiving the criminal history check whether the employee, potential employee or volunteer has been convicted of child abuse, offenses against persons, sexual offenses, child neglect, or any other offense bearing a substantial relation to the qualifications, functions or duties of an employee, or volunteer scheduled to work with Vulnerable Populations, and whether based upon the conviction the person poses a risk to working safely with Vulnerable Populations. If Grantee intends to hire or retain the employee, potential employee, or volunteer, Grantee must confirm in writing the reasons for hiring or retaining the individual. These reasons must address how the applicant, employee, or volunteer is presently suitable or able to work with Vulnerable Populations in a safe and

trustworthy manner, based on the policy or procedure described in the preceding paragraphs of this Section. Grantee will ensure that all information related to the criminal background check of the applicant, employee, or volunteer is filed and retained in the appropriate file.

- 11.5** Grantee must make determinations of suitability, in advance, before individuals may interact with participating Vulnerable Populations, regardless of the individual's employment status. All required background check information must be completed before the determination regarding suitability.

SECTION 12: GRANTEE DEFAULT

Grantee will be in default under this Agreement upon the occurrence of any of the following events:

- 12.1** Grantee fails to perform, observe or discharge any of its covenants, agreements or obligations under this Agreement;
- 12.2** Any representation, warranty or statement made by Grantee in this Agreement or in any documents or reports relied upon by HECC to measure the activities under this Agreement, the expenditure of Grant Funds or the performance by Grantee is untrue in any material respect when made;
- 12.3** Grantee (a) applies for or consents to the appointment of, or taking of possession by, a receiver, custodian, trustee, or liquidator of itself or all of its property, (b) admits in writing its inability, or is generally unable, to pay its debts as they become due, (c) makes a general assignment for the benefit of its creditors, (d) is adjudicated a bankrupt or insolvent, (e) commences a voluntary case under the U.S. Bankruptcy Code (as now or hereafter in effect), (f) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (g) fails to controvert in a timely and appropriate manner, or acquiesces in writing to, any petition filed against it in an involuntary case under the U.S. Bankruptcy Code (as now or hereafter in effect), or (h) takes any action for the purpose of effecting any of the foregoing;
- 12.4** A proceeding or case is commenced, without the application or consent of Grantee, in any court of competent jurisdiction, seeking (a) the liquidation, dissolution or winding-up, or the composition or readjustment of debts of Grantee, (b) the appointment of a trustee, receiver, custodian, liquidator, or the like of Grantee or of all or any substantial part of its assets, or (c) similar relief in respect to Grantee under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case continues undismissed, or an order, judgment, or decree approving or ordering any of the foregoing is entered and continues unstayed and in effect for a period of sixty consecutive days, or an order for relief against Grantee is entered in an involuntary case under the Federal Bankruptcy Code (as now or hereafter in effect); or
- 12.5** Grantee uses or expends Grant Funds for any purpose other than that permitted in this

Agreement.

SECTION 13: HECC DEFAULT

HECC will be in default under this Agreement if HECC fails to perform, observe or discharge any of its covenants, agreements, or obligations under this Agreement.

SECTION 14: REMEDIES

- 14.1** In the event Grantee is in default under Section 12, HECC may, at its option, pursue any or all of the remedies available to it under this Agreement and at law or in equity, including, but not limited to: (a) termination of its obligations under this Agreement pursuant to Section 18, (b) reducing or withholding disbursement of Grant Funds, (c) requiring Grantee to complete, at Grantee's expense, additional activities necessary to satisfy its obligations or meet performance standards under this Agreement, (d) initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief, (e) exercise of its right of recovery of overpayments under Section 15 of this Agreement or setoff, or both, or (f) declaring Grantee ineligible for the receipt of future awards from HECC. These remedies are cumulative to the extent the remedies are not inconsistent, and HECC may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever.
- 14.2** In the event HECC is in default under Section 13 and whether or not Grantee elects to exercise its right to terminate this Agreement under Section 18.3, or in the event HECC terminates this Agreement under Sections 18.2.1, 18.2.2, 18.2.3, or 18.2.5, Grantee's sole monetary remedy will be for reimbursement of Project activities completed and accepted by HECC, within any limits set forth in this Agreement but not yet invoiced, for authorized expenses incurred, less any claims HECC has against Grantee under this Agreement. In no event will HECC be liable to Grantee for any expenses related to termination of this Agreement or for anticipated profits. If previous amounts paid to Grantee exceed the amount due to Grantee under this Section 14.2, Grantee shall promptly pay any excess to HECC.

SECTION 15: RECOVERY OF GRANT FUNDS

Any Grant Funds disbursed to Grantee under this Agreement that exceed the amount to which Grantee is entitled, or are expended in violation or contravention of one or more of the provisions of this Agreement, or that remain unexpended on the earlier of termination or expiration of this Agreement must be returned to HECC unless otherwise agreed to by HECC in writing.

SECTION 16: LIMITATION OF LIABILITY

EXCEPT FOR LIABILITY ARISING UNDER OR RELATED TO SECTION 10, NEITHER PARTY WILL BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, OR OTHER INDIRECT DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT, REGARDLESS OF WHETHER THE LIABILITY

CLAIM IS BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE. NEITHER PARTY WILL BE LIABLE FOR ANY DAMAGES OF ANY SORT ARISING SOLELY FROM THE TERMINATION OF THIS AGREEMENT IN ACCORDANCE WITH ITS TERMS.

SECTION 17: INSURANCE

Grantee shall maintain insurance as set forth in Exhibit B.

SECTION 18: TERMINATION

18.1 This Agreement may be terminated at any time by mutual written consent of the Parties.

18.2 HECC may terminate this Agreement as follows:

18.2.1 Upon 30 days advance written notice to Grantee;

18.2.2 Immediately upon written notice to Grantee, if HECC fails to receive funding, or appropriations, limitations or other expenditure authority at levels sufficient in HECC's reasonable administrative discretion, to perform its obligations under this Agreement;

18.2.3 Immediately upon written notice to Grantee, if federal or state laws, rules, regulations or guidelines are modified or interpreted in such a way that HECC's performance under this Agreement is prohibited or HECC is prohibited from paying for such performance from the planned funding source;

18.2.4 Immediately upon written notice to Grantee, if Grantee is in default under this Agreement and such default remains uncured 30 days after written notice thereof to Grantee; or

18.2.5 As otherwise expressly provided in this Agreement.

18.3 Grantee may terminate this Agreement as follows:

18.3.1 Immediately upon written notice to HECC, if HECC is in default under this Agreement and such default remains uncured 30 days after written notice thereof to HECC; or

18.3.2 As otherwise expressly provided in this Agreement.

18.4 Upon receiving a notice of termination of this Agreement, Grantee will immediately cease all activities under this Agreement, unless HECC expressly directs otherwise in such notice. Upon termination, Grantee will deliver to HECC all documents, information, works-in-progress, work product and other property that are or would be deliverables under the Agreement. And upon HECC's reasonable request, Grantee will surrender all documents, research or objects or other tangible things needed to complete the Project activities that were to have been performed by Grantee under this Agreement.

SECTION 19: CONFLICT OF INTEREST

If Grantee is currently performing work for the State of Oregon or the federal government, Grantee by signature to this Agreement declares and certifies that Grantee's activities under this Agreement and the Projects activities to be funded by this Agreement, create no potential or actual conflict of interest as defined by ORS Chapter 244.

SECTION 20: NONAPPROPRIATION

HECC's obligation to pay any amounts and otherwise perform its duties under this Agreement is conditioned upon HECC receiving funding, appropriations, limitations, allotments, or other expenditure authority sufficient to allow HECC, in the exercise of its reasonable administrative discretion, to meet its obligations under this Agreement. Nothing in this Agreement may be construed as permitting any violation of Article XI, Section 7 of the Oregon Constitution or any other law limiting the activities, liabilities or monetary obligations of HECC.

SECTION 21: AMENDMENTS

The terms of this Agreement may only be altered, modified, supplemented or otherwise amended by written agreement signed by authorized representatives of both Parties, unless explicitly stated in other sections of this Agreement.

SECTION 22: NOTICE

Except as otherwise expressly provided in this Agreement, any notices to be given relating to this Agreement must be given in writing by email, personal delivery, or postage prepaid mail, to a Party's Grant Administrator at the physical address or email address set forth in this Agreement, or to such other addresses as either Party may indicate pursuant to this Section 22. Any notice so addressed and mailed becomes effective five days after mailing. Any notice given by personal delivery becomes effective when actually delivered. Any notice given by email becomes effective upon the sender's receipt of confirmation generated by the recipient's email system that the notice has been received by the recipient's email system.

SECTION 23: SURVIVAL

All rights and obligations of the Parties under this Agreement will cease upon termination of this Agreement, other than the rights and obligations arising under Sections 6.5, 6.6, 8, 9, 10, 14, 15, 16, 23 and 34 hereof and those rights and obligations that by their express terms survive termination of this Agreement, such as any report required to be submitted after the termination date; provided, however, that termination of this Agreement will not prejudice any rights or obligations accrued to the Parties under this Agreement prior to termination.

SECTION 24: SEVERABILITY

The Parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected, and the rights and obligations of the Parties will be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

SECTION 25: COUNTERPARTS

This Agreement may be executed in several counterparts, all of which when taken together shall constitute one agreement, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of the Agreement so executed constitutes an original.

SECTION 26: COMPLIANCE WITH LAW

In connection with their activities under this Agreement, the Parties shall comply with all applicable federal, state and local law. Including but not limited to:

- 26.1** Grantee shall, throughout the duration of this Agreement, comply with all tax laws of this state and all applicable tax laws of any political subdivision of this state.
- 26.2** Grantee shall comply with ORS 652.220 and shall not discriminate against any of Grantee's employees in the payment of wages or other compensation for work of comparable character, the performance of which requires comparable skills, or pay any employee at a rate less than another for comparable work, based on an employee's membership in a protected class. "Protected class" means a group of persons distinguished by race, color, religion, sex, sexual orientation, national origin, marital status, veteran status, disability, or age. Grantee's compliance with this section constitutes a material element of this Agreement and a failure to comply constitutes a breach that entitles HECC to terminate this Agreement for cause.
- 26.3** If any of the Project Activities described in Exhibit A involve the hiring of minors, Grantee must comply with all federal and state laws applicable to minor workers. See State of Oregon BOLI website: <https://www.oregon.gov/boli/employers/Pages/minor-workers.aspx>

SECTION 27: INDEPENDENT CONTRACTORS

The Parties agree and acknowledge that their relationship is that of independent contracting parties and that Grantee is not an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265 or otherwise.

SECTION 28: INTENDED BENEFICIARIES

HECC and Grantee are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement provides, is intended to provide, or may be

construed to provide any direct or indirect benefit or right to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of this Agreement.

SECTION 29: FORCE MAJEURE

Neither Party is responsible for any failure to perform or any delay in performance of any obligations under this Agreement caused by any and all unforeseen fire, riot, civil unrest, labor unrest, pandemic, natural causes, or war, which is beyond that Party's reasonable control. Each Party shall, however, make all reasonable efforts to remove or eliminate such cause of failure to perform or delay in performance and shall, upon the cessation of the cause, diligently pursue performance of the Project activities under this Agreement. HECC may terminate this Agreement upon written notice to Grantee after reasonably determining that the failure or delay will likely prevent successful performance of this Agreement.

SECTION 30: ASSIGNMENT AND SUCCESSORS IN INTEREST

Grantee may not assign or transfer its interest in this Agreement without the prior written consent of HECC and any attempt by Grantee to assign or transfer its interest in this Agreement without such consent will be void and of no force or effect. HECC's consent to Grantee's assignment or transfer of its interest in this Agreement will not relieve Grantee of any of its duties or obligations under this Agreement. The provisions of this Agreement will be binding upon and inure to the benefit of the Parties hereto, and their respective successors and permitted assigns.

SECTION 31: SUBCONTRACTS AND SUBGRANTS

Grantee shall not, without HECC's prior written consent, enter into any subcontracts or subgrants for any of the Project activities required of Grantee under this Agreement. HECC's consent to any subcontract or subgrant will not relieve Grantee of any of its duties or obligations under this Agreement.

SECTION 32: TIME IS OF THE ESSENCE

Time is of the essence in Grantee's performance of the Project activities under this Agreement.

SECTION 33: MERGER, WAIVER

This Agreement and all exhibits and attachments, if any, constitute the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver or consent under this Agreement binds either Party unless in writing and signed by both Parties or otherwise agreed to as explicitly stated in other sections of this Agreement. Such waiver or

consent, if made, is effective only in the specific instance and for the specific purpose given.

SECTION 34: RECORDS MAINTENANCE AND ACCESS

Grantee shall maintain all financial records relating to this Agreement in accordance with generally accepted accounting principles. In addition, Grantee shall maintain any other records, books, documents, papers, plans, records of shipments and payments and writings of Grantee, whether in paper, electronic or other form, that are pertinent to this Agreement in such a manner as to clearly document Grantee performance. All financial records, other records, books, documents, papers, plans, records of shipments and payments and writings of Grantee, whether in paper, electronic or other form, that are pertinent to this Agreement, are collectively referred to as "Records." Grantee acknowledges and agrees that HECC and the Oregon Secretary of State's Office and the federal government and their duly authorized representatives will have access to all Records to perform examinations and audits and make excerpts and transcripts. Grantee shall retain and keep accessible all Records for a minimum of six years, or such longer period as may be required by applicable law, following termination of this Agreement, or until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement, whichever date is later. Subject to foregoing minimum records retention requirement, Grantee shall maintain Records in accordance with the records retention schedules set forth in OAR Chapter 166.

SECTION 35: PUBLIC RECORDS

All information and records submitted to HECC are subject to the Public Records Law, ORS 192.311 to 192.478, and may be subject to disclosure. If Grantee believes that any information or records it submits to HECC may be a trade secret under ORS 192.345(2), or otherwise is exempt from disclosure under the Oregon Public Records Law, Grantee must identify such information with particularity and include the following statement:

"This data is exempt from disclosure under the Oregon Public Records Law pursuant to ORS 192.[insert], and is not to be disclosed except in accordance with the Oregon Public Records Law, ORS 192.311 through 192.478."

If Grantee fails to identify with particularity the portions of such information that Grantee believes are exempt from disclosure, Grantee is deemed to waive any future claim of non-disclosure of that information.

SECTION 36: HEADINGS

The headings and captions to sections of this Agreement have been inserted for identification and reference purposes only and may not be used to construe the meaning or to interpret this Agreement.

SECTION 37: AGREEMENT DOCUMENTS

This Agreement consists of the following documents, which are listed in descending order of precedence:

- This Agreement less all exhibits,
- Attached Exhibit A (the “Project”)
- Exhibit B (“Contribution Language”)
- Exhibit C (“Assurances and Certifications”)
- Exhibit D (“Sample Disbursement Request”)
- Exhibit E (“Sample Shared Photos Permission Form”)
- Exhibit F (“Participant Authorization and Release Form”)

SECTION 38: SIGNATURES

EACH PARTY, BY SIGNATURE OF ITS AUTHORIZED REPRESENTATIVE, HEREBY ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS. The Parties agree that by the exchange of this Agreement electronically, each has agreed to the use of electronic means. By inserting an electronic signature below, each authorized representative acknowledges that it is their signature, that each intends to execute this Agreement and that their electronic signature should be given full force and effect to create a valid and legally binding contract.

REYNOLDS SCHOOL DISTRICT

By: _____
Frank Caropelo, Superintendent of Schools

Date

HIGHER EDUCATION COORDINATING COMMISSION

By: _____
Myronda Schiding, Workforce Program Manager

Date

HECC – Review for procurement sufficiency

Reviewed by: _____
Derek Dizney, Procurement Manager

Date

EXHIBIT A

THE PROJECT

Part 1 – Background and Goals

Oregon Youth Corps (“OYC”) administered under HECC has the responsibility of implementing ORS 418.650 through 418.663, the general purposes of which are:

- To establish a disadvantaged and at-risk youth work program in order to perform conservation work of public value in the most cost-effective manner;
- To utilize such a program as a means of needed assistance to protect, conserve, rehabilitate and improve the natural, historical and cultural resources of the state; and
- To utilize such a program to increase educational, training and employment opportunities for disadvantaged and at-risk youth for the purpose of improving work skills, instilling work ethic and increasing employability.

OYC Priority goals:

- Increase access to youth participants from underserved/underrepresented communities, communities that have faced generational poverty or other communities that have been historically underrepresented in youth employment.
- Strengthen communities and natural landscapes through stewardship project experiences.
- Provide workforce opportunities to prepare youth with skills ready to compete for future work opportunities.
- Provide youth participants access to discover personal and professional career, educational, and outdoor pathways.

Part 2 – Project Activities and Requirements

OYC creates meaningful opportunities for youth through significant resource projects that enhance the Oregon Community. OYC programs incorporate the following components: education, workforce development and training, enhancing the environment through stewardship.

Grantee will perform activities as described in Exhibit F (Grantee’s Application), unless otherwise approved in writing by HECC.

The scope of work includes, but is not limited to, CSC work projects that align with the following

pre-approved list by OYC:

- Rangeland conservation, rehabilitation, and improvement;
- Endangered species and other wildlife habitat conservation, rehabilitation, and improvement;
- Historical and cultural site preservation and maintenance;
- Recreational area development, maintenance, and beautification;
- Road and trail maintenance and improvement;
- Soil conservation work, including erosion control;
- Stream, lake, and waterfront improvement;
- Fish culture and habitat maintenance and improvement;
- Some fence maintenance and construction, at HECC's discretion;
- Planting, tending, and harvesting a community garden or farm;
- Energy conservation projects including assistance in the performance of energy efficiency audits, weatherization and renewable resource enhancement; and
- Community services including childcare services, elderly and disabled care services, literacy education programs, and recycling and other waste reduction services.

All projects and project changes must be approved by HECC's Grant Administrator in writing. Projects should not be on private land, but may be allowed under certain circumstances and must be pre-approved in advance by HECC. Projects completed on private land shall meet all three of the following guidelines:

- Corpsmembers' work skills and education objectives are increased;
- Public benefit is clearly defined; and
- Public benefit is greater than the benefits to the private landowner.

Grantee shall provide the following Grant requirements:

- A crew-based experience for youth participants (working together to achieve a common goal). Eligible crew based participants shall be:
 - Local Oregon youth ages 13 – 24 (Corpsmembers who will turn 25 during the course of employment are not eligible).
 - Oregon Youth Corps is committed to diversity in the crew setting. The crew makeup should aim to reflect the local community and include a gender, ethnic, cultural, and social mix.
 - 75% of youth served shall meet Oregon Youth Corps' disadvantaged and at-risk definition: "Those who may be unable to achieve the educational, economic, or social expectations of their community."
- Document pictures of stewardship projects. Pictures submitted should be appropriate and youth should be wearing appropriate Personal Protective Equipment.

- Ensure each participant completes an Authorization and Release form, in the format provided in the attached Exhibit E. Grantee shall not need to submit a form for each participant, but shall retain and provide to HECC upon request.
- Provide a form of enrichment activities. OYC identifies enrichment activities as supplemental discovery and exposure to new knowledge and ideas. These activities must be intentional and go beyond the normal skill-building opportunities that are gained in day-to-day work activities. Some activities include but are not limited to:
 - Worksource center tour
 - Business & Industry tour
 - Guest speakers
 - Job shadow
 - High ropes courses
 - Outdoor recreation
 - Post-Secondary tour
 - Industry certifications
 - FirstAid/CPR class
 - Food handlers card
 - Backpacking
 - Map training
 - Nutrition classes
 - Financial literacy training
 - Journaling
 - Camping trips
 - Paddling trips
 - Plant & animal identification

2.1 On-the-Job Training Project Activities:

Grant Goals:

- Increase access for youth to on-the-job training opportunities that provide youth technical and essential employability skills.
- Improve communities and landscapes with stewardship focused work experiences.
- Aid local economic recovery and growth for participants and communities.

Grantee shall:

- Provide at minimum one crew-based stewardship focused experience to practice and develop essential workforce skills that lasts at least five weeks.
 - Grantee who provide at least the minimum program crew experiences may also provide:
 - Stewardship internships for individual youth participants between the ages of 16-24 years, where individual placement through an internship/pre-apprenticeship focuses on natural resource enhancement and/or community stewardship.
 - Work placement must help provide direct/indirect efforts towards the protection, conservation, rehabilitation and improvement of the natural, historical, and cultural resources of Oregon.
- Pay at least Oregon's minimum wage for work performed by youth participants while in the program or, if a program participant is prohibited by other state or federal law

or agreement from receiving wages from the program provider, provide an award valued at an amount equal to at least the payment of minimum wage.

- Hire local eligible participants. For youth hired as Corpsmembers, Grantee is responsible for ensuring that all applicable labor laws are followed and adhered to. Grantee shall be responsible for all federal and state taxes that apply. HECC will not be held responsible for any tax liability.

2.2 Service-Learning Education Project Activities;

Grant Goals:

- Advance educational attainment, including earning academic credit, high school equivalency certificate, college credit, and/or vocational training and certifications.
- Provide stewardship focused learning experiences that teach both technical skills and essential employability skills to prepare a future ready workforce.
- Connect participants with options for future career and education experiences.

The Service-Learning Education, CSC programs are educational/school year programs that have a heavy workforce development component but HECC does not require that Corpsmembers be paid. If Grantee chooses to pay Corpsmembers for their participation in field work, all applicable employment and tax laws need to be followed.

Grantee is prohibited from charging tuition to enter the program.

Grantee shall:

- Provide at least two months, but no more than 12 months, of crew-based service-learning education for an individual participant, and both of the following:
 - Provide interconnected educational support and coursework, directed access to earning high school graduation credit, completion of approved high school equivalency programs such as the General Education Development (GED®) certificate program, college credit, and/or vocational training and certification.
 - Place special emphasis in recruiting underrepresented and underserved youth participants from within their local community who need assistance in their educational attainment, including the recruitment of youth who have dropped out of high school, or are currently at risk of dropping out of high school.
 - Grantee who provide at least the minimum program crew experiences may also provide:
 - Stewardship internships for individual youth participants between the ages of 16-24 years, where individual placement through an internship/pre-

apprenticeship focuses on natural resource enhancement and/or community stewardship.

- Work placement must help provide direct/indirect efforts towards the protection, conservation, rehabilitation and improvement of the natural, historical, and cultural resources of Oregon.
- Provide classroom and field experiences that are integrated. The percentages of time to be spent in the classroom and the field are at the Grantees discretion.

Part 3 – Project Schedule and Budget

The Parties agree that Grantee’s Project budget is estimated. With prior written consent from HECC, minor modifications to adjust to the overall budget can be made without requiring an amendment to this Agreement, however, in no instance shall HECC’s payments to Grantee exceed the amount identified in Section 6 of this Agreement.

3.1 On-the-Job Training Budget

Description	Oregon Youth Corps Funds
Administrative Costs	\$0
Direct Program Costs	\$45,000
Indirect Program Costs	\$0
Totals	\$45,000

3.2 Service-Learning Education Training Budget

Description	Oregon Youth Corps Funds
Administrative Costs	\$0
Direct Program Costs	\$45,000
Indirect Program Costs	\$0
Totals	\$45,000

Grantee shall use an indirect rate of no more than 10% de minimis when using any funds under this Agreement, unless Grantee has a negotiated Federal rate and has supplied documentation of this rate to HECC.

In addition, HECC may supply Personal Protection Equipment, supplies, or additional funds

to Grantee, as available and in HECC’s sole discretion.

Part 4 – Project Evaluation/ Reporting Requirements

Grantee must submit a Mid-Year and Final Report for each category detailed in this Agreement to the HECC Grant Administrator. Reports must be submitted electronically through the OYC reporting portal, <https://ccwd.hecc.oregon.gov/login/> unless directed otherwise by the HECC Grant Administrator.

<u>Description</u>	<u>Submissions due between</u>
2023-2024 Annual Report (January 1, 2024 - June 30, 2024)	On or Before August 1, 2024
<u>2024 Progress (July 1 - December 2024)</u>	On or before February 1, 2025
<u>2024-2025 Annual Report (July 1, 2024-June 30, 2025)</u>	Project Completion - August 1, 2025

2024 Progress Report: Grantee shall submit a Progress Report to the HECC Grant Administrator no later than the date referenced above. HECC will communicate all Progress Report requirements, and the process of how and where to submit, no later than November 30, 2024. The Progress Report shall include, but is not limited to the following information:

- Participant Roster
- Budget expenditure report(s)
- Aggregate Program and Project Data
- Agreement Narrative

2023-2024 Annual Reports & 2024-2025 Annual Reports: Grantee shall submit a 2023-2024 Annual Report and 2024-2025 Annual Report to the HECC Grant Administrator no later than the date referenced above. HECC will communicate all Final Report requirements and the process of how and where to submit no later than April 30, 2024. Annual Reports shall include, but are not limited to the following information:

- Program Photo Release

- Photo(s)
- Participant Roster
- Aggregate Program and Project Data
- Budget expenditure report(s)
 - On-the-Job Training Grant
 - Service Education Learning Grant
- Project, Education, Program, and Budget Narratives
- Qualitative Impact Story
- Any other categories requested by HECC.

Pictures, Stories & Data:

Photos are a required element to the 2023-2024 Annual Report, and 2024-2025 Annual Report. Pictures submitted should be appropriate and youth should be wearing appropriate Personal Protective Equipment. Pictures of stewardship projects can be submitted at the end of this Agreement. Grantee will need to submit a signed program Shared Photos Permission Form (Exhibit D) with the Final Report.

HECC requires a signed Participant Authorization and Release Form (Exhibit E) from each individual participant so that any and all pictures, stories, and aggregate data may be used by HECC. Pictures, stories and aggregate data may be used on HECC's website, in its annual report, in marketing displays, social media, or in other media, either now known or hereafter devised.

Qualitative Evaluation: For each category of Grant detailed in this Agreement, Grantees shall provide at least one impact story from the following list below:

1. Participant Impact Story
2. Educational Impact Story
3. Workforce Readiness Impact Story
4. Community Impact Story
5. Project Impact Story
6. Advancing Pathways/Sector Impact Story

Surveys: During an on-site monitoring visit, HECC staff will provide access for youth

participants and crew leaders to fill out and provide feedback about their program experience through a survey. Additionally, Grantee shall provide program time for participants who were not present, or available during a HECC on-site monitoring visit and successfully complete the program experience to take an Oregon Youth Corps Survey. Grantee shall also provide program time for Crew leaders to access take an Oregon Youth Corps survey. HECC Grant Administrator will communicate to the Grantee on accessing and submitting surveys.

While grantees are not held to a certain percentage of surveys required, if no survey responses are received by the end of the Agreement, HECC may deem the Final Report insufficient.

Grant Agreement Closeout:

If the submitted Final Report is incomplete or not acceptable to HECC, Grantees shall have until September 30, 2025, the Grant end date, to amend any insufficiencies.

HECC considers a Grantee in default if an insufficient Final Report is not amended and found sufficient by the due date stated above.

EXHIBIT B

CONTRIBUTION LANGUAGE

If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third-Party Claim") against a party (the "Notified Party") with respect to which the other party ("Other Party") may have liability, the Notified Party must promptly notify the Other Party in writing of the Third-Party Claim and deliver to the Other Party a copy of the claim, process, and all legal pleadings with respect to the Third-Party Claim. Either party is entitled to participate in the defense of a Third-Party Claim, and to defend a Third-Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this paragraph and meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third-Party Claim with counsel of its own choosing are conditions precedent to the Other Party's liability with respect to the Third-Party Claim.

With respect to a Third-Party Claim for which HECC is jointly liable with Grantee (or would be if joined in the Third-Party Claim), HECC shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Grantee in such proportion as is appropriate to reflect the relative fault of HECC on the one hand and of Grantee on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of HECC on the one hand and of Grantee on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. HECC's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if HECC had sole liability in the proceeding.

With respect to a Third-Party Claim for which Grantee is jointly liable with HECC (or would be if joined in the Third-Party Claim), Grantee shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by HECC in such proportion as is appropriate to reflect the relative fault of Grantee on the one hand and of HECC on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Grantee on the one hand and of HECC on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Grantee's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

Grantee shall take all reasonable steps to cause its contractor(s) that are not units of Local Government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless the State of Oregon and its officers, employees and agents ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including attorneys' fees) arising from a tort (as now or hereafter defined in ORS 30.260) caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Grantee's contractor or any of the officers, agents,

employees or subcontractors of the contractor("Claims"). It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by the contractor from and against any and all Claims.

EXHIBIT C

ASSURANCES AND CERTIFICATIONS

Grantee agrees to the following representations and to perform the following actions:

1. Grantee has experience running a youth corps program
2. Grantee agrees to follow all applicable labor laws, including but not limited to federal and state tax laws and rules
3. Background checks are required for all staff and Crew Leaders having direct contact with Corpsmembers. Any staff convicted of crimes involving violence, harm to vulnerable individuals, serious theft, and sex crimes shall not be alone with any Corpsmember at any time, nor be permitted to individually contact the Corpsmember, including any form of written or electronic communication. Violation to this section is grounds for immediate termination of this Agreement
4. Grantee agrees to develop safety, work-site, orientation, education, and emergency plans in compliance with state and federal law
5. At least 75% of the youth served will meet OYC's definition of at-risk youth
6. The crew shall reflect the local community in the areas of gender, cultural, and ethnic mix
7. Grantee understands that projects on private land must be pre-approved by OYC
8. Grantee's projects will operate between the Allowable Cost Period
9. Grantee will complete the required OYC surveys at the end of the program
10. All Crew Leaders will be first aid and CPR certified
11. All Corpsmembers will be equipped with all appropriate Personal Protective Equipment during their program participation
12. Crew Leaders will provide the appropriate level of supervision and instruction to ensure safety in work completion
13. Proper tools and equipment will be used for the Project and the number of tools/pieces of equipment will be adequate for Corpsmembers to engage and safely complete the expected tasks

EXHIBIT D

SAMPLE DISBURSMENT REQUEST

Oregon Youth Corps Standard Disbursement Request Form

**Oregon Youth Corps
Standard Disbursement Request Form**

HECC Grant Agreement Number: _____ **<--ENTER GRANT AGREEMENT NUMBER**

HECC Grant Administrator: Jeremy Ahola

Billing Period: _____

Grantee Name: _____ Your Phone: _____
 Address: _____ Your E-mail: _____
 Your Name: _____

Start-Up Request: _____ Start-Up Request Amount: _____
 Final Invoice: _____

Cost Category	Original Award Amount	YTD Expenditures	Previous Disbursement Expenditures	Current Amount Requested	Balance Available
Personnel/Wages		\$ -			\$ -
Fringe		\$ -			\$ -
Transportation		\$ -			\$ -
Supplies		\$ -			\$ -
Personal Protective Equipment		\$ -			\$ -
Other A		\$ -			\$ -
Other B		\$ -			\$ -
Indirect/Administrative		\$ -			\$ -
Totals	\$ -	\$ -	\$ -	\$ -	\$ -

Authorized Signatures *

Authorized Grantee Signature/Date

Authorized OYC Signature/Date

* Grantee signature is not required for requests that are sent via e-mail

EXHIBIT E

SAMPLE SHARED PHOTOS PERMISSION FORM



Shared Photos Permission Form

*Complete this form prior to providing photos for use
by the Higher Education Coordinating Commission.*

NAME OF INSTITUTION OR ORGANIZATION PROVIDING PHOTO/S:

Institution or Organization name

- Our institution or organization authorizes the State of Oregon Higher Education Coordinating Commission (HECC) to use and publish in official public electronic or print materials the photos our institution has submitted to the HECC as of [Date]. By sharing these materials, we are confirming that our organization/institution has proper releases authorizations for the individuals represented.
- Our institution or organization gives permission to the HECC to share these photos with outside entities, with the requirement that the outside entities give the institution or organization citation authority if the outside entities publish or otherwise use the photos.

SPECIAL DIRECTIONS FOR HECC WITH CITATION OF PHOTOS:

Acknowledge institution/organization name with use of photo.

DATE:

Date

NAME OF CONTACT authorized to complete this form:

First name Last name, Title

Signature (*electronic acceptable*)

EXHIBIT F

PARTICIPANT AUTHORIZATION AND RELEASE FORM

The undersigned authorizes the State of Oregon and its Higher Education Coordinating Commission ("HECC"), including the Oregon Youth Corps, and advertising agencies and their successors, assigns and nominees to use and reproduce the name, picture, portrait, film, photograph, video, story or voice of the undersigned in all forms and manners of media, in use and to be developed in the future. In addition, data collected from the undersigned may be released in aggregate form.

The undersigned waives any right to inspect or approve any unfinished, altered or finished product that may be created in connection with their service.

The undersigned hereby releases the State of Oregon, HECC, Oregon Youth Corps, its affiliates, advertising agencies, assigns and nominees from any and all claims for libel, slander, invasion of privacy or other claim now and in the future based on the undersigned's data obtained while participating in the OYC program.

Participant Printed Name

Participant Signature (Only if 18 or older)

Date

I am the parent or legal guardian of the minor named above and have the legal authority to execute the above release. I approve the foregoing and waive any rights in the premises.

Parent/Legal Guardian Printed Name

(If participant is under age 18)

Parent/Legal Guardian Signature

(If participant is under age 18)

Date

To: Board of Directors

From: Frank Caropelo, Superintendent

Subject: Resolution Action

Type: Action Item Report / Presentation

Policy: KAA: Community Relations

Date: March 20, 2024

Connection to Strategic Plan Goal Topics:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Marginalized Students | <input checked="" type="checkbox"/> Culturally Responsive Teaching |
| <input checked="" type="checkbox"/> Student and Staff Wellness | <input checked="" type="checkbox"/> Professional Development |
-

Summary / Background:

The following resolutions were read into the record earlier in the meeting.

- Resolution 2023-2024-018: Public School Volunteer Appreciation Month
- Resolution 2023-2024-019: National Assistant Principals Month
- Resolution 2023-2024-020: Arab American Heritage Month
- Resolution 2023-2024-021: School Library Month

The Board will now take action.

Previous Board Action:

The Board takes action on all resolutions.

Financial Implications:

Not Applicable.

Motion:

- A. Motion Made by Board Member:
 - a. I move that the Board adopt Resolutions 2023-2024-018, 019, 020, and 021.
- B. Motion Seconded by Another Board Member
- C. Points of Clarification / Discussion
- D. Call for Board Vote

To: Board of Directors

From: Frank Caropelo, Superintendent

Subject: Budget Committee Applications

Type: Action Item Report / Presentation

Policy: DBEA: Budget Committee

Date: March 20, 2024

Connection to Strategic Plan Goal Topics:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Marginalized Students | <input checked="" type="checkbox"/> Culturally Responsive Teaching |
| <input checked="" type="checkbox"/> Student and Staff Wellness | <input checked="" type="checkbox"/> Professional Development |
-

Summary / Background:

The Board has identified vacant Budget Committee positions which must be filled by appointment of the Board. The Budget Committee consists of seven members appointed by the Board plus the elected Board members. To be eligible for appointment, the appointive member must: 1. Live and be registered to vote in the district; 2. Not be an officer, agent, or employee of the district. No budget committee member may receive any type of compensation from the district.

William Ohle and Thatcher Green have applied to join the Budget Committee as a community members.

Previous Board Action:

The Board appoints all Budget Committee members.

Financial Implications:

Not Applicable.

Motion:

- A. Motion Made by Board Member:
 - a. I move that the Board appoint William Ohle to position 9 and Thatcher Green to position 10 of the Budget Committee.
- B. Motion Seconded by Another Board Member
- C. Points of Clarification / Discussion
- D. Call for Board Vote

Published on *Reynolds School District - Oregon* (<https://www.reynolds.k12.or.us>)

[Budget Committee Application](#) > [Webform results](#) > Submission #7

Submission information

Form: [Budget Committee Application](#) [1]
Submitted by Visitor (not verified)
Sat, 02/24/2024 - 9:50pm
71.193.133.88

First and Last Name:

William Ohle

Street Address:

[REDACTED]

City, State and ZIP:

Portland

Telephone:

[REDACTED]

Email Address:

[REDACTED]

Do you live within Reynolds School District boundaries?

Yes

Have you been a resident in the district for at least one year?

Yes

Are you a registered voter?

Yes

Current Job Title / Employeer

[REDACTED]

Do you have children currently attending a school in the district?

No

Have you or a family member graduated from Reynolds?

Yes

If so, what relation?

myself, 1981 graduate of Columbia High School

Why are you interested in serving on the Budget Committee?

I was chairperson of the Reynolds District 2015 Bond Citizens Oversight Committee and would like to further my contribution to the district;

Have you served in similar capacities in the past and, if so, under what circumstances?

See my previous answer.

Please describe your understanding of the time commitment required of a Budget Committee member.

Monthly meetings (5 hours including transportation); reading and analyzing budget materials (2-5 hours prior to each monthly meeting); long work sessions towards the end of the fiscal year (April, May, June 10-20 hours to complete final report).

Please provide us with a brief resume of your background and your activities in the community.

Troutdale Elementary, Fairview Elementary. Columbia View Junior High School, Columbia High School, 1981; BA Warner Pacific 1986, JD Willamette University 1991; Oregon State Bar 1991, Washington State Bar 1992, CNMI Bar 1995, Shareholder Schwabe, Williamson & Wyatt, 2015 Bond Citizens Review Committee.

Source URL:<https://www.reynolds.k12.or.us/node/64539/submission/162267>

Links

[1] <https://www.reynolds.k12.or.us/schoolboard/budget-committee-application>

Published on *Reynolds School District - Oregon* (<https://www.reynolds.k12.or.us>)

[Budget Committee Application](#) > [Webform results](#) > Submission #8

Submission information

Form: [Budget Committee Application](#) [1]
Submitted by Visitor (not verified)
Thu, 02/29/2024 - 12:15pm
185.228.19.229

First and Last Name:

Thatcher Green

Street Address:

[REDACTED]

City, State and ZIP:

Portland, OR 97230

Telephone:

[REDACTED]

Email Address:

[REDACTED]

Do you live within Reynolds School District boundaries?

Yes

Have you been a resident in the district for at least one year?

Yes

Are you a registered voter?

Yes

Current Job Title / Employeer

[REDACTED]

Do you have children currently attending a school in the district?

No

Have you or a family member graduated from Reynolds?

No

Why are you interested in serving on the Budget Committee?

I have always had a passion for education and have felt disappointed at the lack of funding public education has. I've made it a goal to see what I can do to give back now that I've reached a more stable place in my life professionally and personally. This opportunity jumped out to me due to my interest in public education and that it seems Reynolds is in need for this position. Budgeting and accounting has been a hobby I have with my own personal business so it will be exciting to do something with those skills in the public sector.

Have you served in similar capacities in the past and, if so, under what circumstances?

This would be my first time doing this in a public role.

Please describe your understanding of the time commitment required of a Budget Committee member.

To be available for the evening meetings starting in April. I also expect to be working on aspects of my responsibilities outside of those meetings and throughout the year as different grants, bonds, and fundraisers take place.

Please provide us with a brief resume of your background and your activities in the community.

I grew up in outer SE Portland and attended David Douglas through the entirety of my primary schooling. I went to the University of Oregon and to study history for 4 years before deciding to move back to Portland to pursue professional development. While in college I worked as a front desk admin at a child care center for 3 years and volunteered at my local church in their children's ministry for .

I worked at the Northeast Community Center in the Hollywood district for 2 years going from a front desk admin to the lead while also volunteering to run their firework stand and coach youth basketball.

While working there I obtained my real estate license and began

Source URL:<https://www.reynolds.k12.or.us/node/64539/submission/162286>

Links

[1] <https://www.reynolds.k12.or.us/schoolboard/budget-committee-application>



As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.

To: Board of Directors

From: Frank Caropelo, Superintendent

Subject: Board Discussion and Reports

Type: Action Item Report / Presentation

Policy: BD/BDA: Board Meetings; BDDF: Conduct of Board Meetings

Date: March 20, 2024

Connection to Strategic Plan Goal Topics:

- Marginalized Students Culturally Responsive Teaching
- Student and Staff Wellness Professional Development

Summary / Background:

- A. Individual Board Member Reports or Announcements
- B. Upcoming Board Meetings
 - a. Work Session: April 10, 2024
 - b. Budget Committee Training Work Session: April 18, 2024
 - c. Business Meeting: April 24, 2024
- C. Budget Committee Vacancies:
 - a. Positions 8
- D. Board Discussion

Previous Board Action:

Not Applicable.

Financial Implications:

Not Applicable.

Motion:

Not Applicable.



As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.

To: Board of Directors

From: Frank Caropelo, Superintendent

Subject: Adjournment of Meeting

Type: Action Item Report / Presentation

Policy: BD/BDA: Board Meetings; BDDF: Conduct of Board Meetings

Date: March 20, 2024

Connection to Strategic Plan Goal Topics:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Marginalized Students | <input checked="" type="checkbox"/> Culturally Responsive Teaching |
| <input checked="" type="checkbox"/> Student and Staff Wellness | <input checked="" type="checkbox"/> Professional Development |

Summary / Background:

The Board Chair will adjourn the meeting.

Previous Board Action:

Not Applicable.

Financial Implications:

Not Applicable.

Motion:

Not Applicable.