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

January 28, 2026
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 meet in 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.	
II.	**6:00p - Call to Order**	**4**
	A. Roll Call	
	B. Consider Approval of the January 28, 2026 Agenda	
	C. Pledge of Allegiance	
	D. Land Acknowledgement	5
	E. Mission and Vision	6
III.	**6:10p - Recognition**	**7**
	A. Student Recognition	
	B. Resolution 2025-2026-012: Black History Month	8
	C. Resolution 2025-2026-013: Bus Driver Appreciation Day	9
	D. Resolution 2025-2026--014: National School Counseling Week	10
	E. Resolution 2025-2026-015: CTE Recognition Month	11
IV.	**6:20p - High School Student Report**	**12**
V.	**6:30p - Public to be Heard**	**13**
	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**	**14**
VII.	**7:00p - Presentation to the Board**	
	A. Charter School Audit Reports: HOLLA, MLA, and Arthur Academy	15
	B. Initial Bond Polling Overview	191
VIII.	**7:35p - Superintendent's Reports**	**223**
	A. Announcements/Reports	
	B. Financial Report	224
	C. Enrollment Report	227

IX.	**7:50p - Consent Agenda**	**229**
	A. Approval of Personnel Order	
	B. Approval of Prior Meeting Minutes	230
	C. RLA MYC Coastal Ecology Trip to Newport, OR	233
	D. RLA MYC Desert Ecology Trip to Mt. Vernon, Burns, and Bend, OR	236
	E. RLA MYC Fire School Trip to Lebanon, OR	239
	F. Resolutions 2025-2026 -012 to -015	242
X.	**7:55p - Action Items**	
	A. Budget Priorities for 2026-27	243
XI.	**8:00p - Board Announcements and Discussion**	**244**
	A. Individual Board Members - Announcements and Reports	
	B. Upcoming Board Meetings	
	C. Budget Committee Vacancies	
XII.	**8:15p - Adjourn**	**245**

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: **Executive Session**

Type: ☐ Action Item ☑ Report / Presentation

Policy: BDC: Executive Session

Date: January 28, 2026

Connection to Strategic Plan Goal Topics:

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

Summary / Background:
The Reynolds School Board and the Superintendent will meet in Executive Session at 5:30p, under ORS 192.660(2)(a) Personneland ORS 192.660(2)(d) Negotiation. Executive Session is closed to the public.

Previous Board Action:
Not Applicable

Financial Implications:
Not Applicable

Motion:
Not Applicable

Reynolds School District

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: January 28, 2026

Connection to Strategic Plan Goal Topics:

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

Summary / Background:

Position 1: Director Aaron Muñoz
Position 2: Vice Chair Joyce Rosenau
Position 3: Chair Michael Reyes
Position 4: Director Cayle Tern
Position 5: Director Patty Carrera
Position 6: Director Ana Gonzalez Muñoz
Position 7: Director Francisco Ibarra

Motion to Approve Agenda:

A. Motion Made by Board Member:
    a. I move that the Board approve the January 28, 2026 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 Acknowledgement

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 District

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: **Recognition**

Type: ☐ Action Item ☑ Report / Presentation

Policy: BA: Board Goals

Date: January 28, 2026

Connection to Strategic Plan Goal Topics:

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

Summary / Background:
Student Recognition: Margaret Scott Elementary

Resolutions:

- Resolution 2025-2026-012: Black History Month
- Resolution 2025-2026-013: Bus Driver Appreciation Day
- Resolution 2025-2026--014: National School Counseling Week
- Resolution 2025-2026-015: CTE Recognition Month

Previous Board Action:
Not Applicable

Financial Implications:
Not Applicable

Motion:
Not Applicable

Resolution 2025-2026-012
Proclaiming the Celebration of Black History Month

WHEREAS, Black History Month is a historic celebration in the United States, beginning in 1926 when historian Carter G. Woodson and the Association of Negro Life and History dedicated the second week in February as "Negro History Week;"

WHEREAS, in 1976, as part of the nation's bicentennial, Black History Week was expanded and became established as Black History Month, and is now celebrated all over North America;

WHEREAS, the rich inventions, courage, resolve, and cultural influences delivered to the nation by Black individuals have been historically recognized regionally by the state of Oregon;

WHEREAS, it is appropriate that all individuals reflect upon, cherish, and sustain the contributions that Black individuals – both past and present – have made to our nation. Black educators and community leaders shape minds and empower future generations; healthcare professionals lead advancements that improve public health; entrepreneurs and innovators pave the way for economic empowerment; artists, musicians, and writers create works that enrich culture; and much more;

WHEREAS, Black individuals have and continue to endure significant struggles so that we may progress and be inspired during hard times, and encouraged to celebrate and rejoice during happy times;

WHEREAS the theme for Black History Month 2026 is "A Century of Black History Commemorations." Dr. Carter Godwin Woodson, George Cleveland Hall, William D. Hartgrove, Jesse E. Moorland, Alexander L. Jackson, and James E. Stamps institutionalized the teaching, study, dissemination, and commemoration of Black history when they founded the Association for the Study of Negro Life and History (ASNLH) on September 9, 1915.

NOW, THEREFORE, BE IT RESOLVED that Reynolds School District does hereby proclaim February 2026 as Black History Month. The struggles and achievements of Black people and their role in America's history profoundly influences and enriches the culture of the United States. Reynolds School District acknowledges these contributions and reaffirms its ongoing commitment to building awareness and an inclusive society.

Adopted this 28th day of January 2026.

Signed:

_____

Chair, Reynolds School Board of Directors

Attest:

_____

Superintendent / Clerk

Resolution 2025-2026-013

Proclaiming the Celebration of School Bus Driver Appreciation Day

---

WHEREAS, 71 licensed school bus drivers, 10 transportation office staff, 5 mechanics/technicians, 6 van drivers, 2 bus aides, and 1 transportation supervisors transport a majority of the district's students safely to and from school each day;

WHEREAS, the Transportation Services team transports an average of 7,200 students on a daily basis to ensure they can safely arrive to and from school;

WHEREAS, school bus drivers travel each year on regular routes, field trip routes, vocational routes, and special education routes;

WHEREAS, the safety and well-being of children are of utmost concern to all Reynolds families; school administrators entrust school bus drivers with the welfare of these children; the position of a school bus driver requires tremendous responsibility; they are to maneuver through traffic regardless of road conditions while supervising children on the bus and are looked to for leadership and life-saving decision-making in the event of an emergency;

WHEREAS, the National Safety Council has documented the far smaller number of accidents and fatalities per capita on school buses than automobiles;

WHEREAS, school bus drivers direct children while they are exiting the bus at their destination; school bus drivers are able to observe any suspicious activity or people along their bus route and communicate that information to proper authorities;

WHEREAS, the Reynolds School District recognizes and values the vital work of bus drivers, whose commitment and professionalism ensure safe, reliable transportation for students;

NOW, THEREFORE, BE IT RESOLVED, the Reynolds School Board publicly thanks the school bus drivers and transportation office staff for their hard work and dedication to provide a safe ride to and from school for the students in our school district and declare February 22, 2026 School Bus Driver Appreciation Day.

Adopted this 28th day of January 2026.

Signed: Attest:

_____ _____

Chair, Reynolds School Board of Directors Superintendent / Clerk

Resolution 2025-2026-014

Proclaiming the Celebration of National School Counseling Week

---

WHEREAS, school counselors provide a wide range of services to students to help them reach their full potential; and

WHEREAS, school counselors are actively committed to helping students explore their abilities, strengths, interests, and talents as these traits relate to career awareness and development; and

WHEREAS, school counselors help families focus on ways to further the educational, personal, and social growth of their children; and

WHEREAS, school counselors work with teachers and other educators to help students strengthen their potential and set rigorous goals for themselves; and

WHEREAS, school counselors seek to identify and utilize community resources that can enhance and complement comprehensive school counseling programs and help students become productive members of society; and

WHEREAS, comprehensive developmental school programs are considered an integral part of the educational process that enables all students to achieve success in school; and

WHEREAS, the Reynolds School District recognizes school counselors for their critical leadership, compassion, and responsiveness in supporting students, families, and staff during times of crisis.

NOW, THEREFORE, BE IT RESOLVED that the Reynolds School District Board of Education proclaims the week of February 2-6, 2026, as National School Counseling Week and commends the district's counselors for their many outstanding contributions and their dedication to quality education for all students.

Adopted this 28th day of January 2026.

Signed:

_____

Chair, Reynolds School Board of Directors

Attest:

_____

Superintendent / Clerk

Resolution 2025-2026-015

Proclaiming the Celebration of National Career and Technical Education (CTE) Month

---

WHEREAS, February is nationally recognized as Career and Technical Education (CTE) month. The purpose of this initiative is to create public awareness around the value of CTE classes and to recognize the accomplishments and achievements of said classes; and

WHEREAS, CTE classes prepare students for high-wage, high-demand careers. CTE covers many different fields, including health care, information technology, advanced manufacturing, hospitality, and management, and more. CTE encompasses a variety of educational settings, from classroom learning to certification programs to work-based learning opportunities outside the classroom; and

WHEREAS, all students within Reynolds School District have the opportunity to participate in CTE classes allowing them to explore and develop technical and adaptive skills that will lead them to higher education or into the workplace; and

WHEREAS, according to the Bureau of Labor Statistics Occupational Handbook, many of the fastest-growing jobs will be in CTE fields; and

WHEREAS, Reynolds School District supports experiences to ensure that all students have access to industry-linked programs and services that enable all students to achieve their career goals; and

WHEREAS, the Reynolds School District expresses its gratitude to teachers leading CTE programs for their expertise, dedication, and role in preparing students for college, careers, and industry certifications;

THEREFORE, BE IT RESOLVED that the Reynolds School District Board of Education does hereby adopt this resolution to honor the month of February as National Career and Technical Education (CTE) Month.

Adopted this 28th day of January 2026.

Signed:

_____

Chair, Reynolds School Board of Directors

Attest:

_____

Superintendent / Clerk

Reynolds School District

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 Reports**
Type:	☐ Action Item ☑ Report / Presentation
Policy:	BCBA-AR: Student Representative to Board and High School Reporter Guidelines
Date:	January 28, 2026

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

Reynolds School District

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:	**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:	January 28, 2026

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

Reynolds School District

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: **Bargaining Group Updates**

Type: ☐ Action Item ☑ Report / Presentation

Policy: BD/BDA: Board Meetings

Date: January 28, 2026

Connection to Strategic Plan Goal Topics:

☑ Marginalized Students
☑ Culturally Responsive Teaching
☑ Student and Staff Wellness
☑ 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

Reynolds School District

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, Managing Financial Officer

Subject: **Audit Reports for 2024-2025**

Type: ☐ Action Item ☑ Report / Presentation

Policy: DIE: Audits

Date: January 28, 2026

Connection to Strategic Plan Goal Topics:

☑ Marginalized Students
☑ Culturally Responsive Teaching
☑ Student and Staff Wellness
☑ 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 2024-2025.

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, 2025

12700 SW 72nd Ave.
Tigard, OR 97223

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HOLLA SCHOOL

MULTNOMAH COUNTY, OREGON

FINANCIAL REPORT

For the Year Ended June 30, 2025

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HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

2024-2025

BOARD OF DIRECTORS

Shaquoya Burns, Board President

Dr. Marty Palacios, Board Secretary

Gustavo Olvera, Board Treasurer

Ian Twiss, Board Member

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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HOLLA SCHOOL

MULTNOMAH COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT

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Pauly, Rogers, and Co., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632

November 5, 2025

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
HOLLA School
Multnomah County, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying basic financial statements of the governmental activities, and the major fund of HOLLA School (the School) for the year ended June 30, 2025, 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, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with 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 system 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 basic 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 system 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 the School's system of internal control relevant 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 system of 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 system of 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 5, 2025 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

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

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HOLLA SCHOOL

MULTNOMAH COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2025

As management of HOLLA School, we offer the following narrative overview and analysis of the School's financial statements for the fiscal year ended June 30, 2025. 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:

Assets:		2025		2024
Current & Other Assets	$	788,326	$	487,806
Capital Assets - Net	$	26,835	$	29,601
Total Assets	$	815,161	$	517,407
Deferred Outflows of Resources				
Pension related deferrals	$	644,558	$	228,868
Total Assets & Pension Related Defe	$	1,459,719	$	746,275
Liabilities:				
Current & Other Liabilities	$	123,819	$	52,930
Net Pension Liability	$	-	$	-
Total Liabilities	$	123,819	$	52,930
Deferred Inflows of Resources				
Pension related deferrals	$	272,012	$	-
Total Liabilities & Pension Deferral	$	395,831	$	52,930
Net Position:				
Net Investment in Capital Assets	$	26,835	$	29,601
Unrestricted	$	1,032,820	$	663,744
Restricted for Net OPEB	$	4,233		
Total Net Position	$	1,063,888	$	693,345

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

		2025		2024
Revenue				
Operating Grants	$	380,336	$	764,501
General Revenues	$	2,471,322	$	1,182,932
Total Revenue	$	2,851,658	$	1,947,433
Expenses:				
Instruction	$	1,288,454	$	761,048
Support Services/Enterprise	$	1,192,661	$	676,280
Total Expenses	$	2,481,115	$	1,437,328
Beginning Net Position	$	693,345	$	183,240
Change in Net Position	$	370,543	$	510,105
Ending Net Position	$	1,063,888	$	693,345

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

- Fiscal year 2024-2025 was the third year of operation for HOLLA School. Total assets, which consist of cash, accounts receivable, prepaid expenses, and capital and leased assets, were $815,161. Total liabilities were $123,819. All activities of the School are governmental activities.
- Our revenues during 2024-2025 were from multiple sources as our third year did not have the updated enrollment as we are adding a grade a year at Oregon Department for Education for true enrollment. State School Funds represented $806,944. Other grant and donor revenue totaled $2,044,714. HOLLA School was eligible for the SIA funding as well as Equity Grant, Early Literacy and Title 1. The school was also on year 3 of an expansion grant from the US Dept of Education. That grant expires on December 31, 2025. Total revenues from all sources for the year were $2,851,658.
- Our expenses totaled $2,481,115 for the 2024-2025 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. The Oregon Department of Education is one year behind actual student counts. Our donations and private grants help sustain our operating costs during this time.
    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 was due to costs associated with the extra grants received. We needed to be very mindful of our funds as we were waiting for State School Funds to catch up.
    3. The School is committed to budgeting conservatively as we continue to grow our school and build a sustainable model.

Our average enrollment for 2024-2025 was 98. Our school is considered Title 1 based on our district demographic. At the time of this letter, our enrollment is 121. We offer Kindergarten through 5th grade. In 2025-2026, our enrollment will be complete.

HOLLA School Board of Directors is hopeful for the future of the school. HOLLA 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 2024-2025 year. Within that section are explanations of HOLLA 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 Eric Knox, 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, 2025

ASSETS:	
Current Assets	
Cash and cash equivalents	$ 748,094
Accounts receivable	25,142
Prepaid expenses	15,090
Total Current Assets	788,326
Long Term Assets	
Net OPEB Asset - RHIA	4,233
Capital assets, net of accumulated depreciation	26,835
Total Assets	819,394
DEFERRED OUTFLOWS OF RESOURCES:	
Pension related deferrals - PERS	640,205
OPEB related deferrals - RHIA	120
Total Assets and Pension Related Deferrals	1,459,719
LIABILITIES:	
Current Liabilities	
Accounts payable	91,145
Payroll liabilities	32,674
Total Current Liabilities	123,819
Noncurrent Liabilities	
Net pension liability - PERS	269,254
Total Liabilities	393,073
DEFERRED INFLOWS OF RESOURCES:	
Pension related deferrals - PERS	678
OPEB related deferrals - RHIA	2,080
Total Liabilities and Pension Related Deferrals	395,831
NET POSITION:	
Invested in capital assets, net	26,835
Restricted - RHIA asset	4,233
Unrestricted	1,032,820
Total Net Position	$ 1,063,888

See accompanying notes to the basic financial statements.

HOLLA SCHOOL
PORTLAND, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

FUNCTIONS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
Instruction	$ 1,288,454	$ -	$ 380,336	$ (908,118)
Support Services	1,064,928	-	-	(1,064,928)
Enterprise & Community Services	119,818	-	-	(119,818)
Depreciation Expenses	7,915	-	-	(7,915)
Total Governmental Activities	$ 2,481,115	$ -	$ 380,336	(2,100,779)

General Revenues:	
State Sources - ADM	806,944
State Grant	218,327
Other Grants	1,444,143
Interest and Investment Earnings	1,908
Total General Revenues	2,471,322
Changes in Net Position	370,543
Net Position - Beginning	693,345
Net Position - Ending	$ 1,063,888

See accompanying notes to the basic financial statements.

HOLLA SCHOOL
PORTLAND, OREGON

BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2025

	GENERAL FUND
ASSETS:	
Cash and cash equivalents	$ 748,094
Prepaid Expenses	15,090
Accounts receivable	25,142
Total Assets	$ 788,326
LIABILITIES AND FUND BALANCE:	
Liabilities:	
Accounts payable	$ 91,145
Payroll liabilities	32,674
Total Liabilities	123,819
Fund Balance:	
Nonspendable	15,090
Unassigned	649,417
Total Fund Balance	664,507
Total Liabilities and Fund Balance	$ 788,326

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, 2025

Total Fund Balances - Governmental Fund	$	664,507
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.		(269,254)
The RHIA net OPEB asset (liability) is the difference between the total OPEB liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		4,233
Deferred Inflows and Outflows of resources related to the PERS pension and OPEB RHIA plans include differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and contributions subsequent to the measurement date.		
Deferred Outflows - PERS		640,205
Deferred Inflows - PERS		(678)
Deferred Outflows - RHIA		120
Deferred Inflows - RHIA		(2,080)
The cost of capital assets 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.		
Net Capital Assets		26,835
Net Position	$	1,063,888

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, 2025

	GENERAL FUND
REVENUES:	
Local sources	
Grants and Contributions	$ 380,336
Earnings on Investments	1,908
State sources	
SSF	806,944
State Grant	218,327
Federal sources	
Federal Grant	1,444,143
Total Revenues	2,851,658
EXPENDITURES:	
Instruction	1,363,150
Support services	1,126,665
Enterprise & community services	132,212
Total Expenditures	2,622,027
Net Change in Fund Balance	229,631
Beginning Fund Balance	434,876
Ending Fund Balance	$ 664,507

See accompanying notes to the basic financial statements.

HOLLA SCHOOL
PORTLAND, OREGON

Reconcilation of the Governmental Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the Year Ended June 30, 2025

Total Net Changes in Fund Balances - Governmental Funds	$	229,631
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
Depreciation Expense		(7,915)
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.		141,405
The RHIA expense represents the changes in net OPEB asset (liability) from year to year due to changes in total pension liability and the fair value of RHIA plan net position available to pay health benefits benefits.		2,273
Change in Net Position of Governmental Activities	$	370,543

See accompanying notes to the basic financial statements.

HOLLA SCHOOL

MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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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.

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 when purchased 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 generally accepted accounting principles, except for capital outlay is expensed when purchased, pension costs and depreciation are not recorded until paid.

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 29 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.

H. ACCOUNTS RECEIVABLE

Accounts receivable consists primarily 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, 2025, there were 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, 2025, there were deferred inflows representing PERS and OPEB RHIA related deferrals reported in the Statement of Net Position.

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.

L. 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 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 bank balance per the bank statements as of June 30, 2025 was $645,243, of which $250,000 was covered by the Federal Deposit Insurance Corporation (FDIC) and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Cash in the financial statement consisted of:

Heritage Business Checking	$	743,094
Bill.com Money Out Clearing		5,000
	$	748,094

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, 2025, none of the bank 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, 2025.

3. CAPITAL ASSETS

Changes in Capital Assets for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Additions	(Deletions)	Balance June 30, 2025
Capital Assets				
Leasehold Improvements	-	-	-	-
Furniture and Equipment	10,637	5,149	-	15,786
Technology Equipment	26,365	-		26,365
Total	37,002	5,149	-	42,151
Accumulated Depreciation				
Leasehold Improvements	-	-	-	-
Furniture and Equipment	2,128	2,642	-	4,770
Technology Equipment	5,273	5,273		10,546
Total	7,401	7,915	-	15,316
Total Net Capital Assets	29,601			26,835

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. 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.

Year Ending	Base Amount
June 30, 2025	$ 60,000

On 01/03/2024, Holla School entered into a 63 month lease as Lessee for the use of MFP - Konica Minolta C650i Color Copier System. Holla School is required to make monthly fixed payments of $357. The lease has an interest rate of 2.43%.

Year Ending	Principal Amounts
June 30, 2026	4,284
June 30, 2027	4,284
June 30, 2028	4,284
Total	$ 12,852

Lease Liability was deemed immaterial for fiscal year 2024-2025 and therefore not recorded on the statement of net position.

5. 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 (ACFR) which can be found at:

https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.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.

5. PENSION PLAN (CONTINUED)

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. Under House Bill (HB) 2283, passed during the 2023 legislative session and effective January 1, 2024, if a member has established retirement eligibility under the police and fire classification, they retain that eligibility even if they perform service thereafter as other than police and fire. Under HB 4045, passed during the 2024 legislative session and effective January 1, 2025, normal retirement age for police and fire members will be lowered to age 55 or age 53 with 25 years of retirement credit.

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. Disability benefits continue until the member is no longer disabled or otherwise no longer qualifies for benefits, reaches normal retirement age, or dies.

iv. **Benefit Changes After Retirement.** Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0 percent.

5. 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, 2021 actuarial valuation, which became effective July 1, 2023. 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, 2025 were $308,317, excluding amounts to fund employer specific liabilities. In addition, approximately no employee contributions were paid or picked up by the School in 2024-2025.

Pension Asset or Liability – At June 30, 2025, the School reported a net pension liability of $269,254 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2022. 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, 2024 and 2023, the School's proportion was .001 percent and .000 percent, respectively. Pension income for the year ended June 30, 2025 was $141,405.

The rates in effect for the year ended June 30, 2025, were:

(1) Tier 1/Tier 2 – 21.62%
(2) OPSRP general services – 16.49%
(3) OPSRP police and fire – 16.49%

	Deferred Outflow of Resources	Deferred Inflow of Resource
Difference between expected and actual experience	$ 15,951	$ 643
Changes in assumptions	27,071	35
Net difference between projected and actual earnings on pension plan investments	17,105	-
Net changes in proportionate share	156,274	-
Differences between District contributions and proportionate share of contributions	115,487	-
Subtotal - Amortized Deferrals (below)	331,888	678
School contributions subsequent to measuring date	308,317	-
Deferred outflow (inflow) of resources	$ 640,205	$ 678

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, 2026.

5. PENSION PLAN (CONTINUED)

Subtotal amounts related to pension as deferred outflows of resources $331,888, and deferred inflows of resources, ($678), net to $331,210 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2026	$ 67,343
2027	96,563
2028	80,810
2029	67,849
Thereafter	18,645
Total	$ 331,210

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf

Actuarial Valuations – The employer contribution rates effective July 1, 2023 through June 30, 2025, 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.

5. PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study Report	2022, Published July 24, 2023
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
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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 2022 Experience Study, which is reviewed for the four-year period ending December 31, 2022.

5. PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

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

(Source: June 30, 2024 PERS ACFR; p. 116)

Long-Term Expected Rate of Return:

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

(Source: June 30, 2024 PERS ACFR; p. 88)

5. PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2024 and 2023 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.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
School's Proportionate share of the net pension liability	$ 424,737	$ 269,254	$ 139,029

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, 2024, 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.

5. 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 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, 2025.

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

6. 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.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the School currently contributes 0.00% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2025. 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, 2025, the School reported a net OPEB asset of $4,233 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. 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 dates of June 30, 2024 and 2023, the School's proportion was .001 percent and .000 percent, respectively. OPEB income for the year ended June 30, 2025, was $2,273.

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

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	$	(503)
Net amortization of employer-specific deferred amounts from:		
-Changes in proportionate share (per paragraph 64 of GASB 75)		(1,767)
-Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 64 of GASB 75)		-
Employer's Total OPEB Expense/(Income)	$	(2,270)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ -	$ 83
Changes in assumptions	-	54
Net difference between projected and actual earnings on pension plan investments	120	1,943
Net changes in proportionate share	-	-
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized deferrals (below)	120	2,080
Contributions subsequent to measuring date	-	
Deferred outflow (inflow) of resources	$ 120	$ 2,080

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, 2026.

Subtotal amounts related to OPEB as deferred outflows of resources, $120, and deferred inflows of resources, ($2,080), net to ($1,960) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2023	(2,007)
2024	(31)
2025	65
2026	14
2027	-
Thereafter	-
Total	$ (1,960)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 75 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf

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

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study Report	2022, Published July 24, 2023
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: 25%; 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.

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 2022 Experience Study, which is reviewed for the four-year period ending December 31, 2022.

Discount Rate:

The discount rate used to measure the total OPEB asset as of the measurement date of June 30, 2024 and 2023, was 6.90 percent, for both years. 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 asset.

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

Long-Term Expected Rate of Return:

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

(Source: June 30, 2024 PERS ACFR; p. 88)

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 liability (asset)	$ (3,918)	$ (4,233)	$ (4,504)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2024, Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

7. LONG TERM OBLIGATION

There was no long-term debt at June 30, 2025.

8. 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.

9. 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 second fiscal year of operation for the School, management believes it is subject to income tax examinations for all years since inception.

10. 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 basic financial statements.

HOLLA SCHOOL

REQUIRED SUPPLEMENTARY INFORMATION

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HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

SUPPLEMENTARY INFORMATION
June 30, 2025

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
2025	0.001 %	$ 269,254	$ 615,991	43.71 %	79.30 %
2024	0.000	-	-	-	81.70
2023	0.000	-	-	-	84.50

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

	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
2025	$ 308,317	$ 308,317	$ -	$ 995,372	31.0 %
2024	192,315	192,315	-	615,991	31.2
2023	-	-	-	-	-

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.

HOLLA SCHOOL
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

OPEB - RHIA

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET/(LIABILITY) FOR RHIA

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
2025	0.00105 %	$ 4,233	$ 615,991	0.69 %	220.6 %
2024	-	-	-	-	-

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 FOR RHIA

	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
2025	$ -	$ -	$ -	$ 995,372	- %
2024	-	-	-	615,991	-

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. 27).

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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES:				
Local Sources	$ 1,243,687	$ 1,243,687	$ 382,244	$ (861,443)
State Sources	265,346	265,346	1,025,271	759,925
Federal Sources	1,572,474	1,572,474	1,444,143	(128,331)
Total Revenues	3,081,507	3,081,507	2,851,658	(229,849)
EXPENDITURES:				
Instruction	1,451,950	1,451,950	1,363,150	88,800
Support Services	1,251,761	1,251,761	1,126,665	125,096
Enterprise & Community Services	156,000	156,000	132,212	23,788
Capital Outlay	154,075	154,075	-	154,075
Total Expenditures	3,013,786	3,013,786	2,622,027	391,759
Net Change in Fund Balance	67,721	67,721	229,631	161,910
Beginning Fund Balance	-	-	434,876	434,876
Ending Fund Balance	$ 67,721	$ 67,721	$ 664,507	$ 596,787

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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
www.paulyrogersandcocpas.com

November 5, 2025

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the HOLLA School as of and for the year ended June 30, 2025, and have issued our report thereon dated November 5, 2025. 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 Statues 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:

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

In connection with our testing nothing came to our attention that caused us to believe Sherwood Charter 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 the system of 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 system of internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the system of internal controls 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, 2025

12700 SW 72nd Ave.
Tigard, OR 97223

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

2024-25

BOARD OF DIRECTORS

Name	Term End Date
Brian Webber, President	June 30, 2026
Kate Saldana, Secretary	June 30, 2026
Clark Moss, Treasurer	June 30, 2026
Tim Manson	June 30, 2025
Jimmy Martindale	June 30, 2025

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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October 23, 2025

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

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, 2025, 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, 2025, 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 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 the system 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 controls. 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 the Academy's system of internal control 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 system of 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 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, the Schedule of Net OPEB Asset for RHIA, 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 October 23, 2025, 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, 2025

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, 2024. 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 $3,646,310 invested in capital assets, net of related debt and depreciation, and right-to-use assets, net of related lease liabilities and accumulated amortization at June 30, 2025.
- The Academy's assets exceeded its liabilities at June 30, 2025, by $4,669,079
- The Academy's net assets increased by $258,030 from the net position at July 1, 2024, of $4,411,049 to $4,669,079 during fiscal year 2024-2025.

CONDENSED STATEMENT OF NET POSITION

	2025	2024	% Change
ASSETS:			
Current and other assets	$ 4,707,418	$ 5,056,986	-6.9%
Capital assets, net of depreciation	3,733,456	3,767,648	-0.9%
Right-to-use assets, net of amortization	2,333,702	2,716,017	-14.1%
Total Assets	10,774,576	11,540,651	-6.6%
DEFERRED OUTFLOWS OF RESOURCES	2,893,162	2,623,383	10.3%
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 13,667,738	$ 14,164,034	-3.5%
LIABILITIES:			
Current and other liabilities	$ 1,306,997	$ 1,992,021	-34.4%
Noncurrent liabilities	6,660,884	6,951,042	-4.2%
Total Liabilities	7,967,881	8,943,063	-10.9%
DEFERRED INFLOWS OF RESOURCES	1,030,778	809,922	21.4%
TOTAL LIABILITIES AND DEFERRED INFLOWS	8,998,659	9,752,985	-7.7%
Net Position			
Net investment in capital assets	3,646,310	3,023,743	20.6%
Restricted	75,736	-	100.0%
Unrestricted	947,033	1,387,306	-31.7%
Total Net Position	4,669,079	4,411,049	5.8%
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 13,667,738	$ 14,164,034	-3.5%

MULTNOMAH LEARNING ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2025

CONDENSED STATEMENT OF ACTIVITIES

	2025	2024	% Change
REVENUES:			
Charges for services	$ 3,441	$ 3,803	-9.5%
Operating grants / contributions	1,326	4,426	-70.0%
General revenues	7,599,143	7,081,794	7.3%
Total Revenues	7,603,910	7,090,023	7.2%
EXPENDITURES:			
Instruction	4,628,173	4,520,656	2.4%
Support services	2,612,575	2,519,498	3.7%
Enterprise community services	22,850	21,524	6.2%
Debt service	45,695	90,789	-49.7%
Facility acquisition	36,587	49,336	-25.8%
Total Expenses	7,345,880	7,201,803	2.0%
Change in Net Position	258,030	(111,780)	330.8%
Beginning Net Position	4,411,049	4,522,829	-2.5%
Ending Net Position	$ 4,669,079	$ 4,411,049	5.8%

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 $394,255 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 year 22-23.
- Our revenue from local sources were $87,541 higher than budgeted.
- Our revenue from federal sources were $237,655 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 curriculum adoption needs.
- Total expenditures, before considering debt service, were $763,679 under budget. We do not budget for the impact of GASB Statement No. 87, *Leases* on debt service. We also do not budget for the pay-off of long-term debt, which totaled $672,455. As a result, debt service was over budget by $1,110,970, causing overall expenses to be over budget by $347,291.

Please refer to the notes to the basic financial statements for a discussion of other issues related to the 2024-2025 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, 2025, the money market account balance was $2,467,020 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 continues to be a ongoing need. Funds also set aside to provide additional Professional Development reimbursement funds for our educational staff. MLA continues to do general maintenance on both campuses each summer to maintain buildings in good working order. Early Literacy and SIA grant funds are used to continue to improve student learning and building operations.

We anticipate that revenues will remain consistent. Enrollment is not full all year due to neighboring charter enrollments, 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 as needed. The Academy also replaced administrative and instructional staff this year at the middle campus. Salaries increased school-side by 3% annual percentage this year. The Academy anticipates that the current employee positions will continue through the 2025-2026 school year. The Academy is hoping to maintain current enrollment and staffing into the 2025-2026 school year if it balances with expected funding. The Academy will reassess if funding projections change.

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, 2025

ASSETS:		
Current:		
Cash and cash equivalents	$	4,137,583
Accounts receivable		382,960
Prepaid expenses, current		65,347
Total Current Assets		4,585,890
Non-current:		
Prepaid expenses, net of current portion		22,526
Deposit receivable		25,346
Capital assets not being depreciated		1,432,867
Capital assets being depreciated, net of depreciation		2,300,589
Right-to-use asset, net of amortization		2,333,702
Net OPEB asset - RHIA		73,656
Total Non-current Assets		6,188,686
DEFERRED OUTFLOWS OF RESOURCES:		
Pension related deferrals - PERS		2,891,082
OPEB related deferrals - RHIA		2,080
TOTAL ASSETS AND DEFERRED OUTFLOWS	$	13,667,738
LIABILITIES:		
Current:		
Accounts payable	$	47,707
Payroll liabilities		857,655
Lease liability, current portion		401,635
Total Current Liabilities		1,306,997
Non-current:		
Lease liability, net of current portion		2,019,213
Net pension liability - PERS		4,641,671
Total Non-current Liabilities		6,660,884
DEFERRED INFLOWS OF RESOURCES		
Pension related deferrals - PERS		1,008,218
OPEB related deferrals - RHIA		22,560
TOTAL LIABILITIES AND DEFERRED INFLOWS		8,998,659
NET POSITION:		
Net investment in capital assets		3,646,310
Restricted		75,736
Unrestricted		947,033
Total Net Position		4,669,079
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$	13,667,738

See accompanying notes to the basic financial statements.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

STATEMENT OF ACTIVITIES
for the Year Ended June 30, 2025

FUNCTIONS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
Instruction	$ 4,628,173	$ -	$ 1,326	$ (4,626,847)
Support services	2,612,575	-	-	(2,612,575)
Enterprise and community service	22,850	3,441	-	(19,409)
Debt service	45,695	-	-	(45,695)
Facility acquisition	36,587	-	-	(36,587)
Total Governmental Activities	$ 7,345,880	$ 3,441	$ 1,326	(7,341,113)

General Revenues	
Federal aid	237,655
State aid	7,277,014
Earnings on investment	84,474
Total General Revenues	7,599,143
Changes in Net Position	258,030
Net Position - Beginning	4,411,049
Net Position - Ending	$ 4,669,079

See accompanying notes to the basic financial statements.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUND
at June 30, 2025

	GENERAL FUND
ASSETS:	
Cash and cash equivalents	$ 4,137,583
Accounts receivable	382,960
Prepaid expenses	65,347
Total Assets	$ 4,585,890
LIABILITIES AND FUND BALANCE:	
Liabilities:	
Accounts payable	$ 47,707
Payroll liabilities	857,655
Total Liabilities	905,362
Fund Balances:	
Nonspendable	65,347
Assigned	25,000
Unassigned	3,590,181
Total Fund Balances	3,680,528
Total Liabilities and Fund Balance	$ 4,585,890

See accompanying notes to the basic financial statements.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
at June 30, 2025

Total Fund Balances - Governmental Fund	$ 3,680,528
The net pension liability / net OPEB asset are the differences between the total pension liability / total OPEB asset and the assets set aside to pay benefits earned to past and current employees and beneficiaries.	
Net pension liability - PERS	(4,641,671)
Net OPEB asset - RHIA	73,656
Deferred inflows and outflows of resources related to the pension and OPEB plans include differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and contributions subsequent to the measurement date.	
Deferred outflows of resources - PERS	2,891,082
Deferred inflow of resources - PERS	(1,008,218)
Deferred outflows of resources - RHIA	2,080
Deferred inflow of resources - RHIA	(22,560)
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 Academy as a whole.	
Long term prepaid expenditures, net	22,526
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.	
Deposits receivable	25,346
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.	
Capital assets (net of depreciation)	3,733,456
Right-to-use assets are not financial resources and therefore are not reported in the governmental funds.	
Right-to-use assets, net	2,333,702
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.	
Lease payable	(2,420,848)
Net Position	$ 4,669,079

See accompanying notes to the basic financial statements.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
for the Year Ended June 30, 2025

REVENUES:	
Federal aid	$ 237,655
State aid	7,277,014
Interest	84,474
Fees and charges	3,441
Miscellaneous	1,326
Total Revenues	7,603,910
EXPENDITURES:	
Current:	
Instruction	4,631,304
Support services	2,109,116
Enterprise and community services	22,850
Total Current	6,763,270
Debt service	1,116,769
Capital outlay	133,232
Total Expenditures	8,013,271
Excess (deficiency) of revenues over expenditures	(409,361)
OTHER FINANCING SOURCES (USES)	32,000
Net Change in Fund Balance	(377,361)
Beginning Fund Balance	4,057,889
Ending Fund Balance	$ 3,680,528

See accompanying notes to the basic financial statements.

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, 2025

Total Net Changes in Fund Balances - Governmental Funds	$	(377,361)
The PERS and OPEB income (expense) represent the changes in the net pension liability and net OPEB asset from year to year due to changes in total liability and asset, and the fair value of plans' net position available to pay benefits.		
Pension income (expense) - PERS		(15,896)
OPEB income (expense) - RHIA		53,176
Capital outlays and leases 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 or amortization expense. This is the amount by which capital outlay exceeds depreciation and amortization.		
Capital asset additions		64,645
Depreciation expense		(98,837)
Amortization expense		(414,315)
Prepaid expenditures, not expected to be used within one fiscal year, are reported as expenditures in the governmental fund.		
Long term prepaid expenditures, net		(24,456)
Repayment of principal is an expenditure in the governmental fund but reduces the liability in the Statement of Net Position.		
Debt principal repaid		672,455
Long-term lease payments are recorded as debt service in governmental funds. The payments are a reduction to the lease liability in the Statement of Net Position.		
Payment on lease liability		398,619
Change in Net Position of Governmental Activities	$	258,030

See accompanying notes to the basic financial statements.

NOTES TO THE
BASIC FINANCIAL STATEMENTS

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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.

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, state aid, fees, 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:

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.

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

Unrestricted net position – consists of all other 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.

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, 2025.
- 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.

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 or amortization expense is recognized, capital assets are expensed when purchased, lease right-to-use assets are not recognized, rental deposits are expensed when not receivable in the current period, pension costs are not recorded until paid, inventory is expensed when purchased, lease payments are a debt service expenditure, 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 32.

D. CAPITAL ASSETS

Capital assets, which include equipment, buildings, land, and leasehold 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.

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, 2025.

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, 2025, there were deferred outflows representing PERS pension and RHIA OPEB 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, 2025, there were deferred inflows representing PERS pension and RHIA OPEB 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. DEPOSIT RECEIVABLE

A deposit receivable is 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.

L. 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 8.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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

At June 30, 2025, cash and cash equivalents consisted of the following:

Bank demand deposits	$	1,670,363
Money market		2,467,020
Cash on hand		200
Total	$	4,137,583

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, 2025, was $4,228,955, of which $500,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

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, 2025, none of the bank balances were exposed to custodial credit risk.

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, 2025, there were no investments.

3. 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.

Accounts receivable at June 30, 2025, consisted of the following:

Local accounts receivable	$	556
State grants receivable		382,404
Total	$	382,960

4. CAPITAL ASSETS

Changes in capital assets are as follows:

	July 1, 2024	Additions	Deletions	June 30, 2025
Capital Assets, Non-Depreciable				
Land	$ 1,432,867	$ -	$ -	$ 1,432,867
Capital Assets, Depreciable				
Buildings and improvements	$ 3,014,986	$ 64,645	$ -	$ 3,079,631
Computers and equipment	88,137	-	-	88,137
Leasehold improvements	311,162	-	-	311,162
Totals	3,414,285	64,645	-	3,478,930
Accumulated Depreciation				
Buildings and improvements	831,813	61,377	-	893,190
Computers and equipment	64,191	6,344	-	70,535
Leasehold improvements	183,500	31,116	-	214,616
Total Accumulated Depreciation	1,079,504	98,837	-	1,178,341
Net Capital Assets, Depreciable	$ 2,334,781			$ 2,300,589

Depreciation is 100% allocated to support services.

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 (ACFR) which can be found at:

https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.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.

5. 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. Under House Bill (HB) 2283, passed during the 2023 legislative session and effective January 1, 2024, if a member has established retirement eligibility under the police and fire classification, they retain that eligibility even if they perform service thereafter as other than police and fire. Under HB 4045, passed during the 2024 legislative session and effective January 1, 2025, normal retirement age for police and fire members will be lowered to age 55 or age 53 with 25 years of retirement credit.

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. Disability benefits continue until the member is no longer disabled or otherwise no longer qualifies for benefits, reaches normal retirement age, or dies.

iv. **Benefit Changes After Retirement**. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0 percent.

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, 2021, actuarial valuation, which became effective July 1, 2023. 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, 2025, were $1,038,545, excluding amounts to fund employer specific liabilities.

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability

At June 30, 2025, the Academy reported a net pension liability of $4,641,671 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2022. 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, 2024 and 2023, the Academy's proportion was .021 percent and .024 percent, respectively. Pension expense (revenue) for the year ended June 30, 2025, was $15,896.

The rates in effect for the year ended June 30, 2025, were:

(1) Tier 1/Tier 2 – 27.87%
(2) OPSRP general services – 25.03%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 274,976	$ 11,078
Changes in assumptions	466,675	598
Net difference between projected and actual earnings on investments	294,876	-
Changes in proportionate share	482,986	772,102
Difference between contributions and proportionate share of system contributions	333,024	224,440
Subtotal - amortized deferrals (below)	1,852,537	1,008,218
Contributions subsequent to measurement date	1,038,545	-
Deferred outflow (inflow) of resources	$ 2,891,082	$ 1,008,218

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, 2026.

Subtotal amounts related to pension as deferred outflows of resources, $1,852,537, and deferred inflows of resources, ($1,008,218), net to $844,319 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2026	$ 50,908
2027	536,601
2028	193,901
2029	50,856
2030	12,053
Total	$ 844,319

5. 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 January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf

Actuarial Valuations – The employer contribution rates effective July 1, 2023 through June 30, 2025, 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, 2022
Measurement date	June 30, 2024
Experience study report	2022, Published July 24, 2023
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 increases	3.40 percent
Cost of living adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service.
Mortality	Health retirees and beneficiaries: 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. 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.

5. 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 2022 Experience Study which is reviewed for the four-year period ending December 31, 2022.

Assumed Asset Allocation:

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

(Source: June 30, 2024 PERS ACFR; p. 116)

Long-Term Expected Rate of Return:

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

(Source: June 30, 2024 PERS ACFR; p. 88)

5. 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, 2024 and 2023, 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)	$ 7,322,047	$ 4,641,671	$ 2,396,725

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, 2024, 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.

5. 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, 2025.

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)

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.

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 0.00% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2025. 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 are included with PERS and equaled the required contributions for the year.

At June 30, 2025, the Academy reported a net OPEB asset of $73,656 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), the Academy'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, 2024, the Academy's proportion was .018 percent. OPEB expense (revenue) for the year ended June 30, 2025, was ($53,176).

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

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	$	(8,757)
Net amortization of employer-specific deferred amounts from:		
Changes in proportionate share (per paragraph 64 of GASB 75)		(18,551)
Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)		-
Employer's Total OPEB Expense/(Income)	$	(27,308)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ -	$ 1,441
Changes in assumptions	-	932
Net difference between projected and actual earnings on investments	2,080	-
Changes in proportionate share	-	20,187
Difference between contributions and proportionate share of system contributions	-	-
Subtotal - amortized deferrals (below)	2,080	22,560
Contributions subsequent to measurement date	-	-
Deferred outflow (inflow) of resources	$ 2,080	$ 22,560

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, 2026.

Subtotal amounts related to OPEB as deferred outflows of resources, $2,080, and deferred inflows of resources, ($22,560), net to ($20,480) and will be recognized in OPEB expense (revenue) as follows:

Year ending June 30,	Amount
2026	$ (22,537)
2027	692
2028	1,125
2029	240
2030	-
Total	$ (20,480)

All assumptions, methods, and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 75 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf

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

Valuation date	December 31, 2022
Measurement date	June 30, 2024
Experience study report	2022, Published July 24, 2023
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 increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 25%; Disabled retirees: 15%
Mortality	Health retirees and beneficiaries: 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. 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.

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 2022 Experience Study, which is reviewed for the four-year period ending December 31, 2022.

Discount Rate:

The discount rate used to measure the total OPEB asset as of the measurement date of June 30, 2024 and 2023, was 6.90 percent, for both years. 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 asset.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the 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.

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

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

(Source: June 30, 2024 PERS ACFR; p. 88)

Sensitivity of the Academy's proportionate share of the net OPEB asset to changes in the discount rate – The following presents the Academy's proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent, as well as what the Academy'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%)
Academy's proportionate share of the net OPEB asset	$ 68,183	$ 73,656	$ 78,368

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2024, Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

7. SERVICE AGREEMENTS

There is a month-to-month service agreement for IT support services. The monthly payment under the agreement for the elementary school is $5,115. The monthly payment under the agreement for the middle school is $4,963. Total service agreement for the year ended June 30, 2025, for the elementary school was $64,070. Total service agreement for the year ended June 30, 2025, for the middle school was $56,864. Since this is a month-to-month service agreement, there are no future minimum payments.

There was a month-to-month agreement with Pacific Office automation for use of eight copers. The agreement started when the old copier lease expired December 31, 2024, and ended when the new copier lease started July 1, 2025 (See Note 8). The monthly payment was $1,728, and total copier expense for the six months was $11,644.

8. LEASE LIABILITY AND RIGHT-TO-USE ASSET

On November 1, 2021, the Academy entered 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, 2025, the value of the lease liability is $2,222,775. Required monthly payments are $31,682. Variable payments based on increases in the market rate and common area maintenance totaled $64,452 for the year. The lease liability has a discount rate of 1.7222%, which was 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, 2025, is $3,534,201 with accumulated amortization of $1,391,439 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 March 1, 2023, the Academy entered 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, 2025, the value of the lease liability is $198,073. Required monthly fixed payments were $4,617 until July 2025 when they increased to $4,741. Monthly payments increase each July 1st by 3%. The lease liability has a discount rate of 0.5925%, which was 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, 2025, is $305,504 with accumulated amortization of $114,564.

On January 1, 2020, the Academy entered 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. Required monthly fixed payments were $1,561, which included $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 had a discount rate of 0.8453%, which was 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 lease expired December 31, 2025, which reduced the lease liability, asset, and accumulated amortization down to zero. The lease was month-to-month (See Note7) until July 1, 2025, when the new agreement started.

On July 1, 2025, the Academy entered a new five-year lease with Pacific Office Automation, as Lessee, for use of eight copiers. An initial lease liability has not been calculated as of the issuance date of the basic financial statements. Required monthly fixed payments are $1,728. The lease liability's discount rate has not been determined as of the issuance date of the basic financial statements.

Lease Liability

Changes in Lease Liability

	Balance at July 1, 2024	Additions	Reductions	Balance at June 30, 2025
Buildings				
Middle School	$ 2,561,514	$ -	$ (338,739)	$ 2,222,775
Annex	219,961	32,000	(53,888)	198,073
Equipment				
Copiers	5,992	-	(5,992)	-
	$ 2,787,467	$ 32,000	$ (398,619)	$ 2,420,848

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

Lease Liability (Continued)

Principal and Interest Requirements to Maturity

For year ended June 30,	Governmental Activities Principal Payments	Interest Payments	Total Payments
2026	$ 401,635	$ 36,589	$ 438,224
2027	409,705	30,264	439,969
2028	417,940	23,822	441,762
2029	383,578	17,335	400,913
2030	369,177	11,010	380,187
2031-2032	438,813	4,738	443,551
	$ 2,420,848	$ 123,758	$ 2,544,606

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, 2025 Lease Asset Value	Accumulated Amortization	Net Value
Buildings	$ 3,839,705	$ 1,506,003	$ 2,333,702

Changes in Right-to-Use Asset

	Balance at July 1, 2024	Additions	Reductions	Balance at June 30, 2025
Buildings				
Middle School	$ 3,534,201	$ -	$ -	$ 3,534,201
Annex	273,504	32,000	-	305,504
Equipment				
Copiers	48,536	-	(48,536)	-
Total	3,856,241	32,000	(48,536)	3,839,705
Accumulated Amortization				
Buildings				
Middle School	1,043,813	347,626	-	1,391,439
Annex	54,848	59,716	-	114,564
Equipment				
Copiers	41,563	6,973	(48,536)	-
Total	1,140,224	414,315	(48,536)	1,506,003
Total Lease Assets, Net	$ 2,716,017			$ 2,333,702

9. LONG TERM OBLIGATIONS

Changes in the note payable are as follows:

Issue Date	Interest Rate	Original Issue	Oustanding 7/1/2024	Issued	Matured and Redeemed	Oustanding 6/30/2025
July 2, 2018	5.15%	$ 1,733,000	$ 672,455	$ -	$ (672,455)	$ -

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. The remaining loan balance was paid in full July 2024.

The note was collateralized by land, buildings, and improvements costing $3,487,082. For the month of July 2024, total depreciation on these assets was $3,472. At the time the loan was paid in full, accumulated depreciation was $669,822 and the net book value of the collateral was $2,817,260.

10. 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.

11. 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.

12. 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 2021.

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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, 2025

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PERS

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
2025	0.021 %	$ 4,641,671	$ 3,126,404	148.5 %	79.3 %
2024	0.024	4,556,372	3,170,840	143.7	81.7
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

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 - PERS

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
2025	$ 1,038,545	$ 1,038,545	$ -	$ 3,316,471	31.3 %
2024	1,018,724	1,018,724	-	3,126,404	32.6
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

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.

MULTNOMAH LEARNING ACADEMY
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
for the year ended June 30, 2025

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION ASSET - OPEB - RHIA

Year Ended June 30,	(a) Employer's proportion of the net pension asset (NPA)	(b) Employer's proportionate share of the net pension asset (NPA)	(c) Employer's covered payroll	(b/c) NPA as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension asset
2025	0.018 %	$ 73,656	$ 3,126,404	2.356 %	220.6 %

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. Prior to 2025 is not presented because management had determined the RHIA asset (liability) was material to the basic financial statements.

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

There is currently no contribution requirement.

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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Federal sources	$ -	$ -	$ 237,655	$ 237,655
State sources	6,882,759	6,882,759	7,277,014	394,255
Local sources	1,700	1,700	89,241	87,541
Total Revenues	6,884,459	6,884,459	7,603,910	719,451
EXPENDITURES:				
Instruction	4,547,943	4,547,943	4,631,304	(83,361)
Support services	2,998,696	2,998,696	2,109,116	889,580
Enterprise and community services	30,842	30,842	22,850	7,992
Facilities acquisition and construction	82,700	82,700	133,232	(50,532)
Debt service	5,799	5,799	1,116,769	(1,110,970)
Total Expenditures	7,665,980	7,665,980	8,013,271	(347,291)
OTHER FINANCING SOURCES (USES)	-	-	32,000	32,000
Net Change in Fund Balance	(781,521)	(781,521)	(377,361)	404,160
Beginning Fund Balance	91,611	91,611	4,057,889	3,966,278
Ending Fund Balance	$ (689,910)	$ (689,910)	$ 3,680,528	$ 4,370,438

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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
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October 23, 2025

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, 2025, and have issued our report thereon dated October 23, 2025. 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 system of 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 system of internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the system 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.

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, 2025

12700 SW 72nd Ave.
Tigard, OR 97223

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

FINANCIAL REPORT

For the Year Ended June 30, 2025

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

2024-25

BOARD OF DIRECTORS	Term Expiration
Bonnie Grossen, PhD – Chair/President	October 30, 2026
Gary Davis – Member	October 30, 2026
Teresa Schantin – Member	October 30, 2026
Jerry Silbert – Member	October 30, 2026
Susan Spreadborough – Member	October 30, 2027

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 4, 2025

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

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, 2025, 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, 2025, 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 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 the system 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 controls. 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 the School's system of internal control 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 system of 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 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, THE Schedule of Net OPEB Asset for RHIA, 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 4, 2025, 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, 2025

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, 2025. 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 a decrease in its financial position during the year ended June 30, 2025. Our total assets decreased from $3,585,816 to $3,249,517 of which $1,423,674 are capital assets, net of depreciation.
- Liabilities of $264,720 were all current as of June 30, 2025, which excludes the net pension liability of $1,659,255.
- Our total net position decreased from $2,232,053 to $1,874,811. All activities of the School are governmental activities.
- The decrease in net position was $357,242.
- Our revenues came primarily from State School Fund revenues, which were $1,881,139 and other revenues totaled $250,468. Total revenues from all sources for the year were $2,131,607.
- Our expenses totaled $2,488,849 for the year. Our largest expenditures were for instructional costs, which totaled $1,523,103.

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.

An analysis of the government-wide statements is as follows:

	2025	2024	% Change
Assets			
Current and other assets	$ 1,799,590	$ 2,123,679	-15.3%
Capital assets (net)	1,423,674	1,462,137	-2.6%
Net OPEB asset - RHIA	26,253	-	100.0%
Total Assets	3,249,517	3,585,816	-9.4%
Deferred Outflows of Resources	777,053	566,926	37.1%
Liabilities			
Current and other liabilities	264,720	297,084	-10.9%
Net pension liability - PERS	1,659,255	1,459,448	13.7%
Total Liabilities	1,923,975	1,756,532	9.5%
Deferred Inflows of Resources	227,784	164,157	38.8%
Net Position			
Net investment in capital assets	1,423,674	1,462,137	-2.6%
Restricted	26,994	-	100.0%
Unrestricted	424,143	769,916	-44.9%
Total Net Position	$ 1,874,811	$ 2,232,053	-16.0%

	2025	2024	% Change
Revenues			
Federal aid	$ -	$ 85,240	-100.0%
State aid	2,097,224	1,887,175	11.1%
Charges for services	1,315	3,984	-67.0%
Miscellaneous	33,068	18,244	81.3%
Total Revenues	2,131,607	1,994,643	6.9%
Expenses			
Instruction	1,523,103	1,430,048	6.5%
Support services	743,822	688,713	8.0%
Enterprise and community service	10,170	15,038	-32.4%
Capital outlay	132,644	15,619	749.2%
Unallocated depreciation	79,110	70,811	11.7%
Total Expenses	2,488,849	2,220,229	12.1%
Change in Net Position	(357,242)	(225,586)	-58.4%
Beginning Net Position	2,232,053	2,457,639	-9.2%
Ending Net Position	$ 1,874,811	$ 2,232,053	-16.0%

An analysis of the General Fund is as follows:

	2025	2024	% Change
Assets	$ 1,799,590	$ 2,123,679	-15.3%
Liabilities	264,720	297,084	-10.9%
Fund Balances			
Nonspendable	648	21,918	-97.0%
Unassigned	1,534,222	1,804,677	-15.0%
Total Fund Balance	$ 1,534,870	$ 1,826,595	-16.0%

	2025	2024	% Change
Revenues			
Federal aid	$ -	$ 85,240	-100.0%
State aid	2,097,224	1,887,175	11.1%
Fees and charges	1,315	3,984	-67.0%
Miscellaneous	33,068	18,244	81.3%
Total Revenues	2,131,607	1,994,643	6.9%
Expenses			
Current			
Instruction	1,500,233	1,343,642	11.7%
Support service	739,638	676,640	9.3%
Enterprise and community service	10,170	15,038	-32.4%
Capital outlay	173,291	70,234	146.7%
Total Expenses	2,423,332	2,105,554	15.1%
Change in Fund Balance	(291,725)	(110,911)	-163.0%
Beginning Fund Balance	1,826,595	1,937,506	-5.7%
Ending Fund Balance	$ 1,534,870	$ 1,826,595	-16.0%

As we write this in the fall of 2025, we are currently at an enrollment of 169 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 2024-2025 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 Business Manager, Jessica Lang, Arthur Academy – Reynolds, 13809 S.E. Division, Portland, Oregon 97236.

Jessica Lang

Jessica Lang
Arthur Academy - Reynolds
Business Manager

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BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
at June 30, 2025

ASSETS:		
Cash and cash equivalents	$	1,719,762
Accounts receivable		79,180
Prepaid expenses		648
Capital assets, net of depreciation		1,423,674
Net OPEB asset - RHIA		26,253
Total Assets		3,249,517
DEFERRED OUTFLOWS OF RESOURCES:		
Pension related deferrals - PERS		776,312
OPEB related deferrals - RHIA		741
TOTAL ASSETS AND DEFERRED OUTFLOWS	$	4,026,570
LIABILITIES:		
Accounts payable	$	5,846
Related party payable		68,785
Payroll liabilities		190,089
Net pension liabilities - PERS		1,659,255
Total Liabilities		1,923,975
DEFERRED INFLOWS OF RESOURCES:		
Pension related deferrals - PERS		216,678
OPEB related deferrals - RHIA		11,106
TOTAL LIABILITIES AND DEFERRED INFLOWS		2,151,759
NET POSITION:		
Net investment in capital assets		1,423,674
Restricted		26,994
Unrestricted		424,143
Total Net Position		1,874,811
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$	4,026,570

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, 2025

FUNCTIONS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
Instruction	$ 1,523,103	$ 1,315	$ -	$ (1,521,788)
Support Services	743,822	-	-	(743,822)
Enterprise and Community Service	10,170	-	-	(10,170)
Capital Outlay	132,644	-	-	(132,644)
Unallocated Depreciation	79,110	-	-	(79,110)
Total Governmental Activities	$ 2,488,849	$ 1,315	$ -	(2,487,534)
General Revenues:				
State aid				2,097,224
Miscellaneous				33,068
Total General Revenues				2,130,292
Changes in Net Position				(357,242)
Net Position-Beginning				2,232,053
Net Position - Ending				$ 1,874,811

See accompanying notes to the basic financial statements.

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

BALANCE SHEET - GOVERNMENTAL FUND
at June 30, 2025

ASSETS:		
Cash and cash equivalents	$	1,719,762
Accounts receivable		79,180
Prepaid expenses		648
Total Assets	$	1,799,590
LIABILITIES:		
Accounts payable	$	5,846
Related party payable		68,785
Payroll liabilities		190,089
Total Liabilities		264,720
FUND BALANCES:		
Nonspendable		648
Unassigned		1,534,222
Total Fund Balances		1,534,870
Total Liabilities and Fund Balance	$	1,799,590

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, 2025

Fund Balance - Governmental Fund	$	1,534,870
The net pension liability / net OPEB asset are the differences between the total pension liability / total OPEB asset and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
Net pension liability - PERS		(1,659,255)
Net OPEB asset - RHIA		26,253
Deferred (inflows) outflows of resources related to the pension plan and OPEB plans include differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and contributions subsequent to the measurement date.		
Deferred outflows of resources - PERS		776,312
Deferred inflows of resources - PERS		(216,678)
Deferred outflows of resources - RHIA		741
Deferred inflows of resources - RHIA		(11,106)
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.		
Capital assets, net of depreciation		1,423,674
Net Position	$	1,874,811

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, 2025

REVENUES:	
State aid	$ 2,097,224
Fees and charges	1,315
Miscellaneous	33,068
Total Revenues	2,131,607
EXPENDITURES:	
Current:	
Instruction	1,500,233
Support service	739,638
Enterprise and community service	10,170
Total Current	2,250,041
Capital Outlay	173,291
Total Expenditures	2,423,332
Excess of Revenues Over (Under) Expenditures	(291,725)
Beginning Fund Balance	1,826,595
Ending Fund Balance	$ 1,534,870

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, 2025

Net Change in Fund Balance - Governmental Fund	$	(291,725)
The PERS and OPEB income (expense) represents the changes in the net pension liability and net OPEB asset from year to year due to changes in total liability and asset, and the fair value of plans' net position available to pay benefits.		
Pension income (expense) - PERS		(42,942)
OPEB income (expense) - RHIA		15,888
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.		
Capital outlay		40,647
Depreciation expense		(79,110)
Change in Net Position of Governmental Activities	$	(357,242)

See accompanying notes to the basic financial statements.

NOTES TO THE
BASIC FINANCIAL STATEMENTS

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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.

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.

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, program fees, 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 as 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.

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.

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, 2025, there were deferred outflows representing PERS pension and RHIA OPEB 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, 2025, there were deferred inflows representing PERS pension and RHIA OPEB 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.

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 site improvements, building and 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. PROGRAM REVENUES

Amounts reported as *program revenues* included fees for Studies Weekly.

F. 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*.

G. 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.

H. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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, 2025.

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, 2025, was $1,570,753, 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, 2025, cash and cash equivalents consisted of the following:

Bank Demand Deposits	$ 1,719,262
Cash on Hand	500
Total	$ 1,719,762

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, 2025, 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, 2025, there were no investments.

3. 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. Total accounts receivable at June 30, 2025, consisted of state aid.

4. CAPITAL ASSETS

The changes in capital assets are as follows:

	Capital Assets July 1, 2024	Additions	Deletions	Capital Assets June 30, 2025
Capital Assets, Non-Depreciable				
Construction in Progress	$ -	$ 40,647	$ -	$ 40,647
Capital Assets, Depreciable				
Site Improvements	$ 209,124	$ -	$ -	$ 209,124
Building and Improvements	2,305,105	-	-	2,305,105
Equipment	24,100	-	-	24,100
Total Capital Assets, Depreciable	2,538,329	-	-	2,538,329
Accumulated Depreciation:				
Site Improvements	194,345	1,414	-	195,759
Building and Improvements	870,199	72,876	-	943,075
Equipment	11,648	4,820	-	16,468
Total Accumulated Depreciation	1,076,192	79,110	-	1,155,302
Total Net Capital Assets, Depreciable	$ 1,462,137			$ 1,383,027
Total Net Capital Assets	$ 1,462,137			$ 1,423,674

Construction in progress represents ongoing projects for camera upgrades, infrastructure upgrades, and door access controls at June 30, 2025.

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 (ACFR) which can be found at:

https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.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.

5. 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. Under House Bill (HB) 2283, passed during the 2023 legislative session and effective January 1, 2024, if a member has established retirement eligibility under the police and fire classification, they retain that eligibility even if they perform service thereafter as other than police and fire. Under HB 4045, passed during the 2024 legislative session and effective January 1, 2025, normal retirement age for police and fire members will be lowered to age 55 or age 53 with 25 years of retirement credit.

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. Disability benefits continue until the member is no longer disabled or otherwise no longer qualifies for benefits, reaches normal retirement age, or dies.

iv. **Benefit Changes After Retirement**. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0 percent.

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, 2021, actuarial valuation, which became effective July 1, 2023. 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, 2025, were $257,678, excluding amounts to fund employer specific liabilities.

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability

At June 30, 2025, the School reported a net pension liability of $1,659,255 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The 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, 2024 and 2023, the School's proportion was .008 percent for both years. Pension expense (revenue) for the year ended June 30, 2025, was $42,942.

The rates in effect for the year ended June 30, 2025, were:

(1) Tier 1/Tier 2 – 27.87%
(2) OPSRP general services – 25.03%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 98,295	$ 3,960
Changes in assumptions	166,822	214
Net difference between projected and actual earnings on investments	105,409	-
Changes in proportionate share	85,797	159,424
Differences between contributions and proportionate share of contributions	62,311	53,080
Subtotal - Amortized deferrals (below)	518,634	216,678
Contributions subsequent to measuring date	257,678	-
Deferred outflow (inflow) of resources	$ 776,312	$ 216,678

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, 2026.

Subtotal amounts related to pension as deferred outflows of resources, $518,634 and deferred inflows of resources, ($216,678), net to $301,956 and will be recognized in pension expense (revenue) as follows:

Year ending June 30,	Amount
2026	$ (24,259)
2027	171,758
2028	98,418
2029	48,757
2030	7,282
Total	$ 301,956

All assumptions, methods, and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Valuations – The employer contribution rates effective July 1, 2023 through June 30, 2025, 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, 2022
Measurement date	June 30, 2024
Experience study report	2022, Published July 24, 2023
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 increases	3.40 percent
Cost of living adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service.
Mortality	Health retirees and beneficiaries: 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. 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.

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 2022 Experience Study which is reviewed for the four-year period ending December 31, 2022.

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

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

(Source: June 30, 2024 PERS ACFR; p. 116)

Long-Term Expected Rate of Return:

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

(Source: June 30, 2024 PERS ACFR; p. 88)

5. 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, 2024 and 2023, 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.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
School's proportionate share of the net pension liability	$ 2,617,403	$ 1,659,255	$ 856,754

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, 2024, 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.

5. 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 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, 2025.

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)

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.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the School currently contributes 0.00% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2025. 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, 2025, the School reported a net OPEB asset of $26,253 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. 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, 2024, the School's proportion was .007 percent. OPEB expense (revenue) for the year ended June 30, 2025, was ($15,888).

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

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	$	(3,121)
Net amortization of employer-specific deferred amounts from:		
Changes in proportionate share (per paragraph 64 of GASB 75)		(9,762)
Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)		-
Employer's Total OPEB Expense/(Income)	$	(12,883)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ -	$ 513
Changes in assumptions	-	332
Net difference between projected and actual earnings on investments	741	-
Changes in proportionate share	-	10,261
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized deferrals (below)	741	11,106
Contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	$ 741	$ 11,106

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, 2026.

Subtotal amounts related to OPEB as deferred outflows of resources, $741, and deferred inflows of resources, ($11,106), net to ($10,365) and will be recognized in OPEB expense (revenue) as follows:

Year ending June 30,	Amount
2026	$ (10,844)
2027	(8)
2028	401
2029	86
Total	$ (10,365)

All assumptions, methods, and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 75 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2022
Measurement date	June 30, 2024
Experience study report	2022, Published July 24, 2023
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 increases	3.40 percent
Retiree healthcare participation	Health retirees: 25%; Disabled retirees: 15%
Mortality	Health retirees and beneficiaries: 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. 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.

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 2022 Experience Study, which is reviewed for the four-year period ending December 31, 2022.

Discount Rate:

The discount rate used to measure the total OPEB asset as of the measurement date of June 30, 2024 and 2023, was 6.90 percent, for both years. 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 asset.

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

Long-Term Expected Rate of Return:

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

(Source: June 30, 2024 PERS ACFR; p. 88)

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	$ 24,302	$ 26,253	$ 27,932

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2024, Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

7. 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, 2025, $1,784,694 was paid to Arthur Academy – General Services. At June 30, 2025, Arthur Academy – Reynolds had a balance of $68,785 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.

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 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.

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 2021.

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 statewide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate they can cause increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the operations cannot be determined.

The 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.

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, 2025

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PERS

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
2025	0.008 %	$ 1,659,255	$ 901,905	184.0 %	79.3 %
2024	0.008	1,459,448	704,829	207.1	81.7
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

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.

SCHEDULE OF CONTRIBUTIONS - PERS

	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
2025	$ 257,678	$ 257,678	$ -	$ 947,519	27.2 %
2024	231,139	231,139	-	901,905	25.6
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

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.

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

REQUIRED SUPPLEMENTARY INFORMATION
for the year ended June 30, 2025

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - OPEB - RHIA

Year Ended June 30,	(a) Employer's proportion of the net pension asset (NPA)	(b) Employer's proportionate share of the net pension asset (NPA)	(c) The School's covered payroll	(b/c) NPA as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.007 %	$ (26,253)	$ 901,905	(2.9) %	220.6 %

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 2025 is not presented because management had determined the RHIA asset (liability) was not material to the basic financial statements.

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

There is currently no contribution requirement.

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
www.paulyrogersandcocpas.com

November 4, 2025

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, 2025, and have issued our report thereon dated November 4, 2025. 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 Statues 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 system of 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 system of internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the system 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.

Hans Graichen

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

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Reynolds School District

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: **Initial Bond Polling Overview**

Type: ☐ Action Item ☑ Report / Presentation

Policy: FC: Capital Construction Program

Date: January 28, 2026

Connection to Strategic Plan Goal Topics:

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

Summary / Background:
This presentation shares results from the January 2026 polling survey of likely Reynolds School District voters to understand community perceptions, priorities, and support related to a potential school bond. It highlights voter attitudes about district facilities, trust and accountability, potential bond projects and cost scenarios, and identifies key factors that influence voter support, helping inform next steps in bond planning and outreach.

Previous Board Action:
Not Applicable

Financial Implications:
Not Applicable

Motion:
Not Applicable

WHY DO WE POLL?

The loudest voices and most persistent people are the ones who tend to drive policy decisions. Yet they're perspective may not reflect voters writ large. Polling is a scientific way to provide you with statistically accurate data that allows you to sift **fact** from **fiction** and make smart, strategic policy decisions.

1. BASICS OF POLLING

Quantitative vs Qualitative

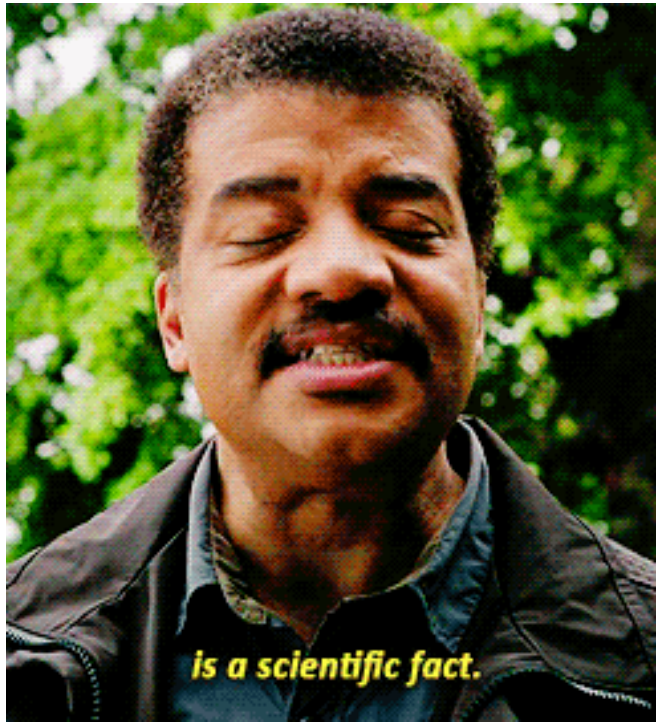
Which is a fancy way of saying…

Basics of Polling

Facts

vs.

Feelings



The Difference

QUANTITATIVE
AKA THE FACTS

- Verified Sample of Voters
- Quotas and Weights Reflect Your Targeted Election
- Statistical Sample
- Margin of error (MOE)
- Contact through either live callers or text to web

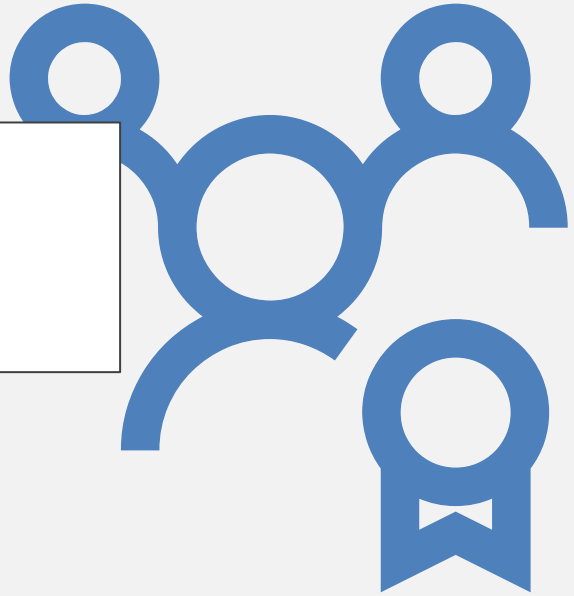
QUALITATIVE
AKA THE FEELS

- Community Surveys
- Web Surveys
- Parent Engagement
- PTA
- Staff feedback
- Board testimony
- Online feedback

POLLS ARE A SNAPSHOT IN TIME – NOT A CRYSTAL BALL

- Polls are not predictive. **<u>They are a snapshot in time</u>**. They. Get. Stale.

Elements of a Good Poll



1. Voters should not be tipped off who the sponsor is;
2. Final data should accurately reflect targeted audience (likely voters, registered voters, etc.);
3. Large enough sample size to have a margin of error under 5 points i.e. n=400.
4. Initial ask of 10 word caption and 20 question should be one of the 1st questions;
5. Then bond or levy components, measure perceptions of districts.
6. Don't just test positive messages. You need to be okay beating up a bond or levy because it will be in the real world.
7. Depending on poll content, re-ask ballot language at end of study to assess movement

How We Poll

Retrieve comprehensive voter roll data

Identify key election milestones

Model sample based on historical data

Deploy mixed-method outreach

Monitor and halt upon reaching sample goal

Verify demographic representation

Process and interpret final data

Reynolds School District Bond

January 2026

PATINKIN RESEARCH STRATEGIES

Methodology:

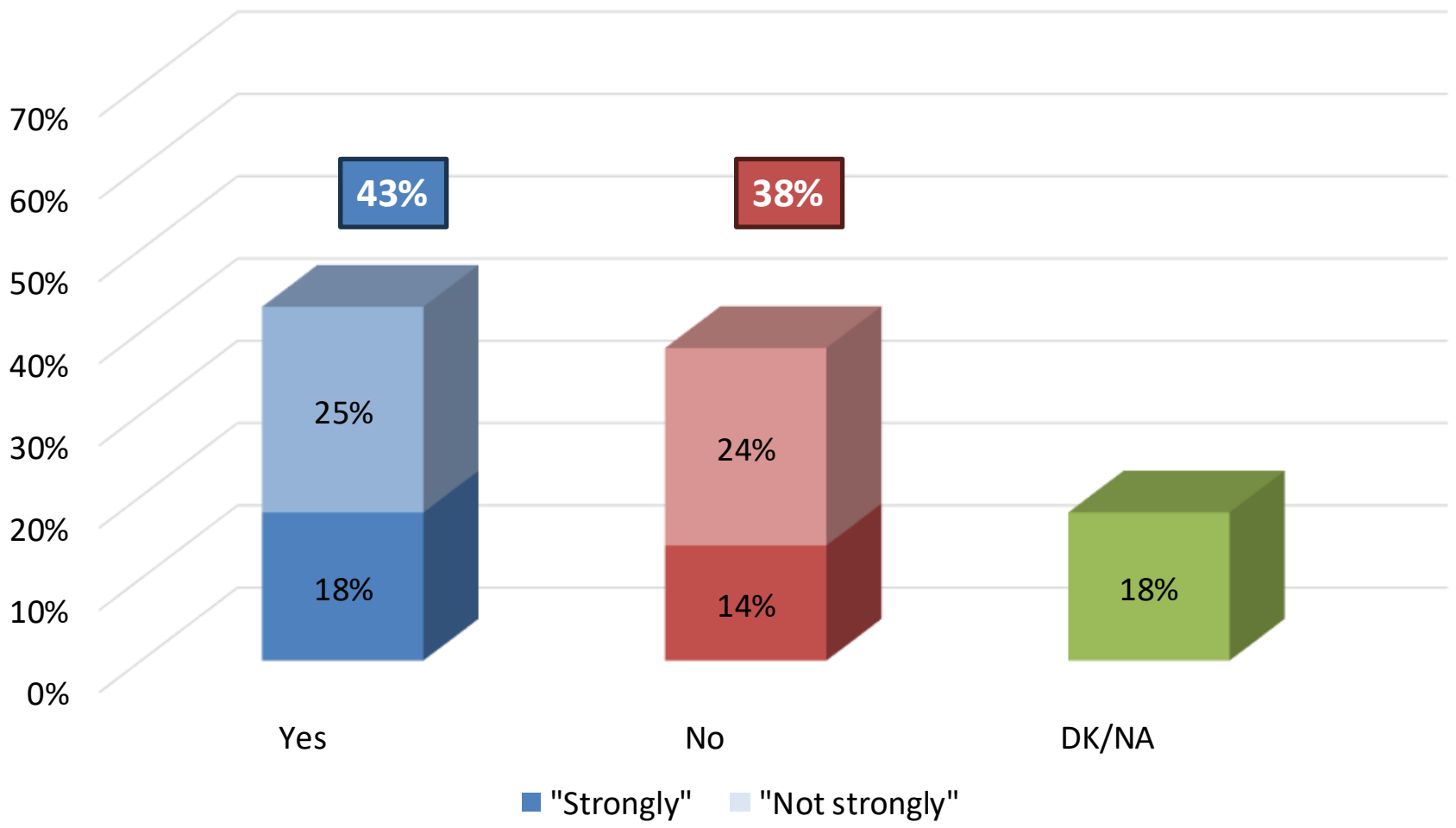
- **A survey of n=400 likely voters in the Reynolds School District was conducted via telephone using professional interviewers. Interviews were conducted via both landline and cell phone.**
- **A voter file sample was used and quotas and weights were implemented to reflect a November 2026 likely electorate.**
- **Interviews were conducted January 13-15, 2026.**
- **The margin of error for the sample as a whole is plus or minus 4.9 percentage points at the 95% level of confidence. The margin of error for subgroups varies and is higher.**
- **Throughout this report we refer to "younger" and "older" voters. Younger voters are under age 50 and older voters are age 50 and up.**

District voter demographics:

	All Registered Voters	Likely November 2026 Voters
Men	41%	42%
Women	44%	48%
Unknown gender	15%	10%
Under age 50	52%	31%
Over age 50	48%	69%
Over age 70	16%	31%
Fairview/Wood Village	20%	19%
Gresham	32%	27%
Portland	24%	27%
Troutdale	24%	27%
Democrats (reg.)	37%	45%
NAV/independents (reg.)	44%	28%
Republicans (reg.)	19%	27%

Where We Start

The bond is backed by a narrow plurality based on ballot language; the intensity of feeling is divided



The Reynolds School District may place a bond measure on the ballot this coming November which could read: "Bonds to increase safety, security; repair, construct schools; increase accessibility. Shall District maintain its existing bond rate, issue bonds to increase safety, repair, replace aging schools and increase accessibility?" Having heard this, if the election were held today, would you vote "yes" or "no" on this bond measure?

Big gaps in the electorate based on age, educational attainment, and homeownership

	Yes	No	Don't Know	Yes Margin
Men	42%	38%	19%	+4
Women	45%	37%	17%	+8
Under age 50	49%	31%	19%	+18
Over age 50	39%	44%	17%	-5
Over age 70	31%	47%	21%	-16
No college education	40%	40%	21%	+0
College+	50%	33%	17%	+17
Homeowners	50%	38%	12%	+12
Renters	35%	37%	28%	-2
TOTAL	**43%**	**38%**	**18%**	**+5**

< **Note that young voters make up only 31% of electorate**

Having heard this, if the election were held today, would you vote "yes" or "no" on this bond measure?

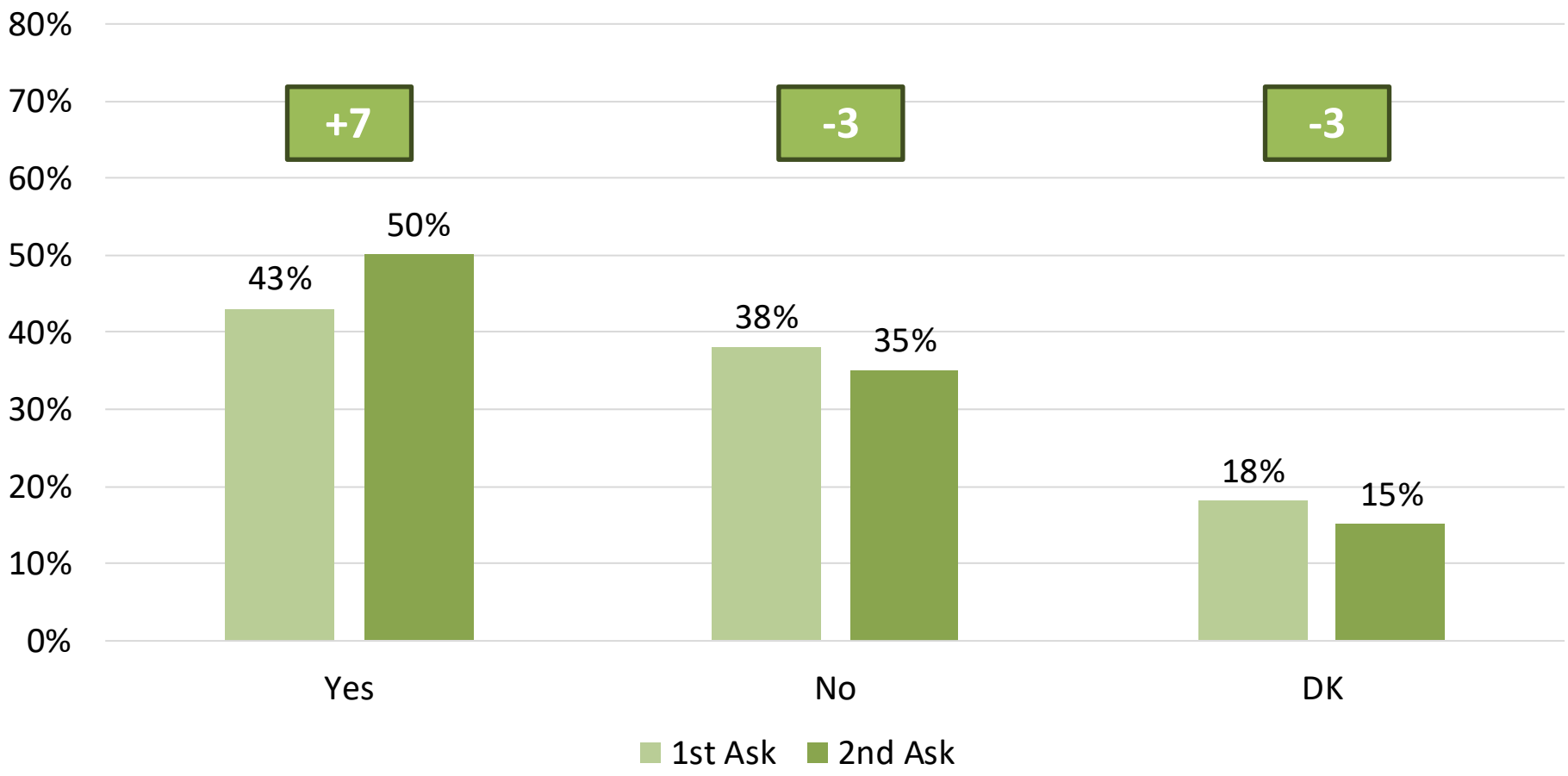
The bond underperforms with current Reynolds parents

Parent support should be low hanging fruit we can more easily move our way.

	Yes	No	Don't Know	Yes Margin
Democrats (reg.)	56%	25%	19%	+31
NAV/Other (reg.)	45%	32%	22%	+13
Republicans (reg.)	21%	68%	11%	-47
Current Parent	52%	32%	16%	+20
Previous/Future Parent	44%	39%	16%	+5
Non-Parent	31%	43%	26%	-12
Fairview	48%	30%	21%	+18
Gresham	40%	45%	15%	-5
Portland	49%	32%	19%	+17
Troutdale	39%	41%	26%	-2
TOTAL	**43%**	**38%**	**18%**	**+5**

Having heard this, if the election were held today, would you vote "yes" or "no" on this bond measure?

Support increases by seven points when we emphasize that tax rates will not go up with a bond renewal



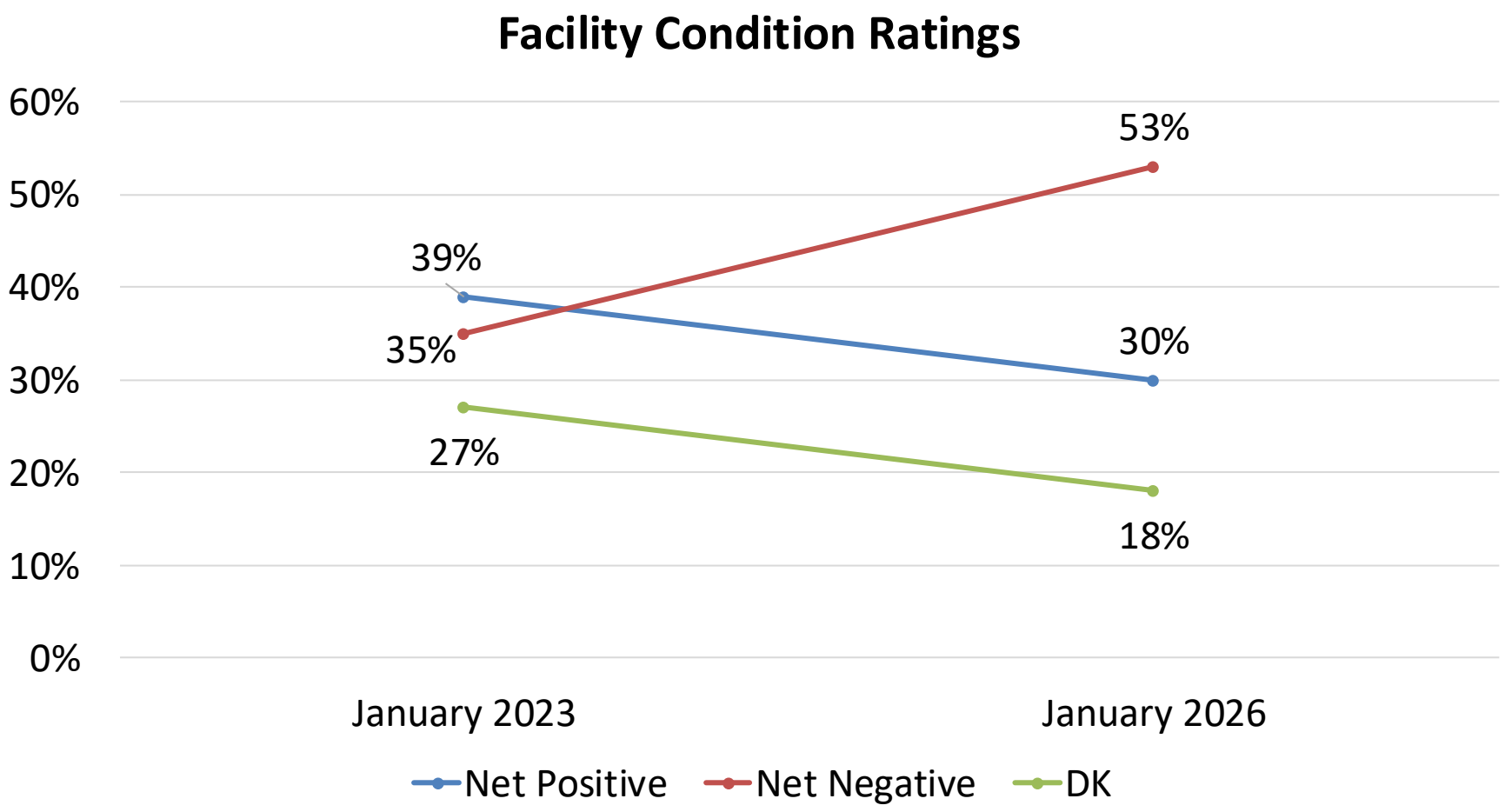
Where "yes" vote increases most:

Ages 18-29	+12
Post-grads	+12
Older Democrats	+11
Renters	+10
All voters	+7

The bond we just discussed replaces other bonds that are about to be paid off. As a result, property tax rates for the Reynolds School District would continue at the same rate and not increase. Having heard this, if the election were held today, would you vote yes or no on this bond measure?

Perceptions of the School District

Voters are more aware of facility needs as compared to the 2023 dataset



Do you think Reynolds School District facilities are in excellent physical condition, good condition, fair condition, or are they in poor physical condition?

A majority of voters are proud to support Reynolds SD and view it as an important part of the community

We will need to make strides in bond approval among these district supporters.

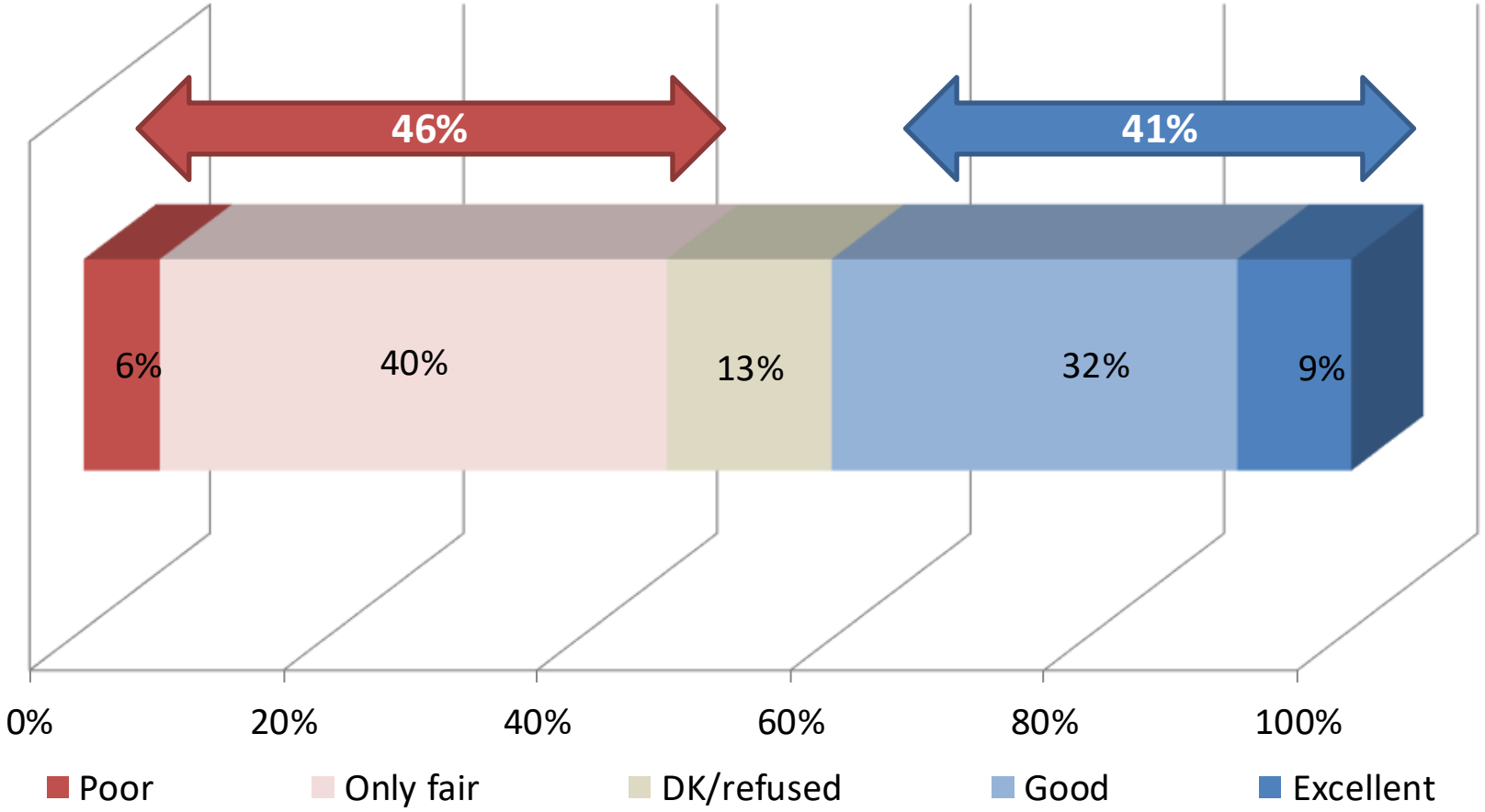
Describes it Net Well	All voters
Something I'm proud to support	61%
Is an important part of our local community	61%

< 64% voters of this belief are in favor of the bond

< 63% voters of this belief are in favor of the bond

Switching gears now, the following battery is a list of words and phrases that people use to describe public school districts. After each, please tell me how well you think it describes the Reynolds School District – does it describe the Reynolds School District very well, pretty well, not too well, or not well at all. If you don't know how well a word or phrase describes the Reynolds School District, please tell me that, too, and we will move on.

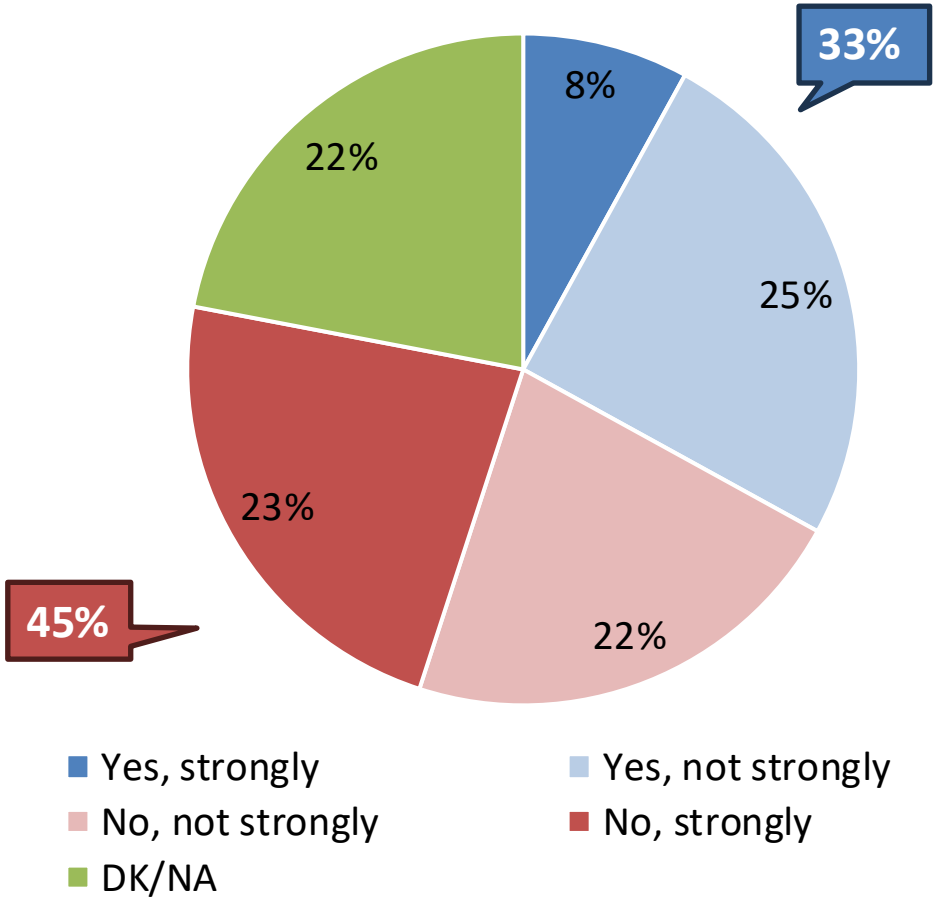
A plurality rate the district's educational quality negatively, though opinions lack intensity



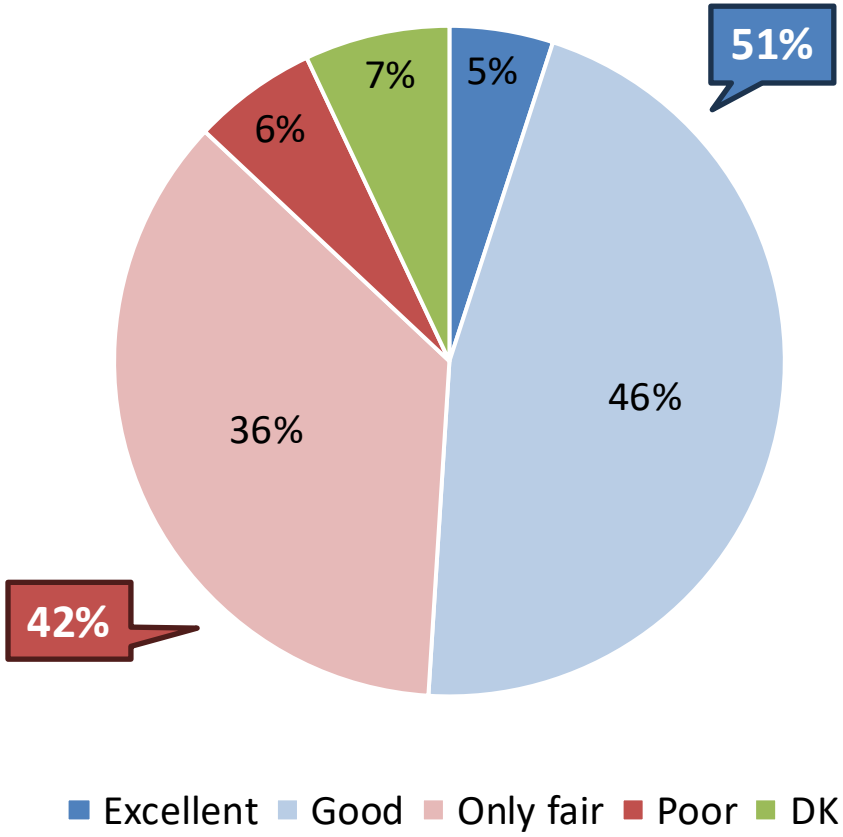
Based on what you know or have heard, what overall rating would you give the quality of education provided by the Reynolds School District—would you say it is excellent, good, fair or poor?

While a slim majority are satisfied with their personal finances, a plurality indicate low trust in school district spending

Emphasizing accountability measures will be critical to success.



Do you trust that the Reynolds School District is spending tax dollars as intended?



How would you rate your household's financial situation today?

Perceptions of how Reynolds School District spends its tax money has an outsized pull on the vote

	Yes	No	Don't Know	Yes Margin
Favorable impression of Reynolds	76%	19%	5%	+57
Neutral impression of Reynolds	26%	47%	27%	-21
No opinion / Never heard	11%	36%	53%	-25
Unfavorable impression of Reynolds	22%	73%	4%	-51
Net Positive Facility Impression	59%	33%	7%	+26
Net Negative Facility Impression	52%	39%	9%	+13
Don't know	28%	26%	45%	+2
Positive quality of education rating	72%	22%	5%	+50
Negative quality of education rating	27%	52%	21%	-25
Trust Reynolds spending	86%	7%	8%	+79
Don't trust Reynolds spending	20%	71%	9%	-51
TOTAL	**43%**	**38%**	**18%**	**+5**

Having heard this, if the election were held today, would you vote "yes" or "no" on this bond measure?

Perceptions of Bond Packages and Projects

Bond packages tested:

$205 Million

A bond that is estimated to cost an additional 44 cents per one thousand dollars of assessed value per year for a property owner in the district, which is about $8 dollars and 75 cents more per month. This bond would replace Glenfair and Alder elementary schools, two of the district's oldest elementaries. It would also pay for critical repair work on other school buildings across the district, replacing failing or outdated roofs, ensure students are learning in comfortable classrooms by improving thermal comfort in aging buildings, improves accessibility for students and adults with disabilities and enhances safety and security features. Finally, this bond would improve athletic facilities, including the construction of covered bleachers and a turf field at Reynolds High School

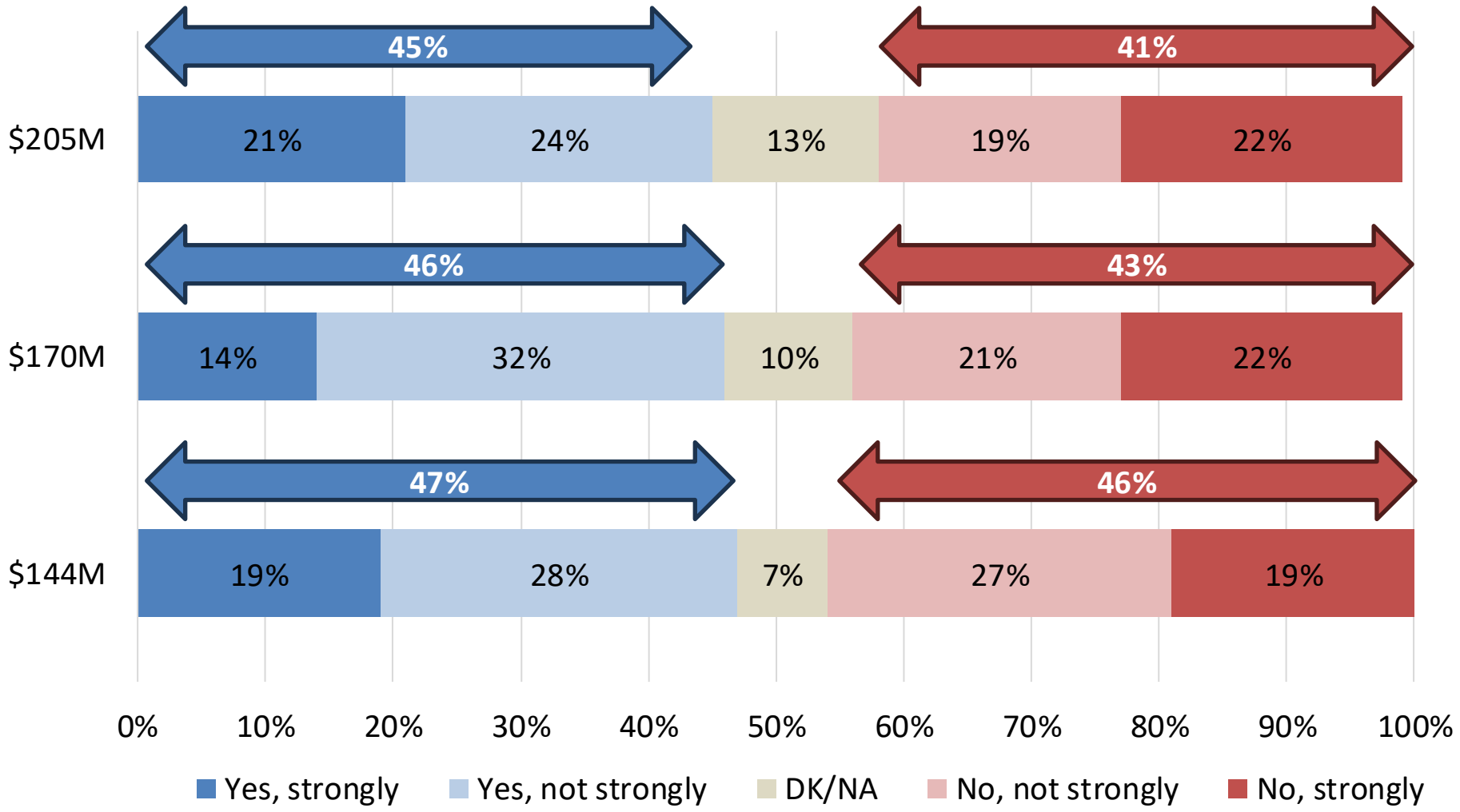
$170 Million

A smaller bond that is estimated to cost an additional 19 cents per one thousand dollars of assessed value per year for the average property owner in the district, which is about $3 dollars and 78 cents more per month. This bond would pay for everything we just discussed except it would only pay for the replacement of one elementary school

$144 Million

The smallest bond would replace the elementary school with the most critical safety and functional issues, but would include a more limited amount of critical repair work, safety and security upgrades, improvements to H-VAC systems, athletic facility upgrades, and improvements to building accessibility targeted at the facilities with the highest need. This bond would maintain and not increase the current tax rate

Voters are divided at every price point



< While there was minimal differentiation based on the price sensitivity battery, it's worth recalling the jump in support from the assertion that the tax rate won't increase with a bond renewal

The Reynolds School District may place a bond measure on the ballot this coming November which could read: "Bonds to increase safety, security; repair, construct schools; increase accessibility. Shall District maintain its existing bond rate, issue bonds to increase safety, repair, replace aging schools and increase accessibility?" Having heard this, if the election were held today, would you vote "yes" or "no" on this bond measure?

Top tier bond items focus on safety (through many lenses), accessibility, and partnerships with community organizations

Net favor	All voters	Shifters	Targets
Improving fire safety by installing up-to-date fire alarm systems and upgrading sprinklers	69%	80%	85%
Increasing student and staff safety by reducing potential exposure to toxic asbestos	66%	83%	78%
Making upgrades to improve A-D-A accessibility - also known as the Americans with Disabilities Act - to ensure that all students, staff, and community members can have equal access to public buildings	64%	77%	84%
Improving bathroom safety by updating aging plumbing, flooring, ceiling tiles and other features	64%	77%	80%
Increasing space for community organizations that play a vital role in supporting students, during, before and after school, offering access to health care, mental health counseling, mentoring, childcare, instruction and tutoring	64%	84%	85%

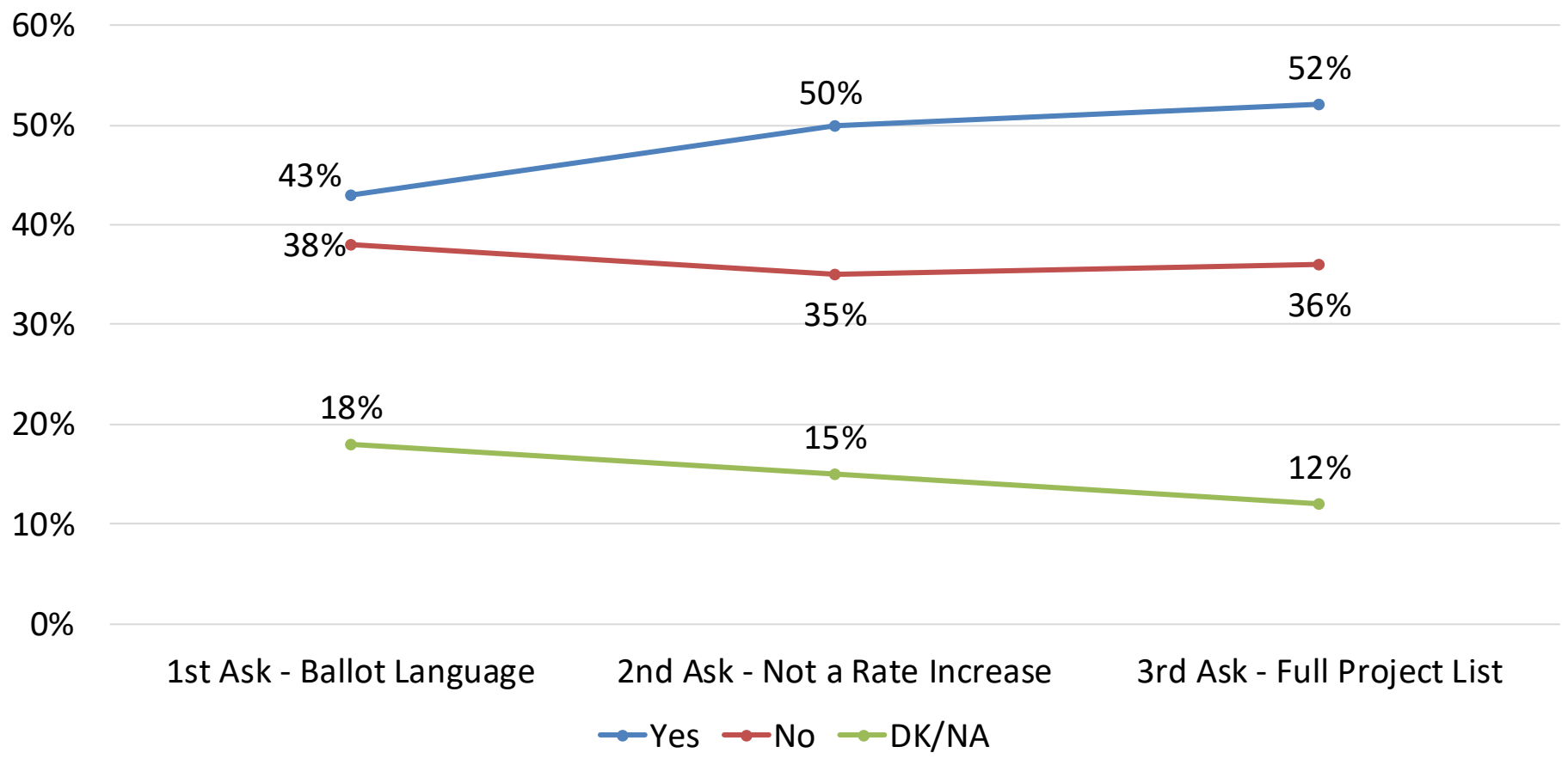
Second tier bond items test well and include critical repairs work and replacing elementary schools

Net favor	All voters	Shifters	Targets
Standardizing, repairing and installing security features across the district. This includes fixing secure entryways or vestibules that have broken, adding security cameras, updating emergency communications and adding additional fencing and perimeter security to school sites	63%	82%	84%
Replacing two of the district's oldest elementary schools, Glenfair and Alder, with up-to-date neighborhood schools that ensure students are learning in a warm, safe, and dry environment	63%	80%	78%
Conducting critical repair and replacement work on aging roofing, flooring, siding and interior finishes in school buildings across the district-some of whom are experiencing significant leaking due to weathered exteriors	62%	76%	77%
[SPLIT SAMPLE B] Updating or adding H-VAC systems to improve thermal comfort in classrooms, ensuring students are focused on learning and not whether they are too hot or too cold	61%	85%	73%
Focusing on just the basics-ensuring schools are warm, safe, and dry to maximize learning in the classroom	59%	73%	73%

Lower tier bond items include sports and playground construction measures

Net favor	All voters	Shifters	Targets
[SPLIT SAMPLE B] Constructing a covered grandstand and updating sports fields at the high school, allowing students, their families, and the community to attend sporting events on campus instead of spending taxpayer dollars renting space at Mount Hood Community College	57%	72%	66%
[SPLIT SAMPLE A] Updating or adding H-VAC systems to improve classroom air quality and avoid ongoing school closures and the loss of class and education time during smoke season	55%	66%	73%
Increasing student safety by upgrading aging playgrounds at area schools, including adding an A-D-A accessible covered play area at elementary schools so that all students can have a place to exercise outdoors during the rainy season	55%	69%	68%
[SPLIT SAMPLE A] Reynolds High School is the only school of its size in the state without even a basic grandstand or all weather field for high school athletics. This bond would fix this problem, allowing students, their families, and the community to attend large sporting events on their community's campus in a designated seating area and athletes to compete in all weather conditions	52%	80%	69%

Support reaches highest level of support, and a majority, after voters learn about individual bond projects



Sometimes over the course of a survey people change their minds. Now, once again, the Reynolds School District may place a bond measure on the ballot this coming November which could read: "Bonds to increase safety, security; repair, construct schools; increase accessibility. Shall District maintain its existing bond rate, issue bonds to increase safety, repair, replace aging schools and increase accessibility?" Having heard this, if the election were held today, would you vote "yes" or "no" on this bond measure?

Key outreach subgroups:

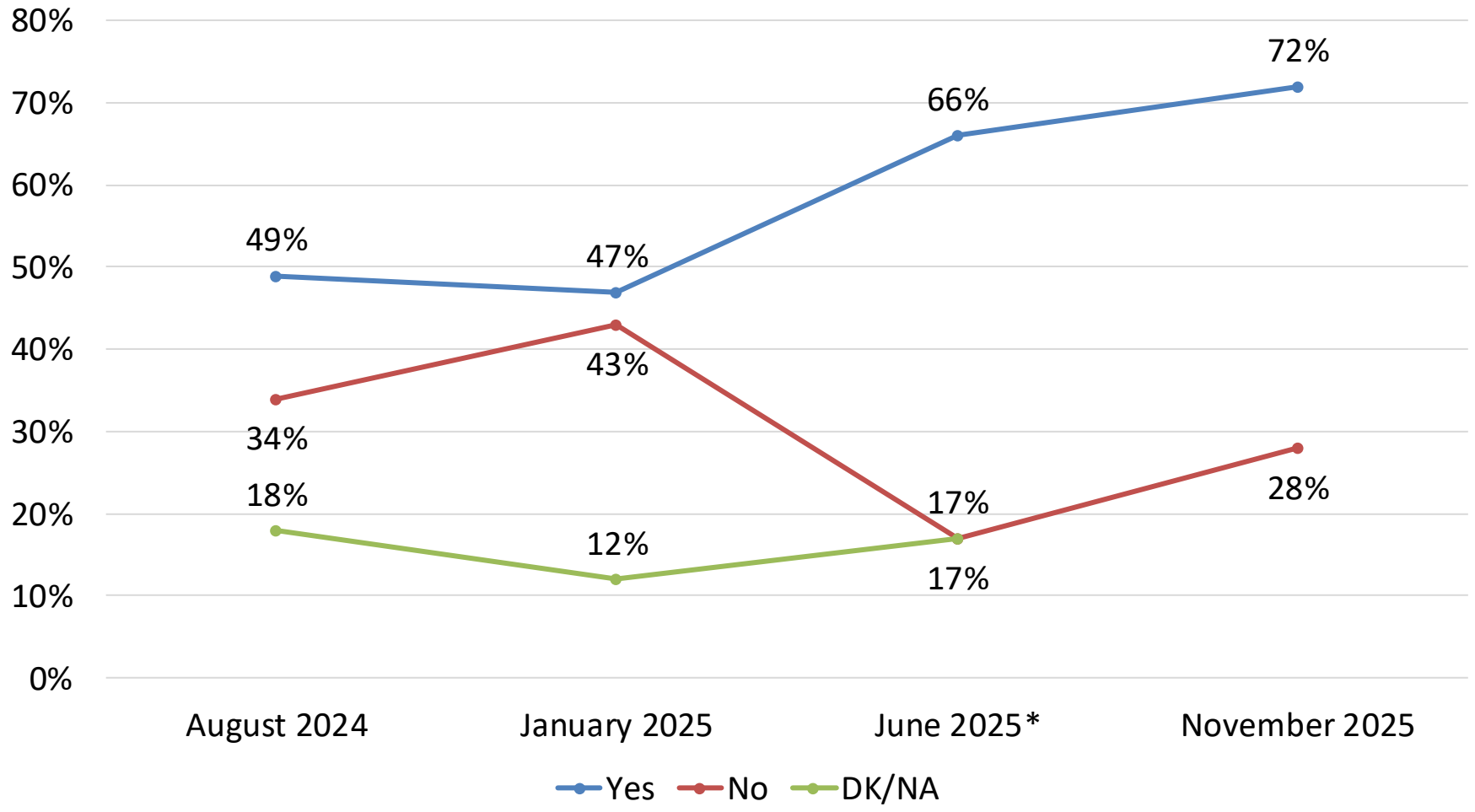
Targets (44%)

- Independent women
- Non-college Democrats
- Younger women
- Younger Democrats

Shifters (10%)

- Older Democrats
- Democratic men
- Non-college Democrats
- Younger men

Campaigns matter: Lake Oswego progression 2025



Having heard this, if the election were held today, would you vote "yes" or "no" on this bond measure?
**Combined data from Q6/Q7.*

Key findings:

It will be crucial to leverage district parents and existing district supporters to run a successful campaign.

Top testing bond items highlight staff and student safety, accessibility, and ability to accommodate community organizations.

Trust with how tax dollars are spent significantly impacts vote choice. Emphasizing accountability measures will be critically important.

While there's minimal distinction between the various price points, the assertion that this bond is a renewal that won't impact the tax rate results in a notable increase in support.

Reynolds School District

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: Superintendent's Report

Type: ☐ Action Item ☑ Report / Presentation

Policy: BD/BDA: Board Meetings

Date: January 28, 2026

Connection to Strategic Plan Goal Topics:

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

Summary / Background:
Superintendent Caropelo will provide announcements and reports to the Board:

a. Superintendent Report – Frank Caropelo
b. Financial Report – Holly Langan
c. Enrollment Report – Kate McLaughlin

Previous Board Action:
Not Applicable

Financial Implications:
Not Applicable

Motion:
Not Applicable

General Fund | 2025–2026 Financial Summary by Object and Function

For the Period Ending December 31, 2025

	1	2	3	4	5	6	7	8	9
RESOURCES	**2022–2023 Actual**	**2023–2024 Actual**	**2024–2025 Unaudited**	**FY26 Adopted Budget**	**FY26 YTD Actuals**	**% of Budget**	**Add: Revenue Projections**	**FY26 Forecasted Balance**	**Budget to Forecast Variance Fav / (Unfav)**
Operating Revenues									
State School Fund	$ 96,170,190	$ 102,950,821	$ 108,665,252	$ 115,285,455	$ 67,633,496	58.7%	$ 47,234,250	$ 114,867,746	$ (417,709)
Other State School Fund	32,806,224	33,875,384	35,251,343	41,706,943	32,741,498	78.5%	2,161,830	34,903,328	(6,803,615)
State School Fund Formula	**128,976,414**	**136,826,205**	**143,916,595**	**156,992,398**	**100,374,994**	**63.9%**	**49,396,080**	**149,771,074**	**(7,221,324)**
Local Sources	3,022,599	3,048,772	4,260,409	2,699,000	1,228,281	45.5%	1,350,938	2,579,219	(119,781)
Intermediate Sources	700,000	1,999,997	1,000,000	3,000,000	3,000,000	100.0%	-	3,000,000	-
State Sources	2,590,394	856,066	1,772,920	2,000,000		0.0%	2,000,000	2,000,000	-
Federal Sources	42,995	288,395	135,579	55,000	13,577	24.7%	41,423	55,000	-
Other Sources	155,626	-	-	85,000	85,000	100.0%	-	85,000	-
All Other Sources	**6,511,613**	**6,193,230**	**7,168,909**	**7,839,000**	**4,326,858**	**55.2%**	**3,392,361**	**7,719,219**	**(119,781)**
Total Operating Revenues	**$ 135,488,027**	**$ 143,019,434**	**$ 151,085,504**	**$ 164,831,398**	**$ 104,701,852**	**63.5%**	**$ 52,788,441**	**$ 157,490,293**	**$ (7,341,105)**
Beginning Fund Balance	37,766,147	26,681,850	20,618,328	10,000,000	9,271,374	92.7%		9,271,374	(728,626)
TOTAL RESOURCES	**$ 173,254,174**	**$ 169,701,284**	**$ 171,703,832**	**$ 174,831,398**	**$ 113,973,226**	**65.2%**	**$ 52,788,441**	**$ 166,761,667**	**$ (8,069,731)**

REQUIREMENTS BY OBJECT	**2022–2023 Actual**	**2023–2024 Actual**	**2024–2025 Unaudited**	**FY26 Adopted Budget**	**FY26 YTD Actuals**	**% of Budget**	**Add: Expense Projections**	**FY26 Forecasted Balance**	**Budget to Forecast Variance Fav / (Unfav)**
Operating Expenditures					**By Object**				
Salaries	$ 70,161,704	$ 75,362,331	$ 78,511,379	$ 78,247,819	$ 27,795,831	35.5%	$ 46,558,203	$ 74,354,034	$ 3,893,785
Associated Payroll Costs	34,264,947	37,544,405	42,305,139	47,977,676	16,526,670	34.4%	28,169,822	44,696,492	3,281,184
Purchased Services	27,991,765	26,832,809	33,354,553	32,581,873	15,699,238	48.2%	19,488,520	35,187,758	(2,605,885)
Supplies and Materials	8,434,821	4,360,608	4,504,373	4,664,277	2,553,905	54.8%	1,841,395	4,395,300	268,977
Capital Outlay	1,297,508	1,161,753	388,089	155,000	74,475	48.0%	-	74,475	80,525
Other Objects	1,719,446	1,993,596	1,920,988	1,697,280	1,597,657	94.1%	38,000	1,635,657	61,623
Transfers	2,702,133	1,827,455	1,447,937	1,050,000	1,000,000	95.2%	50,000	1,050,000	-
Total Operating Expenditures	**$ 146,572,324**	**$ 149,082,956**	**$ 162,432,458**	**$ 166,373,925**	**$ 65,247,775**	**39.2%**	**$ 96,145,940**	**$ 161,393,715**	**$ 4,980,210**
Contingencies									-
Unappropriated Ending Fund Balance				8,457,473					8,457,473
TOTAL REQUIREMENTS	**$ 146,572,324**	**$ 149,082,956**	**$ 162,432,458**	**$ 174,831,398**	**$ 65,247,775**	**37.32%**	**$ 96,145,940**	**$ 161,393,715**	**$ 13,437,683**
Ending Fund Balance	**$ 26,681,850**	**$ 20,618,328**	**$ 9,271,374**					**$ 5,367,952**	

REQUIREMENTS BY FUNCTION	**2022–2023 Actual**	**2023–2024 Actual**	**2024–2025 Unaudited**	**FY26 Adopted Budget**	**FY26 YTD Actuals**	**% of Budget**	**Add: Expense Projections**	**FY26 Forecasted Balance**	**Budget to Forecast Variance Fav / (Unfav)**
Operating Expenditures					**By Function**				
Instruction	$ 86,050,468	$ 88,580,155	$ 98,370,445	$ 101,002,292	$ 37,011,804	36.6%	$ 64,626,527	$ 101,638,331	$ (636,039)
Support Services	57,463,767	58,374,984	62,176,110	63,830,294	26,933,094	42.2%	31,283,591	58,216,684	5,613,610
Enterprise and Community Services	155,958	100,362	237,966	291,339	102,878	35.3%	185,822	288,700	2,639
Facilities Acquisition and Construction	-	-		-				-	-
Other Uses	2,902,131	2,027,455	1,647,937	1,250,000	1,200,000	96.0%	50,000	1,250,000	-
Total Operating Expenditures	**$ 146,572,324**	**$ 149,082,956**	**$ 162,432,458**	**$ 166,373,925**	**$ 65,247,775**	**39.2%**	**$ 96,145,940**	**$ 161,393,715**	**$ 4,980,210**
Contingencies									-
Unappropriated Ending Fund Balance				8,457,473					8,457,473
TOTAL REQUIREMENTS	**$ 146,572,324**	**$ 149,082,956**	**$ 162,432,458**	**$ 174,831,398**	**$ 65,247,775**	**37.3%**	**$ 96,145,940**	**$ 161,393,715**	**$ 13,437,683**
Ending Fund Balance	**$ 26,681,850**	**$ 20,618,328**	**$ 9,271,374**					**$ 5,367,952**	
Ending Fund Balance % of Revenue	**15.40%**	**12.15%**	**5.40%**					**3.22%**	

	Fiscal Period Ending							
Furlough Days Restoration Trigger	**November 2025**	**December 2025**	**January 2026**	**February 2026**	**March 2026**	**April 2026**	**May 2026**	**June 2026**
1. The audited ending fund balance from June 2025 exceeding $10.7 million would add back one day.	$ 10,210,100	$ 9,271,374						
2. State School Fund revenue, net of charter school payments, increasing by more than $700,000 would add back one day.	$ 10,528	$ 10,528						
3. FTE that is not filled or posted as a vacancy by October 31, 2025 and resulting in savings in the General Fund positions budget in excess of $529,000 would add back one day.	$ 150,469							
4. Receipt of new unrestricted grant funding that creates a general fund savings exceeding $550,000 would add back one day.	$ -	$ -						

General Fund | 2025–2026 Financial Summary at December 2025			General Fund | 2026–2027 Beginning Budget Assumptions	
RESOURCES	**FY26 Adopted Budget**	**FY26 Forecasted**	**FY27 Resources**	**Assumptions**
Operating Revenues				
State School Fund Formula	**156,992,398**	**149,771,074**	**158,447,041**	49/51 split 11.17 ODE SSF Estimate; Property Taxes 4% avg; County & Common SF
Local Sources	2,699,000	2,579,219	2,375,000	Transportation billing, building leases, indirect, Mac/Medicaid
Intermediate Sources	3,000,000	3,000,000	500,000	This is ESD apportionment - we pulled reserve this year
State Sources	2,000,000	2,000,000	1,750,000	High Cost Disability - state reimbursement spread reduces allocation
Federal Sources	55,000	55,000	50,000	JROTC reimbursement; FEMA or other fed reimbursements when applicable
Other Sources	85,000	85,000	-	Interfund transfer from Fuel Sales
All Other Sources	**7,839,000**	**7,719,219**	**4,675,000**	
Total Operating Revenues	**$ 164,831,398**	**$ 157,490,293**	**$ 163,122,041**	Total FY27 Revenue
Beginning Fund Balance	10,000,000	9,271,374	5,367,951	This is prior year ending fund balance
TOTAL RESOURCES	**$ 174,831,398**	**$ 166,761,667**	**$ 168,489,992**	Total FY27 Resources (1% increase)
REQUIREMENTS BY OBJECT	**FY26 Adopted Budget**	**FY26 Forecasted**	**FY27 Expenditures**	**Assumptions**
Operating Expenditures				
Salaries	$ 78,247,819	$ 74,354,034	81,718,025	FY27 using current FTE, COLA/Step per CBA; 2 mill added for additional hours/stipends
Associated Payroll Costs	47,977,676	44,696,492	48,927,000	PERS no change, health +5%
Purchased Services	32,581,873	35,187,758	35,891,513	Charter School Payments and status quo services (2% added)
Supplies and Materials	4,664,277	4,395,300	4,483,206	Status quo, plus 2%
Capital Outlay	155,000	74,475	-	Bus replacement TBD
Other Objects	1,697,280	1,635,657	1,719,350	TBD: 5% liability insurance, debt schedules, PERS Bond
Transfers	1,050,000	1,050,000	1,150,000	Nutrition Services, Debt Service, Insurance & Retiree funds
Total Operating Expenditures	**$ 166,373,925**	**$ 161,393,715**	**$ 173,889,094**	Total FY26 Operating Requirements
Ending Fund Balance	8,457,473		8,424,500	Required 5% of FY27 Revenues
TOTAL REQUIREMENTS	**$ 174,831,398**	**$ 161,393,715**	**$ 182,313,594**	Total FY26 Requirements (13% increase)
Ending Fund Balance		**$ 5,367,951**	**$ (13,823,601)**	Operating Deficit and reductions required (or additional revenue)

Enrollment Report as of January 16, 2026

	Actual	Projected	*Difference*
Elementary Total	**3780**	3807	*-27*
Middle School Total	**1880**	1983	*-103*
High School Total	**2501**	2599	*-98*
Reynolds Total	**8,161**	8,389	*-228*

Charter Total	**1,231**		
Total Reynolds and Charters:	**9,392**		

Elementary Enrollment By Grade Level and Class

School	K	1st	2nd	3rd	4th	5th		Total	Last Year vs This Year	
Alder	14	27	28	16	26	28				
	16			20	13	13				
Dual Language	23	24	20	20	27	19				
									Jan 2025	Change
Total	**53**	**51**	**48**	**56**	**66**	**60**		**334**	355	-21
# of Classes	3	2.0	2.0	3	2.5	2.5		**15**		
Average Class Size	17.67	25.50	24.00	18.67	26.40	24.00		**22.27**		
Davis	20	22	20	24	31	29				
Dual Language (K)	18	23	21	22	32	30				
	7	15	21	20						
									Jan 2025	Change
Total	**45**	**60**	**62**	**66**	**63**	**59**		**355**	306	49
# of Classes	2.5	2.5	3	3	2	2		**15**		
Average Class Size	18.00	24.00	20.67	22.00	31.50	29.50		**23.67**		
Fairview	21	17	22	20	24	26				
	19	17	22	23	25	23				
STEP	2	4	6	6						
									Jan 2025	Change
Total	**42**	**38**	**50**	**49**	**49**	**49**		**277**	301	-24
# of Classes	2	2	2	2	2	2		**12**		
Average Class Size	21.00	19.00	25.00	24.50	24.50	24.50		**23.08**		
Glenfair	23	20	20	21	26	33				
	24	21	22	21	27	34				
	23	20	22	21	26					
									Jan 2025	Change
Total	**70**	**61**	**64**	**63**	**79**	**67**		**404**	501	-97
# of Classes	3	3	3	3	3	2		**17**		
Average Class Size	23.33	20.33	21.33	21.00	26.33	33.50		**23.76**		
Hartley	21	23	22	28	31	35				
	20	23	21	22	31	34				
			20							
									Jan 2025	Change
Total	**41**	**46**	**63**	**50**	**62**	**69**		**331**	312	19
# of Classes	2	2	3	2	2	2		**13**		
Average Class Size	20.50	23.00	21.00	25.00	31.00	34.50		**25.46**		
Margaret Scott	26	24	28	24	24	30				
	25	27	28	25	24	29				
		12	15	11	13					
									Jan 2025	Change
Total	**51**	**63**	**71**	**60**	**61**	**59**		**365**	370	-5
# of Classes	2	2.5	2.5	2.5	2.5	2		**14**		
Average Class Size	25.50	25.20	28.40	24.00	24.40	29.50		**26.07**		

Salish Ponds	23	24	20	26	23	30				
	23	26	21	28	23	29				
									Jan 2025	Change
Total	**46**	**50**	**41**	**54**	**46**	**59**		**296**	328	-32
# of Classes	2	2	2	2	2	2		**12**		
Average Class Size	23.00	25.00	20.50	27.00	23.00	29.50		**24.67**		
Sweetbriar	15	21	25	21	15	11				
	16	19	26	21	12	14				
					13	14				
									Jan 2025	Change
Total	**31**	**40**	**51**	**42**	**40**	**39**		**243**	260	-17
# of Classes	2	2	2	2	1.5	1.5		**11**		
Average Class Size	15.50	20.00	25.50	21.00	26.67	26.00		**22.09**		
Troutdale	25	25	22	27	35	29				
	27	25	20	28	33	28				
			19							
Life Skills	1	10	4	2	6	5				
									Jan 2025	Change
Total	**53**	**60**	**65**	**57**	**74**	**62**		**371**	373	-2
# of Classes	2	2	3	2	2	2		**13**		
Average Class Size	26.50	30.00	21.67	28.50	37.00	31.00		**28.54**		
Wilkes	22	21	20	18	30	27				
	18	22	20	18	29	26				
	19	24	22	17	17	13				
		21								
Life Skills	2	5	4	6	4	4				
									Jan 2025	Change
Total	**61**	**93**	**66**	**59**	**80**	**70**		**429**	447	-18
# of Classes	3	4	3	3	2.5	2.5		**18**		
Average Class Size	20.33	23.25	22.00	19.67	32.00	28.00		**23.83**		
Woodland	22	22	22	29	29	25				
	20	22	20	32	29	26				
		22	22							
Life Skills	2	8	4	7	7	5				
									Jan 2025	Change
Total	**44**	**74**	**68**	**68**	**65**	**56**		**375**	388	-13
# of Classes	2	3	3	2	2	2		**14**		
Average Class Size	22.00	24.67	22.67	34.00	32.50	28.00		**26.79**		
Elementary Total	**537**	**636**	**649**	**624**	**685**	**649**		**3780**	3941	-161
Total # of Classes	**25.50**	**27.00**	**28.50**	**26.50**	**24.00**	**22.50**		**154.00**		
Total Average Class Size	**21.06**	**23.56**	**22.77**	**23.55**	**28.54**	**28.84**		**24.55**		

Secondary Enrollment By Grade Level

School	6th	7th	8th	9th	10th	11th	12th	Total	Jan 2025	Change
HB Lee MS	182	201	205					**588**	724	-136
Reynolds MS	281	270	255					**806**	702	104
Walt Morey MS	169	172	145					**486**	516	-30
RHS + Middle College				644	619	522	525	**2310**	2372	-62
RLA + Middle College					29	48	114	**191**	180	11
Secondary Total	**632**	**643**	**605**	**644**	**648**	**570**	**639**	**4381**	4494	-113

Charter School Enrollment By Grade Level

School	K	1st	2nd	3rd	4th	5th	6th - 8th	Total	Dec 2024	Change
Arthur Academy	29	31	25	28	28	25		**166**	169	-3
HOLLA	19	19	16	18	20	20		**112**	95	17
MLA	44	47	48	47	48	48	283	**565**	558	7
Rockwood Prep	71	76	66	65	63	47		**388**	381	7
Charter Total	**163**	**173**	**155**	**158**	**159**	**140**	**283**	**1231**	1203	28

Reynolds School District

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: January 28, 2026

Connection to Strategic Plan Goal Topics:

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

Summary / Background:

A. Approval of Personnel Order
B. Approval of Prior Meeting Minutes
C. RLA MYC Coastal Ecology Trip to Newport, OR
D. RLA MYC Desert Ecology Trip to Mt. Vernon, Burns, and Bend, OR
E. RLA MYC Fire School Trip to Lebanon, OR
F. Resolutions 2025-2026 -012 to -015

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

December 17, 2025
6:00 PM
Building I, Edgefield Campus

Present: Patty Carrera, Francisco Ibarra, Aaron Muñoz, Michael Reyes, Joyce Rosenau, Cayle Tern, **Absent:** Ana Gonzalez Muñoz.

I. 5:30p - Executive Session

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

II. 6:00p - Call to Order

- Chair Michael Reyes called the December 17, 2025 meeting to order at 6:00p.

A. Roll Call

B. Consider Approval of the December 17, 2025 Agenda

I move that the Board approve the December 17, 2025 agenda as presented. This motion, made by Patty Carrera and seconded by Aaron Muñoz, Passed.

Yea: 6, Nay: 0

C. Pledge of Allegiance

D. Land Acknowledgement

- Read into the record by Director Aaron Muñoz.

E. Mission and Vision

- Read into the record by Chair Michael Reyes.

III. 6:10p - Recognition

A. Student Recognition

IV. 6:20p - High School Student Report

V. 6:30p - 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.

VI. 6:50p - Bargaining Group Updates

VII. 7:00p - Presentation to the Board

A. Annual Transportation Goal Report

- The city of Portland is really good about giving us advanced notification about construction or road closures. Multnomah County is hit and miss. A lot of this also depends on the contractor performing any work.
- All buses are equipped with GPS and a tracker that monitors harsh braking, cornering, etc. There is a cost to using these devices but they are very important for student and driver safety.
- The ODE thresholds for accident reporting were updated about six years ago.
- Our total miles each year has increased because we now transport all McKinney Vento and foster students in-house, instead of using taxis and other outside agencies.
- Increase in training over the last few years. Training is vetted by ODE and counts towards driver-required hours of education.
- The supplemental plan for the additional Davis route was approved by the ODE pupil transportation committee. It will be on the Oregon Department of Education's January meeting for final approval.
- Look at lighting at bus stops.

B. 2024-25 School At-a-Glance Profiles and 9th Grade on Track

- Students are now able to answer the math assessments in both English and Spanish.
- Elementary students receive 30 minutes of science a week.

C. Budget Priorities for 2026-27

- The survey was sent out to families via ParentSquare and was placed on our website to allow for auto-translating.
- There were a number of comments regarding safety.
- Can we add a request to identify school location next year?
- What does "safe & well-maintained facilities" really mean? There's a lot of feedback with ideas for definitions.
- We didn't have respondents re-prioritize this year as there were only the three priorities instead of the six from last year.
- Does a lack of response mean people don't agree?
- Concern for EL students.
- We could switch 2 and 3? Or make them even? Or just keep the same for next year.
- Consensus to keep the same priorities. The board will take action in January.

VIII. 7:45p - Superintendent's Reports

A. Announcements/Reports

B. Financial Report

C. Enrollment Report

IX. 8:00p - Consent Agenda

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

Yea: 6, Nay: 0

A. Approval of Personnel Order

B. Approval of Prior Meeting Minutes

C. RLA Science Field Trip to Newport, Oregon

D. RHS JROTC trip to Camp Rilea in Warrenton, Oregon

E. Authorization to Spend: Metropolitan Family Service

X. 8:05p - Action Items

A. 2025-27 / 2027-29 SIA Grant Acceptance

I move that the Board authorize staff to accept the Student Investment Account Grant from Oregon Department of Education in the total amount of $21,606,486.14. This motion, made by Aaron Muñoz and seconded by Patty Carrera, Passed.

Yea: 6, Nay: 0

XI. 8:10p - Board Announcements and Discussion

A. Individual Board Members - Announcements and Reports

B. Upcoming Board Meetings

XII. 8:25p - Adjourn

- Chair Michael Reyes adjourned the December 17, 2025 meeting at 8:03p.

Reynolds School District

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

To: Board of Directors

From: Kate McLaughlin, Assistant Superintendent

Subject: **MYC Coastal Ecology Trip**

Type: ☑ Action Item ☐ Report / Presentation

Policy: IICA-AR: Field Trips and Special Events

Date: January 28, 2026

Connection to Strategic Plan Goal Topics:

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

Summary / Background:
The Multnomah Youth Cooperative (MYC) program at RLA will take a five-day trip to the Oregon Coast, staying three nights in Oregon State Park yurts and one night at the Oregon Coast Aquarium. This unique opportunity will allow students to experience coastal ecosystems, observe and learn about the Coastal Redwoods, visit an estuary and identify its unique ecological and economic resources, observe and identify plant, tree, and wildlife in their habitat, learn, and practice leave no trace principles. We will learn about the PNW tribal history and land practices throughout our experiences and will have team building activities, discuss upcoming projects, and set goals.

Previous Board Action:
The Board is responsible for approving all overnight field trips.

Financial Implications:
The estimated cost of this trip is $5461 and all expenses will be paid with MYC grant funds.

Motion:

A. Motion Made by Board Member:
    a. I move that the Board approve the RLA MYC Coastal Ecology trip as presented.
B. Motion Seconded by Another Board Member
C. Points of Clarification / Discussion
D. Call for Board Vote

Field Trip Request for Board Approval

Reynolds School District

Student Trips Over 150 Miles One-Way or Overnight

Name of Group: Multnomah Youth Cooperative (MYC)

School: RLA

Name of Requester: Rose Sandy, MYC Program Coordinator

Date Submitted: December 8, 2025

Dates(s) of Trip: March 9-13, 2026

Trip Type: ☐ Activity or Athletic Trip ☒ Educational Trip

Trip Distance/Length: ☐ Over 150 Miles Away ☒ Overnight

Estimated number of students: 12

Number of Chaperones: 3

List of Chaperones:

Max Kreiger (RLA MYC Crew Leader)
Rosalee Sandy (MYC Program Coordinator)
Chris Phelps (RLA Teacher)

Lodging: Three nights in State Park in yurts and one night at the Oregon Coast Aquarium

Total estimated trip cost: $5,461.

a. How will the trip be funded?

This trip is funded through MYC Grant funds

b. Are there any out of pocket costs for students?

No

Describe methods of transportation (school bus, activity van, etc).

District Activity Vehicles 212 and 202. Both Max Kreiger and Rose Sandy are approved RSD Activity Van drivers with valid Type 10/20 ODE permits

What effect does the trip have on other classes or programs?

The trip will have little impact on students courses as it is built into the MYC curriculum. Students will be responsible for making up missed course work in one class; they will give the teacher advanced notice of their absence, and agree to turn missed work in by the deadline set by their instructor. Additionally, we have group time built into some of the evenings where students can work on course work while on the trip.

Itinerary: list all activities/provide general schedule.

Monday, March 9, 2026
8:30 Students arrive at school and begin loading vehicles
9:30-10:00 Groceries and supplies
10:00-2:00 Leave RLA and drive to Beverly Beach State Park
2:00-4:00 Mark O. Hatfield Marine Science Center
5:00-6:00 Organize gear, go over expectations and rules
6:00-7:00 Dinner and clean up
7:00-10:00 Group teambuilding
10:00 Bedtime

Tuesday, March 10, 2026
6:45-7:30 Wake-up, pack gear
7:30-8:00 Eat breakfast, pack lunches, clean up
9:00-12:00 Begin OCA grounds project
12:00-12:30 Eat lunch
12:30-4:00 Complete OCA grounds project
4:00-5:00 Return to Beverly Beach, showers and quiet time
5:00-6:00 Pack for OCA overnight
6:00-10:00 Oregon Coast overnight Field trip begins

Wednesday, March 11, 2026
6:45-8:00 Wake-up, eat breakfast
8:00-10:00 OCA behind the scenes tour & Career connect
10:00-12:00 Estuary education and extended field studies
12:00-12:30 Eat lunch
12:30-5:00 Drive to Cape Blanco State Park
7:00-8:30 Group Time
8:30-9:00 Get ready for bed
9:15 Lights out

Thursday, March 12, 2026
6:45-7:30 Wake-up, pack gear for field studies
8:00-9:00 Eat breakfast
10:00-12:00 Forest Ecology hike and field studies
12:00-12:30 Lunch in the field
12:30-2:00 Continue forest field studies
5:00-7:00 Dinner prep, eat, clean-up
7:30-9:30 Group activity
9:30-10:00 Get ready for bed
10:15 Lights out

What are the objectives of the trip and how do they relate to the class or school program? How will this trip provide opportunities for students to obtain new skills, insights, knowledge, or appreciations?

The objectives of this trip are to experience coastal ecosystems, observe and learn about the role of Oregon's sand dunes, visit an estuary and identify the unique ecological and economic resources, observe and identify plant, tree, and wildlife in their habitat, learn and practice leave no trace principles. Students will explore and identify uses of sustainable energy in communities, speak with partners about careers in parks, marine science, landscaping, and forestry. We will visit natural sites, participate in tours, guided field trips, and education centers. We are working with the Oregon Coast Aquarium to complete a service project on their grounds, in exchange for our work we are attending an overnight field trip in the OCA free of charge. While there we will have a behind the scenes tour of the facility, meet with animal trainers and biologists, as well as other staff. Students will have an opportunity to learn about the animals and their habitats, as well as education and volunteer opportunities that have lead to careers at the Oregon Coast Aquarium. We will compare and contrast ecosystems from local forests with coastal forests, the effect of weather systems on forests, land, and wildlife.

Describe supervision plans to ensure maximum safety for students. Be specific.

Staff will be with students at all times to ensure maximum safety for students. We have created a schedule of activities and will review activity expectations before each activity so students are aware of where they should be, what they are doing, and times for starting and stopping each activity.

Standard Reynolds School District rules and regulations will be enforced and followed. Appropriate disciplinary action will be taken if students are found to be in violation of any of these or MYC's expectations and staff will notify Dee Archie/Garrett Jellesma of any issues as they arise.

Staff will carry cell phones and two-way radios, these numbers have been made available to Dee Archie and Garrett Jellesma in case we need to be contacted.

Principal Approval: Garrett Jellesma Date: 12/8/2025

Approved by the School Board ☐ Yes ☐ No Date:

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.

Reynolds School District

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To: Board of Directors

From: Kate McLaughlin, Assistant Superintendent

Subject: **MYC Coastal Ecology Trip**

Type: ☑ Action Item ☐ Report / Presentation

Policy: IICA-AR: Field Trips and Special Events

Date: January 28, 2026

Connection to Strategic Plan Goal Topics:

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

Summary / Background:
MYC students will learn about high desert ecology, watersheds, plant ecology, native mammals, high desert forest systems, history, geology, and farming practices. Students will visit the John Day Fossil Beds, Diamond Crater, Peter French Round Barn, Alvord Desert, and Malheur National Wildlife Refuge. Students will apply the concepts they have learned to future career and educational goals.

Students will have immersive educational experiences with high desert ecology, lava lands, geologic features, farm education and career presentations with state parks, geologists, and several volunteers. This trip meets all requirements for the MYC program objectives in co-curricular activities, goal setting, team building and career connections. Students will receive educational opportunities through hands-on experience and broadened community exposure. We will be reflecting on the projects we have been working on throughout the year, discussing human impact, land management practices and career pathways.

Previous Board Action:
The Board is responsible for approving all overnight field trips.

Financial Implications:
The estimated cost of this trip is $4497 and all expenses will be paid with MYC grant funds.

Motion:

A. Motion Made by Board Member:
    a. I move that the Board approve the RLA MYC Desert Ecology trip as presented.
B. Motion Seconded by Another Board Member
C. Points of Clarification / Discussion
D. Call for Board Vote

Field Trip Request for Board Approval

Reynolds School District

Student Trips Over 150 Miles One-Way or Overnight

Name of Group: Multnomah Youth Cooperative (MYC)

School: RLA

Name of Requester: Rosalee Sandy, MYC Program Coordinator

Date Submitted: January 5, 2026

Dates(s) of Trip: May 18-22, 2026

Trip Type: ☐ Activity or Athletic Trip ☒ Educational Trip

Trip Distance/Length: ☐ Over 150 Miles Away ☒ Overnight

Estimated number of students: 12

Number of Chaperones: 3

List of Chaperones:

Max Kreiger (RLA MYC Crew Leader)
Rosalee Sandy (MYC Program Coordinator)
Chris Phelps (RLA Teacher)

Lodging: Camping in tents; one night at Clyde Holliday State Park, one night at Crane Hot Springs Campground, two nights at Tumalo State Park

Total estimated trip cost: $4,497.

a. How will the trip be funded?

This trip is funded through the MYC Grant funds.

b. Are there any out of pocket costs for students?

No

Describe methods of transportation (school bus, activity van, etc).

District Activity Vehicles 212 and 202. Both Max Kreiger and Rose Sandy are approved RSD Activity Van drivers with valid Type 10/20 ODE permits.

What effect does the trip have on other classes or programs?

The trip will have little impact on students courses as it is built into the MYC curriculum. Students will be responsible for making up missed course work in one class; they will give the teacher advanced notice of their absence, and agree to turn missed work in by the deadline set by their instructor. Additionally, we have group time built into some of the evenings where students can work on course work while on the trip.

Itinerary: list all activities/provide general schedule.

Monday, May 18, 2026
8:30 Students arrive at school and begin loading vehicles
9:30 Leave RLA
10:00-1:00 Drive to John Day Fossil Bed National Monument
2:00-4:00 Thomas Condon Visitor Center
4:00-5:30 Drive to Clyde Holliday State Park, set up camp
5:30-7:30 Dinner preparation, eat, clean-up
7:30-8:00 Field lessons on Leave No Trace and Outdoor Ethics
8:00-9:00 Group Time, Team building activities
9:00-9:30 Get ready for bed
9:30 Lights out

Tuesday, May 19, 2026
6:00-7:00 Wake up
7:00-9:00 Eat breakfast, pack up camp
9:00-12:30 Drive to Alvord Desert
12:00-12:30 Eat lunch
12:30-2:00 Desert Ecology Field Studies
2:00-5:00 Drive Steen Mountains Loop, Daimond Crater, Pete French Round Barn
5:00-7:00 Set up camp at Crane, Dinner preparation, eat, clean-up
6:30-8:00 Alvord Desert Ecology, Geology, History
8:00-10:00 Group Time
10:00 Get ready for bed
10:30 Lights out

Wednesday, May 20. 2026
7:00-9:00 Eat breakfast, pack up camp
9:00-12:00 Drive to Newberry National Monument
12:00-12:30 Lunch
1:00-3:30 High Desert Museum
3:30-5:00 Lava Butte
5:00-7:30 Drive to Tumalo, set up camp, dinner
7:30-9:00 Group Activity
10:00 Lights out

Thursday, May 21, 2026
7:00-9:00 Eat breakfast, prepare for the day
9:00-12:00 USFS tour and career talk
12:00-12:30 Lunch
12:30-3:30 Group Hike & Geology at Smith Rock
3:30-4:00 Drive to Tumalo State Park
4:00-5:30 Group time
6:00-8:00 Dinner in Bend
8:00-10:00 Group Reflection

What are the objectives of the trip and how do they relate to the class or school program? How will this trip provide opportunities for students to obtain new skills, insights, knowledge, or appreciations?

MYC students will learn about high desert ecology, watersheds, plant ecology, native mammals, high desert forest systems, cultural history, geology and farming practices. They will compare their local community ecosystems with the High Desert and make connections. Student will visit the John Day Fossil Beds, Diamond Crater, Pete French Round Barn, Alvord Desert, and Malheur National Wildlife Refuge. We will visit Lava Butte, High Desert Museum, Smith Rock and Warm Springs Museum. Students will apply the concepts they have learned to future career and educational goals.

Students will have immersive educational experiences with high desert ecology, lava lands, geologic features, farm education and career presentations with state parks, geologists and several volunteers. This trip meets all requirements for the MYC program objectives in co-curricular activities, goal setting, team building and reflection of accomplishments and achievements.

Describe supervision plans to ensure maximum safety for students. Be specific.

Staff will be with students at all times to ensure maximum safety for students. We have created a schedule of activities and will review activity expectations before each activity so students are aware of where they should be, what they are doing and times for starting and stopping each activity.

Standard Reynolds School District rules and regulations will be enforced and followed. Appropriate disciplinary action will be taken if students are found to be in violation of any of these or MYC's expectations and staff will notify Dee Archie/Garrett Jellesma of any issues as they arise.

Staff will carry cell phones and two-way radios, these numbers have been made available to Dee Archie and Garrett Jellesma in case we need to be contacted.

Principal Approval: Dee Archie Date: 01/05/2026

Approved by the School Board ☐ Yes ☐ No Date:

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.

Reynolds School District

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To: Board of Directors

From: Kate McLaughlin, Assistant Superintendent

Subject: **MYC Fire School Trip**

Type: ☑ Action Item ☐ Report / Presentation

Policy: IICA-AR: Field Trips and Special Events

Date: January 28, 2026

Connection to Strategic Plan Goal Topics:

☑ Marginalized Students
☑ Culturally Responsive Teaching
☐ Student and Staff Wellness
☑ Professional Development

Summary / Background:
The Future Natural Resource Leaders (FNRL) is hosting Fire School for high school students, giving RLA students hands-on and comprehensive education about a career in Wildland Firefighting. Natural Resource and Forestry CTE programs from around the state will spend three days and two nights at Camp Tamdor where students will learn about tool use and safety, personal protective equipment, pumps/use of water, hose lay instruction, first aid, fire communication, and hand line instruction. Students will also spend time outdoors practicing skills with wildland fire fighting equipment, alongside professionals.

Previous Board Action:
The Board is responsible for approving all overnight field trips.

Financial Implications:
The estimated cost of this trip is $875 and all expenses will be paid with MYC grant funds.

Motion:

A. Motion Made by Board Member:
    a. I move that the Board approve the RLA MYC Fire School trip as presented.
B. Motion Seconded by Another Board Member
C. Points of Clarification / Discussion
D. Call for Board Vote

Field Trip Request for Board Approval

Reynolds School District

Student Trips Over 150 Miles One-Way or Overnight

Name of Group: MYC

School: RLA

Name of Requester: Rose Sandy

Date Submitted: 1/15/26

Dates(s) of Trip: April 1, 2026-April 3, 2026

Trip Type: ☒ Activity or Athletic Trip ☒ Educational Trip

Trip Distance/Length: ☐ Over 150 Miles Away ☒ Overnight

Estimated number of students: 5

Number of Chaperones: 2

List of Chaperones:

Rose Sandy, MYC Program Coordinator
Max Kreiger, MYC Crew Leader

Lodging: Camp Tamdor 43943 McDowell Creek Dr, Lebanon, OR On-site cabin

Total estimated trip cost: $ $875.

a. How will the trip be funded?

MYC Grant funds

b. Are there any out of pocket costs for students?

No

Describe methods of transportation (school bus, activity van, etc).

RSD Activity Van

What effect does the trip have on other classes or programs?

This trip is part of the Natural Resource CTE program curriculum and supports career development. Students will miss one day of class and will be responsible for missed work.

Itinerary: list all activities/provide general schedule.

April 1, 2026

3:00-5:00 Welcome and Check-in

5:30-6:30 Dinner

6:30-8:30 Tool use, PPE, Safety

8:30-10:00 Recreation time

10:00-10:30 Return to cabins/Lights out

April 2, 2026

7:00-8:00 Breakfast/debrief

8:00-12:00 Pump/Use of Water, Hose lay, First Aid, Fire/Hand line communication

12:00-1:00 Lunch

1:00-5:00 Field Skills

5:00-6:00 Dinner

6:00-8:00 Relay Contest

8:30-10:00 Awards

10:00-10:30 Return to cabins/Lights out

April 3, 2026

6:30-8:00 Society of American Foresters Breakfast and Quiz Bowl

8:00-12:00 Pack Test, Dirt Throw, Compass and Pacing, Fire Table

12:00-1:00 Lunch

1:00-1:30 Clean up and check out

1:30-4:00 Drive back to RLA

What are the objectives of the trip and how do they relate to the class or school program? How will this trip provide opportunities for students to obtain new skills, insights, knowledge, or appreciations?

This trip is part of the statewide Natural Recource CTE curriculum. It will allow students to gain hands on training and education for a career in Wildland Firefighting. Students from across the state will convene for a comprehensive introductory education about forestry and wild fire management, they will practice skills and learn to use field equipment and tools in order to give them the basics that may lead to a career with government or private fire crews.

Describe supervision plans to ensure maximum safety for students. Be specific.

Students will be supervised at all times while on this trip, the schedule is rigirous and they will travel as a team. All Reynolds School District student policies will be enforced. If any issues arrise staff will immediately contact Dee Archie/Garrett Jellesma.

Principal Approval: Garrett Jellesma Date: 1/20/2026

Approved by the School Board ☐ Yes ☐ No Date:

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.

Reynolds School District

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To: Board of Directors

From: Michael Reyes, Board Chair

Subject: **Adopting Resolutions**

Type: ☑ Action Item ☐ Report / Presentation

Policy: KAA: Community Relations

Date: January 28, 2026

Connection to Strategic Plan Goal Topics:

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

Summary / Background:
The following resolutions were read into the record earlier in the meeting.

A. Resolution 2025-2026-012: Black History Month
B. Resolution 2025-2026-013: Bus Driver Appreciation Day
C. Resolution 2025-2026--014: National School Counseling Week
D. Resolution 2025-2026-015: CTE Recognition Month

Previous Board Action:
Not Applicable

Financial Implications:
Not Applicable

Motion 1:

A. Motion Made by Board Member:
    a. I move that the Board adopt resolutions 2025-2026 -012 to -015 as presented.
B. Motion Seconded by Another Board Member
C. Points of Clarification / Discussion
D. Call for Board Vote

Reynolds School District

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To: Board of Directors

From: Frank Caropelo, Superintendent

Subject: **Budget Priorities for 2026-27**

Type: ☑ Action Item ☐ Report / Presentation

Policy: DBD: Budget Priorities

Date: January 28, 2026

Connection to Strategic Plan Goal Topics:

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

Summary / Background:
A survey to gain feedback on the current budget priorities was sent out to parents, staff, students, and community partners, as well as posted on the district's website, between November 3rd and November 23rd. The survey received 328 responses.

The board reviewed the budget priorities at the December business meeting:

1. Academic Success
2. Safe and Well-Maintained Facilities
3. Student Safety, Support, and Wellness

Previous Board Action:
The Board adopts budget priorities annually.

Financial Implications:
Not Applicable

Motion:

A. Motion Made by Board Member:
    a. I move that the Board adopt the 2026-2027 budget priorities as presented.
B. Motion Seconded by Another Board Member
C. Points of Clarification / Discussion
D. Call for Board Vote

Reynolds School District

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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: January 28, 2026

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. Board Work Session: February 11, 2026
    b. Board Business Meeting: February 25, 2026
C. Budget Committee Vacancies: 2 open positions
D. Board Discussion

Previous Board Action:
Not Applicable

Financial Implications:
Not Applicable

Motion:
Not Applicable

Reynolds School District

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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: January 28, 2026

Connection to Strategic Plan Goal Topics:

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

Summary / Background:
The Board Chair will adjourn the meeting.

Previous Board Action:
Not Applicable

Financial Implications:
Not Applicable

Motion:
Not Applicable