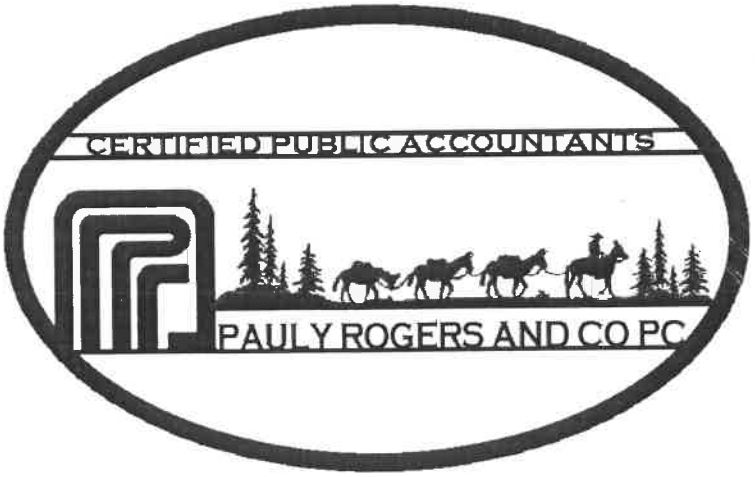
OREGON CHARTER ACADEMY
LINN COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025



12700 SW 72nd Ave.
Tigard, OR 97223

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OREGON CHARTER ACADEMY

LINN COUNTY, OREGON

FINANCIAL REPORT

For the Year Ended June 30, 2025

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OREGON CHARTER ACADEMY

2024-2025

BOARD OF DIRECTORS	TERM EXPIRE DATE
Joseph Brown – President	June 2027
Kim Thatcher – Vice President	June 2025
Jennifer Brady – Secretary	June 2027
Misty Galofteanu – Treasurer	June 2026
Laura Dillon – Board Member	June 2025

Board members receive mail at the address listed below.

ADMINISTRATION

Allison Galvin– Executive Director (Registered Agent)
833 NW Santiam Blvd.
Mill City, OR 97360

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OREGON CHARTER ACADEMY

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OREGON CHARTER ACADEMY

INDEPENDENT AUDITORS REPORT

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12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
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December 17, 2025

INDEPENDENT AUDITORS' REPORT

To the Board of Director
Oregon Charter Academy
Mill City, 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 Oregon Charter Academy (the Academy), 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 the 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 Financial Statements section of our report. We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of 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 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 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 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 Academy's system of internal 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 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 containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 17, 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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OREGON CHARTER ACADEMY

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION & ANALYSIS

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OREGON CHARTER ACADEMY

OREGON CHARTER ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Our discussion and analysis of Oregon Charter Academy's financial performance provides an overview of the Academy's financial activity for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the Academy's financial statements. The fiscal year 2024-25 was the twentieth year of the Academy's operation.

FINANCIAL HIGHLIGHTS

- Total revenues increased by $3,732,748 due to increased enrollment and funding per student.
- At June 30, 2025, the Academy's Governmental Fund balance was $21,945,421.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is an introduction to the Academy's financial statements which consist of the MD&A, the basic financial statements, and supplementary information. The financial statements provide information for the Academy as a whole, its funds, and its fiduciary responsibilities.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide statements present information on the Academy's finances in a manner similar to a private sector business. One of the most important questions asked about the Academy is, "Is the Academy as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and Statement of Activities report help answer this question as they provide information about the activities of the Academy as a whole and present a longer-term view of the Academy's finances. As of fiscal year ending June 30, 2015, GASB Statement no. 68 - Accounting and Financial Reporting for Pensions ("GASB 68") was implemented. This resulted in the inclusion of an actuarial portion of the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans in the school's financial results (see Note 4).

The *Statement of Net Position* presents information on all of the Academy's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Academy is improving or deteriorating.

The *Statement of Activities* presents information showing how the Academy's net position changed during the most recent fiscal year, or in other words the revenues and expenses for the period. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows.

OREGON CHARTER ACADEMY

FUND FINANCIAL STATEMENTS

A *fund* is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. The Academy, like governmental type entities, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements also report operations in more detail than the government-wide financial statements by providing information about the most significant fund, the general fund. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations following the government statements. Fund statements also may give you some insights into the Academy's overall financial health. The Academy has only one fund type, the governmental general fund.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a complete understanding of the data provided in the financial statements.

SUPPLEMENTARY INFORMATION

The governmental fund budgetary comparison schedule is presented for purposes of additional analysis.

~ Discussion Continues on Next Page ~

OREGON CHARTER ACADEMY

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Management has adopted Governmental Accounting Standards Board ("GASB") Statement 34, which requires a comparative analysis of current and prior periods.

	2025	2024	% Change
Assets			
Current and Other Assets	$ 26,158,801	$ 20,203,231	29.5%
Capital Assets (net)	9,342,725	9,285,023	0.6%
Total Assets	35,501,526	29,488,254	20.4%
Deferred Outflows of Resources			
Pension Related Deferrals	10,034,349	9,026,921	11.2%
Total Assets and Pension Related Deferrals	$ 45,535,875	$ 38,515,175	17.7%
Liabilities			
Current and Other Liabilities	22,871,688	24,935,892	-8.3%
Deferred Inflows of Resources			
Pension & Other Related Deferrals	7,543,044	4,134,620	82.4%
Total Liabilities and Pension Related Deferrals	$ 30,414,732	$ 29,070,512	4.6%
Net Position			
Investment in Capital Assets	9,345,097	9,275,262	0.8%
Restricted for Net OPEB Asset – RHIA	329,835	217,371	51.7%
Net Position: unrestricted	5,446,211	(47,970)	11,454%
Total Net Position	$ 15,121,143	$ 9,444,663	60.1%
Total Liabilities, Pension Related Deferrals and Net Position	$ 45,535,875	$ 38,515,175	18.2%

OREGON CHARTER ACADEMY

As noted earlier, net position may serve as a useful indicator over time of the Academy's financial position. As of June 30, 2025 the Academy's assets exceeded liabilities by $15,121,143, an increase of 60% from June 2024.

	2025	2024	% Change
Revenue:			
State School Fund	$ 32,090,872	$ 28,528,569	12.5%
Operating Grants & Contributions	1,931,288	2,014,927	-4.2%
Other – Charges for Services & Misc	1,035,812	781,728	32.5%
Total Revenue	$ 35,057,972	$ 31,325,224	11.9%
Expenditures:			
Instruction	13,669,729	12,943,095	5.6%
Support Services	15,711,763	14,896,924	5.5%
Total Governmental Expenditures	$ 29,381,492	$ 27,840,019	5.5%
Gain (Loss) on Disposal of Assets	-	-	0.0%
Change in Net Position	5,676,480	3,485,205	
Beginning Net Position	9,444,663	5,959,458	58.5%
Ending Net Position	$ 15,121,143	$ 9,444,663	60.4%

The Academy's revenues are predominantly state school funds based on student enrollment. For the year ending June 30, 2025, the Academy's total revenues of $35,057,972 were more than expenses of $29,381,492 by $5,676,480. The 11.9% revenue increase was due to continued student enrollment growth, which began during the 2022-23 school year.

OREGON CHARTER ACADEMY

GOVERNMENTAL FUNDS

Governmental funds are reported using the accounting method called "modified accrual" accounting, which measures cash and all other financial assets that can be readily converted to cash. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Such information is useful in assessing the Academy's financing requirements.

The Academy's governmental fund (the General Fund) reported an ending fund balance of $21,945,421, an increase of $5,238,789 from the prior year.

BUDGET VARIATIONS

Actual revenue exceeded the budget by $4,956,008 due to increased enrollment. Net expenses were $1,184,083 more than budgeted, due to increased costs associated with enrollment growth.

CAPITAL ASSETS

The Academy had $9,342,725 in capital assets, net of depreciation, at June 30, 2025. Please refer to Note 3 in the notes to the basic financial statements for further information.

REQUESTS FOR INFORMATION

Our financial report is designed to provide our parents, teachers, students, investors and creditors with an overview of the Academy's finances. If you have any questions about this report or need any clarification of information please contact the Oregon Charter Academy offices, located at:

PO Box 1129
Mill City OR 97360

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OREGON CHARTER ACADEMY

BASIC FINANCIAL STATEMENTS

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OREGON CHARTER ACADEMY

STATEMENT OF NET POSITION
June 30, 2025

ASSETS:		
Cash	$	16,311,536
Accounts receivable		1,105,724
Prepaid expenses		15,850
Lease Receivable		1,757,694
Long-Term Investments		6,635,790
Net OPEB asset - RHIA		329,835
Capital assets, net of accumulated depreciation		9,342,725
Subscription right-to-use asset, net of amortization		2,372
Total Assets		35,501,526
DEFERRED OUTFLOWS OF RESOURCES:		
Pension related deferrals - PERS		10,025,036
OPEB related deferrals - RHIA		9,313
Total Deferred Outflows		10,034,349
TOTAL ASSETS AND PENSION RELATED DEFERRALS	$	45,535,875
LIABILITIES:		
Accounts payable	$	324,694
Payroll liability		1,878,654
Unearned revenue		28,306
Other current liabilities		9,525
Net pension liability - PERS		20,630,509
Total Liabilities		22,871,688
DEFERRED INFLOWS OF RESOURCES:		
Pension related deferrals - PERS		5,844,385
OPEB related deferrals - RHIA		58,665
Deferred Lease Receivable		1,639,994
Total Deferred Inflows		7,543,044
TOTAL LIABILIES AND PENSION RELATED DEFERRALS		30,414,732
NET POSITION:		
Restricted for Net OPEB Asset - RHIA		329,835
Net investment in capital assets		9,345,097
Unrestricted		5,446,211
Total Net Position:		15,121,143
TOTAL LIABILITIES, PENSION RELATED DEFERRALS AND NET POSITION	$	45,535,875

See accompanying notes to the basic financial statements.

OREGON CHARTER ACADEMY

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	$ 13,669,729	$ 3,752	$ 1,931,288	$ (11,734,689)
Support Services	15,711,763	-	-	(15,711,763)
Total Governmental Activities	$ 29,381,492	$ 3,752	$ 1,931,288	(27,446,452)

General Revenues:	
State sources - State School Fund	32,090,872
Rental income	363,830
Interest and investment earnings	659,711
Miscellaneous Revenue	8,519
Total General Revenues	33,122,932
Change in Net Position	5,676,480
Beginning Net Position	9,444,663
Net Position – Ending	$ 15,121,143

See accompanying notes to the basic financial statements.

OREGON CHARTER ACADEMY

BALANCE SHEET - GENERAL FUND
June 30, 2025

	GENERAL FUND
ASSETS:	
Cash	$ 16,311,536
Accounts receivable	1,105,724
Lease receivable	1,757,694
Prepaid expenses	15,850
Investments	6,635,790
Total Assets	$ 25,826,594
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:	
Liabilities:	
Accounts payable	$ 324,694
Payroll liabilities	1,878,654
Other current liabilities	9,525
Unearned Revenue	28,306
Total Liabilities	2,241,179
Deferred Inflows of Resources:	
Deferred Lease receivable	1,639,994
Fund Balance:	
Nonspendable	
Leases receivable, net deferred inflows	117,700
Prepaid expenses	15,850
Unassigned	21,811,871
Total Fund Balance	21,945,421
Total Liabilities and Fund Balance	$ 25,826,594

See accompanying notes to the basic financial statements.

OREGON CHARTER ACADEMY

Reconciliation of the General Fund
Balance Sheet to the Statement of Net Position
June 30, 2025

Total Fund Balances – General Fund		$ 21,945,421
The net PERS pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		(20,630,509)
The proportionate share of the OPEB Retirre Health Insurance account (RHIA) OPEB asset is not reported as an asset in the general fund activities.		329,835
Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.		
Deferred outflows - PERS	$ 10,025,036	
Deferred inflows - PERS	(5,844,385)	
Deferred outflows - RHIA	9,313	
Deferred inflows - RHIA	(58,665)	4,131,299
The cost of capital assets (land, buildings, furniture 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 Academy as a whole.		
Capital Assets (Net of Depreciation)		9,342,725
Right-to-use assets are not financial resources and therefore are not reported in the governmental funds.		
Subscription right-to-use asset, (Net of Amortization)		2,372
Net Position		$ 15,121,143

See accompanying notes to the basic financial statements.

OREGON CHARTER ACADEMY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND

For the Year Ended June 30, 2025

REVENUES:	GENERAL FUND
From State Sources:	
State School Fund General Support	$ 32,090,872
State Grant Funding	1,318,252
From Federal Sources:	
Federal Grants	613,036
From Local Sources:	
Rental income	363,830
Interest and investment earnings	659,711
Program Fees	3,752
Miscellaneous Revenue	8,519
Total Revenues	35,057,972
EXPENDITURES:	
Instruction	14,310,818
Support Services	15,508,365
Total Expenditures	29,819,183
Excess of Revenues Over, (Under) Expenditures	5,238,789
OTHER FINANCING SOURCES (USES)	
Transfers In	42,303
Transfers Out	(42,303)
Total Expenditures	-
Net Change in Fund Balance	5,238,789
Beginning Fund Balance	16,706,632
Ending Fund Balance	$ 21,945,421

See accompanying notes to the basic financial statements.

OREGON CHARTER ACADEMY

Reconciliation of the General 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 – General Funds	$	5,238,789
The PERS pension income (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.		281,107
OPEB - RHIA income represents the net change in total OPEB liability from year to year related to the medical benefit OPEB and is not included in the general fund.		86,749
Long-term lease proceeds are recorded as an other financing sources in governmental funds. This debt, however, increases liabilities in the Statement of Net Position.		
Payment on Lease Liability		15,846
Payment on Subscription Liability		70,451
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.		
Capital Asset Additions		273,233
Depreciation Expense		(215,531)
Amortization Expense - Leases		(16,605)
Amortization Expense - Subscriptions		(57,559)
Change in Net Position of Governmental Activities	$	5,676,480

See accompanying notes to the basic financial statements.

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OREGON CHARTER ACADEMY

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. Significant accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

Oregon Charter Academy (the Academy) is a nonprofit corporation organized under provisions of Oregon Revised Statutes Chapter 338 as a public virtual charter school to serve students in grades K–12. The Academy was previously named Oregon Connections Academy, and effective on July 1, 2020, the Academy changed its name to Oregon Charter Academy. It is governed by a board. Accounting principles generally accepted in the United States of America require that these basic financial statements present the Oregon Charter 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 BASIC FINANCIAL STATEMENTS (GWFS)

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

FUND BASIC 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 assist management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental funds are used to account for the general government activities. Governmental fund types use 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").

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

GOVERNMENTAL FUND TYPES

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

Financial operations are accounted for in 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 Santiam Canyon School District, grants, program fees, fundraising and donations.

GRANTS

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures 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 assets that are invested in equipment and other capital asset, net of any related debt and depreciation.

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 assets that are not included in the other categories previously mentioned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 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 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 pension and OPEB-RHIA related deferrals reported in the Statement of Net Position. There is also a deferred lease receivable reported in both the Governmental Fund Balance Sheet and the Statement of Net Position.

FUND BALANCES

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

- Non-spendable represents amounts that are not in a spendable form. The non-spendable fund balance represents prepaid items and lease receivable.
- 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 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 and amortization expenses are recognized, pension and OPEB costs are not recorded until paid and capital assets are expensed when purchased.

Expenditures are made at the following levels for each fund:

LEVEL OF CONTROL
Salaries
Employee Benefits
Purchased Services
Supplies and Materials
Capital Outlay
Other Objects

See page 41 for a comparison of budget to actual.

D. CAPITAL ASSETS

Capital assets, which include land, building, leasehold improvements, equipment, and furniture, are reported in the government-wide basic financial statements. Capital assets are defined as assets with an initial individual cost of more than $5,000 and a useful life of more than 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. Depreciation is recorded on capital assets on the straight line method over the following useful lives of the asset:

Buildings	40 years
Leasehold Improvements	5 to 13 years
Equipment	5 to 10 years
Furniture	5 to 10 years

E. SUPPLY INVENTORY

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

F. PREPAID EXPENSES

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Prepaid expenses primarily represent payments for curriculum materials and supplies to be used in the subsequent fiscal year. Prepaid expenses also represent payments for business insurance and service contracts that extend into the subsequent fiscal year. See Note 7 for prepaid expenses related to service contracts and Note 13 for additional prepaid expense details and amounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. 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 certain reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

H. LEASE ACTIVITIES

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

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

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

I. SALARIES AND RETIREMENT PLANS

All employee services, such as human resources services including recruiting, payroll (including paying the teaching staff directly, collecting and remitting taxes, etc.), benefits (including supervision and liability services) are performed as contract services from ADP, LLC. Benefits administration for the Section 403(b) Plan is performed as contract services from Carruth Compliance Consulting. All employees are on contract with Oregon Charter Academy, and the Board retains all rights regarding hiring and terminating of employees. For additional explanations on contracted services, see Note 7.

Substantially all 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.

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.

K. SUBSCRIPTION 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.

L. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. ACCRUED COMPENSATED ABSENCES

The Academy's policy allows employees to accumulate earned but unused sick leave up to 80 hours. The balance of unused sick time at June 30, 2025 is immaterial to the financial statements. Upon termination of employment, unused sick leave is forfeited. Vacation leave is also forfeited at year end, and therefore is not accrued for or recorded in the basic financial statements.

2. CASH DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes requires 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 $5,126,028 of which $250,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP). Cash and cash equivalents as of June 30, 2025 consisted of $16,311,536.

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.

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. The Academy's investments at June 30, 2025 are all long-term annuities which comprise annuity contracts with five different life insurance and annuity companies.

CREDIT RISK – INVESTMENTS

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or United States Government-Sponsored Enterprise (USGSE).

CONCENTRATION OF CREDIT RISK – INVESTMENTS

The Academy's investments at June 30, 2025 are all long-term annuities which comprise annuity contracts with five different life insurance and annuity companies.

On May 12, 2023 the Academy deposited a premium of $750,000 with Sagicor Life Insurance Company in a long-term insurance product called a Single Premium Deferred Multi-Year Guaranteed Annuity (MYGA). The effective date of the annuity contract was May 19, 2023 and the maturity date is May 19, 2080. The accumulation value in the contract has an initial guaranteed interest rate of 5.20% and the initial rate guarantee period is five years. There is one additional subsequent rate guarantee period of five years, followed by annual guarantee periods, thereafter, with a guaranteed minimum interest rate of 1.25%. The surrender charge period is five years and any withdrawals during this period may be subject to penalties. The initial surrender charge period is five years.

2. CASH DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

The initial surrender charge period will be followed by one subsequent five-year period. The surrender charge in the initial surrender period and again in the subsequent surrender period is nine percent in the first year, eight percent in the second year, seven percent in the third year, six percent in the fourth year, and five percent in the fifth year. Surrender charges will not apply beginning of contract year eleven. Any withdrawal could be subject to a market value adjustment. There is a guaranteed surrender value of 87.50% of the premium paid accumulated at a non-forfeiture rate of 2.60%, adjusted by withdrawals plus surrender charges and any premium taxes paid. The fair value is the original cost plus interest earned. This annuity is not "risk free" or "guaranteed safe". It is only as sound as the issuing insurance company. The balance as of June 30, 2025 was $830,028.

On May 12, 2023 the Academy deposited a premium of $1,500,000 with Oceanview Life and Annuity Company in a long-term insurance product called a Single Premium Deferred Multi-Year Guaranteed Annuity (MYGA). The effective date of the annuity contract was May 19, 2023 and the maturity date is January 1, 2075 or the last day of the initial guarantee period extending beyond such date, if later. The accumulation value in the contract is guaranteed to receive no less than 4.90% during the initial four year guarantee period and then 1% in the subsequent guarantee period. The surrender charge period is four years and any withdrawals during this period may be subject to penalties. The surrender charge percent is nine percent in the first year, eight percent in the second year, seven percent in the third year, and six percent in the fourth year of the period. Surrender charges will not apply beginning of contract year five. Any withdrawal could be subject to a market value adjustment. There is a minimum surrender value of 87.50% with an interest rate for minimum surrender value of 2.80%. The fair value is the original cost plus interest earned. This annuity is not "risk free" or "guaranteed safe". It is only as sound as the issuing insurance company. The balance as of June 30, 2025 was $1,650,601.

On May 12, 2023 the Academy deposited a premium of $750,000 with Americo Financial Life and Annuity Insurance Company in a long-term insurance product called a Single Premium Deferred Multi-Year Guaranteed Annuity (MYGA). The effective date of the annuity contract was May 23, 2023 and the maturity date is May 23, 2075. The accumulation value in the contract is guaranteed to receive no less than 5.25% during the initial five year guarantee period. The surrender charge period is five years and any withdrawals during this period may be subject to penalties. The surrender charge percentage is nine percent in the first year, eight percent in the second year, seven percent in the third year, six percent in the fourth year, and five percent in the fifth year of the period. Surrender charges will not apply beginning of contract year six. Any withdrawal could be subject to a market value adjustment. There is a minimum surrender value of 87.50% with a minimum guaranteed interest rate of 2.35%. The fair value is the original cost plus interest earned. This annuity is not "risk free" or "guaranteed safe". It is only as sound as the issuing insurance company. The balance as of June 30, 2025 was $830,933.

On May 12, 2023 the Academy deposited a premium of $1,500,000 with Clear Spring Life and Annuity Company in a long-term insurance product called a Single Premium Deferred Multi-Year Guaranteed Annuity (MYGA). The effective date of the annuity contract was May 25, 2023 and the maturity date is May 25, 2080. The accumulation value in the contract is guaranteed to receive no less than 4.60% during the initial two year guarantee period. The surrender charge period is two years and any withdrawals during this period may be subject to penalties. The surrender charge percentage is seven percent in the first year and six percent in the second year of the period. Surrender charges will not apply beginning of contract year three. Any withdrawal could be subject to a market value adjustment. There is a minimum surrender value of 87.50% with a nonforfeiture interest rate of 2.80%. The fair value is the original cost plus interest earned. This annuity is not "risk free" or "guaranteed safe". It is only as sound as the issuing insurance company. The Clear Spring annuity contract expired in May 2025 and funds were transferred to a second ASPIDA account with a surrender charge period of two years and any withdrawals during this period may be subject to penalties. The accumulation value in the contract is guaranteed to receive no less than 4.80% during the initial two year guarantee period. The balance as of June 30, 2025 was $ 1,646,241.

2. CASH DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

On May 12, 2023 the Academy deposited a premium of $1,500,000 with ASPIDA in a long-term insurance product called a Single Premium Deferred Multi-Year Guaranteed Annuity (MYGA). The effective date of the annuity contract was May 15, 2023 and the maturity date is May 15, 2095. The accumulation value in the contract is guaranteed to receive no less than 4.90% during the initial three year guarantee period. The surrender charge period is three years and any withdrawals during this period may be subject to penalties. The surrender charge percentage is nine percent in the first year, eight percent in the second year, and seven percent in the third year of the period. Surrender charges will not apply beginning of contract year three. Any withdrawal could be subject to a market value adjustment. There is a minimum surrender value of 87.50% with interest credited at a 2.85% annual effective rate. The fair value is the original cost plus interest earned.

The yield for the current year is estimated to be approximately 5.12%. This annuity is not "risk free" or "guaranteed safe". It is only as sound as the issuing insurance company. The balance as of June 30, 2025 was 1,650,601.

In accordance with ASC No. 820, the School classifies its investments into Level 1, which refers to securities traded in an active market, Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available or Level 1 securities where there is a contractual restriction, and Level 3, which refers to securities not traded in an active market and for which no significant observable market inputs are available. As required by ASC No. 820, the Academy's investments were classified as follows, based on fair values:

The fair value of the annuity is determined using the original contract value plus accrued and accumulated interest earned which approximates the fair market value.

Fair values of assets measured on a recurring basis at June 30, 2025 are as follows:

Fair Value Measurement at Reporting Date Using Significant Unobservable Inputs

Annuities:	Fair Value	Significant Unobservable Inputs (Level 3)
Sagicor Life Insurance Company	$ 830,028	$ 830,028
Oceanview Life & Annuity Company	1,677,987	1,677,987
Americo Financial Life & Annuity Company	830,933	830,933
ASPIDA 2	1,646,241	1,646,241
ASPIDA	1,650,601	1,650,601
Subtotal	$ 6,635,790	$ 6,635,790

The following table presents the Academy's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2025:

2. CASH DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Balance at June 30, 2024	$ 6,326,937
Total realized gains	-
Purchases	308,853
Sales	-
Transfers into Level 3	-
Transfers out of Level 3	-
Balance at June 30, 2025	$ 6,635,790

		Investment Maturities (in months)		
Investment Type	Fair Value	Less than 3	3-18	18+
Life Insurance Annuity Contracts	$ 6,635,790	$ -	$ -	$ 6,635,790
Subtotal	$ 6,635,790	$ -	$ -	$ 6,635,790

3. CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2025 are as follows:

	Capital Assets July 1, 2024	Additions	(Deletions)	Capital Assets June 30, 2025
Non-Depreciable Capital Assets				
Land	$ 3,067,010	$ -	$ -	$ 3,067,010
Total Non-Depreciable Capital Assets	$ 3,067,010	-	-	$ 3,067,010
Depreciable Capital Assets				
Building	$ 6,591,212	$ 241,000	$ -	$ 6,832,212
Leasehold Improvements	213,773	-	-	213,773
Equipment	287,629	32,233	-	319,862
Furniture	205,924	-	-	205,924
Total Depreciable Capital Assets	7,298,538	273,233	-	7,571,771
Accumulated Depreciation				
Building	494,064	173,031	-	667,095
Leasehold Improvements	213,774	-	-	213,774
Equipment	172,598	40,906	-	213,504
Furniture	200,089	1,594	-	201,683
Total Accumulated Depreciation	1,080,525	215,531	-	1,296,056
Total Depreciable Assets, Net	$ 6,218,013			$ 6,275,715
Total Capital Assets, Net	$ 9,285,023			$ 9,342,725

Depreciation is allocated 100% to supporting services.

4. 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.

4. 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 $3,209,855, excluding amounts to fund employer specific liabilities.

4. PENSION PLAN (CONTINUED)

Pension Asset or Liability – At June 30, 2025, the Academy reported a net pension liability of $20,630,509 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 .09 percent and .12 percent, respectively. Pension income for the year ended June 30, 2025 was $281,107.

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	$ 1,222,167	$ 49,238
Changes in assumptions	2,074,198	2,657
Net difference between projected and actual earnings on pension plan investments	1,310,614	-
Changes in proportionate share	1,394,516	4,649,922
Differences between Academy contributions and proportionate share of contributions	813,686	1,142,568
Subtotal - Amortized deferrals (below)	6,815,181	5,844,385
Academy contributions subsequent to measurement date	3,209,855	-
Total deferred outflow (inflow) of resources	$ 10,025,036	$ 5,844,385

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 $6,815,181, and deferred inflows of resources, ($5,844,385), net to $970,796 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2026	(454,836)
2027	1,611,129
2028	244,408
2029	(306,688)
2030	(123,216)
Thereafter	-
Total	$ 970,796

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

4. 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 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.

4. 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)

4. 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 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	$ 32,543,790	$ 20,630,509	$ 10,652,554

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.

4. 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 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 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.

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

5. 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 $329,835 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 dates of June 30, 2024 and 2023, the Academy's proportion was .08 percent and .06 percent, respectively. OPEB income for the year ended June 30, 2025, was $86,749.

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

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	$	(39,214)
Net amortization of employer-specific deferred amounts from:		
-Changes in proportionate share (per paragraph 64 of GASB 75)		(47,355)
-Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)		-
Employer's Total OPEB Expense/Income	$	(86,569)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ -	$ 6,451
Changes in assumptions	-	4,172
Net difference between projected and actual earnings investments	9,313	-
Changes in proportionate share	-	48,042
Differences between Academy contributions and proportionate share of system contributions	-	-
Subtotal - Amortized deferrals (below)	9,313	58,665
Academy contributions subsequent to measurement date	-	-
Total deferred outflow (inflow) of resources	$ 9,313	$ 58,665

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, $9,313, and deferred inflows of resources, ($58,665), net to ($49,352) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2026	(62,980)
2027	7,514
2028	5,038
2029	1,076
2030	-
Thereafter	-
Total	$ (49,352)

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

5. 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.

5. 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%
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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 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	$ 305,327	$ 329,835	$ 350,937

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.

6. 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 management 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 by the Academy and recognize a tax liability (or asset) an uncertain tax position has been taken that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Academy is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Academy's management believes it is no longer subject to income tax examinations for years prior to 2021.

7. CONTRACTED SERVICES

On July 1, 2019, the Academy entered into a contract agreement with SYS Education LLC to provide school tech services and curriculum support starting July 1, 2020. Expenditures related to SYS Education LLC were $4,948,025 for the year ended June 30, 2025. This agreement expires June 30, 2025, but is cancelable by the Academy under certain conditions.

On November 25, 2019, the Academy entered into a contract with Carruth Compliance Consulting Inc. to provide consulting services. Expenditures related to Carruth Compliance Consulting, Inc. for the year ended June 30, 2025 was $0. This agreement expired December 31, 2024, but is cancelable by the Academy under certain conditions.

On March 1, 2020, the Academy entered into a contract with Instructure Inc. to provide student attendance and participation tracking services. Expenditures related to Instructure Inc. for the year ended June 30, 2025 was $18,234. This agreement expires June 30, 2025, but is cancelable by the Academy under certain conditions.

On March 20, 2020, the Academy entered into a contract with Accelerate Education to provide digital course materials. Expenditures related to Instructure Inc. for the year ended June 30, 2025 was 161,516. This agreement shall automatically renew each year unless either party provides a 30 day notice of intention not to renew, or other certain conditions are met.

On April 4, 2020, the Academy entered into a contract with IXL Learning. to provide digital course materials starting July 1, 2020. Expenditures related to IXL Learning for the year ended June 30, 2025 was $52,450. This agreement expires June 30, 2025, but is cancelable by the Academy under certain conditions.

On March 14, 2020, the Academy entered into a contract with eDynamic Learning to provide career & elective courses starting July 1, 2020. Expenditures related to eDynamic Learning for the year ended June 30, 2025 was $95,510. This agreement expires June 30, 2025, but is cancelable by the Academy under certain conditions.

7. CONTRACTED SERVICES (CONTINUED)

On March 17, 2020, the Academy entered into a contract with sora/Overdrive Learning Inc. to provide digital course materials starting July 1, 2020. Expenditures related to sora/Overdrive Learning Inc for the year ended June 30, 2025 was $15,250. This agreement shall automatically renew each year unless either party provides a 30 day notice of intention not to renew, or other certain conditions are met.

On September 19, 2022, the Academy entered into a contract with PowerSchool Group LLC to provide virtual education services. Expenditures related to PowerSchool Group LLC for the year ended June 30, 2025 was $63,281. This agreement shall automatically renew each year unless either party provides a 30 day notice of intention not to renew, or other certain conditions are met.

On March 26, 2020, the Academy entered into a contract with Florida Virtual School to provide digital course materials starting April 1, 2022. Expenditures related to Florida Virtual School for the year ended June 30, 2025 was $69,206. This agreement expires June 30, 2025, but is cancelable by the Academy under certain conditions.

On July 1, 2020, the Academy entered into a contract with Community Therapy Services, LLC, to provide special needs and consulting services. Expenditures related to Community Therapy Services were $679,545 for the year ended June 30, 2025. This agreement shall automatically renew each year unless either party provides a 30 day notice of intention not to renew, or other certain conditions are met.

On July 1, 2022, the Academy entered into a contract with E-Therapy LLC., to provide teletherapy services. Expenditures related to Community Therapy Services were $450,000 for the year ended June 30, 2025. The agreement automatically renews quarterly unless either party provides a 30 day notice of intention not to renew, or other certain conditions are met.

On July 1, 2020, the Academy entered into a contract with Jenelle Stone to provide special need consulting and services. Expenditures related to Jenelle Stone were $204,104. This agreement shall automatically renew each year unless either party provides a 30 day notice of intention not to renew, or other certain conditions are met.

On July 1, 2020, the Academy entered into a contract with Rosetta Stone to provide language software subscription services. This agreement expires on October 11, 2024. Expenditures related to Rosetta Stone were $1,200.

On October 31, 2022, the Academy entered into a contract with the Summit Strategies to provide governmental relation services starting October 10, 2023. Expenditures related to Summit Strategies for the year ended June 30, 2025 was $46,000. This agreement expires October 31, 2024.

On April 15, 2024, the Academy entered into a contract with DebtBook to provide subscription services. Expenditures related to DebtBook for the year ended June 30, 2025 was $9,000. This agreement expires April 14, 2025.

7. CONTRACTED SERVICES (CONTINUED)

On September 29, 2023, the Academy entered into a contract with Liberty Mutual to provide liability insurance services. Expenditures related to Liberty Mutual for the year ended June 30, 2025 was $7,540. This agreement expires January 1, 2025.

On September 29, 2022, the Academy entered into a contract with the Sprout Social to provide subscription services starting September 29, 2023. Expenditures related to Sprout Social for the year ended June 30, 2025 was $4,094. This agreement expires September 28, 2025, but is cancelable by the Academy under certain conditions.

On June 1, 2021, the Academy entered into a contract with Teach Upbeat to provide subscription services. Expenditures related to Teach Upbeat for the year ended June 30, 2025 was $3,584. This agreement expires June 30, 2025, but is cancelable by the Academy under certain conditions.

On February 1, 2023, the Academy entered into a contract with SAP Concur Technologies to provide management cloud software. Expenditures related to SAP Concur Technologies for the year ended June 30, 2025 was $0. This agreement expires on February 29, 2025, but is cancelable by the Academy under certain conditions.

On July 1, 2022, the Academy entered into a contract with Avid Center to provide curriculum services. Expenditures related to Avid Center for the year ended June 30, 2025 was $5,224. This agreement expires on June 30, 2025, but is cancelable by the Academy under certain conditions.

On December 15, 2022, the Academy entered into a contract with Macadam Forbes/RHYS Konrad to provide exclusive brokerage and listing services. Expenditures related to Macadam Forbes/RHYS Konrad for the year ended June 30, 2025 was $0. This agreement expires on June 30, 2025, but is cancelable by the Academy under certain conditions.

On April 26, 2023, the Academy entered into a contract with iHeart Media. to provide community education services. Expenditures related to Twin Cities Public Television Inc. for the year ended June 30, 2025 was $194,068. This agreement expires on June 30, 2025.

On June 14, 2019, the Academy entered into a contract agreement with ADP, LLC, to provide HR, Payroll, and other professional services starting January 1, 2020. Expenditures related to ADP, LLC, for the year ended June 30, 2025 was $115,000. This agreement expires October 25, 2025.

7. CONTRACTED SERVICES (CONTINUED)

On July 1, 2023 the Academy entered into a contract with the Salem-Keizer Public Schools 24J. Expenditures related to Salem-Keizer Public Schools for the year ended June 30, 2025 was $0. This agreement expires June 30, 2025, but is cancelable by the Academy under certain conditions.

On October 19, 2023 the Academy entered into a contract with Jessica Bunting to provide consulting services. Expenditures related to Jessica Bunting for the year ended June 30, 2025 was $0. This agreement expires June 30, 2025, but is cancelable by the Academy under certain conditions.

On July 1, 2023 the Academy entered into a contract with Care Solace Inc. to provide support services. Expenditures related to Care Solace Inc. for the year ended June 30, 2025 was $7,500. This agreement expires June 30, 2025, but is cancelable by the Academy under certain conditions.

On July 1, 2023 the Academy entered into a contract with Carone Learning. to provide support services. Expenditures related to Care Solace Inc. for the year ended June 30, 2025 was $7,248. This agreement shall automatically renew each year unless either party provides a 30 day notice of intention not to renew, or other certain conditions are met.

On July 31, 2023 the Academy entered into a contract with the Chemeketa Community College to provide consulting services. Expenditures related to Chemeketa Community College for the year ended June 30, 2025 was $0. This agreement expires June 30, 2026, but is cancelable by the Academy under certain conditions.

On July 1, 2023 the Academy entered into a contract with the Linn Benton Lincoln Education Service District to provide services to school district. Expenditures related to Linn Benton Lincoln Education Service District for the year ended June 30, 2025 was $11,007. This agreement expires June 30, 2025, but is cancelable by the Academy under certain conditions.

7. CONTRACTED SERVICES (CONTINUED)

Contract Start Date	Period Covered	Vendor	Services Provided	Current Year Expenditures	Cancelable	Applicable in 2025?
6/14/2019	1/1/2025 - 10/25/2025	ADP LLC	HR, Payroll	$ 115,000	Yes*	Yes
7/1/2019	7/1/2020 - 6/30/2025	SYS Education LLC	School Curriculum	$ 4,948,025	Yes*	Yes
11/25/2019	11/25/2019- 12/31/2024	Carruth Compliance Consulting	Section 403(b) plan administration	N/A	Yes*	Ended Jan 25
3/1/2020	7/1/2020 - 6/30/2025	Instructure Inc	Attendance and participation tracking	$ 18,234	Yes*	Yes
3/20/2020	Until Terminated	Accelerate Education	Digital course materials	$ 161,516	Yes*	Yes
4/4/2020	7/1/2020 - 6/30/2025	IXL Learning	Digital course materials	$ 52,450	Yes*	Yes
3/14/2020	7/1/2020 - 6/30/2025	eDynamic Learning	Digital course materials	$ 95,510	Yes*	Yes
3/17/2020	Until Terminated	sora/OverDrive Learning Inc	Digital content	$ 15,250	Yes*	Yes
9/19/2022	Until Terminated	Powerschool Group LLC	Software and support services	$ 63,281	Yes*	Yes
3/26/2020	04/01/2022 - 7/31/2024	Florida Virtual School	Digital course materials	$ 69,206	Yes*	Yes
7/1/2020	Until Terminated	Community Therapy Services, LLC	Special Needs Consulting and Services	$ 679,545	Yes*	Yes
7/1/2022	Until Terminated	E-Therapy LLC	Direct teletherapy and Indirect services	$ 450,000	Yes*	Yes
7/1/2020	Until Terminated	Jenelle Stone	Special Needs Consulting and Services	$ 204,104	Yes*	Yes
10/11/2023	10-11-2023-10-11-2024	Rosetta Stone	Software and language learning services	$ 1,200	Yes*	Yes
10/31/2022	10/10/2023 - 10/31/2024	Summit Strategies	State Legislature Lobbying	$ 46,000	Yes*	Yes
4/15/2023	4/15/2023 - 4/14/2025	DebtBook	Implementation and support accounting services	$ 9,000	Yes*	Yes
1/1/2022	01/01/2024 - 01/01/2025	Liberty Mutual	Liability Insurance	$ 7,540	Yes*	Yes
9/29/2022	9/29/2023 - 9/28/2024	Sprout Social	Software and support services	$ 4,094	Yes*	Yes
6/1/2021	06/01/2020 - 6/01/2025	Teach Upbeat	Software and support services	$ 3,584	Yes*	Yes
2/1/2023	2/1/2024 - 2/29/2025	SAP Concur Technologies, Inc.	Management Cloud Software	N/A	Yes*	Yes
7/1/2022	7/1/2022 - 6/30/2025	Avid Center	Curriculum	$ 5,224	Yes*	Yes
12/15/2022	12/15/2022-06/30/2025	Macadam Forbes/RHYS Konrad	Exclusive brokerage services and listing services.	$ 1,854	Yes*	Yes
4/27/2022	7/1/2023 - 6/30/2025	iHeart Media	Media Subscription	$ 194,068		Yes
1/4/2023	07/01/2023-6/30/2025	Salem-Keizer Public Schools 24J	Interscholastic Activities	N/A	Yes*	Yes
11/9/2023	11/9/2023-06/30/2025	Jessca Bunting	Consulting and Service Agreements	N/A	Yes*	Yes
7/1/2023	07/01/2023 - 06/30/2025	Care Solace, Inc.	Support service	$ 7,500	Yes*	Yes
7/1/2023	Until Terminated	Carone Learning	Software and support services	$ 7,248	Yes*	Yes
7/1/2023	07/01/2023 - 06/30/2026	Chemeketa	Curriculum	N/A	Yes*	Yes
7/1/2023	07/01/2023 - 06/30/2025	Linn-Benton-Lincoln	Intergovernmental agreement	$ 11,007	Yes*	Yes

8. ACCOUNTS RECEIVABLE

At June 30, 2025 there was an accounts receivable balance of $1,105,724; of this amount, approximately 55% was due from the Oregon Department of Education while approximately 0.5% was due from a vendor for a contract settle up and the remainder was related to virtual education services. There were no account receivables greater than 90 days old at June 30, 2025. All receivables are considered fully collectible so no allowance for uncollected amounts has been made.

9. LEASE RECEIVABLES AND DEFERRED INFLOWS

For the year ended June 30, 2025, the financial statements include the adoption of 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. For additional information, refer to the disclosures below.

On 06/03/2022, the Academy entered into a 97 month lease as Lessor for the use of Suite 104 - West Chiropractor. An initial lease receivable was recorded in the amount of $516,784. As of 06/30/2025, the value of the lease receivable is $339,686. The lessee is required to make monthly fixed payments of $5,484. The lease has an interest rate of 2.8809%. The value of the deferred inflow of resources as of 06/30/2025 was $321,890, and the Academy recognized lease revenue of $63,323 during the fiscal year. The lessee has 1 extension option for 60 months.

On 06/03/2022, the Academy entered into a 125 month lease as Lessor for the use of Suite 203 - Boone Dental. An initial lease receivable was recorded in the amount of $1,604,824. As of 06/30/2025, the value of the lease receivable is $1,226,958. The lessee is required to make monthly fixed payments of $12,734. The lease has an interest rate of 2.8914%. The value of the deferred inflow of resources as of 06/30/2025 was $1,134,167, and Oregon Charter Academy recognized lease revenue of $152,921 during the fiscal year. The lessee has 1 extension option for 60 months.

On 06/03/2022, the Academy entered into a 19 month lease as Lessor for the use of Suite 103 - Burley. This lease has been extended for another 5 years. An additional lease receivable was recorded in the amount of $235,267 As of 06/30/2025, the value of the lease receivable is $191,050. The lessee is required to make monthly fixed payments of $4,457, which increases every year. The lease has an interest rate of 2.8810%. The value of the deferred inflow of resources as of 06/30/2025 was $183,937, and the Academy recognized lease revenue of $51,330 during the fiscal year.

9. LEASE RECEIVABLES AND DEFERRED INFLOWS (CONTINUED)

The deferred inflow is amortized on a straight line basis. Future maturities for the receivables are as follows.

Lease Receivable	Balance Beginning of Year	Additions	Deletions	Less Rent Received	Balance End Of Year	Current Lease Receivable Asset	Long Term Receivable Asset
Building							
Boone Dental STE 203	$ 1,358,521	$ -	$ -	$ (131,563)	$ 1,226,958	$ 142,274	$ 1,084,684
Burley STE 103	-	237,389	-	(46,339)	191,050	49,382	$ 141,668
West Chiro STE 104	400,683	-	-	(60,997)	339,686	62,957	276,729
Total	$ 1,759,204	$ 237,389	$ -	$ (238,899)	$ 1,757,694	$ 254,613	$ 1,503,081

Deferred Lease Revenue	Balance Beginning of Year	Additions	Additions	Less Deferred Revenue Recognized	Balance End Of Year	Current Deferred Lease Revenue	Long Term Deferred Lease Revenue
Building							
Boone Dental STE 203	$ 1,287,088	$ -	$ -	$ (152,921)	$ 1,134,167	$ 152,924	$ 981,243
Burley STE 103	-	235,267	-	(51,330)	183,937	51,331	$ 132,606
West Chiro STE 104	385,213	-	-	(63,323)	$ 321,890	63,323	258,567
Total	$ 1,672,301	$ 235,267	$ -	$ (267,574)	$ 1,639,994	$ 267,578	$ 1,372,416

10. LEASE LIABILITIES

On 07/01/2021, the Academy entered into a 47 month lease as Lessee for the use of Pacific Office Automation (POA) Copiers. An initial lease liability was recorded in the amount of $66,700. As of 06/30/2025, the value of the lease liability is $0. The Academy is required to make monthly fixed payments of $1,448. The lease has an interest rate of 1.0112%. The value of the right to use asset as of 06/30/2025 of $66,700 with accumulated amortization of $66,700 is included with Equipment on the Lease Class activities table found below.

	Outstanding 7/1/2024	Issued	Matured and Redeemed	Outstanding 6/30/2025	Due Within One Year
Equipment					
POA Copier	$ 15,846	$ -	$ 15,846	$ -	$ -
Total	$ 15,846	$ -	$ 15,846	$ -	$ -

11. RIGHT-OF-USE ASSETS

Right to use assets are for the leases in Note 10.

Amount of Lease Assets by Major Classes of Underlying Asset

	As of Fiscal Year-end		
	Lease Asset Value	Accumulated Amortization	Net Book Value
Asset Class			
Equipment	$ 66,700	$ 66,700	$ -
Total Leases	$ 66,700	$ 66,700	$ -

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

	Balance Beginning of Year	Additions	(Deletions)	Balance End Of Year
Right-to-Use Asset				
Equipment	$ 66,700	-	-	$ 66,700
Total	66,700	-	-	66,700
Accumulated Amortization				
Equipment	50,095	16,605	-	66,700
Total	50,095	16,605	-	66,700
Net Right-to-Use Assets	$ 16,605			$ -

12. SUBSCRIPTION LIABILITIES

For the year ended 6/30/2025, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On 06/14/2021 Oregon Charter Academy, OR entered into a 28 month subscription for the use of ADP. An initial subscription liability was recorded as of July 1, 2022 in the amount of $300,530. As of 6/30/2025, the value of the subscription liability is $0. Oregon Charter Academy, OR is required to make monthly fixed payments of $11,000. The subscription has an interest rate of 2.1940%. The value of the right to use asset as of 6/30/2025 of $300,530 with accumulated amortization of $300,530 is included with Software on the Subscription Class activities table found below.

On 6/28/2019, Oregon Charter Academy, OR entered into a 26 month subscription for the use of Newsela. An initial subscription liability was recorded as of July 1, 2022 in the amount of $47,133. As of 06/30/2025, the value of the subscription liability is $0. Oregon Charter Academy, OR is required to make annual fixed payments of $16,000. The subscription has an interest rate of 1.8500%. The value of the right to use asset as of 6/30/2025 of $47,133 with accumulated amortization of $47,133 is included with Software on the Subscription Class activities table found below. Oregon Charter Academy, OR has 2 extension option(s), each for 12 months.

On 9/19/2022, Oregon Charter Academy, OR entered into a 36 month subscription for the use of PowerSchool - Enrollment. An initial subscription liability was recorded in the amount of $32,833. As of 06/30/2025, the value of the subscription liability is $0. Oregon Charter Academy, OR is required to make annual fixed payments of $11,200. The subscription has an interest rate of 2.3540%. The value of the right to use asset as of 6/30/2025 of $32,833 with accumulated amortization of $30,461 is included with Software on the Subscription Class activities table found below.

Changes in Subscription Based Information Technology Arrangement (SBITA) Liabilities

	Governmental Activities				
	Balance at July 1, 2024	Additions	Reductions	Balance at June 30, 2025	Due within one year
Software					
ADP	$ 43,800	$ -	$ 43,800	$ -	$ -
Newsela	15,709	-	15,709	-	-
PowerSchool Enrollment	10,942	-	10,942	-	-
Total	$ 70,451	$ -	$ 70,451	$ -	$ -

13. SUBSCRIPTION RIGHT-TO-USE ASSETS

Right to use assets are for the subscriptions in Note 12.

Amount of Subscription Assets by Major Class of Underlying Assets (Right to Use Assets)

	As of Fiscal Year-end		
	Subscription Asset Value	Accumulated Amortization	Net Book Value
Asset Class			
Software Subscriptions	$ 380,496	$ 378,124	$ 2,372
Total Subscriptions Right-to-Use Assets	$ 380,496	$ 378,124	$ 2,372

Changes in Subscription Right-to-Use Assets

	Balance Beginning of Year	Additions	(Deletions)	Balance End Of Year
Subscription Right-to-Use Assets				
Software				
ADP	$ 300,530	$ -	$ -	$ 300,530
Newsela	47,133	-	-	47,133
PowerSchool Enrollment	32,833	-	-	32,833
Total	380,496	-	-	380,496
Accumulated Amortization				
Software				
ADP	257,596	42,934	-	300,530
Newsela	43,452	3,681	-	47,133
PowerSchool Enrollment	19,517	10,944	-	30,461
Total	320,565	57,559	-	378,124
Net Subscription Right-to-Use Assets	$ 59,931			$ 2,372

13. PREPAID EXPENSES

Prepaid expenses were comprised of prepaid insurance and curriculum purchases for 2025-26.

14. COMMITMENTS & CONTINGENCIES

A substantial portion of operating funding is received from the State of Oregon through Santiam Canyon 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 either increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the Academy's operations cannot be determined.

The Academy operates under the authority of Santiam Canyon 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.

15. 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 coverage in the past three fiscal years.

OREGON CHARTER ACADEMY

REQUIRED SUPPLEMENTARY INFORMATION

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OREGON CHARTER ACADEMY
LINN COUNTY, OREGON

REQUIRED 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	0.09 %	$ 20,630,509	$ 10,018,215	205.9 %	79.3 %
2024	0.12	23,319,204	11,170,322	208.8	81.7
2023	0.13	19,974,318	13,437,766	148.6	84.5
2022	0.11	13,520,966	12,030,249	112.4	87.6
2021	0.11	24,349,252	11,495,673	211.8	75.8
2020	0.11	19,236,902	12,154,103	158.3	80.2
2019	0.11	16,058,707	8,801,745	182.4	82.1
2018	0.10	13,439,263	8,020,199	167.6	83.1
2017	0.10	15,715,745	7,174,907	219.0	80.5
2016	0.10	5,910,699	6,275,470	94.2	91.9

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.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2025	$ 3,209,855	$ 3,209,855	$ -	$ 12,269,126	26.2 %
2024	2,794,184	2,794,184	-	10,018,215	27.9
2023	2,796,632	2,796,632	-	11,170,322	25.0
2022	3,159,733	3,159,733	-	13,437,766	23.5
2021	3,452,004	3,452,004	-	12,030,249	28.7
2020	3,238,574	3,238,574	-	11,495,673	28.2
2019	2,169,319	2,169,319	-	12,154,103	17.8
2018	1,902,100	1,902,100	-	8,801,745	21.6
2017	1,376,250	1,376,250	-	8,020,199	17.2
2016	1,265,483	1,265,483	-	7,174,907	17.6

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.

OREGON CHARTER ACADEMY
LINN COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

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

Year Ended June 30,	(a) Employer's proportion of the net OPEB liability (asset) (NOL/(A))	(b) Employer's proportionate share of the net OPEB Liability/ (asset) (NOL/(A))	(c) Employer's covered payroll	(b/c) NOL/(A) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2025	0.08 %	$ (329,835)	$ 10,018,215	(3.3) %	220.6 %
2024	0.06	(217,371)	11,170,322	(1.9)	201.6
2023	0.04	(152,062)	13,437,766	(1.1)	194.6
2022	0.07	(231,760)	12,030,249	(1.9)	183.9
2021	0.07	(137,107)	11,495,673	(1.2)	150.1
2020	0.08	(160,840)	12,154,103	(1.6)	144.4
2019	0.08	(84,681)	8,801,745	(1.0)	124.0
2018	0.07	(29,253)	8,020,199	(0.4)	108.9
2017	0.07	18,018	7,174,907	0.3	90.0

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

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

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	* $ N/A	$ N/A	$ N/A	$ 12,269,126	N/A %
2024	N/A	N/A	N/A	10,018,215	N/A
2023	N/A	N/A	N/A	11,170,322	N/A
2022	N/A	N/A	N/A	13,437,766	N/A
2021	N/A	N/A	N/A	12,030,249	N/A
2020	N/A	N/A	N/A	11,495,673	N/A
2019	N/A	N/A	N/A	12,154,103	N/A
2018	N/A	N/A	N/A	8,801,745	N/A
2017	N/A	N/A	N/A	8,020,199	N/A

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

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

* All statutorily required contributions were made and are included within PERS contributions (see pg. 39).

OREGON CHARTER ACADEMY

OTHER INFORMATION

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OREGON CHARTER ACADEMY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	GENERAL FUND			
REVENUES:	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO BUDGET FAVORABLE (UNFAVORABLE)
Local Sources:				
Interest and investment earnings	$ -	$ -	$ 659,711	$ 659,711
Program Fees	-	-	3,752	3,752
Miscellaneous	-	-	8,519	8,519
Rental Revenue	-	-	363,830	363,830
From State Sources:				
State School Support	28,707,964	28,707,964	32,090,872	3,382,908
Other State/Grant Funding	-	-	1,318,252	1,318,252
From Federal Sources				
Grants (IDEA)	1,350,000	1,350,000	613,036	(736,964)
E-Rate & Other	44,000	44,000	-	(44,000)
Total Revenues	30,101,964	30,101,964	35,057,972	4,956,008
EXPENDITURES:				
Salaries and Benefits	18,125,593	18,125,593	19,249,303	(1,123,710)
Purchased Services	9,247,007	9,247,007	9,330,739	(83,732)
Supplies and Materials	505,000	505,000	388,845	116,155
Capital Outlay	-	-	273,233	(273,233)
Miscellaneous Expenditures	757,500	757,500	577,063	180,437
Total Expenditures	28,635,100	28,635,100	29,819,183	(1,184,083)
Net Change in Fund Balance	1,466,864	1,466,864	5,238,789	3,771,925
Beginning Fund Balance	-	-	16,706,632	16,706,632
Ending Fund Balance	$ 1,466,864	$ 1,466,864	$ 21,945,421	$ 20,478,557

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OREGON CHARTER ACADEMY

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

For the Year Ended June 30, 2025

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PAULY, ROGERS AND CO., P.C.
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December 17, 2025

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Oregon Charter Academy as of and for the year ended June 30, 2025, and have issued our report thereon dated December 17, 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 Oregon Charter 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 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.