

Pleasant Hill School District No. 1



January 12, 2026 Board Meeting

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Commitment, Excellence, Community

Pleasant Hill School District

36386 Highway 58, Pleasant Hill, OR 97455-9614

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www.pleasanthill.k12.or.us

Pleasant Hill School District No. 1

National School Counseling Week

Resolution 2526.89

WHEREAS, school counselors provide services to students to help them reach their full potential; and
WHEREAS, school counselors are actively committed to helping students explore their abilities, strengths, interests, and talents as these traits relate to career awareness and development; and
WHEREAS, school counselors help parents focus on ways to further the educational, personal, and social growth of their children; and
WHEREAS, school counselors work with teachers and other educators to help students explore their potential and set realistic goals for themselves; and
WHEREAS, school counselors seek to identify and utilize community resources that can enhance and complement comprehensive school counseling programs and help students become productive members of society; and
WHEREAS, comprehensive developmental school programs are considered an integral part of the educational process that enables all students to achieve success in school.

NOW, THEREFORE, BE IT RESOLVED that the Pleasant Hill School District Board of Directors proclaims February 2-6, 2026, to be **NATIONAL SCHOOL COUNSELING WEEK**; and

BE IT FURTHER RESOLVED that the Pleasant Hill School District Board of Directors strongly encourages all members of our community to join in this observance, recognizing the dedication and hard work of these individuals.

Adopted this 12th day of January 2026.

Signed:

Drew Gottfried, Board Chair
Pleasant Hill School District Board of Directors

STATE OF OREGON
PROCLAMATION
OFFICE OF THE GOVERNOR

- WHEREAS:** Oregonians rely on public education to ensure a prosperous quality of life and strong economic health for Oregon; and
- WHEREAS:** Locally elected boards fulfill leadership roles and serve as the conduit through which teachers, parents, businesses, and communities demonstrate the care, creativity, and support that lead to student achievement; and
- WHEREAS:** Public school nurtures and trains diverse student populations, with varying resources, to give students the knowledge, skills, and opportunities they need to succeed; and
- WHEREAS:** Board members build the framework that makes it possible for education organizations to educate Oregon's children; and
- WHEREAS:** We thank the committed community members who serve on the boards of Oregon's 197 school districts, 19 education services districts, and 17 community colleges for their dedication to the education needs of Oregonians.

NOW,

THEREFORE: I, Tina Kotek, Governor of the State of Oregon, hereby proclaim January 2026 to be

SCHOOL BOARD RECOGNITION MONTH

in Oregon and encourage all Oregonians to join in this observance.

IN WITNESS WHEREOF, I hereunto set my hand and cause the Great Seal of the State of Oregon to be affixed. Done at the Capitol in the City of Salem in the State of Oregon on this day November 25, 2025.



Handwritten signature of Tina Kotek in black ink.

Tina Kotek, Governor

Handwritten signature of Tobias J. Read in black ink.

Tobias Read, Secretary of State



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Commitment, Excellence, Community

**PLEASANT HILL SCHOOL DISTRICT NO. 1
REGULAR SCHOOL BOARD MEETING MINUTES
Monday, December 15, 2025; 7:00 p.m.; Pleasant Hill Community Center**

1. CALL TO ORDER

Board Chair Drew Gottfried called the December 15, 2025 board meeting to order at 7:00 p.m. with the Pledge of Allegiance. Board members present were Vice Chair Rusty Rexius, Stephen Hammond, John Oldham and Jennifer Woodland. Others present were Superintendent Jim Crist, Business Manager Sheri Longobardo, Special Education Director Whitney Connolly, Elementary School Principal Brenna Fairchild, Middle/High School Principal Chris Reiersgaard, High School Assistant Principal/Athletic Director Alan Stearns, Middle School Assistant Principal Caleb Salmond and Board Secretary Kimberly Silbernagel.

Jennifer Woodland read the mission statement.

2. CHANGES OR ADDITIONS TO THE AGENDA

There were no changes or additions.

3. PRESENTATIONS

3.1 Student Leadership

ASB Vice President Caitlin Olinger shared her report to the board. It is currently winter spirit week. There will be dress up days and activities throughout the week. The leadership class has been decorating teacher’s doors, planning the winter formal and planning a winter sports pep assembly.

4. PUBLIC FORUM

- Dustin Helvie addressed the board regarding staff member conduct.

5. ACTION ITEMS

5.1 Approve November 17, 2025 Board Meeting Minutes (Exhibit 2526.76)

Jennifer Woodland moved to approve 5.1 November 17, 2025 Board Meeting Minutes. Rusty Rexius seconded the motion. The motion passed 5-0.

Oldham– Yes Gottfried – Yes Woodland – Yes Rexius – Yes Hammond – Yes

5.2 Approve December 3, 2025 Board Work Session Minutes (Exhibit 2526.77)

Rusty Rexius moved to approve 5.2 December 3, 2025 Board Work Session Minutes. John Oldham seconded the motion. The motion passed 5-0.

Oldham– Yes Gottfried – Yes Woodland – Yes Rexius – Yes Hammond – Yes

5.3 Accept Enrollment Report – November (Exhibit 2526.78)

Jennifer Woodland moved to approve 5.3 Enrollment Report – November. Stephen Hammond seconded the motion. The motion passed 5-0.

Oldham– Yes Gottfried – Yes Woodland – Yes Rexius – Yes Hammond – Yes

5.4 Accept Financial Report – November (Exhibit 2526.79)

Superintendent Crist reviewed the financial report that was prepared by Business Manager Sheri Longobardo.

John Oldham moved to approve 5.4 Financial Report – November. Stephen Hammond seconded the motion. The motion passed 5-0.

Oldham– Yes Gottfried – Yes Woodland – Yes Rexius – Yes Hammond – Yes

5.5 Approve SIA Grant (Resolution 2526.80)

Rusty Rexius moved to approve 5.5 SIA Grant. Stephen Hammond seconded the motion. The motion passed 5-0.

Oldham– Yes Gottfried – Yes Woodland – Yes Rexius – Yes Hammond – Yes

5.6 Approve Out of State Trip – PHHS Jazz Band (Resolution 2526.81)

The PHHS Jazz Band is requesting to travel to the Surrey Schools Jazz Festival in Surry, British Columbia from February 17–22, 2026.

Stephen Hammond moved to approve 5.6 Out of State Trip – PHHS Jazz Band. John Oldham seconded the motion. The motion passed 5-0.

Oldham– Yes Gottfried – Yes Woodland – Yes Rexius – Yes Hammond – Yes

5.7 Approve OSBA Elections, Board of Directors, Position 6 (Resolution 2526.82)

The board discussed the candidates running for OSBA Board of Directors, Position 6. The candidates were Nicole DeGraff, Maureen Miltenberger and Maya Rabasa.

Rusty Rexius moved to approve Maya Rabasa as OSBA Board of Director, Position 6. Jennifer Woodland seconded the motion. Rusty Rexius amended the motion to approve Maureen Miltenberger as Board of Director, Position 6. Jennifer Woodland seconded the amended motion. The amended motion passed 5-0.

Oldham– Yes Gottfried – Yes Woodland – Yes Rexius – Yes Hammond – Yes

5.8 Approve OSBA Elections, Legislative Policy Committee, Position 6 (Resolution 2526.83)

The board discussed the candidates running for OSBA Legislative Policy Committee, Position 6. The candidates were Judy Newman and Adrian Pollut.

John Oldham moved to approve Adrian Pollut as OSBA Legislative Policy Committee, Position 6. Rusty Rexius seconded the motion. The motion passed 5-0.

Oldham– Yes Gottfried – Yes Woodland – Yes Rexius – Yes Hammond – Yes

5.9 Approve Personnel Action (Resolution 2526.84)

Oldham– Yes Gottfried – Yes Woodland – Yes Rexius – Yes Hammond – Yes

6. UNFINISHED BUSINESS

6.1 Approve June 20, 2022 Board Meeting Minutes (Resolution 2526.85)

The June 20, 2022 Board Meeting Minutes did not get approved in 2022 due to superintendent’s resignation and interim transitions.

Oldham– Yes Gottfried – Yes Woodland – Abstained Rexius – Yes Hammond – Yes

7. REPORTS AND INFORMATION

7.1 Elementary School Report Scorecard (Exhibit 2526.86)

7.2 Middle School Report Scorecard (Exhibit 2526.86)

7.3 High School Report Scorecard (Exhibit 2526.86)

Ms. Fairchild, Mr. Salmond and Mr. Stearns each presented their PHSD Scorecard Report to the board. Each report presented the four pillars of the district’s strategic objectives and how their building in progressing in each area. The four pillars are Academic Equity and Viable Curriculum, Student Well-Being & Emotional Support, Data Driven Decision Making and Future Ready. Progress reports from each building will be given on February 23, 2026 and June 15, 2026.

7.4 Superintendent Report

7.401 Longitudinal Target Report (Exhibit 2526.87)

Superintendent Crist reviewed the Oregon At-A-Glance Data. This data can be found on the district website at <https://www.pleasanthill.k12.or.us/district-updates/blueprints> under At-A-Glance Profile. This report uses 2024–2025 ODE datasets for attendance, assessment and on-track measures, and 2023–2024 graduation and completion data.

7.402 Superintendent Goals Update (Exhibit 2526.88)

Superintendent Crist provided a mid-year goal update with evidence to support his progress.

8. BOARD COMMUNICATION

8.1 Calendar of Events

The board reviewed the calendar of events for December and January.

9. OTHER BUSINESS

There was no other business.

~~**10. RECESS REGULAR MEETING TO EXECUTIVE SESSION—**~~

~~**—ORS 192.660(2)(i) To Review and Evaluate the Performance of the Superintendent.**~~

~~**11. RECONVENE REGULAR MEETING—**~~

12. NEXT MEETING

- Regular Board Meeting – January 12, 2026; 7:00 p.m.; Pleasant Hill Community Center

13. ADJOURNMENT – 8:43 p.m.

Signed: _____, this _____ day of _____, 2026
Drew Gottfried, Board Chair

**Pleasant Hill School District
 Student Enrollment - Quarterly Comparisons to past years
 Quarter 2 - December 31**



	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
KG	60	47	61	62	82	75	57	69	74	61	58	63
1	64	74	54	67	61	80	78	61	76	78	60	62
2	71	71	71	64	69	65	82	75	70	82	69	71
3	70	79	70	73	68	73	67	75	80	73	77	73
4	60	78	80	74	76	74	74	62	83	84	72	77
5	76	62	85	79	77	80	66	67	69	79	83	73
6	67	81	69	93	84	77	79	58	72	72	80	87
7	90	71	83	71	96	83	78	83	57	74	75	82
8	75	93	81	79	78	93	79	67	84	69	73	78
9	81	78	98	78	89	80	100	77	82	80	71	86
10	83	80	80	90	83	83	79	95	85	80	75	80
11	86	80	79	83	85	81	79	69	98	84	75	69
12	67	80	81	80	79	81	80	72	63	91	74	69
Total	950	974	992	993	1027	1025	998	930	993	1007	942	970
PHES	468	492	490	419	433	447	424	409	452	457	419	419
PHMS	165	164	164	243	258	253	236	208	213	215	228	247
PHHS	317	318	338	331	336	325	338	313	328	335	295	304

*PHES Grades K-5 beginning 2016-17 School Year

*PHHS Grades 6 beginning 2016-17 School Year

Date: January 12, 2026

**Pleasant Hill School District 2025-26
Financial Report as of December 31, 2025**

General Fund Revenues:

- We have received \$3,580,458 in current year property taxes, and \$25,632 in other tax related income. We anticipate an additional \$285,000 to be received in the 2025-26 year.
- We have received \$5,214,046 in State School Fund (SSF) payments and are expecting about \$4,033,423 more to be received in the 2025-26 year.
- We have received \$273,757 in interest from investments and \$186,057 in other revenue.

General Fund Expenditures:

- Salary expenditures through December are \$2,507,206 with \$3,968,274 encumbered.
- Benefits total \$1,407,648 with \$2,269,753 encumbered.
- The purchased services, supplies and capital outlay and other expenditures are currently at \$1,043,486.
- Transfers to reserves of \$2,330,000 have been made.

Quarterly Reports:

- General Fund Summary
This is a summary of our revenues and expenditures and includes encumbered expenses for the period from July 1, 2025 to December 31, 2025.
- Cash and Investments Report
This report shows the changes in our cash and investment accounts for the last three months. Our current cash and investments total \$16,034,821.
- Reserve and Special Revenue Funds
This report provides a snapshot of our reserve accounts and our special revenue accounts. Most budgeted transfers have been made and are included in the Resources column, along with the beginning fund balances.

Additional Note:

- 2024-25 Financial Audit has been concluded and our auditors will present their findings at the January 12, 2026 board meeting.

Submitted by: Sheri Longobardo, Business Manager

PLEASANT HILL SCHOOL DISTRICT #1
2025-26 GENERAL FUND REVENUES AND EXPENDITURES - MONTHLY ACTIVITY
January 5, 2026

	BUDGET	7/25	8/25	9/25	10/25	11/25	12/25	1/26	2/26	3/26	4/26	5/26	6/26	YTD TOTAL	BALANCE OVER / (UNDER) BUDGET
Resources															
Beginning Fund Balance	\$8,560,951													\$8,341,019	(\$219,932)
Current Year's Taxes	\$3,856,873	\$0	\$0	\$3,319	\$0	\$2,665,859	\$911,279	\$0	\$0	\$0	\$0	\$0	\$0	\$3,580,458	(276,415)
Prior Year's Taxes	30,000	\$0	\$0	\$2,243	\$6,283	\$10,541	\$1,290	\$0	\$0	\$0	\$0	\$0	\$0	\$20,357	(9,643)
Payment in Lieu Prop Tax	5,000	\$0	\$0	\$0	\$0	\$1,471	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,471	(3,529)
Penalties & Int on Taxes	20,000	\$0	\$0	\$888	\$571	\$1,382	\$453	\$0	\$0	\$0	\$0	\$0	\$0	\$3,293	(16,707)
Transportation Fees	5,000	\$0	\$0	\$0	\$0	\$0	\$512	\$0	\$0	\$0	\$0	\$0	\$0	\$512	(4,489)
Interest on Investments	450,500	\$45,555	\$45,626	\$42,748	\$42,759	\$41,834	\$55,234	\$0	\$0	\$0	\$0	\$0	\$0	\$273,757	(176,743)
Other Curricular Activity	100,000	\$450	\$17,067	\$17,827	\$9,008	\$6,320	\$6,834	\$0	\$0	\$0	\$0	\$0	\$0	\$57,506	(42,494)
Rentals	6,000	\$2,810	\$530	\$1,075	\$160	\$1,526	\$528	\$0	\$0	\$0	\$0	\$0	\$0	\$6,628	628
Miscellaneous	50,000	\$7,526	\$58,123	\$6,620	\$1,860	\$5,672	\$12,658	\$0	\$0	\$0	\$0	\$0	\$0	\$92,458	42,458
Fingerprint Rev	1,500	\$0	\$210	\$140	\$140	\$70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$560	(940)
County / Intermediate	35,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(35,000)
Lane ESD Stipends	105,000	\$0	\$546	\$212	\$0	\$614	\$27,531	\$0	\$0	\$0	\$0	\$0	\$0	\$28,904	(76,096)
State School Fund	9,247,469	\$1,489,047	\$744,077	\$744,077	\$745,797	\$745,797	\$745,251	\$0	\$0	\$0	\$0	\$0	\$0	\$5,214,046	(4,033,423)
Common School Fund	150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(150,000)
Small School Grant	56,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(56,000)
High Cost Disability Grant	70,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(70,000)
Interfund Transfers	1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(1,000)
Total Revenues	\$14,189,342	\$1,545,388	\$866,179	\$819,149	\$806,578	\$3,481,087	\$1,761,569	\$0	\$0	\$0	\$0	\$0	\$0	9,279,949	(\$4,909,393)
Total Resources	\$22,750,293													\$17,620,969	(\$5,129,324)
Expenditures															
Salaries	\$6,735,593	\$78,922	\$146,387	\$519,257	\$581,357	\$610,791	\$570,312	\$0	\$0	\$0	\$0	\$0	\$0	\$2,507,026	(\$4,228,567)
Associated Payroll Costs	4,226,279	\$46,647	\$81,125	\$301,116	\$333,693	\$330,336	\$314,732	\$0	\$0	\$0	\$0	\$0	\$0	1,407,648	(\$2,818,631)
Purchased Services	2,817,062	\$59,949	\$52,956	\$74,250	\$153,039	\$186,551	\$163,063	\$0	\$0	\$0	\$0	\$0	\$0	689,809	(\$2,127,253)
Supplies and Materials	548,873	\$15,385	\$23,021	\$12,899	\$36,249	\$32,347	\$24,695	\$0	\$0	\$0	\$0	\$0	\$0	144,597	(\$404,276)
Cap Outlay	14,000	\$0	\$384	\$0	\$0	\$5,940	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,324	(\$7,676)
Other Objects	237,925	\$19,320	\$162,679	\$4,615	\$5,649	\$4,464	\$6,028	\$0	\$0	\$0	\$0	\$0	\$0	202,756	(\$35,169)
Transfers	2,595,000	\$0	\$2,330,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,330,000	(\$265,000)
Contingency/Beg Fund Bal	5,575,561	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,575,561)
Total Expenditures	\$22,750,293	\$220,224	\$2,796,553	\$912,138	\$1,109,987	\$1,170,429	\$1,078,830	\$0	\$0	\$0	\$0	\$0	\$0	\$7,288,159	(\$15,462,134)
Ending Fund Balance														\$10,332,810	\$10,332,810

PLEASANT HILL SCHOOL DISTRICT #1
 2025-26 GENERAL FUND - Quarted Ended December 31, 2025
 1/5/2026

RESOURCES	BUDGET	ACTUAL				COMMENTS
	Adopted Budget	12/31/25	Encumbrances	YTD plus Encumbr.	Over / (Under) Budget	
Beginning Fund Balance	\$8,560,951	\$8,341,019	\$0	\$8,341,019	(\$219,932)	
Revenues						
State School Fund						
Current Years Taxes	\$3,856,873	\$3,580,458	\$0	\$3,580,458	(\$276,415)	
Prior Years Taxes, Other	\$55,000	25,632	0	25,632	(29,368)	
County School Fund	\$35,000	0	0	0	(35,000)	
Common School Fund	\$150,000	0	0	0	(150,000)	
State School Fund	\$9,247,469	5,214,046	0	5,214,046	(4,033,423)	
SSF Prior Year Adjustment	\$0	0	0	0	0	
Small High School Grant	\$56,000	0	0	0	(56,000)	
High Cost Disability Grant	\$70,000	0	0	0	(70,000)	
Total SSF Revenue	\$13,470,342	\$8,820,136	\$0	\$8,820,136	(\$4,650,206)	
Interest on Investments	\$450,500	273,757	\$0	\$273,757	(\$176,743)	
Other Revenue	\$267,500	186,057	\$600	\$186,657	(\$80,843)	
Transfers In	\$1,000	0	0	0	(1,000)	
Total Revenues	\$14,189,342	\$9,279,949	\$600	\$9,280,549	(\$4,908,793)	
TOTAL RESOURCES	\$22,750,293	\$17,620,968	\$600	\$17,621,568	(\$5,128,725)	
REQUIREMENTS						
Salaries	\$6,735,593	\$2,507,026	\$3,968,274	\$6,475,300	(\$260,293)	
Benefits	4,226,279	1,407,648	2,269,753	3,677,401	(548,878)	
Purchased Services	2,817,062	689,808	1,183,586	1,873,394	(943,668)	
Supplies	548,873	144,597	96,882	241,479	(307,394)	
Capital Outlay	14,000	6,324	-	6,324	(7,676)	
Other Objects	237,925	202,757	3,058	205,815	(32,110)	
Transfers	2,595,000	2,330,000	-	2,330,000	(265,000)	
Contingency	5,575,561	0	-	0	(5,575,561)	
TOTAL REQUIREMENTS	\$22,750,293	\$7,288,160	\$7,521,554	\$14,809,713	(\$7,940,580)	

PLEASANT HILL SCHOOL DISTRICT #1

2025-26 CASH AND INVESTMENTS REPORT - Quarter Ended December 31, 2025

January 5, 2026

CASH ACCOUNTS	10/1/2025	ADDITIONS	DISBURSEMENTS	INTEREST	FEES*	ENDING BALANCE 12/31/25	YIELD
General Checking	\$303,730	\$3,308,814	\$3,275,357	\$24	\$0	\$337,211	0.02%
Payroll	\$12,083	1,531,127	1,530,803	2	0	\$12,409	0.02%
TOTAL CASH ACCOUNTS	\$315,814	\$4,839,941	\$4,806,161	\$26	\$0	\$349,620	

INVESTMENTS	10/1/2025	ADDITIONS	DISBURSEMENTS	INTEREST	FEES*	ENDING BALANCE 12/31/25	YIELD
Local Government Investment Pool	\$10,147,582	\$7,513,224	\$2,950,000	\$132,401	\$0	\$14,843,206	4.43%
Pleasant Hill School District Money Market	\$1,133,012	3,250,000	3,614,810	7,401	0	\$775,602	3.82%
Stan Smith Scholarship Fund (COD)	\$4,349	0	0	5	0	\$4,354	0.10%
Pleasant Hill High School Money Market	\$61,448	0	0	590	0	\$62,038	3.82%
TOTAL INVESTMENTS	\$11,346,391	\$10,763,224	\$6,564,810	\$140,397	\$0	\$15,685,201	

TOTAL CASH AND INVESTMENTS	\$11,662,205	\$15,603,165	\$11,370,971	\$140,422	\$0	\$16,034,821	
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PLEASANT HILL SCHOOL DISTRICT #1

2025-26 RESERVES AND SPECIAL REVENUE FUNDS - Quarter Ended December 31, 2025

January 5, 2026

FUND	RESERVE	RESOURCES AS OF 12/31/2025	EXPENDITURES AS OF 12/31/2025	RESOURCES - EXPENDITURES
271	Insurance / Benefit	\$576,634	\$18,064	\$558,570
282	K-12 Enrichment	78,463	5,754	72,709
283	Equipment Repair / Replacement	191,973	25,848	166,126
284	Maintenance	858,586	164,924	693,663
285	Capital Projects	1,502,569	674,119	828,450
286	Technology	246,138	137,599	108,539
287	Instructional Materials	394,556	171,787	222,769
289	Field Repair and Replacement Reserve	658,874	563,937	\$94,937
TOTAL RESERVES		\$4,507,793	\$1,762,032	\$2,745,761

OTHER SPECIAL REVENUE FUNDS				
244	PHSD Preschool Program	57,111	29,691	27,420
269	Elementary Student Body	44,458	12,415	32,042
270	MS/HS Student Body	327,915	69,505	258,410
299	Food Service Fund	300,289	247,535	52,755
TOTAL OTHER SPECIAL REVENUE FUNDS		\$729,773	\$359,146	\$370,627

TOTAL RESERVES AND OTHER		\$5,237,567	\$2,121,178	\$3,116,388
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Date: January 12, 2026
Resolution: 2526.94

Pleasant Hill School District
2025 Integrated Pest Management (IPM Report)

Relevant Data:

Integrated Pest Management, also known as IPM, is a process for achieving long term environmentally sound pest control and suppression through a wide variety of tactics. Control strategies in an IPM program emphasize structural and procedural improvements to reduce food, water, shelter, and access used by pests. Trapping is the next strategy to remove pests if cleansing and structural improvements do not aid in their removal. Since IPM focuses on remediation of the fundamental reasons why pests are in the facilities, pesticides should rarely be used, and only when necessary as it relates to student, community or staff safety.

Oregon Revised Statutes, Chapter 634 requires the IPM Coordinator each January to provide the Pleasant Hill School District Board of Directors with an annual report of all pesticide applications made the previous year.

Children are more sensitive than adults to the potential toxic effects of pesticides. To protect our children, Oregon law requires precautions and restrictions when pesticides (including baits) are used on a school campus. For example, pesticides may only be applied by properly licensed applicators, and generally only "low-impact" pesticides can be used on a school campus. Additionally, each school's IPM coordinator is responsible for implementing IPM practices and overseeing pest management efforts.

For 2025 year the pesticide used outdoors for controlling weeds in flower beds, parking lots, and fence lines is attached.

Recommendation:

It is recommended that the Board of Directors approve the 2025 IPM Report as reflected in this resolution and the addendum presented along with this resolution.

Submitted by:

Jim Crist
Superintendent

Pesticide Applications

Date	Location	Pesticide Name	EPA Number	Quantity Used
27-Mar-25	Elementary, Community Center, District Office	Moss Melt	82052-1-91904	45oz
27-Mar-25	Baseball Fields, District Office	T Zone	2217-976	5oz
26-Mar-25	Fields	Cheetah Pro	228-743	84oz
25-Mar-25	Fence Lines: HS Track and Parking lot, Elemmentary	Cheetah Pro	228-743	66oz
24-Mar-25	Fence Lines: District Office, Katies Lane, Softball fields	Cheetah Pro	228-743	72oz
15-Feb-25	Gravel: District Office, Katies Lane, Ag. Rd.	Casoron	70506-519	80oz

Lane Education Service District
2025-27 Local Service Plan - Year Two
Pleasant Hill School District #1

As required by ORS 334.175, Lane Education Service District has developed a Local Service Plan. The process in developing this plan included analysis of all resolution and core service offerings available to component school districts.

The **2025-27 Local Service Plan - Year Two** was developed in collaboration with component district superintendents, Lane ESD administrators and staff, and reviewed and approved by the Lane ESD Board of Directors on January 6, 2026.

The Local Service Plan contains all services mandated by law. Local Service Plan services are intended to: improve student learning; enhance the quality of instruction provided to students; assure equitable access to resources; and maximize operational and fiscal efficiencies.

The Board of Directors of the Pleasant Hill School District has completed their annual review of the Lane ESD **2025-27 Local Service Plan - Year Two** which includes services for:

- Students with Special Needs
- Instruction, Equity and Partnerships (School Improvement)
- Technology
- Administrative and Support
- Custom Services

The Lane ESD **2025-27 Local Service Plan** provides a two-year framework which must be approved annually by Lane ESD and component district boards no later than March 1 (ORS 334-175 (5)(b)).

BE IT RESOLVED that the Board of Directors of Pleasant Hill School District No. 1 hereby authorizes the approval of the Lane ESD **2025-27 Local Service Plan - Year Two** and requests the Lane ESD to provide the services described during the 2026-27 (year two) fiscal year in accordance with ORS 334.175.

This resolution adopted this 12th day of January, 2026.

Board Chair or Designee



2025-2027 (Year Two)

Local Service Plan

Our shared commitment to equity, empowerment, and collaboration in education.

About Lane Education Service District

Lane Education Service District (ESD) provides services to sixteen component districts in Lane County. Our purpose is to **SERVE** our communities!

Support - Provide comprehensive services in technology, school improvement, special education, and administrative services that support our component districts' missions to achieve equitable outcomes for all students.

Empower - Empower educators, students, and communities by offering professional development and innovative programs to enhance culturally responsive-sustaining learning experiences.

Resource - Deliver fiscally sound services that support equitable allocation for students countywide.

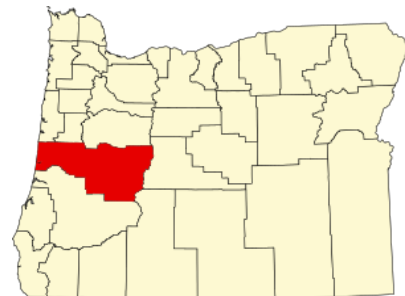
Vision - Cultivate a clear vision for educational excellence and equity, guiding strategic planning, and fostering a shared mission among Lane County's invested communities.

Engage - Promote engagement and collaboration among educators, families, and community partners to create a supportive educational environment that promotes justice-centered engagement for all invested communities.

Component School Districts

Bethel
Blachly
Creswell
Crow-Applegate-Lorane
Eugene
Fern Ridge
Junction City
Lowell

Mapleton
Marcola
McKenzie
Oakridge
Pleasant Hill
Siuslaw
South Lane
Springfield



Purpose of the Local Service Plan

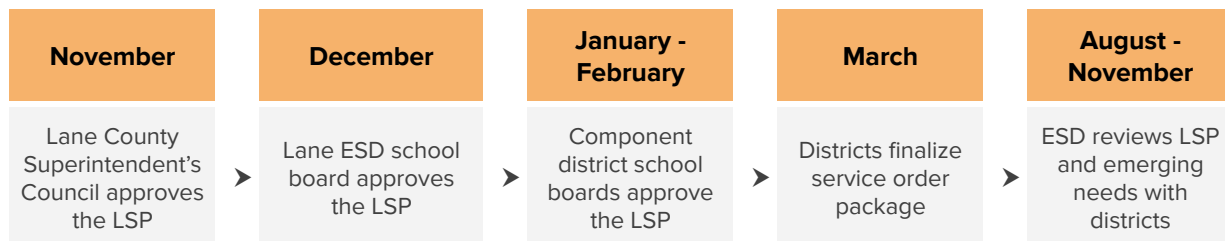
The Local Service Plan is a foundational document for Lane ESD and our component school districts, designed to outline the range of services and programs offered to support district needs. Its primary purpose is to define the services available and clarify how resources, staffing, and funding will be allocated to support districts effectively. With this document, districts can make informed decisions about which services best align with their unique needs and goals, selecting from available services each year.

Additionally, the Local Service Plan plays an essential role in promoting equity and access by ensuring that all districts—regardless of their size or individual resources—have the opportunity to access crucial educational services, especially in areas where Lane County’s smaller districts may struggle to provide these independently. The plan also promotes accountability and transparency, clearly documenting the services to be delivered and setting mutual expectations for the ESD and our component districts. This transparency enables stakeholders to assess service outcomes and effectiveness.

Recommended Use of the Local Service Plan

The district may:

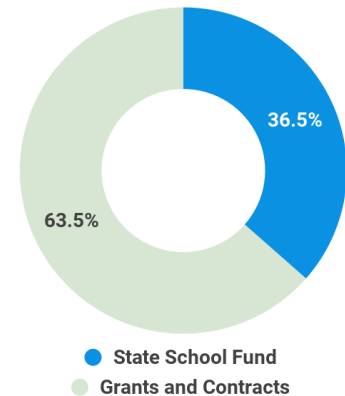
- familiarize itself with funding structures and services in the Local Service Plan.
- assess their needs and priorities to meet their goals and mission.
- determine which ESD services could provide valuable support or enhancement.
- submit its service order package to the ESD by March 31st, 2026.
- review the document throughout the year to determine if additional services are needed.



How Services are Funded

State School Fund resources are provided to ESDs to offer services for children with special needs, technology, school improvement, and administrative support to component school districts as described in the Local Service Plan. Pursuant to ORS 327.019, 90% of these resources are allocated to component school districts based on weighted student population (ADMw). Of the amount allocated to districts, approximately 12% goes directly to services available to all districts (Core Services), while approximately 88% is allocated as flex funds, which can be used to purchase services through the local service plan menu (Menu Services or Custom Services).

Local Service Plan Resources



Core Services provide stability and flexibility in meeting student needs where the level of support may vary from district to district and year to year; this commitment supports the equitable distribution of resources for students county-wide and basic operational needs.

Menu Services are optional for districts to choose from using their allocated Flex funds and individual district budgets.

Custom Services can be requested by an individual district or group of districts based on a specific need. These services may include staffing or the provision of services.

Grants and Contracts support specialized, innovative, and often temporary programs or services with qualifying conditions at no cost to districts. The ESD intentionally applies for grants that extend the services of the four component areas provided through the State School Fund to support the educational mission of the county.

State and Federal Contracts are in place to ensure that the ESD supports school districts in implementing state and federal educational policies and programs, complies with mandates, and provides specialized services.

Grants are targeted funds that the ESD has identified and applied for to support specific educational programs and initiatives for the component districts.

Core Services

Core services are available to all component districts at no cost and represent approximately 12% of the local service plan allocations to districts.

SERVICE AREA	SERVICE	DESCRIPTION
<i>Programs for Children with Special Needs</i>	Life Skills High-Cost Pool	Provides funds to districts with an overrepresentation of Life Skills students (including districts that do not participate in the ESD Life Skills consortium).
<i>Technology Support</i>	Network Services	Provide high-speed internet access, CIPA-compliant internet filtering, 24-7 internet connectivity monitoring, and utilization reporting with reliability and equitable access as the focus areas.
	Professional Development	Organize regional professional development opportunities and support local partnerships, including an internship program.
	Technology Leadership	Facilitate opportunities for regional technology leaders to provide problem-solving collaboration, job-alike groups, state and regional initiatives, consortium purchases, lifecycle plan assistance, and director mentoring and coaching.
	Grant Support	Assistance in the writing, coordination, and implementation of county-wide grant activities
	Cybersecurity	Assist with developing and maintaining incident response plans, cybersecurity handbooks, insurance compliance, vulnerability scanning and reports.
<i>School Improvement Services</i>	Curriculum and Instruction*	General education curriculum and instructional services include professional development, coaching, and consultation to assist districts in curriculum adoption, instruction, and assessment. Lane ESD has content specialists in Health, Social Studies/Ethnic Studies, English Language Arts, Math, Science, Career Connected Learning, and Project Based Learning.
	Curriculum Leaders*	This network meets monthly during the school year and comprises district and building administrators from all 16 component districts. Experts on topics of interest give presentations, the work of component districts is featured, resources are shared, and leaders can network with job-alikes across districts.

	Promise Programs	The Lane Regional Promise supports teachers in obtaining College Now endorsements to offer college credit for courses taken in high school.
	Lane Career Academy	The Lane Career Academy collaboration provides Lane County students with technical education to access high-wage, high-demand jobs. Current programming includes HOPE Factory (construction/manufacturing); future programming to include Emergency Medical Services (EMS) and Behavioral Health.
Administrative and Support Services	Home School	Home Schooling is a mandated service in which Lane ESD is responsible for accepting notifications from parents or guardians who intend to educate their children at home. Lane ESD is a primary information source for parents, students, schools, and districts. The ESD is also responsible for monitoring compliance with homeschool notification requirements, monitoring academic progress requirements, and providing detailed reports to districts.
	Attendance and Truancy Services*	Attendance and truancy support assist component school districts in meeting legal requirements regarding mandatory school attendance. This is a state-mandated service for districts with less than 1,000 students.
	Connected Lane County	A contribution to Connected Lane County supports the collaborative work between districts, industry partners, workgroups, and community organizations to create opportunities and prepare underserved youth for their lives beyond high school.
	Oregon Licensed Contract Dashboard	Subscriptions to RS2's interactive Oregon Licensed Contract Dashboard provide access to licensed salary, benefits, insurance contributions and work schedules with the ability to create custom comparison groups.

* Services provided to support districts in making progress toward the goals of the Student Success Act (see page 11).

Menu Services

Menu services are available for individual districts to purchase as needed using flex funds or other district resources.

SERVICE AREA	SERVICE	DESCRIPTION
Programs for Children with Special Needs	Life Skills Consortium Placements	<p>The Life Skills Education Program serves students with moderate, severe, and profound disabilities. Kindergarten through grade 12 classrooms are located in several elementary, middle, and high schools throughout Lane County. Students ages 18-21 are served in the Transitions Program.</p> <p>The Intensive Services Program (ISP) serves students whose support needs require environmental modifications that may not be feasible on a general education campus.</p>
	Lane School Placements	Lane School is a structured behavior and academic program for kindergarten through grade eight students who experience significant behavioral, social, and educational difficulties.
	Behavior Disorder Consultants	Behavior Disorder Consultants provide in-service training and consultation to districts for behavior and classroom management and strategies for working with students identified as having emotional and behavioral disabilities.
	School Psychologists	School Psychologists provide assessments to assist districts in determining student eligibility for special education, coordination assistance, and consultation with district staff, parents, and other professionals.
	Speech Language Pathologists	Speech Language Pathologists (SLPs) support districts in assessing and providing Individualized Education Plan (IEP) related services to students with communication disorders, including articulation, cognition, language, literacy, social skills, fluency, voice, and hearing. SLPs also support Safe Eating Teams, helping establish and train protocols and guidelines for safe eating at school.
	Augmentative Communication	Augmentative Communication services include evaluation, IEP support, programming equipment, and consultation with classroom teachers and specialists.

	Direction Service	Direction Service provides information and referral services to parents and districts regarding specialized services for families of students with disabilities. Direction Service also acts as a mediator between districts and parents of children with disabilities and focuses on collaborative dispute resolution.
	Sign Language Interpretation Services	Sign Language Interpreters facilitate communication for Deaf or Hard of Hearing (DHH) students during school hours and for school-related activities. Interpreters may also act as a resource or provide training to staff and students. Interpreters may also offer services to provide ADA accommodations for school staff and families.
	MLK Jr. Education Center	The Martin Luther King, Jr. Education Center is a partnership between Lane ESD and the Lane County Department of Youth Services, providing an educational program for students with an active case with the Department of Juvenile Justice.
	Nursing Services	School Nurses provide services for students with medical conditions that may interfere with their ability to participate in their educational program. School Nurses develop Health Management Protocols, which outline specific supports needed for each student, train staff to recognize and respond to students' medical needs, and delegate medication administration and health protocols.
Technology Support	Application Hosting and Management	Cloud and on-prem solutions, e.g. video streaming services, backup solutions, help desk solutions, cloud solutions and applications, and technology inventory solutions.
School Improvement Services	Career and Technical Education	Career and Technical Education (CTE) staff provide leadership and services to districts so that students can enhance their 21st-century technical skills, career exploration, and successful transition to work or extended schooling.
	Library Services	Library services support districts in meeting Division 22 library and media services standards. Professional development, coaching, and consultation are provided for districts that elect this service.
Administrative and Support Services	Substitute Teacher List Subscription	Lane ESD maintains a list of approved substitute teachers and provides support with registration, training, and orientation to applicants.
	Courier Services	Lane ESD's courier services provide an efficient and secure method of moving materials between the ESD, districts, and other public agencies.

Grants and Contracts

Through support from grants and contracts, Lane ESD provides certain value-added services at no cost to districts. Programs and descriptions that are underlined have been identified by the state for potential cuts in 2026 - 2027.

SERVICE AREA	PROGRAM	DESCRIPTION
<u>Programs for Children with Special Needs</u>	Early Intervention / Early Childhood Special Ed	Contracted service with the University of Oregon Early Childhood CARES. Grant provides EI (birth-3) and ECSE (3-5) education services to all Lane County resident families with children with qualifying special education eligibility.
	Lane Regional Inclusive Services	LESD Regional Inclusive Services works in collaboration with Local School Districts, Early Intervention, Early Childhood Special Education (EI/ECSE) programs, Families, and Community Agencies to provide specialized educational support for children with low incidence disability eligibility, including Autism Spectrum Disorder (ASD), Orthopedic Impairments (OI), Traumatic Brain Injury (TBI), Visual Impairments (VI), Deaf/Hard of Hearing (DHH), and DeafBlind (DB). This grant also supports audiology referrals and a Hearing Assistive Technology Equipment Lending Library.
	State Hospital	The Oregon State Hospital Education Program offers opportunities for 18 to 21-year-olds to continue their education while in the hospital setting.
	Juvenile Detention Education Program	The Juvenile Detention Education Program (JDEP), funded by the Oregon Department of Education, provides educational and re-entry transitional services to students housed overnight in county juvenile detention facilities.
	Regional Technical Assistance Program	Lane ESD provides local-level options for professional development and technical assistance within the general supervision areas (special education and federal title programs).

School Improvement Services

<u>Western Regional Education Network</u>	<u>The Western Regional Educator Network (WREN) encompasses the 28 school districts in Lane ESD and Linn-Benton-Lincoln ESD. It is an educator-led, improvement-focused network that elevates teachers' voices, emphasizes the Lane ESD Equity Lens to interrupt historical patterns of inequities, and supports educators in creating more inclusive and empowering school cultures. Professional development, coaching, and consultation are provided.</u>
<u>Teacher Pathways*</u>	<u>This Grow Your Own (GYO) grant funded program works to diversify the K-12 education workforce in Lane County by recruitment, selection, clinical practice, hiring placement, and induction support for pre-service teachers centered on building culturally responsive affinity groups.</u>
Social Emotional Learning*	Professional development, coaching, and consultation are provided to component districts to meet their goals of authentic implementation of Oregon's Transformation Social Emotional Learning (TSEL) standards,
School Safety and Prevention*	Technical expertise, training, and system development is provided to districts in responding to threats of violence and suicide. Our SSPS is the lead responder and coordinator of the Tragedy Response Team.
Student Voice*	Professional development, coaching, and consultation are provided to implement ongoing student voice and engagement for district/school strategic planning and continuous improvement.
LGBTQ2SIA+ Student Success	This grant funds technical assistance, professional development, curriculum development, and resources, to ensure focal LGBTQ2SIA+ students and their families are safe, feel a sense of belonging, and are supported to achieve at high levels across all Lane County districts.
Latinx Student Success	This grant funds technical assistance, professional development, curriculum development, and resources to ensure focal LatinX Students are safe, feel a sense of belonging, and are supported to achieve at high levels across all Lane County districts.
Native Youth Wellness*	This grant funds the Native Youth Wellness program (NYW). NYW provides professional development on Tribal History/Shared History and TSEL, culture nights, student affinity groups, coaching on tribal education programs, equity, and culturally sustaining pedagogy.
Advanced Manufacturing & Construction	This grant supports a regional advisory committee and industry connections to strengthen the quality of CTE Programs of Study. This grant also sponsors the Construction Utility Career Day.
Behavioral Health Career	This grant provides curriculum, training, and work-based experiences focused on mental and behavioral health pathways between districts

Pathways	and industry partners via Lane Career Academy. Prioritizes rural and underserved communities.
Team Oregon Build	Professional development and technical assistance is provided on hands-on construction projects. The project provides pathways for career development while addressing the urgent need for safe and sustainable housing.
Healthcare Workforce Development	Coordinate scholarship and training support to remove cost barriers for students to participate in Behavioral Health and Emergency Services pathways within Lane Career Academy.
LaneSTEM*	<u>Lane ESD supports Science, Technology, Engineering, and Math (STEM) education in partnership with LaneSTEM through workshops, school site consultation, classroom coaching, and grant partnerships.</u>
Early Literacy*	Lane ESD supports district implementation of their Early Literacy plans by coordinating professional development via Oregon Department of Education contractors and community partners.
Administrative Burden Reduction*	Technical assistance completing state and federal required reporting, grant applications, and data collections. The focus is primarily on small/rural districts, but Integrated Guidance technical assistance is provided for all component districts.
21st Century Community Learning Centers*	Crow-Applegate-Lorane, McKenzie, Mapleton, and Siuslaw are in a consortium for the 21st Century Community Learning Centers (CCLC) grant. Lane ESD provides oversight and technical assistance on the completion of grant requirements.
English Language Development*	English Language Development (ELD) services include technical assistance relating to curriculum, instruction, assessment, and educational learning platforms. Train general education teachers to learn how to integrate the English Language Proficiency (ELP) standards into their regular curriculum.
Migrant Education	Lane ESD coordinates a regional Migrant Education Program (MEP) consortium serving Lane and Douglas counties, including 29 school districts. MEP provides supplemental instruction, community outreach, and parent involvement for eligible MEP students, including summer school, graduation, and preschool services for students ages 3-21.
EA/IA Professional Development*	Lane ESD contracts with Cultivate at the University of Oregon to provide professional development modules for Education / Instructional Assistants.

Portrait of a Graduate*

Lane ESD contracts with Cosgrave and Swanson to consult rural districts on developing and implementing Portrait of a Graduate.

** Services provided to support districts in making progress toward the goals of the Student Success Act (see page 11).*

Appendix - Links to Other Information

Student Success Act Comprehensive Support Plan

Lane ESD’s Student Success Act Comprehensive Support Plan is provided to assist districts with developing and implementing their Integrated Plans for the implementation of the Student Success Act. ***Services are detailed throughout this Local Service Plan and indicated with an (*)***.

Lane ESD Budget and Financial Reports - Lane ESD’s annually adopted budgets and audit reports can be found on the Lane ESD website at <https://lesd.k12.or.us/administration/business-services>.

Lane ESD Equity Lens - Lane ESD's Vision, Mission, and Purpose are at the center of all decisions made within the agency in service of our county. We employ our Equity Lens and adapt our Equity Tools to meet the needs of the decision at hand by including multiple perspectives, determining the problem to be solved, evaluating potential positive and negative impacts on our students, families, and districts, examining resources available, and at all times orient ourselves toward justice centered engagement while operating in a fiscally responsible and responsive manner. See more at <https://lesd.k12.or.us/strategic-plan>.

Lane ESD Contact Information - For questions, please contact supt-office@lesd.k12.or.us

Date: January 12, 2026

Exhibit: 2526.96

2024 - 2025 Fiscal Year Annual Comprehensive Financial Report

Relevant Data:

Oregon State law requires an annual audit of all financial transactions of the School District for all operating funds, including grant funds and trust funds. The independent accounting firm of Accuity, LLC conducted the 2024-2025 fiscal year-end audit and a copy of this document was made available to the School Board prior to tonight's meeting. A copy of the report is published on the District website, as well as available tonight. Kori Sarrett, CPA from Accuity, is available for a brief presentation and any questions you may have.

Recommendation:

It is recommended that the Board of Directors accept the audited financial reports for 2024-2025 as presented by Accuity, LLC.

Submitted by:

Sheri Longobardo
Business Manager

Recommended By:

Jim Crist
Superintendent



PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2025



436 1st Avenue W • P.O. Box 1072
Albany, Oregon 97321 • (541) 223-5555

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

DISTRICT OFFICIALS

June 30, 2025

BOARD OF DIRECTORS

Stephen Hammond, Chair
85226 Mariott Lane
Pleasant Hill, Oregon 97455

Drew Gottfried, Vice Chair
36843 Wallace Creek Road
Springfield, Oregon 97478

John Oldham
85133 Ridgeway Road
Pleasant Hill, Oregon 97455

Rusty Rexus
86301 Panorama Road
Springfield, Oregon 97478

Jennifer Woodland
35338 Hendricks Road
Creswell, Oregon 97426

ADMINISTRATION

Jim Crist, Superintendent

Sheri Longobardo, Business Manager

DISTRICT ADDRESS

36386 Highway 58
Pleasant Hill, Oregon 97455

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

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June 30, 2025

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pleasant Hill School District No. 1
Pleasant Hill, Oregon 97455

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Pleasant Hill School District No. 1, Pleasant Hill, Oregon, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Pleasant Hill School District No. 1, Pleasant Hill, Oregon as of June 30, 2025, and the respective changes in financial position thereof for the year then ended with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pleasant Hill School District No. 1, Pleasant Hill, Oregon, 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.

Emphasis of Matter – Change in Accounting Principle

As described in the notes to the financial statements, in the year ended June 30, 2025, the District adopted new accounting guidance: GASB Statement No. 102, *Certain Risk Disclosures*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pleasant Hill School District No. 1, Pleasant Hill, Oregon's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pleasant Hill School District No. 1, Pleasant Hill, Oregon's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pleasant Hill School District No. 1, Pleasant Hill, Oregon's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of the proportionate share of the net pension liability and contributions, schedules of the proportionate share of the net OPEB asset and contributions, schedule of changes in OPEB liability and related ratios, schedule of changes in pension liability and related ratios, and the budgetary comparison information on pages 5 through 13, 56, 57, 58, 59, and 60 through 61, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis, schedules of the proportionate share of the net pension liability and contributions, schedules of the proportionate share of the net OPEB asset and contributions, schedule of changes in OPEB liability and related ratios, and schedule of changes in pension liability and related ratios 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 aforementioned information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pleasant Hill School District No. 1, Pleasant Hill, Oregon's basic financial statements. The accompanying individual fund schedules and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of continuing disclosure requirements, schedule of future requirements for retirement of bonded debt, and supplemental information required by the Oregon Department of Education, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 15, 2025 on our tests of the District's compliance with certain provisions of laws and regulations 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.

Accuity, LLC

By: 

Glen O. Kearns, CPA

Albany, Oregon
December 15, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

INTRODUCTION

As management of Pleasant Hill School District No. 1, Pleasant Hill, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2025, total net position of Pleasant Hill School District No. 1 amounted to \$16,874,478. Of this amount, \$14,815,253 was invested in capital assets, net of related debt. The remaining balance included \$754,923 restricted for various purposes, and \$1,304,302 of unrestricted net position.
- Total revenues of \$18,433,439 exceeded total expenditures of \$17,070,360 by \$1,363,079.
- At June 30, 2025, the District's governmental funds reported combined ending fund balances of \$11,190,418.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Pleasant Hill School District No. 1's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, liabilities, and deferred outflows/inflows of resources with the difference 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 District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements present functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities).

The government-wide financial statements can be found on pages 14 through 16 of this report.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of Pleasant Hill School District No. 1 are governmental funds.

□ **Governmental Funds**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Special Revenue, and Debt Service Funds, all of which are considered to be major governmental funds.

Pleasant Hill School District No. 1 adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 17 through 20 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 21 through 55 of this report.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes schedules of the proportionate share of the net pension liability and contributions, schedules of the proportionate share of the net OPEB asset and contributions, schedule of changes in OPEB liability and related ratios, schedule of changes in pension liability and related ratios, and the budgetary comparison information for the General and Special Revenue Funds. This required supplementary information can be found on pages 56 through 61 of this report.

Individual fund schedules are presented immediately following the required supplementary information on page 62 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At June 30, 2025, the District's liabilities exceeded assets by \$16,874,478.

A large portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets for classrooms and supporting services for providing kindergarten through twelfth grade education. Consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

District's Net Position

The District's net position increased by \$1,363,079 during the current fiscal year. The increase is primarily due to an increase in property taxes and state school funding.

Condensed statement of net position information is shown on the following page.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Condensed Statement of Net Position

	Governmental Activities	
	2025	2024
Assets		
Current and other assets	\$ 11,641,078	\$ 11,567,136
Restricted assets	821,372	619,514
Net capital assets	22,097,929	22,139,144
Total assets	34,560,379	34,325,794
Deferred outflows of resources	4,913,132	3,813,958
Liabilities		
Current liabilities	4,506,272	3,852,204
Noncurrent liabilities	16,985,677	17,672,392
Total liabilities	21,491,949	21,524,596
Deferred inflows of resources	1,107,084	1,102,607
Net position		
Net investment in capital assets	14,815,253	13,193,302
Restricted for various purposes	754,923	572,028
Unrestricted	1,304,302	1,747,219
Total net position	\$ 16,874,478	\$ 15,512,549

District's Changes in Net Position

The condensed statement of activities information shown on the following page explains changes in net position.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Condensed Statement of Activities

	Governmental Activities	
	2025	2024
Program revenues	\$ 3,353,144	\$ 3,938,761
General revenues		
Property taxes - general	3,758,442	3,586,580
Property taxes - debt service	1,682,430	1,405,628
State school fund - general support	8,594,302	8,266,746
Common school fund	159,706	153,311
Investment earnings	723,137	650,938
Unrestricted grants and contributions	31,474	68,063
Miscellaneous	130,804	116,833
Total general revenues	15,080,295	14,248,099
Total revenues	18,433,439	18,186,860
Program expenses		
Instruction	9,393,318	8,610,256
Support services	6,170,829	5,240,073
Food services	601,745	534,122
Facilities acquisition	109,298	12,673
Unallocated depreciation expense	795,170	776,028
Interest on long-term debt	-	13,368
Total program expenses	17,070,360	15,186,520
Change in net position	1,363,079	3,000,340
Net position - beginning, as restated	15,511,399	12,512,209
Net position - end of year	\$ 16,874,478	\$ 15,512,549

Revenues

Since the District's mission is to provide a free and appropriate public education for kindergarten through twelfth grade students within its boundaries, the District may not charge for its core services. As expected, therefore, general revenues provide 82% of the funding required for governmental programs. Property taxes and state school funding combined for 93% of general revenues and 76% of total revenues.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Charges for services make up less than 3% of total revenues and are composed of the following items for which it is appropriate that the District charge tuition or fees:

• Various educational activities	\$ 406,023
• Food services charges for lunch and breakfast	<u>6,834</u>
Total charges for services	<u>\$ 412,857</u>

Operating grants and contributions represent 16% of total revenues. This category includes \$2,224,222 to support various educational activities and \$716,065 to support food service operations.

Expenses

Expenses related to governmental activities are presented in several broad functional categories. Costs of direct classroom instruction activities account for 55% of the total expenses of \$17,070,360. In addition, approximately 45% of the costs in supporting services relate to students, instructional staff, and school administration.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the District's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined fund balances of \$11,190,418. The General Fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the General Fund was \$8,665,505. Of this amount, \$8,441,207 constitutes unassigned fund balance, which is available for spending at the District's discretion.

BUDGETARY HIGHLIGHTS

Budget amounts shown in the financial statements reflect the original budget amounts and one approved appropriation change.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of June 30, 2025 amounted to \$22,097,929, net of accumulated depreciation. This investment in capital assets includes land, construction in progress, buildings and improvements, and equipment and vehicles. The total depreciation related to the District's investment in capital assets for the current fiscal year amounted to \$795,170. Additional information on the District's capital assets can be found in Note III-B on pages 33 through 34 of this report.

LONG-TERM LIABILITIES

At the end of the current fiscal year, the District had total long-term liabilities outstanding of \$7,282,676. This amount comprises 2014 series general obligation bonds with a related discount. The District's total long-term liabilities decreased by \$1,663,166 during the current fiscal year. Additional information on the District's long-term liabilities can be found in Note III-E on pages 35 through 36 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could affect its future financial health:

- **Declining Enrollment**

The District continues to experience a trend of declining enrollment, which directly impacts funding allocations from the State School Fund. While previous years' projections fluctuated, the current pattern of steady decline provides a clearer understanding of future enrollment-related revenue constraints. This trend underscores the importance of monitoring demographic changes, family mobility, and competition from alternative education options to stabilize enrollment and mitigate financial impacts.

- **Higher-than-Normal Ending Fund Balances**

The District has continued to report higher-than-normal ending fund balances, resulting in larger unassigned General Fund reserves. These reserves have allowed the District to secure favorable investment returns and provided flexibility for responding to unexpected fiscal developments. Nevertheless, prudent long-term planning and careful monitoring of spending patterns remain essential to ensure these balances support sustainable operations and strategic priorities.

- **Dependence on Future State Revenue Allocations**

The State of Oregon's December 2025 Economic and Revenue Forecast indicates moderate improvement in state resources but also highlights ongoing fiscal challenges that may affect school district funding.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

- **Key statewide developments include:**

Revenues Increased but Remain Below Expectations: Net General Fund and Lottery revenues increased by \$318.8 million since the September forecast. However, revenues are still \$635.9 million below the Close-of-Session forecast that shaped the 2025-27 legislatively adopted budget. This improvement reduces the projected General Fund/Lottery deficit to approximately \$80 million, though the total budget gap—including wildfire mitigation, HR 1 implementation requirements, and necessary ending balances—remains closer to \$600 million.

Corporate Activity Tax (CAT) Volatility: CAT revenue is projected to decline by \$31.1 million, though a \$100 million CAT reserve enacted by the Legislature helps stabilize Student Success Act (SSA) funding. Continued volatility in CAT collections may affect future funding for SIA, Early Literacy, and EIIS programs.

Implications for K-12 Funding: While no reductions to the SSF are currently anticipated, significant fiscal pressures—including federally driven cost increases for Medicaid and SNAP and several large unfunded state obligations—may lead to heightened competition for General Fund resources during the 2026 legislative session. The February 2026 revenue forecast will determine if mid-biennium budget adjustments are required.

Given this uncertainty, the District must continue to plan conservatively, avoid adding recurring costs dependent on uncertain future allocations, and prioritize protection of core instructional services.

- **Potential Federal Policy Shifts**

Federal economic and policy decisions continue to pose substantial risks to state and local education funding. The passage of HR 1 introduces major federal-driven reductions in Medicaid and SNAP, significantly increasing pressure on Oregon's General Fund to absorb these costs. Additional federal variables—including changes to tax policy, appropriations for Title programs and IDEA, nationwide economic stabilization measures, and federal workforce or childcare initiatives—may affect Oregon's revenue outlook.

Because state and federal fiscal conditions are closely interconnected, Pleasant Hill School District must remain vigilant in monitoring federal actions, as they may influence both state budget stability and federal grant distributions that support key district programs.

- **Implications for Pleasant Hill School District**

Cautious Optimism for SSF Stability: While the revenue outlook has improved, the state continues to face a substantial budget gap. At this time, no reductions to the State School Fund are projected; however, the risk of mid-biennium adjustments remains if revenues decline or federal requirements increase state spending obligations. Pleasant Hill School District's strong cash reserves position it well to withstand moderate revenue disruptions while maintaining core instructional services.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The District will continue to prioritize:

- Protection of core instructional programs and staffing
- Avoidance of new recurring costs reliant on uncertain funding streams
- Continued focus on deferred maintenance and planned facility improvements

Monitoring Student Success Act Revenues: Because PHSD receives SSA funding through the Student Investment Account, Early Literacy grants, and EIS, the CAT revenue decline warrants continued monitoring. Although the state's CAT reserve should stabilize allocations in the near term, additional reductions in CAT collections could affect:

- Programs supporting mental/behavioral health and academic achievement
 - High-dosage tutoring and extended-day literacy services
 - Early Indicator and Intervention Systems essential for data-driven student support
- **Summary**

The District's financial outlook is shaped by local, state, and federal economic dynamics. Locally, declining enrollment remains a primary concern affecting long-term revenue stability. The District's higher-than-normal ending fund balances provide critical financial flexibility, but careful long-range planning is essential to ensure reserves are used effectively.

At the state level, the December 2025 Economic and Revenue Forecast shows moderate improvement but continued risk. The state faces a substantial budget shortfall, increased pressure from federally driven cost shifts, and potential volatility in CAT revenues that support SSA programs. Federal policy decisions—including HR 1 implementation and potential changes in tax and education funding—further contribute to uncertainty.

In this environment, Pleasant Hill School District's strategy of cautious budgeting, proactive monitoring, and preservation of core instructional services remains essential. These economic and policy considerations informed the development of the District's 2025-26 budget, with the unassigned General Fund balance of \$8,441,207 available to support program needs in the coming fiscal year.

All of these factors were considered in preparing the District's budget for fiscal year 2025-2026. The unassigned ending General Fund balance of \$8,441,207 will be available for program resources in fiscal year 2025-2026.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in the report or requests for additional information should be addressed to: Business Manager, Pleasant Hill School District No. 1, 36386 Highway 58, Pleasant Hill, Oregon 97455.

BASIC FINANCIAL STATEMENTS

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

STATEMENT OF NET POSITION

June 30, 2025

	Governmental Activities
ASSETS	
Current assets	
Cash and investments	\$ 10,853,241
Cash with agent	10,804
Accounts receivable	438,097
Property taxes receivable	159,183
Inventory	3,130
Total current assets	11,464,455
Restricted assets	
Cash and investments	750,669
Property taxes receivable	70,703
Total restricted assets	821,372
Noncurrent assets	
Net OPEB RHIA asset	176,623
Capital assets not being depreciated	548,231
Capital assets being depreciated, net	21,549,698
Total noncurrent assets	22,274,552
Total assets	34,560,379
DEFERRED OUTFLOWS OF RESOURCES	4,913,132
LIABILITIES	
Current liabilities	
Accounts payable	92,374
Payroll liabilities	785,332
Compensated absences	1,757,960
Contractual benefits - insurance pool	224,298
Accrued interest	19,283
Unearned revenue - preschool	2,025
Bonds payable, current portion	1,625,000
Total current liabilities	4,506,272

(Continued)

The accompanying notes are an integral part of these financial statements.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

STATEMENT OF NET POSITION

June 30, 2025

(Continued)

	<u>Governmental Activities</u>
LIABILITIES (Continued)	
Noncurrent liabilities	
Net pension liability - PERS	\$ 10,863,251
Stipend liability - early retirement	122,369
OPEB liability - medical benefit	342,381
Bonds payable, less current portion	<u>5,657,676</u>
Total liabilities	<u>21,491,949</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,107,084</u>
NET POSITION	
Net investment in capital assets	14,815,253
Restricted for:	
Student activities	263,550
Nutrition services	212,552
Scholarship programs	5,323
Music programs	3,657
Grant programs	148,667
Debt service	121,174
Unrestricted	<u>1,304,302</u>
Total net position	<u>\$ 16,874,478</u>

The accompanying notes are an integral part of these financial statements.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

<u>Functions/Programs</u>	Expenses	Program Revenues		Capital Grants and Contributions	Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Grants and Contributions		
Governmental activities						
Instruction	\$ 9,393,318	\$ 406,023	\$ 2,224,222	\$ -		\$ (6,763,073)
Support services	6,170,829	-	-	-		(6,170,829)
Enterprise and community services	601,745	6,834	716,065	-		121,154
Facilities acquisition	109,298	-	-	-		(109,298)
Unallocated depreciation expense	<u>795,170</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>(795,170)</u>
Total governmental activities	<u>\$ 17,070,360</u>	<u>\$ 412,857</u>	<u>\$ 2,940,287</u>	<u>\$ -</u>		<u>(13,717,216)</u>
General revenues						
Property taxes - general						3,758,442
Property taxes - debt service						1,682,430
State school fund - general support						8,594,302
Common school fund						159,706
Investment earnings						723,137
Unrestricted grants and contributions						31,474
Miscellaneous						<u>130,804</u>
Total general revenues						<u>15,080,295</u>
Change in net position						1,363,079
Net position - beginning, as restated						<u>15,511,399</u>
Net position - ending						<u>\$ 16,874,478</u>

The accompanying notes are an integral part of these financial statements.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 9,177,043	\$ 2,309,947	\$ 116,920	\$ 11,603,910
Cash with agent	10,804	-	-	10,804
Accounts receivable	253,036	185,061	-	438,097
Property taxes receivable	159,183	-	70,703	229,886
Inventory	-	3,130	-	3,130
 Total assets	 \$ 9,600,066	 \$ 2,498,138	 \$ 187,623	 \$ 12,285,827
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 92,374	\$ -	\$ 92,374
Payroll liabilities	785,332	-	-	785,332
 Total liabilities	 785,332	 92,374	 -	 877,706
 Deferred inflow of resources				
Unavailable revenue	149,229	2,025	66,449	217,703
 Fund balances				
Nonspendable	-	3,130	-	3,130
Restricted	-	633,749	121,174	754,923
Committed	224,298	1,766,860	-	1,991,158
Unassigned	8,441,207	-	-	8,441,207
 Total fund balances	 8,665,505	 2,403,739	 121,174	 11,190,418
 Total liabilities, deferred inflows of resources, and fund balances	 \$ 9,600,066	 \$ 2,498,138	 \$ 187,623	 \$ 12,285,827

The accompanying notes are an integral part of these financial statements.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2025

Total fund balances		\$ 11,190,418
Capital assets are not financial resources and are therefore not reported in the governmental funds:		
Cost	35,299,834	
Accumulated depreciation	<u>(13,201,905)</u>	22,097,929
Property tax revenue is recognized in the net position of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations. Taxes not collected within 60 days of the end of the year are not considered available to pay for current year operations and are therefore not reported as revenue in the governmental funds.		
		215,678
Amounts relating to the District's proportionate share of PERS, OPEB, and early retirement actuarial valuation balances are not reported in governmental fund statements. In the governmental fund statements, pension and OPEB are expensed when due. The amounts consist of:		
Deferred outflows of resources related to pension and OPEB expense	4,913,132	
Deferred inflows of resources related to return on pension and OPEB assets	(1,107,084)	
Net pension liability - PERS	(10,863,251)	
OPEB RHIA benefit	176,623	
OPEB liability - medical benefit	(342,381)	
Stipend liability - early retirement	<u>(122,369)</u>	(7,345,330)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Compensated absences	(1,757,960)	
Contractual benefits - insurance pool liability	(224,298)	
Accrued interest	(19,283)	
Bonds payable, net of related premium	<u>(7,282,676)</u>	<u>(9,284,217)</u>
Net position of governmental activities		<u><u>\$ 16,874,478</u></u>

The accompanying notes are an integral part of these financial statements.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Property taxes	\$ 3,780,859	\$ -	\$ 1,615,981	\$ 5,396,840
Federal grants	-	928,043	-	928,043
State school fund	8,590,567	3,735	-	8,594,302
Common school fund	159,706	-	-	159,706
State grants	140,147	1,645,666	-	1,785,813
County school funds	31,474	-	-	31,474
Intermediate revenue	161,339	10,347	-	171,686
Other local sources	-	135,268	-	135,268
Fees and charges	85,088	247,246	-	332,334
Investment earnings	654,173	-	7	654,180
Miscellaneous	45,813	84,991	-	130,804
	<u>13,649,166</u>	<u>3,055,296</u>	<u>1,615,988</u>	<u>18,320,450</u>
EXPENDITURES				
Current				
Instruction	7,115,950	2,023,720	-	9,139,670
Support services	5,168,017	988,980	-	6,156,997
Enterprise and community services	-	601,745	-	601,745
Debt service	-	-	1,577,494	1,577,494
Facilities acquisition and construction	-	776,679	-	776,679
	<u>12,283,967</u>	<u>4,391,124</u>	<u>1,577,494</u>	<u>18,252,585</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,365,199</u>	<u>(1,335,828)</u>	<u>38,494</u>	<u>67,865</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,095,000	-	1,095,000
Transfers out	(1,095,000)	-	-	(1,095,000)
	<u>(1,095,000)</u>	<u>1,095,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	270,199	(240,828)	38,494	67,865
Fund balances - beginning	8,395,306	2,644,567	82,680	11,122,553
Fund balances - ending	<u>\$ 8,665,505</u>	<u>\$ 2,403,739</u>	<u>\$ 121,174</u>	<u>\$ 11,190,418</u>

The accompanying notes are an integral part of these financial statements.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

Net change in fund balances		\$	67,865
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlay as expenditures; however, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>			
Expenditures for and reclassifications to capital assets	753,955		
Depreciation expense recorded in the current year	<u>(795,170)</u>		(41,215)
<p>Pension and OPEB expenses or credits that do not meet the measurable and available criteria are not recognized as revenue or expense in the current year in governmental funds. In the statement of activities, pension and OPEB expenses or credits are recognized when determined to have been accrued.</p>			
Early retirement expense	28,127		
OPEB expense (credit)	52,583		
Pension expense	<u>(15,479)</u>		65,231
<p>Long-term debt proceeds are reported as other financing sources in the governmental funds. In the statement of net position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.</p>			
Debt principal paid			1,663,166
<p>Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the statement of activities, property taxes are recognized as revenue when levied.</p>			
			44,032
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in the governmental funds.</p>			
Change in accrued interest	(16,715)		
Change in insurance pool liability	(224,298)		
Change in compensated absences	<u>(194,987)</u>		<u>(436,000)</u>
Change in net position		\$	<u>1,363,079</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Pleasant Hill School District No. 1 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported by the District.

B. Reporting Entity

Pleasant Hill School District No. 1 functions as a local education agency, serving students in grades kindergarten through 12. The District is governed by a five-member board of directors. The daily functioning is under the supervision of the Superintendent.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from all governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. The primary sources of revenue are property taxes and state revenues.

PLEASANT HILL SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

Special Revenue Fund - The Special Revenue Fund is used to account for revenues and expenditures of federal, state, local, and private grants, as well as board-designated reserves, restricted for specific educational projects. The primary sources of revenue are federal and state grants. The primary use of revenue is to fund special programs.

The District considers the following fund to be particularly important to financial statement users and has elected to present this fund as a major governmental fund.

Debt Service Fund - The Debt Service Fund accounts for the repayment of the District's long-term debt. The primary source of revenue is property taxes. The primary use of revenue is payment of principal and interest due on long-term debt.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between funds included in governmental activities are eliminated.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

PLEASANT HILL SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have therefore been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

F. Budgetary Information

Annual budgets are adopted on the modified accrual basis of accounting. The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, and debt service funds.

The District begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The budget is legally adopted by the board of directors by resolution prior to the beginning of the District's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Total instruction, support services, community services, debt service, capital outlay, operating contingencies, and interfund transfers for each fund are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line-item budgets within appropriation categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. A supplemental budget less than 10% of a fund's original budget may be adopted by the board of directors at a regular board meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the board of directors.

Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of directors. During the year, there were no supplemental budgets. The District does not use encumbrances and appropriations lapse at year end.

Budget amounts shown in the financial statements reflect the original budget amounts and one approved appropriation change.

PLEASANT HILL SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

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

2. Investments

State statutes authorize the District to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

3. Restricted Assets

Assets whose use is restricted for grant projects, debt service, facilities improvement and construction, or by other agreement are segregated on the statement of net position.

4. Accounts Receivable

Receivables for federal and state grants, and state, county, and local shared revenues are recorded as revenue when earned.

5. Supply Inventory

Supply inventory is valued at cost using the first-in, first-out method. Inventory is accounted for using the purchases method for fund statements and using the consumption method for the statement of net position. Any donated inventory is valued at estimated fair market value. Purchased inventory is charged as an expenditure when purchased.

PLEASANT HILL SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

6. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment and vehicles	5-20
Buildings and improvements	7-50

7. Compensated Absences

Amounts of vested or accumulated vacation and sick leave that are expected to be liquidated with expendable available financial resources are reported as expenditures when paid. Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported as long-term liabilities on the statement of net position.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bond using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount. Management has determined that the bonds outstanding method approximates the effective interest method.

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

PLEASANT HILL SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

9. Deferred Outflows/Inflows of Resources (Non-Pension/OPEB Related)

In addition to assets, the statement of financial position and/or balance sheet 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 and will therefore not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of financial position and/or balance sheet 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 and will therefore not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

10. Pensions

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

For purposes of measuring the early retirement stipend benefit, the District has relied on actuarial reports. The net pension liability, deferred outflows of resources, and deferred inflows of resources are related to changes in assumptions for the covered active and inactive participants.

11. Other Postemployment Benefits

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

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June 30, 2025

For purposes of measuring the net OPEB medical benefit, the District has relied on actuarial reports. The net OPEB liability, deferred outflows of resources, and deferred inflows of resources are related to changes in assumptions for the covered active and inactive participants.

12. Net Position Flow Assumption

Sometimes, the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

13. Fund Balance Flow Assumption

Sometimes, the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

14. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Restricted fund balance includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

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The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The board of directors is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for the specific purposes but do not meet the criteria to be classified as committed. The board of directors has, by resolution, authorized the Business Manager to assign fund balance. The board of directors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The District reports fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance - amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - amounts that the District intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the board of directors delegates authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The District has not formally adopted a minimum fund balance policy.

PLEASANT HILL SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

H. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15. Uncollected property taxes are shown as assets in the governmental funds. Property taxes collected within approximately 60 days of fiscal year-end are recognized as revenue, while the remaining are recorded as deferred inflows of resources because they are not deemed available to finance operations of the current period.

3. Retirement Plan

Most of the District’s employees participate in Oregon’s Public Employees Retirement System (PERS). Contributions and expenditures are made on a current basis, as required by the plan.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations

The District expended funds in excess of the amounts appropriated, which is in violation of Oregon Budget Law. The following appropriations were over-expended for the year ended June 30, 2025:

<u>Fund</u>	<u>Function</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue	Facilities acquisition and construction	\$ 692,278	\$ 776,679	\$ 84,401

PLEASANT HILL SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Pleasant Hill School District No. 1 maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. The District participates in an external investment pool (State of Oregon Local Government Investment Pool (LGIP)). The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by Oregon Revised Statutes (ORS) and the Oregon Investment Council (OIC). The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury. These funds are invested, exercising reasonable care, skill, and caution. Investments in the LGIP are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which established diversification percentages and specifies the types and maturities of investments. The portion of the external investment pool that belongs to local government investment participants is reported in an Investment Trust Fund in the State's Annual Comprehensive Financial Report (ACFR). A copy of the State's ACFR may be obtained at the Oregon State Treasury, 867 Hawthorne Avenue SE, Salem, Oregon 97301.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or price 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 on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

- *Level 1* - Unadjusted quoted prices for identical investments in active markets.
- *Level 2* - Observable inputs other than quoted market prices.
- *Level 3* - Unobservable inputs.

The LGIP investments are not required to be categorized under the fair value hierarchy. The fair value of the District's position in the LGIP is the same as the value of the pool shares.

PLEASANT HILL SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

Credit Risk

Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The District has adopted an investment policy that does not require diversification of investments.

Investments

As of June 30, 2025, the District had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	\$ 10,203,980

Interest Rate Risk

The District has a formal policy that does not limit investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

Concentration of Credit Risk

The District does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100 percent of the District's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy that limits the amount of investments that can be held by counterparties.

PLEASANT HILL SCHOOL DISTRICT NO. 1
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June 30, 2025

Custodial Credit Risk - Deposits

This is the risk that, in the event of a bank failure, the District's deposits may not be returned. All District deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The District holds accounts at Banner Bank, for which the FDIC provides insurance coverage of \$250,000 for demand deposit accounts and \$250,000 for time and savings accounts. At June 30, 2025, the District had deposits of \$250,000 insured by the FDIC and \$1,639,037 collateralized by the PFCP.

Deposits

The District's deposits and investments at June 30, 2025 are as follows:

Checking accounts	\$ 88,979
Savings accounts	1,310,951
Investments	<u>10,203,980</u>
Total deposits and investments	<u>\$ 11,603,910</u>

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 9,177,043
Special Revenue Fund	<u>1,676,198</u>
Total governmental activities - unrestricted	<u>10,853,241</u>
Governmental activities - restricted	
Special Revenue Fund	633,749
Debt Service Fund	<u>116,920</u>
Total governmental activities - restricted	<u>750,669</u>
Total cash and investments	<u>\$ 11,603,910</u>

PLEASANT HILL SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

Restricted cash is for future payments of principal and interest on long-term debt, future facilities acquisition and construction, and future expenditures of grant monies.

B. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 70,934	\$ -	\$ -	\$ 70,934
Construction in progress	<u>339,370</u>	<u>462,777</u>	<u>(324,850)</u>	<u>477,297</u>
Total capital assets not being depreciated	<u>410,304</u>	<u>462,777</u>	<u>(324,850)</u>	<u>548,231</u>
Capital assets being depreciated				
Buildings and improvements	33,018,961	578,121	-	33,597,082
Equipment and vehicles	<u>1,116,614</u>	<u>37,907</u>	<u>-</u>	<u>1,154,521</u>
Total capital assets being depreciated	<u>34,135,575</u>	<u>616,028</u>	<u>-</u>	<u>34,751,603</u>
Less accumulated depreciation for				
Buildings and improvements	(11,720,580)	(740,403)	-	(12,460,983)
Equipment and vehicles	<u>(686,155)</u>	<u>(54,767)</u>	<u>-</u>	<u>(740,922)</u>
Total accumulated depreciation	<u>(12,406,735)</u>	<u>(795,170)</u>	<u>-</u>	<u>(13,201,905)</u>
Total capital assets being depreciated, net	<u>21,728,840</u>	<u>(179,142)</u>	<u>-</u>	<u>21,549,698</u>
Governmental activities capital assets, net	<u>\$ 22,139,144</u>	<u>\$ 283,635</u>	<u>\$ (324,850)</u>	<u>\$ 22,097,929</u>

Capital assets are reported on the statement of net position as follows:

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Land	\$ 70,934	\$ -	\$ 70,934
Construction in progress	477,297	-	477,297
Buildings and improvements	33,597,082	(12,460,983)	21,136,099
Equipment and vehicles	<u>1,154,521</u>	<u>(740,922)</u>	<u>413,599</u>
Total governmental activities capital assets	<u>\$ 35,299,834</u>	<u>\$ (13,201,905)</u>	<u>\$ 22,097,929</u>

PLEASANT HILL SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

Depreciation was not charged to specific functions or programs of the District. Capital assets are for the use of the entire District and are therefore unallocated. Depreciation expense is reported on the statement of activities as follows:

Governmental activities	
Unallocated depreciation expense	<u>\$ 795,170</u>

C. Deferred Inflows/Outflows of Resources

Deferred inflows and outflows of resources summarized on the statement of net position are comprised of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net pension liability - PERS	\$ 4,745,732	\$ 953,900
OPEB RHIA asset	5,297	29,706
OPEB medical benefit liability	162,103	123,478
Total	\$ 4,913,132	\$ 1,107,084

D. Compensated Absences

The following is a summary of net compensated absences for the year ending June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance
Compensated absences	\$ 1,562,973	\$ 194,987	\$ -	\$ 1,757,960

The General Fund has traditionally been used to liquidate the liability related to compensated absences.

PLEASANT HILL SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

E. Long-Term Liabilities

1. Changes in Long-Term Liabilities

The following is a summary of long-term liabilities transactions for the year:

	Interest Rates	Original Amount	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
2014A GO bonds	3-4.125%	\$ 7,765,000	\$ 1,515,000	\$ -	\$ 1,515,000	\$ -	\$ -
2014B GO bonds	0.75-3.94%	<u>15,015,000</u>	<u>11,995,000</u>	<u>-</u>	<u>-</u>	<u>11,995,000</u>	<u>1,625,000</u>
Subtotal bonds		<u>22,780,000</u>	<u>13,510,000</u>	<u>-</u>	<u>1,515,000</u>	<u>11,995,000</u>	<u>1,625,000</u>
2014A GO bond premium		759,410	148,166	-	148,166	-	-
2014B GO bond discount		<u>(4,829,740)</u>	<u>(4,712,324)</u>	<u>-</u>	<u>-</u>	<u>(4,712,324)</u>	<u>-</u>
Total governmental activities		<u>\$ 18,709,670</u>	<u>\$ 8,945,842</u>	<u>\$ -</u>	<u>\$ 1,663,166</u>	<u>\$ 7,282,676</u>	<u>\$ 1,625,000</u>

The Debt Service Fund has traditionally been used to liquidate the above long-term liabilities.

2. General Obligation Bonds, Series 2014A and 2014B

On December 22, 2014, the District issued general obligation bonds, series 2014A and 2014B, of \$7,765,000 and \$10,185,260, respectively, with a related premium of \$759,410 and discount of \$4,829,740. Fixed interest rates for the series 2014A and 2014B bonds range from 3% to 4.125% and 0.75% to 3.94%, respectively. Interest is due semiannually on December 15 and June 15. For the series 2014A bonds, principal was due beginning on June 15, 2020. As of June 30, 2025, the series 2014A bonds obligation had been paid in full.

3. Interest Expense

Interest expense was not charged to specific functions or programs of the District. Interest expense is recorded on the statement of activities as follows:

Governmental activities	
Interest on long-term debt	<u>\$ 62,496</u>

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4. General Obligation Debt Capacity

ORS 328.245 establishes a parameter of bonded debt indebtedness for school districts. Kindergarten through twelfth grade school districts may issue an aggregate principal amount up to 7.95% of the real market value of all taxable properties within the District. Information on the District’s general obligation capacity is presented below:

Real Market Value (Fiscal Year 2024) ⁽¹⁾	\$ 1,654,236,145
---	------------------

Debt Capacity

General Obligation Debt Capacity (7.95% of Real Market Value)	\$ 131,511,774
Less: Outstanding Debt Subject to Limit	<u>(11,995,000) ⁽²⁾</u>
Remaining General Obligation Debt Capacity	\$ 119,516,774
Percent of Capacity Issued	9.12%

(1) The District’s fiscal year commences July 1 and ends on June 30 of the following year (the “Fiscal Year”).
Source: Lane County Department of Assessment and Taxation.

(2) Represents voter-approved, unlimited-tax general obligations of the District.

5. Future Maturities of Long-Term Liabilities

Year Ending June 30	General Obligation Bonds, Series 2014B		
	Principal	Interest	Total
2026	\$ 1,625,000	\$ 469,219	\$ 2,094,219
2027	1,670,000	533,832	2,203,832
2028	1,720,000	604,786	2,324,786
2029	1,775,000	676,293	2,451,293
2030	1,825,000	748,652	2,573,652
2031-2035	<u>3,380,000</u>	<u>1,679,262</u>	<u>5,059,262</u>
Total	<u>\$ 11,995,000</u>	<u>\$ 4,712,044</u>	<u>\$ 16,707,044</u>

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F. Interfund Transfers

Operating transfers are reflected as other financing sources (uses) in the governmental funds. Interfund transfers during the year consisted of:

	Transfers in:
	Special
	Revenue Fund
Transfers out:	
General Fund	\$ 1,095,000

Transfers were made primarily to fund special purpose reserves.

G. Constraints on Fund Balances

Constraints on fund balances reported on the balance sheet are as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Fund balances:				
Nonspendable:				
Inventory	\$ -	\$ 3,130	\$ -	\$ 3,130
Restricted for:				
Enrichment activities	-	15,839	-	15,839
Student activities	-	263,550	-	263,550
Nutrition services	-	212,552	-	212,552
Scholarship programs	-	5,323	-	5,323
Music programs	-	3,657	-	3,657
Grant programs	-	132,828	-	132,828
Debt service	-	-	121,174	121,174
Committed to:				
Insurance/benefit reserve	224,298	475,707	-	700,005
High school connections	-	28,463	-	28,463
Equipment replacement	-	111,973	-	111,973
Maintenance reserve	-	208,586	-	208,586
Technology reserve	-	246,138	-	246,138
Instructional materials reserve	-	293,619	-	293,619
Field repair and replacement	-	402,374	-	402,374
Unassigned	8,441,207	-	-	8,441,207
Total fund balances	\$ 8,665,505	\$ 2,403,739	\$ 121,174	\$ 11,190,418

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IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

B. Pension Plan

1. Plan Description

The District is a participating employer in the Oregon Public Employees Retirement System (OPERS), a cost-sharing, multiple-employer, defined benefit, and defined contribution pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement System Board to administer and manage the system. All benefits of the system are established by the legislature, pursuant to Oregon Revised Statutes (ORS) Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available annual comprehensive financial report and actuarial valuation, both of which can be obtained at: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>.

2. Benefits Provided

a. Tier One/Tier Two Retirement Benefits (ORS Chapter 238)

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The base benefit is based on years of service and final average salary. A percentage (1.67% 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 benefit results.

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A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they have had a contribution in each of five calendar years or have reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

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 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 when determining the monthly benefit.

Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the fair value of underlying global equity investments of that account. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

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b. Oregon Public Service Retirement Plan (OPSRP) Pension Program (Defined Benefit)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions and earnings. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

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% of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credit before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

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c. OPSRP Individual Account Program (IAP) (Defined Contribution)

Benefit Terms

The IAP is an individual account-based program under the OPERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account is 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 their employee account, rollover account, and vested employer-funded account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

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.

Recordkeeping

OPERS contracts with Voya Financial to maintain IAP participant records.

3. 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. Employer contribution rates during the period were based on the December 31, 2022 actuarial valuation, which became effective July 1, 2023. Employer contributions for the year ended June 30, 2025 were \$1,815,115, excluding amounts to fund employer-specific liabilities. The rates in effect for the fiscal year ended June 30, 2025 were 27.26% for Tier One/Tier Two general service members, 24.42% for OPSRP Pension Program general service members, and 6% for OPSRP IAP. The District has elected to make the payments on behalf of its employees for the OPSRP IAP.

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4. Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2025, the District reported a liability of \$10,863,251 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan, relative to the projected contributions of all participating entities, actuarially determined. At the June 30, 2024 measurement date, the District's proportion was 0.049%, which decreased from its proportion of 0.052% measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$1,716,369. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 643,547	\$ 25,927
Change in assumptions	1,092,195	1,399
Net difference between projected and actual earnings on investments	690,120	-
Change in proportionate share	2,470	609,288
Differences between employer contributions and employer's proportionate share of system contributions	546,144	317,286
Total (prior to post-MD contributions)	2,974,476	953,900
Contributions subsequent to the MD	1,771,256	-
Total	\$ 4,745,732	\$ 953,900

Deferred outflows of resources related to pensions of \$1,771,256 resulting from the District's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2026.

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Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Subsequent fiscal years	Deferred Outflows/ (Inflows) of Resources
1st Fiscal Year	\$ (74,014)
2nd Fiscal Year	1,138,508
3rd Fiscal Year	584,101
4th Fiscal Year	311,878
5th Fiscal Year	60,103

5. Actuarial Assumptions

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 (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) 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.

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The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study	2022, published July 24, 2023
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.40%
Long-Term Expected Rate of Return	6.90%
Discount Rate	6.90%
Projected Salary Increases	3.40%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25% / 0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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

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6. 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 Public Employees Retirement System Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. 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. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see OPERS’ annual comprehensive financial report, which can be obtained at: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>.

7. Discount Rate

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

8. Sensitivity of the District’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability (asset)	\$ 17,136,338	\$ 10,863,251	\$ 5,609,235

9. Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS annual comprehensive financial report.

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C. Other Post-Employment Benefits - PERS Retirement Health Insurance Account (RHIA)

1. Plan Description

The District contributes to the PERS Retirement Health Insurance Account (RHIA), established by ORS 238.420, for each of its eligible employees. RHIA is a cost-sharing, multiple-employer, other postemployment benefit plan administered by OPERS. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. OPERS issues a publicly available annual comprehensive financial report, which can be obtained at: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>.

2. Benefits Provided

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 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 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 PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if they (1) are receiving a retirement benefit or allowance from PERS or (2) were insured at the time the member died and the member retired before May 1, 1991.

3. Contributions

PERS' funding policy provides for 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. Employer contribution rates for the period were based on the December 31, 2022 actuarial valuation, which became effective July 1, 2023. The District's contribution rates for the period were 0.05% for Tier One/Tier Two members to fund the normal cost portion of RHIA benefits. No unfunded actuarial accrued liability rate was assigned for the RHIA program as it was funded at 221.3% as of December 31, 2023. Typically, PERS employers contribute an actuarially determined percentage of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. The District's total contributions for the year ended June 30, 2025 amounted to \$310.

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4. OPEB Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to RHIA

At June 30, 2025, the District reported an asset of \$176,623 for its proportionate share of the OPERS net OPEB asset. The net 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 rolled forward to June 30, 2024. The District's proportion of the net OPEB asset was based on the District's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At the June 30, 2024 measurement date, the District's proportionate share was 0.044%, which is an increase from its proportion of 0.033% measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized OPEB credit from this plan of \$49,233. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,454
Change in assumptions	-	2,234
Net difference between projected and actual earnings on investments	4,987	-
Change in proportionate share	-	24,018
Total (prior to post-MD contributions)	4,987	29,706
Contributions subsequent to the MD	310	-
Total	\$ 5,297	\$ 29,706

Deferred outflows of resources related to OPEB of \$310 resulting from the District's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Subsequent fiscal years	Deferred Outflows/ (Inflows) of Resources
1st Fiscal Year	\$ (32,166)
2nd Fiscal Year	4,172
3rd Fiscal Year	2,698
4th Fiscal Year	577

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5. Actuarial Methods and Assumptions

The RHIA plan is unaffected by healthcare cost trends since the benefit is limited to a \$60 monthly payment toward Medicare companion insurance premiums; consequently, the disclosure of a healthcare cost trend is not applicable. Other significant actuarial assumptions are consistent with those disclosed for the OPERS pension plan in Note IV-B.5.

6. Long-Term Expected Rate of Return

The long-term expected rate of return assumptions for the OPEB plan are consistent with those disclosed for the OPERS pension plan in Note IV-B.6.

7. Discount Rate

The discount rate used to measure the total OPEB liability was 6.90% for the OPEB plan. 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 OPEB plan’s 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 OPEB plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

8. Sensitivity of the District’s Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net OPEB liability (asset)	\$ (163,499)	\$ (176,623)	\$ (187,923)

9. OPEB Plan Fiduciary Net Position

Detailed information about the other postemployment benefit plan’s fiduciary net position is available in the separately issued OPERS annual comprehensive financial report.

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D. Other Post-Employment Benefits - District Medical Benefit Plan

1. Plan Description

The District Medical Benefit Plan consists of a single-employer retiree benefit plan that provides postemployment health, dental, vision, and life insurance benefits to eligible employees and their dependents.

2. Benefits Provided

Plan benefits are established by the Oregon Legislature, pursuant to ORS Chapter 243. ORS stipulates that, for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees.

The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contributions.

The calculated OPEB liability is derived using the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members at that point.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision, as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

Medical Benefit Membership and Eligibility

Benefits and eligibility for members are established through collective bargaining agreements. All classes of employees are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage.

Medical Benefit Duration and Amount

Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible).

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

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3. Funding Policy

The benefits from this program are paid by the District on a self-pay basis and the required contribution is based on projected pay-as-you-go financing requirements. There is no obligation on the part of the District to fund these benefits in advance.

4. Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2024 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2024
Measurement Date/Fiscal Year End	June 30, 2024 / June 30, 2025
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Interest Rate for Discounting Future Liabilities	3.93% per year, based on all years discounted at municipal bond rate
Inflation Rate	2.50% per year
Salary Scale	3% per year
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

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Disability rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by employee age.

Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled, if any. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

5. Total OPEB Liability, Expense, and Deferred Outflows and Inflows of Resources Related to the Medical Benefit Plan

The District's total OPEB liability of \$342,381 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2024.

For the fiscal year ended June 30, 2025, the District recognized OPEB expense from this plan of \$38,407.

	Total OPEB Liability
Beginning balance	\$ 354,016
Changes for the year:	
Service cost	16,719
Interest on total OPEB liability	13,098
Benefit payments	(41,452)
Ending balance	\$ 342,381

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 73,964	\$ 20,858
Change in assumptions	88,139	102,620
Total	\$ 162,103	\$ 123,478

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

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

Amortization Period Ending June 30	Deferred Outflows/ (Inflows) of Resources
1st fiscal year	\$ 8,590
2nd fiscal year	8,590
3rd fiscal year	8,590
4th fiscal year	8,590
5th fiscal year	8,590
Thereafter	(4,326)

6. Sensitivity of the Net OPEB Liability

The following presents the net OPEB liability, calculated using the discount rate of 3.93%, as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate.

	Discount Rate		
	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	\$ 368,969	\$ 342,381	\$ 318,196

The following presents the net OPEB liability, calculated using the healthcare cost trend rate of 5.75% graded down to 3.75%, as well as what the liability would be if it were calculated using a rate that is one percentage point lower (4.75%) or one percentage point higher (6.75%) than the current healthcare cost trend rate.

	Healthcare Cost Trend		
	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 308,610	\$ 342,381	\$ 382,815

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

E. Single-Employer Pension Plan Termination Benefits - Early Retirement Benefits

1. Plan Description

The District's early retirement program provides monthly benefits to certain eligible licensed retirees. Retirees may choose to receive their benefits in the form of subsidized healthcare benefits or a monthly stipend. The early retirement program is valued as a pension plan as defined in GASB Statement No. 73, since any given retiree will receive the same monthly benefit regardless of their choice to continue coverage under the District's health plan.

The program covers licensed personnel hired prior to September 1, 1999 and was established under separate bargaining agreements. To qualify, licensed staff must have reached age 55 or have 30 years of service within the Oregon school system, serving the most recent 10 years within the District. No more than seven employees may retire per fiscal year (preference given by seniority). Qualifying employees receive a monthly stipend of up to \$625, which may be applied to insurance at the retiree's discretion. The monthly stipend terminates once the retiree reaches age 65 or qualifies for Federal Medicare coverage, whichever occurs first. If the surviving spouse was participating in the insurance option at the time of the retiree's death, the health insurance subsidy continues to the spouse until the retiree would have reached age 65 or until the spouse becomes eligible for Medicare, or the spouse may choose to receive the benefit as a stipend.

2. Funding Policy

The District's early retirement program is unfunded as defined by GASB. Contributions to the plan have been determined on a pay-as-you-go basis.

3. Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation as of June 30, 2024. The pension plan liability was determined using the actuarial assumptions reflected in Note IV-D.4.

Medical claims for retirees receiving a District subsidy are assumed to be 38% greater than the medical premiums paid by this group. Medical claims for retirees self-paying for coverage are assumed to be 70% greater than the medical premiums paid by this group. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

100% of eligible future retirees eligible for a direct District benefit under the early retirement program will elect to receive benefits. 35% of retirees only eligible for self-pay coverage are assumed to continue coverage upon retirement. Based on the observed rates from 2010 to 2020, 40% will elect a stipend and 60% will elect District contributions towards health insurance.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

Based on assumed retirement patterns, the Plan's limit of seven new retirees per year is not expected to have an impact on future retirements.

4. Total Early Retirement Liability, Expense, and Deferred Outflows and Inflows of Resources Related to the Single-Employer Pension Plan

The District's early retirement liability of \$122,369 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2024. For the fiscal year ended June 30, 2025, the District recognized pension expense from this plan of \$6,800.

	Early Retirement Liability
Beginning balance	\$ 151,499
Changes for the year:	
Service cost	529
Interest on total pension liability	5,268
Benefit payments	(34,927)
Ending balance	\$ 122,369

The following presents the early retirement liability, calculated using the discount rate of 3.93%, as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate.

	Discount Rate		
		Current	
	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Early retirement liability	\$ 126,611	\$ 122,369	\$ 118,328

F. Commitments

The District entered into project contracts with multiple vendors during the year ended June 30, 2025. At year end, \$1,341,273 remained outstanding.

G. Concentrations - Collective Bargaining Agreements

At June 30, 2025, the District had approximately 190 staff. Of this total, 95 are covered under collective bargaining agreements.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

H. Restatement

The District restated beginning net position to correct carryover student activity funds duplicate transactions and bond premium amortization as follows:

Government-Wide Statements	Governmental Activities
Net position - beginning, as originally reported	\$ 15,313,832
To correct carryover student activity funds duplicate transactions	(30,672)
To correct bond premium amortization upon payoff of bond	229,389
Net position - beginning, as restated	\$ 15,512,549

I. New Pronouncements

For the fiscal year ended June 30, 2025, the District implemented the following new accounting standard:

GASB Statement No. 102, Certain Risk Disclosures - This statement improves reporting by providing users of financial statements with essential information that previously was not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

The District will implement applicable new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements for implementing any of the following pronouncements:

GASB Statement No. 103, Financial Reporting Model Improvements - The objective of this statement is to improve key components of the financial reporting model. The purposes of the improvements are to (a) enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and (b) address certain application issues identified through pre-agenda research conducted by the GASB. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

J. Subsequent Events

Management has evaluated subsequent events through December 15, 2025, which was the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

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

OREGON PERS SYSTEM

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 net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a % of covered payroll	Plan fiduciary net position as a % of the total pension liability
2016	0.07590190%	\$ 4,357,876	\$ 3,697,042	117.87%	91.88%
2017	0.06352310%	9,536,285	3,689,125	258.50%	80.53%
2018	0.06232600%	8,401,164	4,152,598	202.31%	83.12%
2019	0.05880940%	8,908,846	4,279,936	208.15%	82.07%
2020	0.06054920%	10,473,553	4,514,113	232.02%	80.20%
2021	0.05520380%	12,047,359	4,815,752	250.17%	75.79%
2022	0.05259070%	6,293,257	4,981,040	126.34%	87.60%
2023	0.05195295%	7,955,039	5,090,776	156.26%	84.50%
2024	0.05197910%	9,736,035	5,495,902	177.15%	81.70%
2025	0.04887359%	10,863,251	6,059,261	179.28%	84.50%

Schedule of Contributions

Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2016	\$ 820,109	\$ (820,109)	\$ -	\$ 4,050,515	20.25%
2017	842,432	(842,432)	-	4,304,259	19.57%
2018	1,099,587	(1,099,587)	-	4,550,483	24.16%
2019	1,113,688	(1,113,688)	-	4,842,122	23.00%
2020	1,733,215	(1,733,215)	-	4,026,833	43.04%
2021	1,471,942	(1,471,942)	-	5,565,396	26.45%
2022	1,403,502	(1,403,502)	-	4,568,217	30.72%
2023	1,172,327	(1,172,327)	-	5,670,588	20.67%
2024	1,678,686	(1,678,686)	-	6,137,817	27.35%
2025	1,771,256	(1,771,256)	-	6,521,000	27.16%

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

SCHEDULES OF THE PROPORTIONATE SHARE OF THE
NET OPEB ASSET AND CONTRIBUTIONS

OREGON PERS SYSTEM

Schedule of the Proportionate Share of the Net OPEB RHIA

Year Ended June 30	(a) Employer's proportion of the net OPEB RHIA liability (asset)	(b) Employer's proportionate share net OPEB RHIA liability (asset)	(c) Employer's covered payroll	(b/c) NPL as a % of covered payroll	Plan fiduciary net position as a % of the total OPEB RHIA liability (asset)
2017	0.04284150%	\$ 11,634	\$ 3,689,125	0.32%	94.15%
2018	0.04120545%	17,197	4,152,598	0.41%	108.88%
2019	0.04455608%	(49,737)	4,279,936	-1.16%	123.99%
2020	0.04316527%	(83,411)	4,514,113	-1.85%	144.40%
2021	0.06983275%	(142,291)	4,815,752	-2.95%	150.07%
2022	0.02814511%	(96,650)	4,981,040	-1.94%	183.90%
2023	0.02396884%	(85,170)	5,090,776	-1.67%	194.60%
2024	0.03267280%	(119,637)	5,495,902	-2.18%	201.60%
2025	0.04372840%	(176,623)	6,059,261	-2.91%	194.60%

Schedule of Contributions

Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2017	\$ 20,923	\$ (20,923)	\$ -	\$ 4,304,259	0.49%
2018	20,887	(20,887)	-	4,550,483	0.46%
2019	24,211	(24,211)	-	4,842,122	0.50%
2020	4,987	(4,987)	-	4,026,833	0.12%
2021	753	(753)	-	5,565,396	0.01%
2022	591	(591)	-	4,568,217	0.01%
2023	644	(644)	-	5,670,588	0.01%
2024	102	(102)	-	6,137,817	0.00%
2025	310	(310)	-	6,521,000	0.00%

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS

MEDICAL BENEFIT PLAN

Schedule of Changes and Related Ratios

Year Ended June 30	(a) Total Beginning Medical Benefit	(b) Service Cost	(c) Interest	(d) Effect of Economic and Demographic Gains or Losses	(e) Change in Assumptions
2018	\$ 220,871	\$ 11,792	\$ 8,118	\$ -	\$ -
2019	218,571	12,028	8,000	-	-
2020	214,909	24,118	4,471	141,212	(9,823)
2021	349,721	24,600	7,583	-	-
2022	368,721	20,501	12,849	(62,090)	127,755
2023	456,242	21,116	15,513	-	-
2024	456,803	16,232	15,374	(70,756)	(18,602)
2025	354,016	16,719	13,098	-	-

Year Ended June 30	(f) Benefit Payments	(g) Total Ending Medical Benefit	(h) Employer's covered payroll	(i) Medical Benefit as a % of covered payroll
2018	\$ (22,210)	\$ 218,571	\$ 4,523,509	4.83%
2019	(23,690)	214,909	4,613,979	4.66%
2020	(25,166)	349,721	4,946,312	7.07%
2021	(13,183)	368,721	5,045,238	7.31%
2022	(11,494)	456,242	4,897,640	9.32%
2023	(36,068)	456,803	5,044,569	9.06%
2024	(45,035)	354,016	6,200,948	5.71%
2025	(41,452)	342,381	6,386,976	5.36%

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

SCHEDULE OF CHANGES IN PENSION LIABILITY AND RELATED RATIOS

EARLY RETIREMENT

Schedule of Changes and Related Ratios

Year Ended June 30	(a) Total Beginning Stipend Benefit	(b) Service Cost	(c) Interest	(d) Change in Assumptions	(e) Benefit Payments
2018	\$ 367,818	\$ 2,590	\$ 12,881	\$ 10,094	\$ (69,940)
2019	336,682	2,642	11,639	-	(71,882)
2020	279,081	3,141	5,530	17,605	(57,695)
2021	257,957	3,204	5,264	-	(39,522)
2022	226,903	590	7,289	(12,640)	(42,016)
2023	216,251	597	6,894	-	(42,991)
2024	180,751	523	5,708	(2,007)	(38,993)
2025	151,499	529	5,268	-	(34,927)

Year Ended June 30	(f) Differences Between Expected and Actual Experience	(g) Total Ending Stipend Benefit	(h) Employer's covered payroll	(i) Stipend Benefit as a % of covered payroll
2018	\$ 13,239	\$ 336,682	\$ 461,359	72.98%
2019	-	279,081	470,576	59.31%
2020	10,295	257,957	339,573	75.97%
2021	-	226,903	346,364	65.51%
2022	36,125	216,251	71,585	302.09%
2023	-	180,751	72,505	249.29%
2024	5,517	151,499	77,398	195.74%
2025	-	122,369	78,275	156.33%

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2025

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES			
Local revenue	\$ 4,435,532	\$ 130,401	\$ 4,565,933
Intermediate revenue	65,000	127,813	192,813
State revenue	9,086,207	(195,787)	8,890,420
Total revenues	13,586,739	62,427	13,649,166
EXPENDITURES			
Current			
Instruction	7,692,610	(576,660)	7,115,950
Support services	6,277,924	(1,109,907)	5,168,017
Contingency	279,411	(279,411)	-
Total expenditures	14,249,945	(1,965,978)	12,283,967
Excess (deficiency) of revenues over (under) expenditures	(663,206)	2,028,405	1,365,199
OTHER FINANCING SOURCES (USES)			
Transfers in	1,000	(1,000)	-
Transfers out	(1,125,000)	(30,000)	(1,095,000)
Total other financing sources (uses)	(1,124,000)	(31,000)	(1,095,000)
Net change in fund balance	(1,787,206)	2,057,405	270,199
Fund balance - beginning	7,402,903	992,403	8,395,306
Fund balance - ending	\$ 5,615,697	\$ 3,049,808	\$ 8,665,505

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

SPECIAL REVENUE FUND

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES				
Local revenue	\$ 582,840	\$ 582,840	\$ (115,335)	\$ 467,505
Intermediate revenue	35,000	35,000	(24,653)	10,347
State revenue	2,162,916	2,162,916	(513,515)	1,649,401
Federal revenue	1,306,458	1,306,458	(378,415)	928,043
Total revenues	4,087,214	4,087,214	(1,031,918)	3,055,296
EXPENDITURES				
Current				
Instruction	3,311,431	3,311,431	(1,287,711)	2,023,720
Support services	3,066,296	3,066,296	(2,077,316)	988,980
Enterprise and community services	822,426	822,426	(220,681)	601,745
Facilities acquisition and construction	490,000	692,278	84,401	776,679
Total expenditures	7,690,153	7,892,431	(3,501,307)	4,391,124
Excess (deficiency) of revenues over (under) expenditures	(3,602,939)	(3,805,217)	2,469,389	(1,335,828)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,125,000	1,125,000	(30,000)	1,095,000
Net change in fund balance	(2,477,939)	(2,680,217)	2,439,389	(240,828)
Fund balance - beginning	2,477,939	2,680,217	(35,650)	2,644,567
Fund balance - ending	\$ -	\$ -	\$ 2,403,739	\$ 2,403,739

OTHER SUPPLEMENTARY INFORMATION
INDIVIDUAL FUND SCHEDULES

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL

DEBT SERVICE FUND

For the Year Ended June 30, 2025

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES			
Local revenue	\$ 1,635,635	\$ (19,647)	\$ 1,615,988
EXPENDITURES			
Debt service	1,577,494	-	1,577,494
Excess (deficiency) of revenues over (under) expenditures	58,141	(19,647)	38,494
Fund balance - beginning	66,859	15,821	82,680
Fund balance - ending	\$ 125,000	\$ (3,826)	\$ 121,174

OTHER FINANCIAL SCHEDULES

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

SCHEDULE OF CONTINUING DISCLOSURE REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS

June 30, 2025

1. PROPERTY VALUATION

	2025
Real Market Value	\$1,654,236,145
Taxable Assessed Value	\$838,531,122

2. PROPERTY TAXES

A. Representative Levy Rate (per \$1,000 of Assessed Value)

	Billing Rate	Bond Levy Rate	Local Option Rate	Consolidated Rate
General Government				
Lane County 4-H/Extension LO	\$0.0000	\$0.0000	\$0.0280	\$0.0280
Lane County Parks LO	0.0000	0.0000	0.1600	0.1600
Lane County Public Safety LO	0.0000	0.0000	0.5500	0.5500
Pleasant Hill Goshen Fire & Rescue	2.2000	0.0000	0.0000	2.2000
Upper Willamette Soil & Water	0.0700	0.0000	0.0000	0.0700
Lane County	1.2793	0.0000	0.0000	1.2793
Total General Government	\$3.5493	\$0.0000	\$0.7380	\$4.2873
Education				
Pleasant Hill School District	\$4.6414	\$2.0251	\$0.0000	\$6.6665
Lane Community College	0.6191	0.3088	0.0000	0.9279
Lane ESD	0.2232	0.0000	0.0000	0.2232
Total Education	\$5.4837	\$2.3339	\$0.0000	\$7.8176
Total Tax Rate	\$9.0330	\$2.3339	\$0.7380	\$12.1049

B. Tax Collections

	General	Debt Service	Total
Property Taxes Levied	\$3,869,656.58	\$1,718,747.06	\$5,588,403.64
Property Taxes Collected	\$3,709,065.68	\$1,666,391.82	\$5,375,457.50

3. GENERAL OBLIGATION BONDS

A. Outstanding Long-Term Debt (See pages 34 and 35.)

B. Outstanding General Obligation Bonds See page 64 for detail.)

	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding as of June 30, 2025
General Obligation Bonds				
GO Bonds, Series 2014	12/22/2014	6/15/2035	\$ 17,950,260	\$ 7,282,676
Total General Obligation Bonds				\$ 7,282,676

(Continued)

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

SCHEDULE OF CONTINUING DISCLOSURE REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS

June 30, 2025

(Continued)

4. MAJOR TAXPAYERS	Assessed Value	Tax
Emerald PUD	\$ 19,418,880	\$ 225,304
Snow Mountain Resources	6,675,275	88,895
Lumen Technologies	2,584,998	87,811
Union Pacific Railroad Company	4,026,787	40,011
BJ Real Properties LLC	3,153,850	38,807
Guistina Land & Timber Company	3,889,893	38,580
Weyerhaeuser Company	3,782,076	37,462
Northwest Natural Gas Company	3,265,000	36,997
Lost Creek Timber	2,926,883	28,990
Bella Casa MHC LLC	2,061,594	24,965
5. AVERAGE DAILY MEMBERSHIP (Weighted)		
Extended ADMw:	2024	2025
Current Fiscal Year Estimated ADMw	\$ 1,144	\$ 1,097
Prior Fiscal Year Estimated ADMw	1,170	1,144
Extended ADMw (greater of Current or Prior Year)	1,170	1,144
6. FINANCIAL FACTORS		
(1) General Fund Balance Sheet	See page 16.	
(2) General Fund Statement of Revenues, Expenditures and Changes in Fund Balance	See page 18.	

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

SCHEDULE OF FUTURE REQUIREMENTS OF BONDED DEBT

June 30, 2025

Fiscal Year	General Obligation Bonds Series 2014B		
	Total	Principal	Interest
2026	\$ 2,094,219	\$ 1,625,000	\$ 469,219
2027	2,203,832	1,670,000	533,832
2028	2,324,786	1,720,000	604,786
2029	2,451,293	1,775,000	676,293
2030	2,573,652	1,825,000	748,652
2031	921,062	640,000	281,062
2032	961,357	655,000	306,357
2033	1,009,672	675,000	334,672
2034	1,058,728	695,000	363,728
2035	1,108,443	715,000	393,443
TOTALS	<u>\$ 16,707,044</u>	<u>\$ 11,995,000</u>	<u>\$ 4,712,044</u>

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY
STATE REGULATIONS**



**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Board of Directors
Pleasant Hill School District No. 1
Pleasant Hill, Oregon 97455

We have audited the basic financial statements of Pleasant Hill School District No. 1 as of and for the year ended June 30, 2025 and have issued our report thereon dated December 15, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

Compliance

As part of obtaining reasonable assurance about whether Pleasant Hill School District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

Deposit of public funds with financial institutions (ORS Chapter 295)

Indebtedness limitations, restrictions, and repayment

Budgets legally required (ORS Chapter 294)

Insurance and fidelity bonds in force or required by law

Programs funded from outside sources

Student Success Act's Student Investment Account (SIA) Funding

Authorized investment of surplus funds (ORS Chapter 294)

Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

State school fund factors and calculation

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

1. The District expended funds in excess of the amounts appropriated, which is in violation of Oregon Budget Law. The following appropriations were over-expended for the year ended June 30, 2025:

<u>Fund</u>	<u>Function</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue	Facilities acquisition and construction	\$ 692,278	\$ 776,679	\$ 84,401

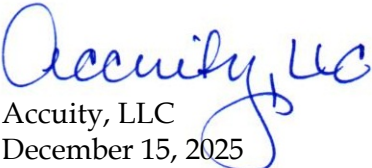
OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered the District’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over financial reporting.

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

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

This report is intended solely for the information and use of the board of directors and management of Pleasant Hill School District No. 1 and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.


 Accuity, LLC
 December 15, 2025

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

SUPPLEMENTAL INFORMATION REQUIRED BY OREGON DEPARTMENT OF EDUCATION

For the Year Ended June 30, 2025

Part A is needed for computing Oregon's full allocation for ESEA, Title I, and other Federal Funds for Education.

- A. **Energy Bill for Heating - All Funds:**
 Please enter your expenditures for electricity, heating fuel, and water and sewage for these Functions and Objects.

	Objects 325 to 327
Function 2540	\$ 227,390
Function 2550	\$ 1,551

- B. **Replacement of Equipment - General Fund:**
 Include all General Fund expenditures in object 542, except for the following exclusions:

\$	-
----	---

Exclude these functions:

1113, 1122, and 1132	Co-curricular Activities	2550	Pupil Transportation
1140	Pre-Kindergarten	3100	Food Service
1300	Continuing Education	3300	Community Services
1400	Summer School	4150	Construction

SINGLE AUDIT SECTION

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2025

Federal Grantor, Pass through Grantor, Program Title	Pass-through Entity ID	ALN	Expenditures
<u>U.S. Department of Education</u>			
Passed through Oregon State Department of Education			
Title I Grants to Local Educational Agencies (Title IA of the ESEA)	2081	84.010	\$ 228,258
Special Education Cluster			
IDEA Special Education Grants To States	2081	84.027	212,028
Special Education Preschool Grants	2081	84.173	<u>548</u>
Total Special Education Cluster			212,576
Perkins	2081	84.243	23,774
Title IIA Improving Teaching Quality State Grants	2081	84.367	35,995
Student Support and Academic Enrichment	2081	84.424	16,725
COVID-19			
Elementary and Secondary School Emergency Relief Fund	2081	84.425	<u>1,679</u>
Total U.S. Department of Education			<u>519,007</u>
<u>U.S. Department of Agriculture</u>			
Passed through Oregon State Department of Education			
Child Nutrition Cluster*			
School Breakfast Program	2081	10.553	82,931
National School Lunch Program	2081	10.555	261,898
NSLP Commodities	2081	10.555	36,456
Supply Chain Assistance	2081	10.555	<u>27,751</u>
Total Child Nutrition Cluster			<u>409,036</u>
Total federal expenditures			<u>\$ 928,043</u>

* Major program

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2025

I. PURPOSE OF SCHEDULE

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Pleasant Hill School District No. 1's under programs of the federal government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the activities of the District, it is not intended to and does not present the financial position, changes in net position, nor the operating funds' revenues and expenses.

II. SIGNIFICANT ACCOUNTING POLICIES FOR FEDERAL AWARD EXPENDITURES

A. Basis of Presentation

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

B. Federal Financial Assistance

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

C. Major Programs

The Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs of the District are those programs selected for testing by the auditor using a risk assessment model, as well as certain minimum expenditure requirements, as outlined in the Uniform Guidance.

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2025

D. Reporting Entity

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

E. Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded as received in cash or on the accrual basis where measurable and available. Expenditures are recorded when the liability is incurred.



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

Board of Directors
Pleasant Hill School District No. 1
Pleasant Hill, Oregon 97455

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Pleasant Hill School District No. 1 as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Pleasant Hill School District No. 1's basic financial statements, and have issued our report thereon dated December 15, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Pleasant Hill School District No. 1's internal control.

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

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

We did identify a deficiency in internal control over financial reporting, as described in the accompanying schedule of findings and questioned costs as item 2025-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*.

1. The District expended funds in excess of the amounts appropriated, which is in violation of Oregon Budget Law. The following appropriations were over-expended for the year ended June 30, 2025:

<u>Fund</u>	<u>Function</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue	Facilities acquisition and construction	\$ 692,278	\$ 776,679	\$ 84,401

Pleasant Hill School District No. 1’s Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Pleasant Hill School District No. 1’s responses to the findings identified in our audit, which can be found in the accompanying schedule of findings and questioned costs. Pleasant Hill School District No. 1’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Accuity, LLC
Albany, Oregon

December 15, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Pleasant Hill School District No. 1
Pleasant Hill, Oregon 97455

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pleasant Hill School District No. 1's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Pleasant Hill School District No. 1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Pleasant Hill School District No. 1 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Pleasant Hill School District No. 1's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Pleasant Hill School District No. 1's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Pleasant Hill School District No. 1's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Pleasant Hill School District No. 1's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pleasant Hill School District No. 1's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Pleasant Hill School District No. 1's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

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


Accuity, LLC
Albany, Oregon

December 15, 2025

PLEASANT HILL SCHOOL DISTRICT NO. 1
Pleasant Hill, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<i>Assistance Listing Number(s) (ALN)</i>	<i>Name of Federal Program or Cluster</i>
10.55X	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

<u>Finding Number</u>	<u>Finding</u>
2025-001	Unrecorded accounts payable item
Condition:	During our audit, we noted a material invoice that was not recorded into the fiscal year 2025 accounting records, but related to work done prior to June 30, 2025.
Prevalence:	Isolated
Criteria:	Cutoff procedures should be operating as designed in order to capture all expenses in the proper period and to record proper accounts payable balances at year end.
Questioned costs:	None
Effect:	Potential for expenditures being recorded in the improper period and understated accounts payable balances.
Recommendations:	We recommend a review and update of the year-end close process to ensure all payable items will be recorded into the correct period.
Management's Response:	Management will re-evaluate the year end close process for payables cutoff.

Date: January 12, 2026

Resolution: 2526.97

Personnel Action

Relevant Data:

Each month the Board of Directors is asked to approve personnel action involving licensed employees. Tonight the Board is being asked to approve the attached new hire. If the Board of Directors would like to discuss any of these recommendations in executive session, in accordance with ORS 192.660(2)(f) Exempt Public Records, the employee should be identified by the number and it will be withdrawn pending further instruction from the Board.

Recommendation:

It is recommended that the Board of Directors approve the personnel action for licensed employee(s) as reflected in this resolution and any addendum presented along with this resolution. Categories include:

- Licensed Hire

Submitted and Recommended By:

Jim Crist
Superintendent

NO	NAME OR EMPLOYEE ID	CURRENT STATUS	FTE	EFFECTIVE DATE	NOTES
	NEW HIRES				
1	ALAN STEARNS	PROBATIONARY 1	1.0	7/1/2026	
	RESIGNATIONS				
	RETIREMENTS				