

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025



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Tigard, OR 97223

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

FINANCIAL REPORT
For the Year Ended June 30, 2025

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

BOARD OF EDUCATION AS OF JUNE 30, 2025

NAME	TERM EXPIRES
Michelle Rosenbaum, Chair	June 30, 2029
Mina Stricklin, Vice Chair	June 30, 2027
Shaina Weinstein	June 30, 2029
Ali Lanenga	June 30, 2027
Milessa Lowrie	June 30, 2029

ADMINISTRATION

Christopher Russo, Superintendent
Nicole Bassen, Business Manager (Registered Agent)

11733 S Breyman Avenue
Portland, Oregon 97219-8409

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

TABLE OF CONTENTS

PAGE
NUMBER

Independent Auditors' Report	i
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REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis	I
--------------------------------------	---

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet – Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet To the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds	5
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	6
Notes to the Basic Financial Statements	7

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Proportionate Share of the Net Pension Liability (PERS)	38
Schedule of Contributions (PERS)	38
Schedule of the Proportionate Share of the Net OPEB Asset – RHIA	39
Schedule of Contributions – RHIA	39
Schedule of Changes in Total OPEB Liability and Related Ratios – Other Post-Employment Benefits (Health Insurance)	40
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	41
Special Revenue Fund	42

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

TABLE OF CONTENTS (CONTINUED)

PAGE
NUMBER

SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance –

Budget and Actual:

Debt Service Fund	43
Pension Obligation Bond Fund	44
Capital Projects Fund	45
Construction Excise Tax Fund	46

OTHER INFORMATION

Schedule of Expenditures of Federal Awards	47
Supplemental Information – As Required the Oregon Department of Education Form 3211-C	48
Continuing Disclosure Information: Annual Operating Data	49

REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS

Independent Auditors' Report Required by Oregon State Regulations	51
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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT

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December 1, 2025

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Riverdale School District 51J
Multnomah County, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying basic financial statements of the governmental activities, and each major fund of Riverdale School District 51J (the District), as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Basic Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, except for the budgetary comparison information presented as required supplementary information.

Such 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, 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. Such 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 supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

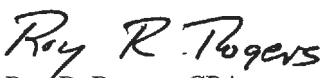
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 1, 2025, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.


Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

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RIVERDALE SCHOOL DISTRICT 51J
Multnomah County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended June 30, 2025

As management of Riverdale School District 51J (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

- **Government-wide net position:** At June 30, 2025, the District's liabilities and deferred inflows exceeded its assets and deferred outflows by \$4,016,636. Of this balance:
 - \$2,119,880 represents the District's net investment in capital assets,
 - \$1,202,290 is restricted for specific purposes, and
 - (\$7,338,806) deficit is unrestricted.
- **Change in net position:** The District's total net position decreased by \$1,236,619. This change was driven primarily by two non-cash accounting adjustments: a significant increase in the District's proportionate share of the PERS net pension liability, and the implementation of GASB 101, which went into effect this year. GASB 101 requires governments to recognize certain compensated absences—such as accrued vacation or leave balances—as liabilities on the financial statements. The adoption of this new standard increased reported liabilities and reduced the District's net position accordingly, even though these changes do not reflect a reduction in cash or current operating resources.
- **Governmental fund balances:** The District's governmental fund balances totaled \$1,925,636 at June 30, 2025, an increase of \$147,422 from the prior year.
- **General Fund:** The General Fund ending balance was \$888,597, reflecting an increase of \$82,298 from the prior year.
- **Long-term debt:** Total outstanding debt decreased by \$312,652 due to scheduled principal payments. GASB 101 recognition of compensated absences is seen here as a change from the prior year audit.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the financial statements.

This report also contains additional required and supplemental information in addition to the basic financial statements.

RIVERDALE SCHOOL DISTRICT 51J
Multnomah County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended June 30, 2025

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. These statements include:

- The *Statement of Net Position*. The *statement of net position* presents information on all of the assets and liabilities of the District as of the date on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied. 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*. The *statement of activities* presents information showing how the net position of the District changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or reduce net position. 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).

In the government-wide financial statements, the District's activities are shown as governmental activities. All basic District functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues.

Fund financial statements

The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Riverdale School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The *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 spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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

RIVERDALE SCHOOL DISTRICT 51J
Multnomah County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended June 30, 2025

statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The basic governmental fund financial statements can be found on page 3 and 5 of this report.

The District maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental fund's statement of revenues, expenditures and changes in fund balances for the General, Special Revenues, Debt Service, Pension Obligation Bond, Capital Projects and Construction Excise Tax Funds all of which are considered to be major funds.

Notes and Supplementary Information

The notes 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 beginning on page 7 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* consisting of multi-year pension and OPEB (post-employment benefits liability) schedules. Required supplementary information can be found starting on page 38 of this report.

Supplementary Information present on pages 43-46, includes the budgetary comparisons for the non-major funds. *Other Information* including the schedule of expenditures of federal awards, schedules and supplemental information required by the Oregon Department of Education, and continuing disclosures for debt can be found on pages 47 - 50.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's long-term financial condition. For the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$4,016,636 as of June 30, 2025, representing a decrease in total net position of \$1,236,619 for the year. This decline is driven primarily by the significant increase in the District's proportionate share of the PERS net pension liability, which grew by \$2,264,355 during the fiscal year. In addition, the implementation of GASB 101, which requires the district to recognize accrued leave balances as a liability, further increase reported obligations and reduced net position. These are non-cash adjustments, and together with the corresponding deferred inflows and deferred outflows associated with pension reporting, remain the primary drivers of the District's net position deficit.

RIVERDALE SCHOOL DISTRICT 51J
Multnomah County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended June 30, 2025

Capital assets, which consist of the District's land, buildings, building improvements, and equipment, net of accumulated depreciation, as well as our long-term lease obligations that were previously classified as operating leases represent about 89.9 percent of total assets. The remaining 10.1 percent of assets consist mainly of investments, cash, grants, and property taxes receivable.

The District's largest liability, which represents 93.5 percent of total liabilities, is for the repayment of long-term obligations, its proportionate share of the net pension liability and the accrued compensated absences new to the government wide financials due to GASB 101. Other liabilities consist primarily of payables on accounts, salaries and benefits, and amounts received but unearned as of June 30, 2025.

A portion of the District's net position reflect its investment in capital assets (e.g. land, buildings, and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending. Although the District's investment in its 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 (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

RIVERDALE SCHOOL DISTRICT 51J
Multnomah County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended June 30, 2025

RIVERDALE SCHOOL DISTRICT 51J			
STATEMENT OF NET POSITION			
	Governmental Activities		
	June 30,	June 30,	Increase
	2025	2024	(Decrease)
ASSETS			
Current and Other Assets	\$ 3,085,334	\$ 2,908,960	\$ 176,374
Capital Assets, net of depreciation	20,830,294	21,477,120	(646,826)
Right to-use asset, net of amortization	6,574,452	6,780,738	(206,286)
Subscription Asset, net of amortization	26,721	41,777	(15,056)
Total Assets	<u>30,516,801</u>	<u>31,208,595</u>	<u>(691,794)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deffered Loss on Bond Refunding	-	-	-
Net Deffered Outflow of Pension Related Resources	4,102,705	2,611,091	1,491,614
OPEB Related Deferred Outflows RHIA	10,493	9,760	733
OPEB Related Deferred Outflows Health Care	77,825	94,780	(16,955)
Total Deferred Outflow of Resources	<u>4,191,023</u>	<u>2,715,631</u>	<u>1,475,392</u>
LIABILITIES			
Current Liabilities	2,361,394	2,339,997	21,397
Subscription liability, current	9,162	8,722	440
PERS net pension liability	8,487,301	6,222,946	2,264,355
Accrued Compensated Absences	728,088	-	728,088
Long-Term Obligations	25,360,211	25,816,831	(456,620)
Subscription liability, long-term	19,902	29,064	(9,162)
Total Liabilities	<u>36,966,058</u>	<u>34,417,560</u>	<u>2,548,498</u>
DEFERRED INFLOWS OF RESOURCES			
Net Deferred Inflow of Pension Related Resources	1,668,639	2,174,317	(505,678)
Total OPEB Related Deferred Inflows RHIA	7,506	15,253	(7,747)
Total OPEB Related Deferred Inflows Health Care	82,257	97,113	(14,856)
Total Deferred Inflows of Resources	<u>1,758,402</u>	<u>2,286,683</u>	<u>(528,281)</u>
NET POSITION			
Net Investment in Capital Assets	2,119,880	2,967,233	(847,353)
Restricted	1,202,290	1,133,230	69,060
Unrestricted	(7,338,806)	(6,880,480)	(458,326)
Total Net Position	<u>\$ (4,016,636)</u>	<u>\$ (2,780,017)</u>	<u>\$ (1,236,619)</u>

Governmental Activities. During the current fiscal year, the District's net position decreased by \$1,236,619. Revenues increased by \$695,220 in 2024-25 compared to the previous year due primarily to Charges for Services and Other Local Sources. Contributing factors include Facility rentals increase, Insurance payments for two claims (grade school playground leak and the high school fire line break) as well as adjustments in our Unemployment Liability account as they were in excess of best practice.

RIVERDALE SCHOOL DISTRICT 51J
Multnomah County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended June 30, 2025

Overall, expenses for instruction, support services, and facilities acquisition increased by \$643,279, driven primarily by instructional personnel costs related to COLA, higher insurance premiums, increased employee plan participation, and the rise in PERS UAL contributions after using fund balance to offset costs in 2023–24. The most notable change occurred in Interest on Long-Term Debt. The District finished payments on one bond in 2024, where remaining costs were primarily principal, and began payments on a new debt issuance in 2025, which is interest-heavy in its initial repayment period.

RIVERDALE SCHOOL DISTRICT 51J			
CHANGES IN NET POSITION			
Year Ended June 30,			
	Governmental Activities		Increase
	2025	2024	(Decrease)
REVENUES			
Program Revenues			
Charges for Services	\$ 1,542,027	\$ 1,332,743	\$ 209,284
Operating Grants and Contributions	2,345,628	2,292,019	53,609
General Revenues			
Property Taxes Levied for:			
General Purposes	4,265,751	4,123,764	141,987
Debt Service	2,101,062	1,952,837	148,225
Earnings on Investments	214,832	207,002	7,830
Other Local Sources	311,916	76,098	235,818
Intermediate Sources	127,419	73,104	54,315
State Sources	3,860,091	4,015,939	(155,848)
Total revenues	<u>14,768,726</u>	<u>14,073,506</u>	<u>695,220</u>
EXPENSES			
Instruction	8,055,133	7,387,360	667,773
Support services	4,852,545	4,850,273	2,272
Enterprise and Community Services	-	-	-
Facilities acquisition	19,485	46,251	(26,766)
Interest on Long-Term Debt	2,285,078	1,190,474	1,094,604
Unallocated amortization	-	-	-
Interest on lease liability	114,182	113,826	356
Total expenses	<u>15,326,423</u>	<u>13,588,184</u>	<u>1,738,239</u>
Increase (Decrease) in Net Position	(557,697)	485,322	(1,043,019)
Net Position - Beginning, restated	<u>(3,458,939)</u>	<u>(3,265,339)</u>	<u>(193,600)</u>
Net Position - Ending	<u>\$ (4,016,636)</u>	<u>\$ (2,780,017)</u>	<u>\$ (1,236,619)</u>

FUND FINANCIAL ANALYSIS

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

RIVERDALE SCHOOL DISTRICT 51J
Multnomah County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended June 30, 2025

To further enhance this analysis, the District implemented GASB Statement No. 54 for fiscal year ending June 30, 2012. This GASB reporting requirement requires an analysis and breakdown of ending fund balance for governmental fund types between five new fund balance categories. For more information on the details behind each fund balance category see Note Fund Balance on page 13 of this report.

At June 30, 2025, the District's governmental funds reported combined ending fund balances of \$1,925,636 an increase of \$147,422 in comparison with the prior year. Of this amount, \$1,056,087 (about 54.8 percent) of the ending fund balances constitutes non-spendable, restricted or assigned ending fund balance, which are amounts that are legally restricted by outside parties for a specific purpose (such as prepaid expenses, student body, debt service and capital projects). The remaining \$869,549 (45.2 percent) of the ending fund balances is unassigned and available for spending at the District's discretion.

General Fund. The General Fund is the primary operating fund of the District. As of June 30, 2025, fund balance was \$888,597. The fund balance increased by \$82,298 during the current fiscal year. As a measure of the fund's liquidity, it may be useful to compare general fund balance to total general fund expenditures. The fund balance represents 7.9 percent of total General Fund expenditures.

Special Revenue. The Special Revenue Fund accounts for revenues and expenditures of funds restricted for specific programs, such as grants, and associated student body activities as well as internal funds segregated by the Board for the food service program. Grant revenues are primarily from State sources. As of June 30, 2025, fund balance was \$653,418. The fund balance increased by \$41,009 during the current fiscal year.

Debt Service Fund. As of June 30, 2025, the restricted fund balance was \$169,336. The fund balance increased by \$54,534 from the prior year, due to increased interest and tax revenue for the fiscal year.

Pension Obligation Bond Fund. As of June 30, 2025, the restricted fund balance was \$102,034. The fund balance decreased by \$961 from the prior year, as debt service expenditures were higher than internal service revenues collected as part of an intentional decision to spend down some of the fund balance.

Capital Projects Fund. The Capital Projects Fund has a restricted fund balance of \$64,971, all of which is dedicated for ongoing capital improvement projects.

Construction Excise Tax Fund. The Construction Excise Tax Fund has a restricted fund balance of \$47,280, all of which is dedicated for ongoing capital improvement projects.

RIVERDALE SCHOOL DISTRICT 51J
Multnomah County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended June 30, 2025

BUDGETARY HIGHLIGHTS

The budget for the General Fund was adopted by the Board on June 10, 2024. During the year, there was one budget amendment completed for the 2024-25 budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets includes land, buildings and improvements, and equipment. As of June 30, 2025, the District had invested \$20,830,294 in capital assets, net of depreciation, as shown in the following table. The total capital assets net of depreciation decreased overall by \$646,826, due to depreciation of assets.

RIVERDALE SCHOOL DISTRICT 51J			
CAPITAL ASSETS			
(net of depreciation)			
	Governmental Activities		
	June 30,	June 30,	Increase
	2025	2024	(Decrease)
Land	\$ 7,521	\$ 7,521	\$ -
Building and improvements	20,678,986	21,338,282	(659,296)
Equipment	143,787	131,317	12,470
Total Capital Assets, net of depreciation	\$ 20,830,294	\$ 21,477,120	\$ (646,826)

Additional information regarding the District's capital assets can be found in the notes to the financial statements of this report.

Long-term Debt. At the end of the current fiscal year, the District had \$20,120,309 in outstanding debt. This is a net decrease of \$312,652 from prior year, as the District is continuing to pay down outstanding obligations, with the offset of deferred interest. This year the compensated absences was a new addition due to GASB 101.

Additional information on the District's long-term debt can be found in the notes to basic financial statements of this report.

RIVERDALE SCHOOL DISTRICT 51J
Multnomah County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended June 30, 2025

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The development of the 2025–26 budget comes at a time of growing financial uncertainty for school districts across Oregon. While the statewide economy has remained resilient, slower revenue growth, rising labor costs, and continued inflationary pressures continue to constrain the public funding landscape. Because Oregon's General Fund is heavily dependent on personal income tax collections, even modest shifts in employment, consumer spending, or investment performance can significantly affect the amount of funding available for K–12 education.

State K–12 Funding Environment

For the 2025–27 biennium, the State School Fund (SSF) remains the largest source of operating revenue for Oregon school districts. Although it supports core instructional and operational services, it continues to fall short of the Quality Education Model (QEM)—the benchmark that outlines the resources necessary to deliver a comprehensive and equitable education statewide. As a result, many districts increasingly rely on local option levies, education foundations, and accumulated reserves to help fill the persistent gap between actual operating costs and state-funded revenue.

In addition to state-level pressures, Oregon continues to experience the downstream effects of federal tax policy changes. The bill, which extends and expands a number of federal tax reductions that reduce overall federal taxable income. Because Oregon's income tax system is closely tied to federal definitions of taxable income, these reductions directly affect state revenue even if Oregon does not change its own tax rates. When taxpayers report less taxable income federally, Oregon collects less state income tax, which decreases the pool of available dollars for public services, including K-12 education.

State economists and legislative analysts have already signaled the possibility of mid-biennium reductions during the 2025–27 biennium. These concerns stem from softening revenue forecasts, competing statewide budget priorities, and broader economic uncertainty. Although no reductions have been enacted at this time, districts must prepare for the possibility that SSF allocations could be revised downward in the second year of the biennium. The 2026 legislative session will be especially important, as lawmakers seek to balance slowing revenue growth, rising pension and labor costs, and the widening gap between SSF allocations and real K–12 operating needs.

This environment poses meaningful challenges for Oregon school districts. Costs associated with mandated staffing levels, special education services, student and mental health supports, transportation, utilities, transportation and capital maintenance continue to increase even when revenue does not. The result is a structural mismatch between funding expectations and actual operating conditions—forcing many districts to plan cautiously, maintain reserves, and seek alternative revenue sources in order to sustain programs and provide stability for students and families.

RIVERDALE SCHOOL DISTRICT 51J
Multnomah County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended June 30, 2025

Enrollment Outlook and Budget Strategy

For 2025–26, the District has budgeted a modest enrollment increase. Importantly, this growth is concentrated among state-funded students rather than tuition students. Tuition revenue is highly variable; by shifting toward state-funded enrollment, revenue becomes more predictable and aligned with SSF allocation methodology. This approach supports more conservative and stable budgeting, allowing the District to allocate resources toward academic supports, staffing continuity, and targeted program enhancements throughout the year.

Collective Bargaining and Personnel Costs

The District was engaged in contract negotiations at the end of the 2024–25 school year and reached final agreement in November. Under the settlement:

- COLA increases 4% in 2025–26, and
- 3.25% in 2026–27.

These adjustments reflect labor market conditions, the District's ability to recruit and retain high-quality staff, and the community's overall commitment to maintaining instructional excellence. Personnel costs and benefits continue to be the largest components of the District's operating budget.

Retirement System Contributions

Employer contribution rates to the Oregon Public Employees Retirement System (PERS) will increase significantly in the 2025–27 biennium. These rate increases, driven by investment performance, actuarial projections, and legacy benefit obligations, place substantial financial strain on districts across the state.

Riverdale's current **PERS side account expires in 2027**. Over the next two years, the District will monitor market conditions and evaluate whether establishing a new side account could help stabilize contribution rates and reduce volatility over time.

Local Option Levy Renewal

The District's local option levy expires at the end of the 2025–26 school year and will be presented to voters for renewal in May. Levy funding provides critical resources beyond what the SSF supports, preserving instructional programming, staff capacity, enrichment opportunities, and the overall Riverdale student experience. Without renewal, the District would face meaningful reductions to academic programs and staffing.

RIVERDALE SCHOOL DISTRICT 51J
Multnomah County, Oregon

MANAGEMENT’S DISCUSSION AND ANALYSIS
Year ended June 30, 2025

Capital Investment and Facility Needs

Aging infrastructure and end-of-life building systems continue to create operational challenges. To address critical priorities, particularly the failure or near-failure of HVAC and other major building systems, the Board approved Full Faith and Credit borrowing to support high priority capital improvements. The District is currently engaging lenders to evaluate terms, repayment approaches, and affordability.

These investments are essential to sustaining safe, healthy learning environments and avoiding emergency repair costs or unplanned disruptions to instruction.

Strategic Planning Context

Budget development and resource allocation are aligned with the District’s 2025–28 Strategic Plan, which prioritizes:

- High academic achievement,
- Safe and supportive school environments,
- Responsible and transparent stewardship of public resources,
- Strong community engagement, and
- Programmatic stability and sustainability.

The plan guides decision-making in staffing, capital investments, instructional priorities, and long-term financial planning. It is available at:

<https://www.riverdaleschool.com/about-us/district-data/riverdale-strategic-plan>

In summary, the District begins the 2025–26 fiscal year facing a complex set of economic variables: slowing state revenue, reduced federal taxable income impacts, rising personnel and retirement costs, and the risk of mid-biennium SSF reductions. Despite these challenges, the District’s conservative budgeting approach, strategic prioritization of state-funded enrollment, proactive capital planning, and disciplined reserve policy position it to navigate uncertainty thoughtfully. Continued voter support of the local option levy, coupled with the long-term direction provided by the 2025–28 Strategic Plan, will be essential to sustaining academic programs, retaining high-quality staff, and ensuring operational stability in the years ahead.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District’s finances and to demonstrate the District’s accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Business Manager, Riverdale School District #51J, 11733 S Breyman Avenue, Portland, Oregon 97219.

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

THE BASIC FINANCIAL STATEMENTS

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2025

	Governmental Activities
Assets	
Current:	
Cash and Cash Equivalents	\$ 2,198,509
Taxes Receivable	190,297
Accounts Receivable	512,229
Prepays	19,048
Non-Current:	
Capital Assets:	
Non-Depreciable	7,521
Depreciable, Net of Depreciation	20,822,773
Right to-use asset, net of amortization	6,574,452
Subscription Asset, net of amortization	26,721
OPEB RHIA asset	165,251
Total Assets	30,516,801
Deferred Outflows of Resources	
Pension Related Deferrals (PERS)	4,102,705
OPEB Related Deferrals (RHIA)	10,493
OPEB Related Deferrals (Health Care)	77,825
Total Assets and Deferred Outflows	34,707,824
Liabilities	
Current Liabilities:	
Accounts Payable	156,578
Accrued Payroll	571,775
Accrued Interest	53,349
Unearned Revenue	86,562
Current Portion, Long-term Obligations:	
Lease Liability	163,502
Subscription Liability, Current	9,162
Bonds Payable	1,329,628
Total Current Liabilities	2,370,556
Long-term Obligations:	
Deferred Interest on Bonds	11,301,620
OPEB Obligation (Health Insurance)	387,626
Lease Liability	6,909,992
Subscription Liability	19,902
Net Pension Liability (PERS)	8,487,301
Accrued Compensated Absences	728,088
Premium on Bonds Payable	145,275
Bonds Payable	6,615,698
Total Non-current Long-term Obligations	34,595,502
Total Liabilities	36,966,058
Deferred Inflows of Resources	
Pension Related Deferrals (PERS)	1,668,639
Pension Related Deferrals (RHIA)	7,506
OPEB Related Deferrals (Health Care)	82,257
Total Liabilities and Deferred Inflows of Resources	38,724,460
Net Position	
Net Investment in Capital Assets	2,119,880
Restricted for:	
Student Services	653,418
Debt Service	271,370
Capital Projects	112,251
OPEB asset	165,251
Unrestricted	(7,338,806)
Total Net Position	\$ (4,016,636)

See accompanying notes to the basic financial statements.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Position</u>
				<u>Governmental</u>
				<u>Activities</u>
Instruction	\$ 8,055,133	\$ 1,421,300	\$ 1,997,814	\$ (4,636,019)
Support Services	4,852,545	120,727	347,814	(4,384,004)
Facilities Acquisition and Construction	19,485	-	-	(19,485)
Interest on long-term debt	2,285,078	-	-	(2,285,078)
Interest on lease liability	114,182	-	-	(114,182)
Total Governmental Activities	<u>\$ 15,326,423</u>	<u>\$ 1,542,027</u>	<u>\$ 2,345,628</u>	<u>(11,438,768)</u>
General Revenues:				
Property Taxes - General				4,265,751
Property Taxes - Debt Service				2,101,062
Earnings on Investments				214,832
Local Revenue				311,916
Intermediate Sources				127,419
State Sources				<u>3,860,091</u>
Total General Revenues				<u>10,881,071</u>
		Change in Net Position		(557,697)
		Net Position - Beginning (As Restated)		<u>(3,458,939)</u>
		Net Position - Ending		<u>\$ (4,016,636)</u>

See accompanying notes to the basic financial statements.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	PENSION OBLIGATION BOND	CAPITAL PROJECTS	CONSTRUCTION EXCISE TAX	TOTALS
ASSETS:							
Cash and Investments	\$ 1,440,080	\$ 382,289	\$ 160,047	\$ 102,034	\$ 66,779	\$ 47,280	\$ 2,198,509
Receivables:							
Taxes	128,307	-	61,990	-	-	-	190,297
Accounts	156,768	349,348	6,113	-	-	-	512,229
Prepaid Expenses	19,048	-	-	-	-	-	19,048
Due From Other Funds	59,858	3,955	-	-	-	-	63,813
Total Assets	<u>\$ 1,804,061</u>	<u>\$ 735,592</u>	<u>\$ 228,150</u>	<u>\$ 102,034</u>	<u>\$ 66,779</u>	<u>\$ 47,280</u>	<u>\$ 2,983,896</u>
LIABILITIES:							
Accounts Payable	\$ 136,409	\$ 18,361	\$ -	\$ -	\$ 1,808	\$ -	\$ 156,578
Payroll Liabilities	571,775	-	-	-	-	-	571,775
Unearned Revenue	86,562	-	-	-	-	-	86,562
Due To Other Funds	-	63,813	-	-	-	-	63,813
Total Liabilities	<u>794,746</u>	<u>82,174</u>	<u>-</u>	<u>-</u>	<u>1,808</u>	<u>-</u>	<u>878,728</u>
DEFERRED INFLOW OF RESOURCES:							
Unavailable Property Taxes Revenue	120,718	-	58,814	-	-	-	179,532
Total Deferred Inflow of Resources	<u>120,718</u>	<u>-</u>	<u>58,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,532</u>
FUND BALANCE:							
Nonspendable	19,048	-	-	-	-	-	19,048
Restricted for:							
Student Services	-	653,418	-	-	-	-	653,418
Debt Service	-	-	169,336	102,034	-	-	271,370
Capital Projects	-	-	-	-	64,971	47,280	112,251
Unassigned	869,549	-	-	-	-	-	869,549
Total Fund Balance	<u>888,597</u>	<u>653,418</u>	<u>169,336</u>	<u>102,034</u>	<u>64,971</u>	<u>47,280</u>	<u>1,925,636</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balance	<u>\$ 1,804,061</u>	<u>\$ 735,592</u>	<u>\$ 228,150</u>	<u>\$ 102,034</u>	<u>\$ 66,779</u>	<u>\$ 47,280</u>	<u>\$ 2,983,896</u>

See accompanying notes to the basic financial statements.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON
RECONCILIATION TO GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION

June 30, 2025

Total Fund Balances		\$ 1,925,636
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The net PERS pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
		(8,487,301)
The net OPEB RHIA asset (liability) is the difference between the total OPEB liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
		165,251
Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.		
	Pension Related Deferred Outflows (PERS)	4,102,705
	Pension Related Deferred Inflows (PERS)	(1,668,639)
	Pension Related Deferred Outflows (RHIA)	10,493
	Pension Related Deferred Inflows (RHIA)	(7,506)
Right -to-use assets are not financial resources and therefore are not reported in the governmental funds.		
	Right-to-use asset, net	6,601,173
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities, both current and long-term, are reported in the statements of Net Position		
	Lease Payable	(7,073,494)
	Subscription Liability	(29,064)
The net OPEB asset (liability) for Health Care is the difference between the total OPEB liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
		(387,626)
Deferred inflows and outflows of resources related to the OPEB plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.		
	OPEB Related Deferred Outflows (Health Care)	77,825
	OPEB Related Deferred Inflows (Health Care)	(82,257)
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
	Non-Depreciable Capital Assets	\$ 7,521
	Depreciable Capital Assets	33,463,269
	Accumulated Depreciation	(12,640,496)
		20,830,294
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		
		179,532
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
		(53,349)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		
These liabilities consist of:		
	Accrued Compensated Absences	\$ (728,088)
	Bonds Payable	(7,945,326)
	Premium on Bonds Payable	(145,275)
	Deferred Interest on Bonds Payable	(11,301,620)
		(20,120,309)
Total Net Position		\$ (4,016,636)

See accompanying notes to the basic financial statements.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2025

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	PENSION OBLIGATION BOND	CAPITAL PROJECTS	CONSTRUCTION EXCISE TAX	TOTAL
REVENUES:							
From Local Sources	\$ 7,316,237	\$ 394,668	\$ 2,148,007	\$ 522,371	\$ 234	\$ 4,403	\$ 10,385,920
From Intermediate Sources	89,891	36,000	1,527	-	-	-	127,418
From State Sources	3,888,558	725,624	-	-	-	-	4,614,182
From Federal Sources	113	140,008	-	-	-	-	140,121
Total Revenues	11,294,799	1,296,300	2,149,534	522,371	234	4,403	15,267,641
EXPENDITURES:							
Instruction	6,760,200	866,416	-	-	-	-	7,626,616
Support Services	4,434,760	406,416	-	-	-	14,610	4,855,786
Facilities Acquisition and Construction	-	-	-	-	3,113	16,372	19,485
Debt Service	-	-	2,095,000	523,332	-	-	2,618,332
Total Expenditures	11,194,960	1,272,832	2,095,000	523,332	3,113	30,982	15,120,219
Excess of Revenues Over, (Under)							
Expenditures	99,839	23,468	54,534	(961)	(2,879)	(26,579)	147,422
Other Financing Sources:							
Transfers In	32,459	50,000	-	-	-	-	82,459
Transfers Out	(50,000)	(32,459)	-	-	-	-	(82,459)
Total Other Financing Sources, (Uses)	(17,541)	17,541	-	-	-	-	-
Net Change in Fund Balance	82,298	41,009	54,534	(961)	(2,879)	(26,579)	147,422
Beginning Fund Balance	806,299	612,409	114,802	102,995	67,850	73,859	1,778,214
Ending Fund Balance	\$ 888,597	\$ 653,418	\$ 169,336	\$ 102,034	\$ 64,971	\$ 47,280	\$ 1,925,636

See accompanying notes to the basic financial statements.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

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

For the Year Ended June 30, 2025

Net Change in Fund Balance	\$	147,422
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capitalized expenditures		32,977
Depreciation expense		(679,803)

The pension income (expense) represents the changes in net pension liability from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits. (PERS)		(267,063)
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The OPEB RHIA income (expense) represents the changes in net OPEB asset (liability) from year to year due to changes in total OPEB liability and the fair value of OPEB plan net position available to pay OPEB benefits.		12,416
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The OPEB expense represents the changes in net OPEB liability from year to year due to changes in total OPEB liability and the fair value of OPEB plan net position available to pay OPEB benefits. (Health Insurance)		378
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Long-term debt proceeds are reported as other financing sources in 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. This is the amount by which proceeds exceeded repayments:

Principal repaid (net)		1,341,555
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Governmental funds report the effect of, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Amortization of Premiums, GO Bonds		16,142
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In the Statement of Activities, interest is accrued on long term debt, whereas in governmental funds it is recorded as interest expense when due.

Accretion of Deferred Interest on Bonds Payable		(1,004,262)
Other Accrued Interest on Long-Term Debt		(4,039)

Accrued Vacation, OPEB Obligation & Pension Obligation are recognized as expenditures in the governmental funds when they are paid. In the Statement of Activities these liabilities are recognized as expenditures when earned. In the current year, changes in these liabilities are as follows:

Accrued Compensated Absences		(40,783)
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Payment on Lease Liability decreases liabilities in the Statement of Net Position

Payment on Lease Liability		153,169
Payment on Subscription Liability		8,722

Expenditure for Right-to-use Assets reduces the Prepaid Expenses in the Statement of Net Position and Amortization Expense increases the expenses on the Statement of Activities.

Lease Amortization Expense		(268,989)
Subscription Amortization Expense		(15,056)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as deferred inflows of resources. They are, however, recorded as revenues in the Statement of Activities.

		9,517
Change in Net Position	\$	(557,697)

See accompanying notes to the basic financial statements.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Basic Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to 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 accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

The Riverdale School District 51J (the District) was established in 1888 with the Riverdale Grade School in the Dunthorpe neighborhood. Riverdale High School was added to the District starting with the 1996-1997 school year and its location is just two miles from the Grade School. The Riverdale Grade School building was replaced in 2009. The District Offices are located at the Grade School. The board is composed of five elected members who serve four-year terms. The Board supervises a Superintendent who is the chief administrative officer and executes the Board's policies and programs.

The District is independent and is not included as a part of any other financial reporting entity. Accounting principles generally accepted in the United States of America require that these basic financial statements present the District and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the District's reporting because of the significance of their operational or financial relationships with the District. There are various governmental agencies that provide service within the District's boundaries, however the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

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

Government Wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the District as a whole.

The government-wide basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with GASB Statement No. 33 "Accounting and Financial Reporting for Non-Exchange Transactions." Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All direct expenses are reported by function in the Statement of Activities. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Program revenues derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the general revenues and 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Government Wide Financial Statements (GWFS) – (continued)

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

Fund Financial Statements

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

Governmental Fund Types

Governmental funds are used to account for general governmental activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, except for unmatured interest on general long-term debt and OPEB expenses which are recognized when due/paid, interfund transactions, and certain compensated absences which are recognized as expenditures because they will be liquidated with expendable financial resources.

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

The following major governmental funds are reported:

General Fund

This is the primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. The principal revenue sources are property taxes, state school fund grant, tuition, and the Riverdale School District Foundation Contribution.

Special Revenue Funds

These funds account for revenue sources that are legally restricted to expenditures for specific purposes such as classroom supplies and equipment, capital improvements and to supplement existing resources. The student body funds for the high school and grade school, for the purpose of supporting school activities, are a part of the special revenue funds.

Debt Service Fund

This fund provides for the payment of principal and interest on general obligation bonded debt. The principal revenue source is property taxes. This fund also provides for the principal and interest payments of the debt associated with paying down the PERS unfunded actuarial liability and the principal sources of revenue come from the state apportionment.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Governmental Fund Types – (continued)

Capital Projects Fund

This fund accounts for activities related to the acquisition, construction, equipping, and furnishing of facilities. Principal revenue sources are proceeds from the sale of bonds received in prior years and interest earnings.

Pension Obligation Bond Fund

This fund accounts for the payment of principal and interest of the PERS pension obligation bonds. The principal source of revenue is property taxes.

Construction Excise Tax Fund

This fund accounts for revenues and expenditures related to the construction excise tax (CET) imposed on improvements to real property that result in a new structure or additional square footage in an existing structure.

Use of Estimates

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

Cash and Cash Equivalents

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

Fair Value Inputs and Methodologies and Hierarchy

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

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

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

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

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

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

Property Taxes

Ad valorem property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are shown in the balance sheet. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Grants

Unreimbursed grant expenditures due from grantor agencies are recorded as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures that is to be carried over to the next fiscal year is recorded as a liability, unearned revenue.

Supply Inventories

All supply inventories are valued at cost (first-in, first-out method). Inventories of governmental funds are recorded as expenditures when purchased. A portion of the inventory consists of donated United States Department of Agriculture (USDA) commodities. Commodities are recorded as expenditures when consumed and are stated at their fair market value based on guidelines provided by the USDA. Management believes there were no material inventories on hand at year end.

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	10 to 50 years
Vehicles and Equipment	5 to 30 years

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Long Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payables are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Retirement Plans

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

Other Post-Employment Benefits (Health Insurance and Stipends)

The District pays a monthly stipend and the group medical, dental and vision insurance premiums for retirees who qualified for the previous post retirement plan, plus one of their dependents, if applicable. The last eligible retiree under the old plan enrolled on June 30, 2014, and no participants remain in the OPEB Stipend plan as of June 30, 2023. The District does not pay for any explicit retiree OPEB under GASB 75. However, an OPEB liability and deferrals for the implicit employer subsidy for Health Insurance is reported on the government wide statements. See Note 8 for more information.

Accrued Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualifies for liability recognition for compensated absences – *vacation* and *sick leave*. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Policy is to permit employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Policy is to permit employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will more likely than not be used by employees as time off is included in the liability for compensated absences.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Net Position

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

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

Restricted – consists of external constraints placed on assets use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are assets restricted for debt service, student services, capital projects and the OPEB RHIA asset.

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

Deferred Outflow/Inflow of Resources

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense / expenditure) until then. At June 30, 2025 there were deferred outflows representing PERS pension related deferrals and RHIA and OPEB health insurance related deferrals reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2025 there were deferred inflows reported in the governmental funds balance sheet representing unavailable revenue from property tax. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At June 30, 2025, there were deferred inflows reported in the Statement of Net Position representing PERS pension related deferrals and RHIA and OPEB health insurance related deferrals.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Fund Balance

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

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

There are no committed or assigned fund balances at June 30, 2025.

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

Lease Assets and Liabilities/ Subscription Assets and Liabilities

Lease and Subscription assets and liabilities are reported in the statement of Net Position and Amortization expense is reported in the Statement of Activities.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except the property taxes received after year-end are not considered budgetary resources in the funds, inventory is expensed when purchased, capital outlay is reported as an expenditure rather than capitalized, depreciation and amortization are not recorded, and debt including OPEB, vacation, and pension obligations are recorded as an expenditure when paid instead of when incurred.

The budgeting process begins by appointing Budget Committee members in early fall. Budget recommendations are developed by management through spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June, and the hearing is held in June. The budget is adopted, appropriations are made and the tax levy is declared no later than June 30. Expenditure budgets are appropriated at the major function level (instruction, support services, community services, debt service, contingency, and transfers) for each fund. Expenditure appropriations may not legally be over expended, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of the fund's original budget may be adopted by the Board of Directors at a regular meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels). Such transfers require approval by the Board.

Budget amounts shown in the basic financial statements include the original budget amounts and appropriation adjustments approved by the Board. Appropriations lapse at the end of each fiscal year.

Expenditures of the various funds were within authorized appropriations as of June 30, 2025.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS

Cash and Investments at June 30, 2025 consisted of:

Cash	\$ 10,160
Investments	2,188,349
Total Cash & Investments	<u>\$ 2,198,509</u>

Deposits

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2025 was \$98,311, all of which was covered by federal depository insurance. Any amount over FDIC insurance of \$250,000 deposited at an approved depository would be collateralized by the Oregon Public Funds Collateralization Program.

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2025, none of the bank balances were exposed to custodial credit risk.

Investments

State statutes governing cash management are followed. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2025. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it *materially approximates fair value.*

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2025, the fair value of the position in the *LGIP is 100.49%* of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired, please contact the Oregon Short Term Fund directly.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

There were the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-17</u>	<u>18-59</u>
State Treasurers Investment Pool	\$ 2,188,349	\$ 2,188,349	\$ -	\$ -
Total	\$ 2,188,349	\$ 2,188,349	\$ -	\$ -

Interest Rate Risk - Investments

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

Credit Risk – Investments

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

At June 30, 2025, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

4. RECEIVABLES

Receivables at June 30, 2025 consist of amounts due from individuals and from other governments.

All receivables are current. Management believes they are fully collectible so no provision for doubtful accounts has been made.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2025, are as follows:

	Governmental Capital Assets 7/1/2024	Additions	Deletions	Governmental Capital Assets 6/30/2025
Capital assets not being depreciated:				
Land & Land Improvements	\$ 7,521	\$ -	\$ -	\$ 7,521
Capital assets being depreciated:				
Buildings & Improvements	33,069,916	-	-	33,069,916
Vehicles and Equipment	360,376	32,977	-	393,353
Total Depreciable Assets	33,430,292	32,977	-	33,463,269
Total Capital Assets	33,437,813	32,977	-	33,470,790
Accumulated Depreciation:				
Buildings and Improvements	11,731,634	659,296	-	12,390,930
Vehicles and Equipment	229,059	20,507	-	249,566
Total	11,960,693	679,803	-	12,640,496
Capital Assets, Net	<u>\$ 21,477,120</u>			<u>\$ 20,830,294</u>

Depreciation was allocated to the functions as follows:

Depreciation was allocated to the functions as follows:

Instruction	\$ 415,352
Support	264,451
Total Depreciation Expense	<u>\$ 679,803</u>

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN

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

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

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

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement. Under House Bill (HB) 2283, passed during the 2023 legislative session and effective January 1, 2024, if a member has established retirement eligibility under the police and fire classification, they retain that eligibility even if they perform service thereafter as other than police and fire. Under HB 4045, passed during the 2024 legislative session and effective January 1, 2025, normal retirement age for police and fire members will be lowered to age 55 or age 53 with 25 years of retirement credit.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred. Disability benefits continue until the member is no longer disabled or otherwise no longer qualifies for benefits, reaches normal retirement age, or dies.
- iv. **Benefit Changes After Retirement.** Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0 percent.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2022 actuarial valuation, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2025 were \$1,209,581, excluding amounts to fund employer specific liabilities. In addition, approximately \$348,334 in employee contributions were paid or picked up by the District in 2024-2025.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability – At June 30, 2025, the District reported a net pension liability of \$8,487,301 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2022. The 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 employers, actuarially determined. As of the measurement dates of June 30, 2024 and 2023, the District's proportion was .038 percent and .033 percent, respectively. Pension expense for the year ended June 30, 2025 was \$267,063.

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

- (1) Tier 1/Tier 2 – 13.98%
- (2) OPSRP general services – 11.14%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 502,794	\$ 20,256
Changes in assumptions	853,316	1,093
Net difference between projected and actual earnings on pension plan investments	539,181	-
Net changes in proportionate share	944,329	891,099
Differences between District contributions and proportionate share of contributions	53,504	756,191
Subtotal - Amortized Deferrals (below)	2,893,124	1,668,639
District contributions subsequent to measuring date	1,209,581	-
Deferred outflow (inflow) of resources	<u>\$ 4,102,705</u>	<u>\$ 1,668,639</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2026.

Subtotal amounts related to pension as deferred outflows of resources, \$2,893,124, and deferred inflows of resources, (\$1,668,639), net to \$1,224,485 and will be recognized in pension income as follows:

Year ending June 30,	Amount
2026	\$ (240,207)
2027	790,985
2028	344,189
2029	250,429
2030	79,089
Thereafter	-
Total	<u>\$ 1,224,485</u>

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

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

**RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Valuations – The employer contribution rates effective July 1, 2023 through June 30, 2025, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study Report	2022, Published July 24, 2023
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<u>Healthy retirees and beneficiaries:</u> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <u>Active members:</u> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <u>Disabled retirees:</u> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

**RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

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

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

Long-Term Expected Rate of Return:

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

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

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

**RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2024 and 2023 was 6.90 percent, for both years, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease <u>(5.90%)</u>	Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
District's proportionate share of the net pension liability	\$ 13,388,373	\$ 8,487,301	\$ 4,382,414

Changes Subsequent to the Measurement Date

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

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

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits:

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

Death Benefits:

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

Contributions:

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2025.

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

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

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA)

Plan Description:

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

Funding Policy:

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.00% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2025. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA are included with PERS and equaled the required contributions for the year.

At June 30, 2025, the District reported a net OPEB asset of (\$165,251) for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement dates of June 30, 2024 and 2023, the District's proportion was .041 percent and .044 percent, respectively. OPEB income for the year ended June 30, 2025, was (\$12,416).

**RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

Components of OPEB Expense/ (Income):

Employer's Proportionate share of collective system OPEB Expense/(Income)	\$	(19,647)
Net amortization of employer-specific deferred amount from:		
- Changes in proportionate share (per paragraph 64 of GASB 75)		7,321
-Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)		-
Employer's total OPEB Expense/(Income)	<u>\$</u>	<u>(12,326)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 3,232
Changes in assumptions	-	2,090
Net difference between projected and actual earnings on pension plan investments	4,666	-
Net changes in proportionate share	5,827	2,184
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>10,493</u>	<u>7,506</u>
Contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	<u>\$ 10,493</u>	<u>\$ 7,506</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the fiscal year ended June 30, 2026.

Subtotal amounts related to OPEB as deferred outflows, \$10,493, and deferred inflows of resources, (\$7,506), net to \$2,987 and will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2026	\$ (6,253)
2027	6,177
2028	2,524
2029	539
2030	-
Thereafter	-
Total	<u>\$ 2,987</u>

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

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

**RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study Report	2022. Published July 24, 2023
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 25%; Disabled retirees: 15%
Mortality	<u>Healthy retirees and beneficiaries:</u> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <u>Active members:</u> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <u>Disabled retirees:</u> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

Discount Rate:

The discount rate used to measure the total OPEB asset as of the measurement date of June 30, 2024 and 2023, was 6.90 percent, for both years. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

**RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

Long-Term Expected Rate of Return:

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

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

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

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

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
District's proportionate share of the net OPEB asset	\$ (152,972)	\$ (165,251)	\$ (175,824)

Changes Subsequent to the Measurement Date

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

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE

Post-Employment Health Care Benefits

Plan Description:

The District maintains a single employer retiree benefit plan that provides post-employment health, dental, vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements. The plan does not issue separate basic financial statements.

The District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated 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 cost, 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 contribution.

The District reports Other Postemployment Benefits under GASB Statement No. 75. This allows the District to report its liability for other post-employment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the basic financial statements.

Annual OPEB Cost and Total OPEB Liability – The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability; an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. For detailed information and a table showing the components of the District's annual OPEB costs and liabilities, see page 40.

Total Other Post Employment Benefit Liability

The District's total pension liability and total other post-employment benefits were measured as of June 30, 2023 and determined by an actuarial valuation as of July 1, 2023.

Actuarial Methods and Assumptions - The total other post-employment benefit liability in the July 1, 2021 actuarial valuation was calculated based on the discount rate and actuarial assumptions below, and was then projected forward/backward to the measurement date. Discount Rate 3.65%, Inflation 2.40%, Salary Increases 3.40%, and Actuarial Cost Method is Entry Age Normal Level Percent of Pay. The annual premium increase was assumed to fluctuate between 5% to 6.6% until 2038 in accordance with the Society of Actuaries – Getzen Long Term Healthcare Trends Resource Model, updated 2017. Mortality rates are based on RP 2014, Employee/Healthy Annuitant, sex distinct, generational. Turnover, Disability and Retirement rate assumptions are based off the valuation of benefits under Oregon PERS.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE (CONTINUED)

Changes in the Net Other Post-Employment Benefit Liability

Total OPEB Liability at June 30, 2024	\$ 390,103
Changes for the year:	
Service Cost	25,995
Interest	14,562
Changes of Assumption or other input	(8,448)
Differences between expected and actual experience	-
Benefits Payments	(34,586)
Total OPEB Liability at June 30, 2025	<u>\$ 387,626</u>

Sensitivity of the Total Post-Employment Benefit Liability to changes in the discount and trend rates

The following presents the Total OPEB Liability of the plan, calculated using the discount rate as of the measurement date, as well as what the Plan's Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Total OPEB Liability	\$ 418,206	\$ 387,626	\$ 360,486

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 352,387	\$ 387,626	\$ 429,608

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ (25,711)	\$ 23,851
Changes in assumptions	(56,546)	25,471
Subtotal - Amortized Deferrals (below)	(82,257)	49,322
Benefit Payments	-	28,503
Deferred outflow (inflow) of resources	\$ (82,257)	\$ 77,825

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability in the fiscal year ended June 30, 2026.

Subtotal amounts related to OPEB as deferred outflows of resources, \$49,322 and deferred inflows of resources (\$82,257) net to (\$32,935), and will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	<u>Amount</u>
2026	\$ (10,870)
2027	(10,030)
2028	(1,563)
2029	(2,901)
2030	(4,317)
Thereafter	(3,254)
Total	\$ (32,935)

As of the July 1, 2023 valuation date, the following employees were covered by the benefit terms:

Number of Members	
Active	74
Retired	<u>6</u>
Total	80

9. DEFERRED COMPENSATION PLAN

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

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG-TERM OBLIGATIONS

General Obligation Bonds

General Obligation bonds were issued to provide funds for the acquisition and construction of major capital facilities. On February 26, 2009, the District issued \$21,496,278 of Series 2009 General Obligation bonds to finance facility acquisition and construction. A portion of the funds received from the issuance were used to extinguish the \$1,500,000 of outstanding Series 2002 Full Faith & Credit bonds. Payment of principal and interest on the general obligation bonds are payable from the General Obligation Bonds Fund.

Pension Obligation Bonds

On April 21, 2003, the District issued \$4,387,738 of limited tax pension obligation bonds to finance its unfunded actuarially accrued liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The issuance of the bonds was considered an advance refunding of the UAL. The actual savings realized over the life of the bonds is uncertain because of the various legislative changes and legal issues pending with the PERS system which could impact future required contribution rate. The debt service payments were charged to debt service in the Pension Obligation Bonds Fund. In the event of default, the principal and interest amount plus any other amounts owing, shall be due and payable from any general obligation bonds that allow the use of a portion of the proceeds to repay the note.

There are no significant default or termination clauses on any of the District's bonds.

Deferred Interest

As some bonds outstanding did not begin maturing until 2020 and later, deferred interest accrues each year and is recorded as a liability in the Statement of Net Position. The balance of deferred interest is \$11,301,620 as of June 30, 2025. All bonds currently outstanding will mature by 2034.

Changes in long-term obligations outstanding are as follows:

	Interest Rates	Outstanding 7/1/2024	Debt Issued	Debt Increased	Matured and Redeemed	Outstanding 6/30/2025	Due in One Year
Pension Bond 2003	1.15-6.3%	\$ 1,615,000	\$ -	\$ -	\$ 430,000	\$ 1,185,000	\$ 455,000
GO Bonds 2009 A&B	4.25-5.77%	7,671,881	-	-	911,555	6,760,326	874,628
Total		9,286,881	-	-	1,341,555	7,945,326	1,329,628
Premium on Bonds Payable		161,417	-	-	16,142	145,275	
Deferred Interest		10,297,358	-	1,004,262	-	11,301,620	
Compensated Absences*		687,305	-	40,783	-	728,088	
Total		\$ 20,432,961	\$ -	\$ 1,045,045	\$ 1,357,697	\$ 20,120,309	

* -The change in compensated absences above is a net change for the year.

**RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG-TERM OBLIGATIONS (CONTINUED)

Future maturities of long-term obligations are payable as follows:

Year Ended June 30,	PENSION BOND		GO BONDS 2009 A&B		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	455,000	67,308	874,628	1,280,372	1,329,628	1,347,680
2027	480,000	41,464	838,649	1,381,351	1,318,649	1,422,815
2028	250,000	14,200	803,246	1,481,754	1,053,246	1,495,954
2029	-	-	773,453	1,581,547	773,453	1,581,547
2030	-	-	744,621	1,680,380	744,621	1,680,380
2031-2035	-	-	2,725,729	7,729,270	2,725,729	7,729,270
TOTALS	\$ 1,185,000	\$ 122,972	\$ 6,760,326	\$ 15,134,674	\$ 7,945,326	\$ 15,257,646

11. LEASE LIABILITY

On 02/09/2001, the District, entered into a 360 month lease as Lessee for the use of Collins View School site – Ground Lease. On 07/01/2021, an initial lease liability was recorded in the amount of \$7,516,263. As of 06/30/2025, the value of the lease liability is \$7,011,452. The District is required to make monthly fixed payments of \$20,683 per month with annual increases of 3% per year. The value of the right to use asset as of 06/30/2025 is \$7,516,263 with accumulated amortization of \$1,002,842 is included with ground lease on the Lease Class activities table on page 34.

On 6/17/2019, the District entered into a 60 month lease as the Lessee for the use of a Kyocera Copier – US Bank. On 07/01/2021, an initial lease liability was recorded in the amount of \$45,289. As of 06/30/2025, the value of the lease liability is \$0. The District is required to make monthly fixed payments of \$1,310. The lease has an interest rate of 0.8453%. The value of the right to use asset as of 06/30/2025 is \$0 with accumulated amortization of \$0 is included with equipment on the Lease Class activities table on page 34.

On 04/17/2024, the District entered into a 36 month lease as Lessee for the use of Cintas - AEDs. An initial lease liability was recorded in the amount of \$18,009. As of 06/30/2025, the value of the lease liability is \$11,175. The District is required to make monthly fixed payments of \$522. The lease has an interest rate of 2.8650%. The value of the right to use asset as of 06/30/2025 of \$18,009 with accumulated amortization of \$7,237 is included with Equipment on the Lease Class activities table found on page 34.

On 07/01/2024, the District entered into a 60 month lease as Lessee for the use of Kyocera Copier - Marlin Leasing. An initial lease liability was recorded in the amount of \$62,703. As of 06/30/2025, the value of the lease liability is \$50,867. The District is required to make monthly fixed payments of \$1,127. The lease has an interest rate of 3.0490%. The value of the right to use asset as of 06/30/2025 of \$62,703 with accumulated amortization of \$12,444 is included with Equipment on the Lease Class activities table found on page 34.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. LEASE LIABILITY (CONTINUED)

	Change In Lease Liability				Due within a year
	Balance at July 1, 2024	Additions	Reductions	Balance at June 30, 2024	
Ground Lease	\$ 7,146,932	\$ -	\$ 135,480	\$ 7,011,452	\$ 145,337
Copier	-	62,703	11,836	50,867	12,142
AED	17,028	-	5,853	11,175	6,023
Total	\$ 7,163,960	\$ 62,703	\$ 153,169	\$ 7,073,494	\$ 163,502

Fiscal Year Ending June 30,	Principal and Interest Requirements to Maturity			
	Governmental Activities			
	Equipment		Ground Lease	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2026	18,165	1,623	145,337	118,416
2027	17,669	1,075	153,151	115,878
2028	12,904	620	161,206	113,204
2029	13,304	220	169,507	110,391
2030	-	-	178,062	107,434
2031-2035	-	-	1,027,961	487,484
2036-2040	-	-	1,283,783	389,390
2041-2045	-	-	1,579,466	267,855
2046-2050	-	-	1,920,335	119,256
2051-2055	-	-	392,644	3,356
	62,042	3,538	7,011,452	1,832,664

12. LEASE RIGHT-TO-USE ASSET

Right to use assets are for the leases in Note 11.

Amount of Lease Assets by Major Classes of Underlying Asset (Right-to-Use Asset)			
At June 30, 2025			
Asset Class	Lease Asset Value	Accumulated Amortization	Net Value
Ground Lease	\$ 7,516,263	\$ 1,002,842	\$ 6,513,421
Copier	62,703	12,444	50,259
AED	18,009	7,237	10,772
Total	\$ 7,596,975	\$ 1,022,523	\$ 6,574,452

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

12. LEASE RIGHT-TO-USE ASSET (CONTINUED)

Asset Class	Change in Right-to-Use Asset			Balance at June 30, 2025
	Balance at July 1, 2024	Additions	Reductions	
Ground Lease	\$ 7,516,263	\$ -	\$ -	\$ 7,516,263
Copier	45,289	62,703	45,289	62,703
AED	18,009	-	-	18,009
Subtotal	<u>7,579,561</u>	<u>62,703</u>	<u>45,289</u>	<u>7,596,975</u>
Accumulated Amortization				
Ground Lease	752,300	250,542	-	1,002,842
Copier	45,289	12,444	45,289	12,444
AED	1,234	6,003	-	7,237
Subtotal	<u>798,823</u>	<u>268,989</u>	<u>45,289</u>	<u>1,022,523</u>
Total Lease Asset, Net	<u>\$ 6,780,738</u>			<u>\$ 6,574,452</u>

13. SUBSCRIPTION LIABILITY

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

On 07/01/2022, the District entered into a 43 month subscription for the use of Synergy Online Registration. An initial subscription liability was recorded in the amount of \$781. As of 06/30/2025, the value of the subscription liability is \$0. The District is required to make annual fixed payments of \$265. The subscription has an interest rate of 2.2750%. The value of the right to use asset as of 06/30/2025 of \$781 with accumulated amortization of \$652 is included with Software on the Subscription Class activities table found below.

On 01/25/2023, the District entered into a 65 month subscription for the use of FinalSite. An initial subscription liability was recorded in the amount of \$28,729. As of 06/30/2025, the value of the subscription liability is \$18,315. The District is required to make annual fixed payments of \$5,803. The subscription has an interest rate of 3.3310%. The value of the right to use asset as of 06/30/2025 of \$28,729 with accumulated amortization of \$12,866 is included with Software on the Subscription Class activities table found below.

On 05/01/2023, the District entered into a 61 month subscription for the use of FinalSite - Messaging. An initial subscription liability was recorded in the amount of \$18,478. As of 06/30/2025, the value of the subscription liability is \$10,750. The District is required to make annual fixed payments of \$3,750. The subscription has an interest rate of 2.3100%. The value of the right to use asset as of 06/30/2024 of \$18,478 with accumulated amortization of \$7,749 is included with Software on the Subscription Class activities table found below.

	Changes in Subscription Liability			Balance at June 30, 2025	Due Within One Year
	Balance at July 1, 2024	Additions	Reductions		
Subscriptions	<u>\$37,786</u>	<u>\$ -</u>	<u>\$ 8,722</u>	<u>\$ 29,064</u>	<u>\$ 9,162</u>
Total	<u>\$37,786</u>	<u>\$ -</u>	<u>\$ 8,722</u>	<u>\$ 29,064</u>	<u>\$ 9,162</u>

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

13. SUBSCRIPTION RIGHT-TO-USE ASSET

Right to use assets are for the subscriptions in Note 13.

Changes in Subscription Right-to-use Asset				
	Balance at July 1, 2024	Additions	Reductions	Balance at June 30, 2025
Subscriptions	\$47,988	\$ -	\$ -	\$47,988
Accumulated Amortization Subscriptions	6,211	15,056	-	21,267
Total Lease Assets, Net	<u>\$41,777</u>	<u>\$ 15,056</u>	<u>\$ -</u>	<u>\$26,721</u>

14. PROPERTY TAX LIMITATION

The voters of the State of Oregon imposed a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The state voters further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

15. RISK MANAGEMENT

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

16. INTERFUND RECEIVABLES/PAYABLES

The composition of interfund balances is as follows:

	Due To	Due From	Transfers In	Transfers Out
General Fund	\$ -	\$ 59,858	\$ 32,459	\$ 50,000
Special Revenue Fund	63,813	3,955	50,000	32,459
	<u>\$ 63,813</u>	<u>\$ 63,813</u>	<u>\$ 82,459</u>	<u>\$ 82,459</u>

The internal balances are recorded to show legal and operational commitments between funds.

**RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

17. COMMITMENTS AND CONTINGENCIES

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

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

18. TAX ABATEMENTS

As of June 30, 2025, the District had tax abatements through one state allowed program that impacted their levied taxes: Child Care Facilities, Schools, and Student Housing.

Child Care Facilities, Schools, and Student Housing (ORS 307.145):

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

For the fiscal year ended June 30, 2025, the District had abated property taxes totaling \$871,945 under this program.

19. RESTATEMENTS OF BEGINNING BALANCES

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

	6/30/2024 Net Position As Previously Reported	Restatement - GASB 101 Implementation	6/30/2024 Net Position As Restated
Government-Wide			
Governmental Activities	<u>\$(2,780,017)</u>	<u>\$ (678,922)</u>	<u>\$(3,458,939)</u>

20. LITIGATION

The District is involved in legal proceedings arising in the normal course of operations; however, management does not expect these matters to have a material effect on the financial statements

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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RIVERDALE SCHOOL DISTRICT NO 51JT
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2025

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.038 %	\$ 8,487,301	\$ 5,934,558	143.0 %	79.3 %
2024	0.033	6,222,946	6,031,968	103.2	81.7
2023	0.041	6,208,873	5,625,812	110.4	84.5
2022	0.037	4,373,710	5,494,320	79.6	87.6
2021	0.040	8,653,598	4,940,888	175.1	75.8
2020	0.047	8,127,518	4,693,764	173.2	80.2
2019	0.048	7,276,953	4,108,389	177.1	82.1
2018	0.046	6,174,321	4,814,455	128.2	83.1
2017	0.041	6,095,584	5,414,218	112.6	80.5
2016	0.035	1,984,929	4,219,086	47.0	91.9

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

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

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2025	\$ 1,209,581	\$ 1,209,581	\$ -	\$ 6,043,089	20.0 %
2024	1,124,321	1,124,321	-	5,934,558	18.9
2023	1,105,613	1,105,613	-	6,031,968	18.3
2022	1,154,493	1,154,493	-	5,625,812	20.5
2021	1,461,062	1,461,062	-	5,494,320	26.6
2020	1,299,101	1,299,101	-	4,940,888	26.3
2019	999,043	999,043	-	4,693,764	21.3
2018	1,109,403	1,109,403	-	4,108,389	27.0
2017	739,488	739,488	-	4,814,455	15.4
2016	697,934	697,934	-	5,414,218	12.9

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

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

RIVERDALE SCHOOL DISTRICT
PORTLAND, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET FOR RHIA

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset (NOA)	(b) Employer's proportionate share of the net OPEB asset (NOA)	(c) Employer's covered payroll	(b/c) NOA as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB asset
2025	0.041 %	\$ 165,251	\$ 5,934,558	2.785 %	220.6 %
2024	0.044	161,315	6,031,968	2.674	201.6
2023	0.039	137,323	5,625,812	2.441	194.6
2022	0.057	195,626	5,494,320	3.561	183.9
2021	0.070	143,050	4,940,888	2.895	150.1
2020	0.041	80,035	4,693,764	1.737	144.5
2019	0.047	52,302	4,108,389	1.273	124.0
2018	0.045	18,690	4,814,455	0.388	108.9

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

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

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

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2025	\$ N/A	\$ N/A	\$ N/A	\$ 6,043,089	N/A %
2024	N/A	N/A	N/A	5,934,558	N/A
2023	N/A	N/A	N/A	6,031,968	N/A
2022	N/A	N/A	N/A	5,625,812	N/A
2021	N/A	N/A	N/A	5,494,320	N/A
2020	N/A	N/A	N/A	4,940,888	N/A
2019	N/A	N/A	N/A	4,693,764	N/A
2018	N/A	N/A	N/A	4,108,389	N/A

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

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

All statutorily required contributions were made and are included with PERS contributions (See p. 38)

RIVERDALE SCHOOL DISTRICT
MULTNOMAH COUNTY, OREGON
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST EMPLOYMENT BENEFITS
June 30, 2025

OPEB: (HEALTH INSURANCE)
SCHEDULE OF FUNDING PROGRESS

Year Ended June, 30	OPEB Liability Beginning of Year	Total Other Changes	Benefit Payments	OPEB Liability End of Year	Estimated Covered Payroll	Net OPEB Liability as a % of Covered Payroll
2025	\$ 390,103	\$ 32,109	\$ (34,586)	\$ 387,626	\$ N/A *	N/A
2024	353,548	53,191	(16,636)	390,103	N/A	N/A
2023	347,584	17,302	(11,338)	353,548	N/A	N/A
2022	298,797	59,255	(10,468)	347,584	N/A	N/A
2021	249,293	60,575	(11,071)	298,797	N/A	N/A
2020	297,316	(27,457)	(20,566)	249,293	N/A	N/A
2019	274,090	39,772	(16,546)	297,316	N/A	N/A
2018	259,624	30,337	(15,871)	274,090	N/A	N/A
2017	N/A	N/A	N/A	259,624	N/A	N/A

Other Changes for the Year

Year Ended June, 30	Service Cost	Liability Interest	Changes of Benefit Terms	Differences Expected vs. Actual	Changes of Assumptions	Total Other Changes
2025	\$ 25,995	\$ 14,562	\$ -	\$ -	\$ (8,448)	\$ 32,109
2024	38,057	13,571	-	32,523	(30,960)	53,191
2023	43,956	8,335	-	-	(34,989)	17,302
2022	35,747	7,278	-	(17,475)	33,705	59,255
2021	30,540	9,602	-	-	20,433	60,575
2020	35,621	12,490	-	-	(75,568)	(27,457)
2019	34,979	10,771	-	-	(5,978)	39,772
2018	36,211	8,206	-	-	(14,080)	30,337
2017	N/A	N/A	N/A	N/A	N/A	N/A

The above table presents the most recent calculation of the post-retirement health insurance under GASB 75 and it provides information about the total plan unfunded liability. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

* Information not available

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

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

<u>GENERAL FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES:				
From Local Sources	\$ 6,734,000	\$ 7,085,235	\$ 7,316,237	\$ 231,002
From Intermediate Sources	68,000	68,000	89,891	21,891
From State Sources	4,028,443	3,890,443	3,888,558	(1,885)
From Federal Sources	-	-	113	113
Total Revenues	10,830,443	11,043,678	11,294,799	251,121
EXPENDITURES:				
Instruction	6,594,006	6,779,006 (1)	6,760,200	18,806
Support Services	4,424,733	4,435,968 (1)	4,434,760	1,208
Contingency	550,737	574,037 (1)	-	574,037
Total Expenditures	11,569,476	11,789,011	11,194,960	594,051
Excess of Revenues Over, (Under) Expenditures	(739,033)	(745,333)	99,839	845,172
Other Financing Sources:				
Transfers Out	(50,000)	(50,000) (1)	(17,541)	32,459
Total Other Financing Sources, (Uses)	(50,000)	(50,000)	(17,541)	32,459
Net Change in Fund Balance	(789,033)	(795,333)	82,298	877,631
Beginning Fund Balance	800,000	806,300	806,299	(1)
Ending Fund Balance	\$ 10,967	\$ 10,967	\$ 888,597	\$ 877,630

(1) Appropriation Level

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

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

	<u>SPECIAL REVENUE FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES:				
From Local Sources	\$ 420,266	\$ 495,266	\$ 394,668	\$ (100,598)
From State Sources	909,145	909,145	725,624	(183,521)
From Federal Sources	187,068	187,068	140,008	(47,060)
Total Revenues	1,516,479	1,591,479	1,296,300	(295,179)
EXPENDITURES:				
Instruction	1,531,188	1,606,188 (1)	866,416	739,772
Support Services	553,968	521,509 (1)	406,416	115,093
Community Services	12,077	12,077 (1)	-	12,077
Facilities Acquisition and Construction	27,500	27,500 (1)	-	27,500
Total Expenditures	2,124,733	2,167,274	1,272,832	894,442
Excess of Revenues Over, (Under) Expenditures	(608,254)	(575,795)	23,468	599,263
Other Financing Sources:				
Transfers In	50,000	17,541	17,541	-
Total Other Financing Sources, (Uses)	50,000	17,541	17,541	-
Net Change in Fund Balance	(558,254)	(558,254)	41,009	599,263
Beginning Fund Balance	558,254	558,254	612,409	54,155
Ending Fund Balance	\$ -	\$ -	\$ 653,418	\$ 653,418

(1) Appropriation Level

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

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

DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES:				
From Local Sources	\$ 2,095,000	\$ 2,095,000	\$ 2,148,007	\$ 53,007
From Intermediate Sources	-	-	1,527	1,527
Total Revenue	2,095,000	2,095,000	2,149,534	54,534
EXPENDITURES:				
Debt Service:				
Redemption of Principal	911,555	911,555	2,095,000	(1,183,445)
Interest	1,183,445	1,183,445	-	1,183,445
Total Debt Service	2,095,000	2,095,000 (1)	2,095,000	-
Total Expenditures	2,095,000	2,095,000	2,095,000	-
Net Change in Fund Balance	-	-	54,534	54,534
Beginning Fund Balance	91,700	91,700	114,802	23,102
Ending Fund Balance	\$ 91,700	\$ 91,700	\$ 169,336	\$ 77,636

(1) Appropriation Level

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

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

PENSION OBLIGATION BOND FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES:				
From Local Sources	\$ 528,132	\$ 528,132	\$ 522,371	\$ (5,761)
Total Revenue	528,132	528,132	522,371	(5,761)
EXPENDITURES:				
Long-Term Debt Service:				
Redemption of Principal	430,000	430,000	430,000	-
Interest	91,732	91,732	91,732	-
Dues and Fees	1,600	1,600	1,600	-
Total Debt Service	523,332	523,332 (1)	523,332	-
Total Expenditures	523,332	523,332	523,332	-
Net Change in Fund Balance	4,800	4,800	(961)	(5,761)
Beginning Fund Balance	61,600	61,600	102,995	41,395
Ending Fund Balance	\$ 66,400	\$ 66,400	\$ 102,034	\$ 35,634

(1) Appropriation Level

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

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

CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES:				
From Local Sources	\$ 150	\$ 150	\$ 234	\$ 84
Total Revenue	150	150	234	84
EXPENDITURES:				
Facilities Acquisition and Construction	67,919	67,919 (1)	3,113	64,806
Total Expenditures	67,919	67,919	3,113	64,806
Net Change in Fund Balance	(67,769)	(67,769)	(2,879)	64,890
Beginning Fund Balance	67,769	67,769	67,850	81
Ending Fund Balance	\$ -	\$ -	\$ 64,971	\$ 64,971

(1) Appropriation Level

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

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

CONSTRUCTION EXCISE TAX FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES:				
From Local Sources	\$ 10,000	\$ 10,000	\$ 4,403	\$ (5,597)
Total Revenue	10,000	10,000	4,403	(5,597)
EXPENDITURES:				
Support Services	20,000	20,000 (1)	14,610	5,390
Facilities Acquisition and Construction	59,143	59,143 (1)	16,372	42,771
Total Expenditures	79,143	79,143	30,982	48,161
Net Change in Fund Balance	(69,143)	(69,143)	(26,579)	42,564
Beginning Fund Balance	69,143	69,143	73,859	4,716
Ending Fund Balance	\$ -	\$ -	47,280	\$ 47,280

(1) Appropriation Level

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

OTHER INFORMATION

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
As Required by The Oregon Department of Education
For the Year Ended June 30, 2025

PROGRAM TITLE	PASS THROUGH ORGANIZATION	PASS THROUGH ENTITY NUMBER	FEDERAL AL NUMBER	GRANT PERIOD	EXPENDITURES
U.S. DEPARTMENT OF EDUCATION					
Title I - Grants to Local Educational Agencies	ODE	76569	84.010	2023-24	\$ 800
Title I - Grants to Local Educational Agencies	ODE	82253	84.010	2024-25	10,384
Total Title I Grants to Local Educational Agencies					11,184
Title II-A -Improving Teacher Quality State Grants	ODE	82516	84.367	2024-25	6,089
Total II -A - Improvving Teacher Quality					6,089
Title IV-A -Student Support and Academic Enrichment	ODE	82713	84.424	2024-25	10,981
Total IV-A Student Support and Academic Enrichment					10,981
Special Education Cluster					
Special Education Grants to States	ODE	78053	84.027	2023-24	13,589
Special Education Grants to States	ODE	83442	84.027	2024-25	91,645
Total of Special Education Grant to States, AL 84.027					105,234
Total Special Education Cluster					105,234
Lead Testing Reimbursement Additional Funds 2024 FY	ODE	64673	84.425	2020-23	6,520
Total Lead Testing					6,520
Total U.S. Department of Education					140,008
TOTAL FEDERAL EXPENDITURES					\$ 140,008
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances:					
Federal expenditures recognized					\$ 140,008
Accruals/Deferrals					113
Federal revenue on Statement of Revenues, Expenditures, and Changes in Fund Balances:					\$ 140,121

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

SUPPLEMENTAL INFORMATION
AS REQUIRED BY THE OREGON DEPARTMENT OF EDUCATION
For the Year Ended June 30, 2025

A. Energy bills for heating - all funds:

<u>Object 325, 326, & 327</u>	
Function 2540	\$ 250,576
Function 2550	86

B. Replacement of equipment - General Fund

Include all General Fund expenditures in object 542, except for the following exclusions:

Exclude These Functions

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

Riverdale School District No. 51J	
Fiscal Year	Average Daily Membership (w) ⁽¹⁾
2025 ⁽²⁾	609.24
2024	615.3
2023	645.0
2022	679.6
2021	680.3
2020	729.3
2019	715.0
2018	713.8
2017	696.0
2016	640.3
2015	588.0

(1) Weighted Average Daily Membership is the enrollment figure (resident and transfer students), adjusted for part time students and students with special needs, that is used to allocate revenue appropriated by the State to the school districts.

(2) Preliminary, subject to change

**Fiscal Year 2025
Multnomah County**

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
Portland General Electric	Electrical Utility	\$ 16,411,544	\$ 1,135,944,230	1.11%
Portl of Portland	Airport Marine, Property Mgmt	24,524,016	967,135,890	0.94%
Pacificorp (PP&L)	Electrical Utility	16,027,187	845,262,710	0.82%
Boeing Company	Manufacturing	9,628,677	553,638,400	0.54%
Alaska Airlines Inc	Airline	8,747,270	506,741,500	0.49%
Comcast Corporation	Telecommunications	8,942,667	399,952,650	0.39%
Weston Investment Co LLC	Real Estate	8,811,304	363,683,230	0.35%
Fred Meyers Stores Inc	Grocery	5,447,262	240,767,420	0.23%
Kaiser Foundation	Health Care	4,840,568	222,761,560	0.22%
Northwest Natural	Gas/Utility	4,561,725	242,430,740	0.24%
Subtotal - Ten of County's largest taxpayers			5,478,318,330	5.34%
All other County's taxpayers			97,185,673,230	94.66%
			102,663,991,560	100%

Taxable Property Values
Total Riverdale School District No. 51J

Fiscal Year	Total Assessed Value	Urbank Renewal Excess	Net Assessed Value	M5 Real Market Value
2025	\$ 861,370,176	\$ -	\$ 861,370,176	\$ 1,402,843,879
2024	834,893,015	-	834,893,015	1,253,322,915
2023	806,284,830	-	806,284,830	1,179,284,560
2022	781,851,529	-	781,851,529	1,139,743,521
2021	758,734,715	-	758,734,715	1,047,917,073
2020	736,068,745	-	736,068,745	1,084,867,977
2019	709,816,041	-	709,816,041	1,059,010,168
2018	686,481,320	-	686,481,320	990,405,840
2017	662,740,341	-	662,740,341	883,018,523

District Portion in Multnomah County

Fiscal Year	Total Assessed Valuation	Urbank Renewal Excess	AV Used to Calculate Rates	M5 Real Market Value
2025	\$ 821,990,290	\$ -	\$ 821,990,290	\$ 1,333,812,740
2024	798,029,330	-	798,029,330	1,190,336,248
2023	770,642,520	-	770,642,520	1,121,941,200
2022	747,340,400	-	747,340,400	1,087,531,280
2021	724,870,640	-	724,870,640	996,646,250
2020	703,274,030	-	703,274,030	1,032,738,340
2019	677,976,510	-	677,976,510	1,008,873,720
2018	655,747,873	-	655,747,873	942,864,893
2017	633,052,160	-	633,052,160	837,187,150

District Portion in Clackamas County

Fiscal Year	Total Assessed Valuation	Urbank Renewal Excess	AV Used to Calculate Rates	M5 Real Market Value
2025	\$ 39,379,886	\$ -	\$ 39,379,886	\$ 69,031,139
2024	36,863,685	-	36,863,685	62,986,667
2023	35,642,310	-	35,642,310	57,343,360
2022	34,511,129	-	34,511,129	52,212,241
2021	33,864,075	-	33,864,075	51,270,823
2020	32,794,715	-	32,794,715	52,129,637
2019	31,839,531	-	31,839,531	50,136,448
2018	30,733,447	-	30,733,447	47,540,947
2017	29,688,181	-	29,688,181	45,831,373

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS

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PAULY, ROGERS, AND CO., P.C.
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December 1, 2025

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of Riverdale School District 51J (the District) as of and for the year ended June 30, 2025, and have issued our report thereon dated December 1, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

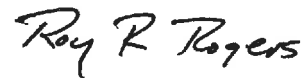
- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions, and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Programs funded from outside sources (ORS 297.465).**
- **State school fund factors and calculation.**
- **Authorized investment of surplus funds (ORS Chapter 294).**

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

OAR 162-10-0230 Internal Control

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

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



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

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