



Steve Spencer
Superintendent

Sara LeRoy
Assistant Superintendent

**2025-2026
Board of Directors**

Tyler Ferrari
Deena Loughary
Rob Ogilvie
Zach Steele
Matt Woolsey

Juli Lichtenberger
Board Secretary

Please join us at our
school board meetings.
Unless otherwise
scheduled the board
meets the second and
fourth Mondays
of the month.

District Office
Board Room
6:30 p.m.

Mission Statement
*Dallas School District
is centered on students,
powered by
collaboration, built on
equity, and driven by
excellence.*

Our Vision
*Each student is known
by name, strength, and
need – pursuing a life
of engagement,
innovation, and
success.*

Tagline:
Ask yourself...Is it
good for kids?

Dallas School District
111 SW Ash Street
Dallas OR 97338
503.623.5594 ph

**Agenda
Board Meeting
February 9, 2026
6:00 p.m.**

**<https://dsd2-org.zoom.us/j/84855147461>
District Office Board Room**

1.0	Welcome/Pledge of Allegiance	
2.0	Approval of the Agenda	
3.0	Good News	
3.1	Elizabeth Walker is the January 2026 Dutch bros./Rotary Club Student of the Month at Dallas High School.	
3.2	Whitworth Elementary School’s student attendance is holding strong at 81% regular attenders (percent of students attending at over 90%) and an average daily attendance of 93.6%.	
4.0	Student Report – Sofia Lozano	
5.0	Public Comment	
6.0	Announcements	526
6.1	February Calendar	
6.1.1	Next Board Meeting February 23, 2026 at 3:30 p.m. following a work session at Oakdale Heights Elementary School at 2:30 p.m.	
6.1.2	Long Range Facility Planning/Finance Committee Meeting February 19, 2026 at 5:30 p.m.	
6.1.3	Citizens Oversight Committee Meeting March 3, 2026 at 5:30 p.m.	
7.0	Consent Agenda	527
7.1	Approval of the January 26, 2026 Board Minutes	
7.2	Staffing Report	
8.0	Auditor’s Report – Tami Larson	530
9.0	Financial Report – Tami Larson	641
10.0	Resolution #25-26-04 Setting Rates for School Support Fee (Board Action) – Alex Paraskevas	645
11.0	Special Education Annual Report – Pam Lybarger	646
12.0	2026-20277 School Year Academic Calendar (Board Action) – Sara LeRoy	665
13.0	Reports	666
13.1	Citizens Oversight Report – Jerry Boudreaux	
13.2	Enrollment Report	

- 13.3 Charter School Enrollment Reports
- 13.4 Charter School Financial Reports
- 13.5 Charter School Minutes and Agendas

14.0 Adjourn



Public Participation in Board Meetings

During each school board meeting, the agenda has been set to include an item titled “public comment.” It is during this portion of the agenda the public can comment on any item that is or is not on the agenda.

Because of the nature of the Board’s work, it is typical that the Board will hear from a patron. Public participation is a time for the Board to listen, not a time for discussion or responding to questions, as the Board needs adequate time to process the information received to ensure proper steps are taken going forward. The Board may direct questions to district administrative staff to respond to after the meeting. If input is given related to an action item later in the agenda, the Board will use the input during their discussion or deliberation of that specific item. All public comment during a Board meeting is limited to 3 minutes for each individual. Up to 5 minutes may be granted to one person who represents a group of 3 or more with similar testimony. The Board Chairperson may adjust or extend allowable time limits, if necessary.

The Board cannot hear complaints about specific school personnel during an open meeting. If a patron has a specific complaint against district personnel, the board chair or the superintendent can direct the patron to the appropriate complaint process governed by board policy.

There are three ways to provide public comment at a Board meeting.

- 1) If you wish to address the Board in person during a Board meeting, please fill out the request for public comment form available outside the boardroom. If the meeting has started and you decide you would like to provide public comment, please alert the administrator who was the greeter or the board executive assistant with your request by simply handing them the public participation form. This will be directed to the board chair.
- 2) If you wish to address the Board remotely (via Zoom) during a Board meeting, please email Juli Lichtenberger, Executive Assistant to the Superintendent and Board, (juli.lichtenberger@dspd2.org) at least two hours prior to the start of the meeting. Clearly label the subject line as “Public Comment”. In the email state that you would like to address the board remotely during the meeting, and include the topic.

Steve Spencer, Superintendent

Sara Leroy, Assistant Superintendent

Board of Directors: Tyler Ferrari • Deena Loughary • Rob Ogilvie • Zach Steele • Matt Woolsey

- 3) If you wish to address the Board in hard copy or email please submit to Juli Lichtenberger, Executive Assistant to the Superintendent and Board, at juli.lichtenberger@dsd2.org at least two hours prior to the start of the meeting. Clearly label the subject line or document as "Public Comment"

If you have questions about the district, we encourage you to contact our superintendent.

Thank you for your interest in Dallas School District.

All public meetings, assemblies and celebrations held by the Dallas School District 2 are required to be accessible to persons with disabilities under Title II of the Americans with Disabilities Act (ADA). Accommodations are available upon request to persons who require alternatively formatted materials or auxiliary aids to ensure effective communication and access to events. Please allow at least 10 business days to arrange for accommodations. All requests should be sent to:

DO Reception
Dallas School District 2
111 SW Ash Street
Dallas, OR 97338
503-623-5594

Or: e-mail compliance.officer@dsd2.org

FEB 2026

BLACK HISTORY MONTH

SUN	MON	TUE	WED	THU	FRI	SAT
01	02	03 Citizens Oversight Committee Meeting 5:30 p.m.	04	05	06	07
08	09 Board Meeting 6:00 p.m.	10	11	12	13 No School inservice Day	14
15	16 No School Holiday	17	18	19 LRFP/Finance Committee Meeting 5:30 p.m.	20	21
22	23 Board Work Session with Oakdale 2:30 p.m. Board Meeting 3:30 p.m.	24	25	26	27	28

**DRAFT Minutes
Board Meeting
January 26, 2026
6:00 p.m.**

**<https://dsd2-org.zoom.us/j/84855147461>
District Office Board Room**

Present: Rob Ogilvie, Zach Steele, Deena Loughary, Tyler Ferrari, Matt Woolsey, Steve Spencer, Sofia Lozano, Sara LeRoy, Liz Postlewait, Sean Johnson, Pam Lybarger, Tami Larson, Tim Larson, Todd Baughman, Bob Archer

Visitors: Chrissy Metcalf, Desiree Hite, Brittany Scull, Britni Mink, Mallori Juster, Kari Sublet, Stephanie Hofferber, Sandra Hoyt, Stacy Fagin, Raylee Thompson, Lynda Spencer, Malery Schleusner

1.0 Welcome/Pledge of Allegiance

2.0 Approval of the Agenda

Tyler Ferrari made a motion to approve the agenda, seconded by Matt Woolsey. The motion passed unanimously by the board members present; Rob Ogilvie, Zach Steele, Deena Loughary, Tyler Ferrari, and Matt Woolsey.

3.0 Good News

- 3.1 LaCreole PTC held a Minecraft Movie Night and raised about \$500 with their first event.
- 3.2 LaCreole Middle School completed its inaugural Outward Leadership class.
- 3.3 Malery Schleusner, Kindergarten teacher at Oakdale Heights, was named Farmers Insurance Classroom of the month. She was nominated by Principal Liz Postlewait. She skillfully differentiates instruction, celebrates growth, and models empathy, perseverance, and curiosity every day. Oakdale is fortunate to have Mrs. S. and the positive impact she makes on our students each day. Liz Postlewait, Oakdale Heights Elementary School Principal, shared good news with the Board.

4.0 Student Report – Sofia Lozano

Sofia Lozano shared highlights of events happening at Dallas High School.

5.0 Public Comment

Desiree Hite addressed the Board regarding safety concern pertaining to her student.

6.0 Announcements

- 6.1 January & February Calendars
 - 6.1.1 Next Board Meeting February 9, 2026 at 6:00 p.m.
 - 6.1.2 Long Range Facility Planning/Finance Committee Meeting February 19, 2026 at 5:30 p.m.
 - 6.1.3 Citizens Oversight Committee Meeting February 3, 2026 at 5:30 p.m.

7.0 Consent Agenda

- 7.1 Approval of the January 12, 2026 Board Minutes
- 7.2 IF – Instructional Program
- 7.3 IGBHD – Instructional Program Exemptions
- 7.4 IIA – Instructional Materials
- 7.5 IKF – Graduation Requirements
- 7.6 LBEA – Denial for Virtual Public Charter School Student Enrollment
- 7.7 DB – Budget Planning and Development

Zach Steele made a motion to approve the Consent Agenda, seconded by Tyler Ferrari. The motion passed unanimously by the board members present; Rob Ogilvie, Zach Steele, Deena Loughary, Tyler Ferrari, and Matt Woolsey.

8.0 Whole Child Administrator Annual Report – Todd Baughman

Todd Baughman, Whole Child Administrator, shared highlights from the annual report provided in the board packet. Additional training has been provided to the bilingual Educational Assistants in the area of interpreting and Special Education terminology. There have been less expulsion hearings this school year. Discussion was held.

Rob Ogilvie, Board Chair, read a statement adjourning the Board into Executive Session.

9.0 Executive Session per ORS 192.660

- (2)(f) Review of Confidential Information
- (2)(i) To Evaluate the Employment-Related Performance of District Personnel

The Board moved back into regular session.

10.0 Action on Appeal Received in Executive Session (Board Action)

Tyler Ferrari made a motion to uphold the decision of the Superintendent and direct the Board Chair to issue a written response, seconded by Deena Loughary. No discussion was held. The motion passed unanimously by the board members present; Rob Ogilvie, Zach Steele, Deena Loughary, Tyler Ferrari, and Matt Woolsey.

11.0 Adjourn at 7:20 p.m.

Board Chair / Rob Ogilvie

Date

Board Secretary / Juli Lichtenberger

Date



Staffing Report Monday, February 9, 2026

Date	Group	First	Last	Description	Action	Effective Date	Location	Position	Hrs	FTE	History
2/4/2025	Classified	Tracey	Cordie	CoS	Hired into new position	1/28/2026	OHE	Head Cook	6.5	0.81	Replacing Robert Hantke
2/4/2025	Classified	Coral	Davis	CoS	Hired into new position	1/16/2026	OHE	SPED III EA	7	0.86	Replacing Holly Bratley
2/4/2025	Classified	Jessica	Reynolds	Name Change	Name Change	1/7/2026	OHE	SPED III EA	5.5	0.69	Previous last name: Boone
2/4/2026		Shaun	Bready	New Hire	New Hire	3/2/2026	DHS	Asst. Track Coach			Previous employee
2/4/2026	Licensed	Haley	Olsen	New Hire	New Hire	1/23/2026	LMS	Teacher	8	1	Temporary, replacing Moneen Thackeray
2/4/2026	Classified	Lorna	Kempf	New Hire	New Hire	1/9/2026	Lyle	SPED III EA	5.5	0.69	Replacing Melissa Schmitt
2/4/2026	Classified	Annette	Anderson	Resignation	Resignation	6/19/2026	LMS	Attendance MS	8	1	Resignation

Steve Spencer, Superintendent

Sara Leroy, Assistant Superintendent

Board of Directors: Tyler Ferrari • Deena Loughary • Rob Ogilvie • Zach Steele • Matt Woolsey



DALLAS SCHOOL DISTRICT NO. 2

Dallas, Oregon

Annual Financial Report

June 30, 2025

DALLAS SCHOOL DISTRICT NO 2

111 SW Ash St.
 Dallas, Oregon 97338
 (503) 623 - 5594

DISTRICT OFFICIALS

LU ANN MEYER 489 Mill St, Dallas, OR 97338	Position #1
ZACHARY STEELE 281 NW Card Ave, Dallas, OR 97338	Position #2
JON WOODS 522 SE Mifflin St, Dallas, OR 97338	Position #3
ROB OGILVIE 533 SE Mifflin St, Dallas, OR 97338	Position #4
EDWARD DRESSELL 1215 SE Barberry, Dallas, OR 97338	Position #5
TYLER FERRARI 1732 SE Jonathan Ave, Dallas, OR 97338 <i>Elected in May 2025</i>	Position #1
DEENA LOUGHARY 13725 Orchard Knob Rd, Dallas, OR 97338 <i>Elected in May 2025</i>	Position #3

ADMINISTRATION

STEVE SPENCER 111 SW Ash St, Dallas, OR 97338	Superintendent
RACHEL ALPERT 111 SW Ash St, Dallas, OR 97338	Asst. Superintendent
TRISTA GIRT 111 SW Ash St, Dallas, OR 97338	Financial Analyst
SHARRELL FORD 111 SW Ash St, Dallas, OR 97338	Payroll & Benefits Manager
TAMI LARSON 111 SW Ash St, Dallas, OR 97338	Director of Fiscal Services
CASEY TROWBRIDGE 111 SW Ash St, Dallas, OR 97338	Business Office Accounting Clerk

DALLAS SCHOOL DISTRICT NO. 2
AUDIT REPORT
June 30, 2025

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DALLAS SCHOOL DISTRICT NO. 2
AUDIT REPORT
June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Dallas School District No. 2
111 SW Ash Street, Dallas, OR 97338

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Dallas School District No. 2 as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Dallas School District No. 2's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Dallas School District No. 2 as of June 30, 2025, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dallas School District No. 2 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 financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dallas School District No. 2's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Dallas School District No. 2’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dallas School District No. 2’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, the schedules of revenues, expenditures, and changes in fund balances – budget and actuals, the pension and OPEB schedules are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management’s discussion and analysis and the pension and OPEB schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The schedules of revenues, expenditures, and changes in fund balances – budget and actuals are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are 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 Dallas School District No. 2's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Dallas School District No. 2.

The supplementary information is the responsibility of management and was derived from and relate 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 other 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, other supplementary data is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the additional schedules listed in the Other Information section of the Table of Contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of 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 basis 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 our report.

The schedule of expenditures of federal awards, as listed in the Table of Contents, is presented for purposes of additional analysis as required by Oregon Department of Education and Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of the Dallas School District No. 2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dallas School District No. 2's internal control over financial reporting and compliance.

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 19, 2025, on our consideration of the Dallas School District No. 2's 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 the District's compliance.



Ashraf Lakhani Farishta, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
December 19, 2025

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

DALLAS SCHOOL DISTRICT NO. 2
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2025

The discussion and analysis of Dallas School District No. 2's financial performance provides an overview of the District's financial activities for the fiscal year that ended June 30, 2025. This discussion and analysis intend to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to better understand the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year that ended June 30, 2025, are as follows:

- In the government-wide statements, the assets and deferred outflow of District resources exceeded its liabilities and deferred inflows of resources at June 30, 2025, by \$15,454,234. Of this amount, \$32,354,376 represents the District's net investment in capital assets, \$21,071,880 is restricted for special programs, and a deficit of (\$37,972,022) is unrestricted.
- The District's net position began the fiscal year at \$13,126,513 and increased by \$2,327,721, ending the year at \$15,454,234, 17.7% higher than the prior year.
- The District's governmental funds reported a combining ending fund balances of \$25,053,901. This represents a decrease of (\$664,141) from the prior year; a 2.6% decrease in the District's financial position as compared to the prior year.
- The General Fund had a fund balance of \$3,391,278. This represents an increase of \$1,037,978 or 44% increase in the District's financial position as compared to the prior year.
- The total liabilities of the governmental funds at year-end were \$83,559,833, primarily due to long-term liabilities of \$73,704,482.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduce the District's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the District-wide statement of financial position presenting information that includes all of the District's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of school buildings and other facilities and changes in the district's enrollment, which dictates the majority of revenue to be collected through the State Funding Formula.

DALLAS SCHOOL DISTRICT NO. 2

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2025

The second government-wide statement is the *Statement of Activities* which reports how the District's net position changed during the current fiscal year. All current-year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the distinct activities or functions of the District that are primarily supported by intergovernmental revenues, principally state basic school support and property tax revenues. The governmental activities of the District include instruction, instructional support services, operation and maintenance of plants, student transportation, and non-instructional support services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of individual budgets versus actual statements and combining statements in a later section of this report.

Governmental funds, focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike government-wide financial statements, these statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The District maintains one proprietary fund, which is an internal service fund. Internal service funds serve as an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses the Internal Service Fund to account for its unemployment insurance and account for unemployment claims. Because these services predominantly benefit governmental functions rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund and the Special Revenue Fund. The required supplementary information immediately follows the notes to the financial statements. Other supplementary data includes combining statements, individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

DALLAS SCHOOL DISTRICT NO. 2
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position provides the perspective of the District as a whole and may serve over time as a useful indicator of a government's financial position. In the case of the District, its assets exceeded its liabilities at June 30, 2025, by \$15,454,234.

The following table provides a summary of the District's net position. Comparative information from the previous year is provided.

	Summary of Net Position		
	Governmental Activities		Percentage Change
	June 30, 2025	June 30, 2024	
Assets			
Current and Other Assets	\$ 30,090,684	\$ 30,720,876	-2.1%
Capital Assets	46,807,461	43,887,324	6.7%
Total Assets	76,898,145	74,608,200	3.1%
Deferred Outflow of Resources	36,706,427	35,804,047	2.5%
Liabilities			
Long-Term Liabilities	75,874,932	66,408,703	14.3%
Other Liabilities	7,684,901	10,573,990	-27.3%
Total Liabilities	83,559,833	76,982,693	8.5%
Deferred Inflow of Resources	14,590,505	20,303,041	-28.1%
Net Position			
Net Investment in Capital Assets	32,354,376	43,762,704	-26.1%
Restricted	21,071,880	22,855,039	-7.8%
Unrestricted	(37,972,022)	(53,491,230)	29.0%
Total Net Position	\$ 15,454,234	\$ 13,126,513	17.7%

Capital assets, which consist of the District's land, buildings, building improvements, and equipment, net of accumulated depreciation, represent about 60.1 percent of total assets. The remaining 39.9 percent of total assets solely consists of cash and cash equivalents.

A portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment), deducting any related debt used to acquire those assets 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.

The District's primary liabilities are bonds payable and net pension liabilities of \$79,793,469 as of June 30, 2025.

DALLAS SCHOOL DISTRICT NO. 2
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2025

The following table shows the changes in net position. Prior-year information is provided for comparative analysis of government-wide revenue and expense information.

	Changes in Net Position		
	<u>Governmental Activities</u>		Percentage Change
	<u>2024-25</u>	<u>2023-24</u>	
Revenues			
Program Revenues			
Charges for Services	\$ 1,341,840	\$ 1,664,322	-19.4%
Operating Grants and Contributions	9,272,113	10,173,491	-8.9%
Capital Grants and Contributions	1,435,429	1,808,484	-20.6%
General Revenues			
Property Taxes	13,789,896	12,732,957	8.3%
State Basic School Support	28,425,474	27,670,129	2.7%
Federal Forest Fees	21	211	-90.0%
Other	<u>2,625,038</u>	<u>2,227,412</u>	17.9%
Total Revenues	<u>56,889,811</u>	<u>56,277,006</u>	1.1%
Program Expenses			
Instruction	32,837,807	30,379,298	8.1%
Support Services	18,476,197	18,763,864	-1.5%
Community Services	1,695,395	1,448,224	17.1%
Interest on Long-Term Debt	<u>1,553,596</u>	<u>1,218,908</u>	27.5%
Total Program Expenses	<u>54,562,995</u>	<u>51,810,294</u>	5.3%
Special Item: Gain (Loss) on disposition of assets	908	-	
Change in Net Position	2,327,724	4,466,712	
Beginning Net Position	<u>13,126,510</u>	<u>8,659,801</u>	
Ending Net Position	<u>\$ 15,454,234</u>	<u>\$ 13,126,513</u>	17.7%

During the current fiscal year, the District's net position in governmental activities increased by \$2,327,721, reflecting overall financial growth. Total revenues rose primarily due to higher property tax collections, which reached \$13,789,896, and continued strong state basic school support totaling \$28,425,474. Additionally, earnings on investments improved significantly, increasing from approximately \$1.0 million in FY23-24 to \$1.5 million in FY24-25. Grant revenues declined overall, driven by the conclusion of federal ESSER funding, which decreased from approximately \$2.2 million in FY23-24 to \$100,000 in FY24-25. However, this reduction was partially offset by increases in Title I, IDEA, and NSLP programs, each contributing approximately \$150,000 more compared to the prior year.

Current year expenditures totaled \$54,562,995, an increase of \$2,752,701 compared to the prior year. The largest portion of this increase relates to 17.1 % increase in spending on Community Services related to the food service fund, and a 27.5% increase in spending on long-term debt interest due to the new bond issue. For Instruction, the 8.1% additional costs are mainly attributable to annual salary and benefits adjustments.

DALLAS SCHOOL DISTRICT NO. 2
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2025

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function's net cost (total cost minus charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

Prior-year information is provided below for comparative analysis.

Governmental Activities

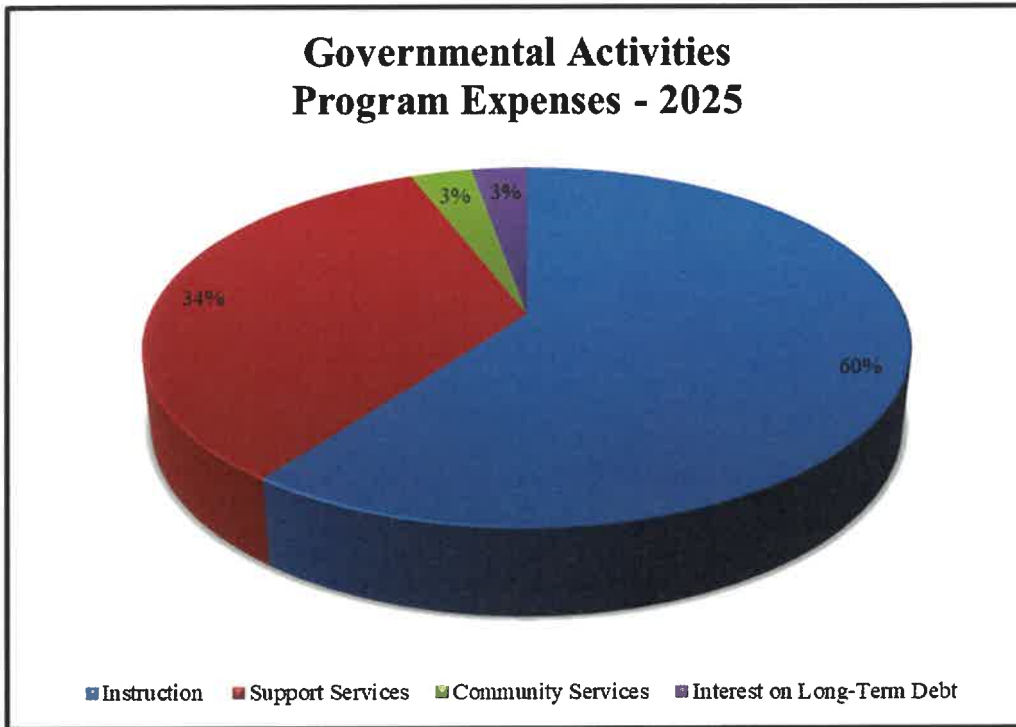
	<u>2024-25</u>		<u>2023-24</u>	
	<u>Total Cost of Services</u>	<u>Net Cost (Profit) of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost (Profit) of Services</u>
Instruction	\$ 32,837,807	\$ 25,016,404	\$ 30,379,298	\$ 20,781,473
Support Services	18,476,197	15,433,278	18,763,864	\$ 15,686,306
Community Services	1,695,395	510,335	1,448,224	\$ 477,310
Interest on Long-Term Debt	<u>1,553,596</u>	<u>1,553,596</u>	<u>1,218,908</u>	<u>\$ 1,218,908</u>
Total Program Expenses	<u>\$ 54,562,995</u>	<u>\$ 42,513,613</u>	<u>\$ 51,810,294</u>	<u>\$ 38,163,997</u>

General governmental activities heavily rely on general revenues. For the current year, 78.8% of general government activities are supported by general revenues such as property taxes and state basic school support. The remaining 21.2% of governmental activities are funded by program revenues such as charges for services, operating grants, and contributions.

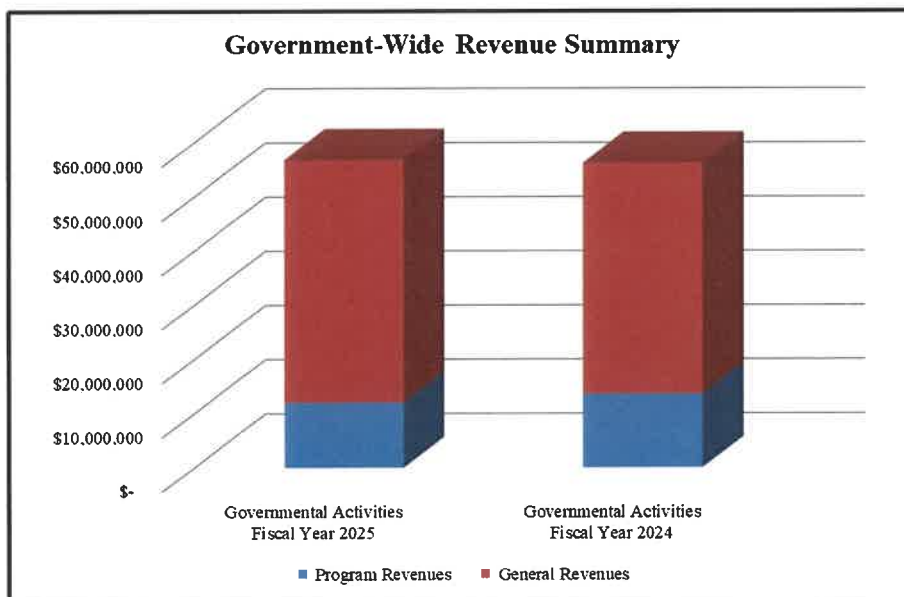
DALLAS SCHOOL DISTRICT NO. 2

**Management’s Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2025**

This graph illustrates the expenses of the District’s programs by governmental activities. Instruction has the highest expenses, totaling \$32,837,807, compared to Support Services which account for \$18,476,197. The remaining amount is made up of \$1,695,395 and interest on Long-term Debt, \$1,553,596.



The chart compares revenue from governmental activities between the prior year and the current year, reflecting an increase in revenue of \$612,805 (1.1%).



The accompanying notes to the basic financial statements are an integral part of this statement.

DALLAS SCHOOL DISTRICT NO. 2
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District is reflected in its governmental funds. At the end of the year, the combined fund balance of the governmental funds was \$25,053,901, which is a decrease of \$664,141 from the previous year. The fund balance is composed of unspendable, restricted, committed and unassigned amounts. Out of the current fund balances, \$50,630 is unspendable, \$21,071,880 is restricted for various programs such as capital construction, debt service and food program; \$540,113 is committed for student body activities and \$3,391,278 is unassigned and can be used by the District as needed.

The General Fund is the primary operating fund of the District. As of June 2025, fund balance was \$3,391,278. The fund balance increased by \$1,037,978 due to an overall decrease in expenditure.

The Capital Bond Projects Fund accounts for financial resources used to acquire or construct and maintain major capital facilities. As of June 30, 2025, the Capital Fund balance was \$18,933,213. The fund balance decreased by \$1,993,028 from the prior year, due to on going capital expenditures.

BUDGETARY HIGHLIGHTS

Over the year, the District made only minor changes to its various funds' budgets.

The General Fund revenue for the fiscal year was budgeted at \$40,855,000, the actual amount collected was \$40,891,757. The actual revenue was more than budgeted by \$36,757 due to higher than anticipated collection of property tax, and earnings on investments. The General Fund expenditures budget was under-spent by \$2,764,127, due to a lack of contingency spending and reduced spending for instruction and support services. This resulted in an ending fund balance of \$3,391,278.

Regarding the Special Revenue Fund, the District had anticipated the receipt of federal and state grants to be slightly higher during the fiscal year, which resulted in the actual revenues being less than the budgeted revenues by \$638,479. However, the actual expenditures were \$637,329 under budgeted expenditures, due to the District's budgeting for potential grant spending that did not occur during the fiscal year, thus equalizing the ending fund balance.

Lastly, the Capital Construction Bond Projects Fund was budgeted at \$2,300,000, the actual amount collected was \$2,431,458. The actual revenue was more than budgeted by \$131,458 due to higher than anticipated earnings on investments. The expenditures budget was underspent by \$10,988,514, due to a lack of contingency spending and reduced spending for facility acquisition and construction. This resulted in an ending fund balance of \$18,933,213.

The accompanying notes to the basic financial statements are an integral part of this statement.

DALLAS SCHOOL DISTRICT NO. 2
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, the District had invested \$71,270,087 in capital assets, including school buildings, athletic facilities, land, vehicles, computers, and other equipment and furnishings, before accumulated depreciation. This amount represents a net increase prior to the depreciation of \$4,451,953 from last year due to additions of \$4,587,868 and deletions of \$135,915. Total depreciation expense for the year was \$1,531,815.

Additional information on the District's capital assets can be found in the Capital Asset Note in the notes to the basic financial statements section of this report.

Long-Term Debt

On June 30, 2025, the District's long-term debt outstanding amounted to \$57,703,183, indicating a decrease of \$3,912,817 or 6% from the previous year. In the current fiscal year, the District paid \$6,084,833 toward its long-term debt. Out of this payment, \$4,032,000 was allocated for principal repayment, while \$2,052,833 was devoted to interest repayment. The District's fiscal responsibility and adherence to debt repayment obligations are salient indicators of its financial prudence and stability.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The proposed budget for the academic years 2025-26 of the Dallas School District highlights the district's enduring commitment to providing quality education to all students while also maintaining fiscal responsibility to the community. The budget has been prepared with a focus on maintaining critical staffing levels by aligning available resources with the most pressing student needs. In addition to federal funding uncertainties, the rising costs of personnel, services, and inflation are putting increasing pressure on the budget. The district remains committed to navigating these challenges strategically, making necessary adjustments to ensure that our focus remains on student achievement and well-being.

The adopted budget for the fiscal year ending June 30, 2026, by the District shows an overall increase of \$9,317,740 approximating an 11% increase compared to the current fiscal year. The total budget for the fiscal year ending June 30, 2025, amounts to \$87,266,354. Of the total budget, the primary budgeted appropriation of \$43,535,000 is allocated towards the General Fund. This fund accounts for all activities related to the general operation of the Dallas School District, providing instruction and support services to students in grades K-12. It is expected that the remaining operating costs of governmental activities will be similar to those of the current period.

The District will levy its maximum permanent property tax rate of \$4.5527 per \$1,000 of assessed property valuation.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the Dallas School District No. 2 at 111 SW Ash Street, Dallas, OR 97338.

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Government-Wide
Financial Statements

The accompanying notes to the basic financial statements are an integral part of this statement.

DALLAS SCHOOL DISTRICT NO 2**STATEMENT OF NET POSITION**

June 30, 2025

	<u>Governmental Activities</u>	
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 27,299,949	
Property Taxes Receivable	563,830	
Accounts Receivable	191,104	
Due From Other Governments	697,015	
Loans Receivable	6,200	
Inventory-Food, Supplies & Commodities	<u>50,630</u>	
Total Current Assets		\$ 28,808,728
Restricted Assets:		
Net OPEB Asset (RHIA)	<u>608,846</u>	
Total Restricted Assets		608,846
Capital Assets:		
Capital Assets, Non-Depreciable	14,120,086	
Capital Assets, Depreciable, Net	<u>32,687,376</u>	
Total Capital Assets		46,807,461
Subscription Assets:		
Subscription Based Information Technology Agreements - Net	<u>51,455</u>	
Total Subscription Assets		51,455
Right-to-Use Assets		
Leased Assets, Net	<u>621,655</u>	
Total Right-to-Use Assets		<u>621,655</u>
Total Assets		<u>76,898,145</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension Related Deferrals	35,736,129	
OPEB Related Deferrals - RHIA	17,268	
OPEB Related Deferrals - OEGB and Early Ret Program	<u>953,030</u>	
Total Deferred Outflow of Resources		<u>36,706,427</u>
<u>LIABILITIES:</u>		
Accounts Payable	1,131,082	
Accrued Interest Payable	97,745	
Payroll Liabilities	1,660,785	
Advances from Grantors	125,949	
Accrued Vacation Benefits	89,183	
Bonds Payable		
Due within one year	4,309,000	
Due in more than one year	53,305,000	
Subscription Liabilities:		
Due within one year	38,534	
Due in more than one year	5,118	
GASB 87 Lease Liabilities:		
Due within one year	232,623	
Due in more than one year	385,345	
Unamortized Bond Premium	1,779,987	
Net OPEB Obligation - OEGB and Early Retirement Program	3,838,588	
Net Pension Liability	16,560,894	
Total Liabilities		<u>83,559,833</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Related Deferrals	13,678,051	
OPEB Related Deferrals - RHIA	21,292	
OPEB Related Deferrals - OEGB and Early Retirement Program	<u>891,162</u>	
Total Deferred Inflow of Resources		<u>14,590,505</u>
<u>NET POSITION:</u>		
Net Investment in Capital Assets	32,354,376	
Restricted for:		
Other Purposes	21,071,880	
Unrestricted	<u>(37,972,022)</u>	
Total Net Position		<u>\$ 15,454,234</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

DALLAS SCHOOL DISTRICT NO 2
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025

	(Expenses)	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>GOVERNMENTAL ACTIVITIES:</u>					
Instruction	\$ 32,837,807	\$ 1,337,037	\$ 6,484,366	\$ -	\$ (25,016,404)
Support Services	18,476,197	-	1,607,490	1,435,429	(15,433,278)
Enterprise and Community Services	1,695,395	4,803	1,180,257	-	(510,335)
Interest on Long-Term Debt	1,553,596	-	-	-	(1,553,596)
Total Governmental Activities	\$ 54,562,995	\$ 1,341,840	\$ 9,272,113	\$ 1,435,429	\$ (42,513,613)

GENERAL REVENUES:

Local Sources:	
Property Taxes, Levied for General Purposes	\$ 9,972,812
Property Taxes, Levied for Debt Service	3,817,084
Earnings on Investments	1,512,472
Unrestricted State and Local Revenue	287,061
Intermediate Sources	357,083
State School Fund for Education and Support Services	28,425,474
State Common School Fund	468,422
Federal Forest Fees for General Purposes	21
Subtotal - General Revenues	44,840,429
Gain on Disposition of Assets	908
Change in Net Position	2,327,724
Net Position, July 1, 2024	13,126,510
Net Position, June 30, 2025	\$ 15,454,234

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Governmental Fund
Financial Statements

The accompanying notes to the basic financial statements are an integral part of this statement.

DALLAS SCHOOL DISTRICT NO 2
BALANCE SHEET
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2025

	General Fund #100	Special Grants And Projects Fund #200	Capital Construction Bond Projects	Other Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 4,607,585	\$ -	\$ 19,678,031	\$ 2,610,893	\$ 26,896,509
Property Taxes Receivable	413,169	-	-	150,661	563,830
Accounts Receivable	182,456	8,648	-	-	191,104
Due From Other Funds	305,552	-	-	-	305,552
Due From Other Governments	237,990	383,824	-	75,201	697,015
Deposits	6,200	-	-	-	6,200
Inventory-Food, Supplies & Commodities	-	-	-	50,630	50,630
Total Assets	\$ 5,752,952	\$ 392,472	\$ 19,678,031	\$ 2,887,385	\$ 28,710,840
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>					
LIABILITIES:					
Accounts Payable	\$ 350,092	\$ 35,264	\$ 744,818	\$ 908	\$ 1,131,082
Payroll Liabilities	1,660,785	-	-	-	1,660,785
Due to Other Funds	-	264,259	-	41,293	305,552
Advances from Grantors	33,000	92,949	-	-	125,949
Total Liabilities	2,043,877	392,472	744,818	42,201	3,223,368
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	317,797	-	-	115,774	433,571
Total Deferred Inflows of Resources	317,797	-	-	115,774	433,571
FUND BALANCES:					
Unspendable	-	-	-	50,630	50,630
Restricted for:					
Capital Construction & Building Maintenance	-	-	18,933,213	-	18,933,213
Debt Service	-	-	-	2,105,667	2,105,667
Food Service Program	-	-	-	33,000	33,000
Committed for:					
Student Body Activities	-	-	-	540,113	540,113
Assigned for:					
Unassigned	3,391,278	-	-	-	3,391,278
Total Fund Balances	3,391,278	-	18,933,213	2,729,410	25,053,901
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,752,952	\$ 392,472	\$ 19,678,031	\$ 2,887,385	\$ 28,710,840

The accompanying notes to the basic financial statements are an integral part of this statement.

DALLAS SCHOOL DISTRICT NO 2
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

For the Fiscal Year Ended June 30, 2025

Total Fund Balances - Governmental Funds		\$ 25,053,901
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Cost of assets	\$71,270,084	
Accumulated depreciation	<u>(24,462,623)</u>	
Net Value of Capital Assets		46,807,461
Subscription Assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Cost of assets	51,455	
Net Value of Subscription Assets		51,455
Value of assets	<u>621,655</u>	
Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		
		433,571
Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.		
Deferred Pension/OPEB Contributions	36,706,427	
Deferred Earnings on Pension/OPEB Assets	<u>(14,590,505)</u>	
Net Value of Deferrals		22,115,922
The Internal Service Fund is reported as a proprietary fund rather than a governmental fund, but is included in governmental activities on the Statement of Net Position.		
		403,440
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
These liabilities consist of :		
Accrued Interest Payable	97,745	
Bonds Payable	57,614,000	
SBITA Payable	43,652	
Unamortized Bond Premium	1,779,987	
Net Pension Liability	16,560,894	
Net OPEB Obligations	3,229,742	
Accrued Vacation Benefits	<u>89,183</u>	
Total		<u>(79,415,203)</u>
Net Position of Governmental Activities		<u>\$ 15,454,234</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

DALLAS SCHOOL DISTRICT NO 2

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2025**

	General Fund #100	Special Grants And Projects Fund #200	Capital Construction Bond Projects	Other Govern- mental Funds	Total Governmental Funds
<u>REVENUES:</u>					
Taxes	\$ 9,925,265	\$ -	\$ -	\$ 3,793,176	\$ 13,718,441
Earnings on Investments	376,076	-	996,029	140,367	1,512,472
Fees and Charges	75,529	-	-	758,368	833,897
Miscellaneous Revenue	685,245	180,391	-	2,169,891	3,035,527
Intermediate Government Aid	125,681	230,888	-	514	357,083
State Aid	29,703,780	5,386,235	1,435,429	289,045	36,814,489
Federal Aid	181	1,667,525	-	1,047,312	2,715,018
Total Revenues	40,891,757	7,465,039	2,431,458	8,198,673	58,986,927
<u>EXPENDITURES:</u>					
Current:					
Instruction	25,073,344	5,566,029	-	713,571	31,352,944
Support Services	14,398,181	1,799,594	-	-	16,197,775
Enterprise and Community Services	-	4,566	-	1,318,001	1,322,567
Capital Outlay:					
Instruction	21,201	-	-	-	21,201
Support Services	289,147	-	-	-	289,147
Facilities Acquisition and Construction	-	-	4,424,486	-	4,424,486
Debt Service	-	-	-	6,043,856	6,043,856
Total Expenditures	39,781,873	7,370,189	4,424,486	8,075,428	59,651,976
Excess (Deficiency) of Revenues Over Expenditures	1,109,884	94,850	(1,993,028)	123,245	(665,049)
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers In	94,850	-	-	167,664	262,514
Interfund Transfers Out	(167,664)	(94,850)	-	-	(262,514)
Sale of or Compensation for Loss of Fixed Assets	908	-	-	-	908
Total Other Financing Sources (Uses)	(71,906)	(94,850)	-	167,664	908
Net Change in Fund Balance	1,037,978	-	(1,993,028)	290,909	(664,141)
Beginning Fund Balance	2,353,300	-	20,926,241	2,438,501	25,718,042
Ending Fund Balance	\$ 3,391,278	\$ -	\$ 18,933,213	\$ 2,729,410	\$ 25,053,901

The accompanying notes to the basic financial statements are an integral part of this statement.

DALLAS SCHOOL DISTRICT NO 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
For the Fiscal Year Ended June 30, 2025

Net Changes in Fund Balances - Total Governmental Funds		\$ (664,141)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Expenditures for capitalized assets	\$ 4,451,953	
Less current year depreciation	<u>(1,531,815)</u>	2,920,138
Governmental funds report right to use lease payments as expenditures. However, in the Statement of Activities right to use lease payments are separated into interest expense related to the right to use liability and as a reduction in the right to use liability. The cost of the right to use assets are allocated over their estimated useful lives as amortization expense.		
Payments allocated to the reduction of right to use liability	292,552	
Current year amortization expense	<u>(308,102)</u>	(15,550)
Governmental funds report subscription (SBITA) payments as expenditures. However, in the Statement of Activities subscription payments are separated into interest expense related to the subscription liability and as a reduction in the subscription liability. The cost of the subscription assets are allocated over their estimated useful lives as amortization expense.		
Payments allocated to the reduction of subscription liability	32,597	
Current year amortization expense	<u>(9,069)</u>	23,528
Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue.		
Deferred revenues increased by this amount this year.		71,455
Gain (Loss) on disposition of capital assets is not reported in the fund financial statements.		
		908
Proceeds from Sales of Assets is not reported as income in the Statement of Activities		
		(908)
Amortization of Bond Premium is not a governmental fund reduction of interest expense, but is a reduction in interest expense for the Statement of Activities		
Amount of current year amortization - Bond Premium 2023	237,856	
Amount of current year amortization - Bond Premium 2024	<u>283,626</u>	521,482
Repayment of principal on long term debt and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Retirement of principal is as follows:		
Notes and Contracts Payable	40,000	
Bonds	<u>3,992,000</u>	4,032,000
Government funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense and changes in deferred inflows and outflows related to the net pension asset/(liability) are recorded based upon an actuarial valuation of such activity.		
This is the net change in pension related items.		(5,203,371)
The Internal Service Fund is reported as a proprietary fund rather than a governmental fund, but is included in governmental activities on the Statement of Net Position.		
Change in Modified Accrual Basis Fund Balance		403,440
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
The activities consist of:		
Net increase/(decrease) in accrued interest expense	(22,245)	
Increase/(decrease) in accrued OPEB	271,793	
Increase/(decrease) in accrued vacation benefits	<u>(10,805)</u>	238,743
Change in Net Position of Governmental Activities		\$ <u>2,327,724</u>

BASIC FINANCIAL
STATEMENTS

Proprietary Fund
Financial Statements

DALLAS SCHOOL DISTRICT NO 2

STATEMENT OF NET POSITION PROPRIETARY FUND

June 30, 2025

	Governmental Activities
	Service Funds
	Unemployment Reserve Fund
<u>ASSETS:</u>	
Cash and Cash Equivalents	\$ 403,440
Total Assets	\$ 403,440
<u>NET POSITION:</u>	
Unrestricted	\$ 403,440
Total Net Position	\$ 403,440

DALLAS SCHOOL DISTRICT NO 2

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUND**

For the Fiscal Year Ended June 30, 2025

	Governmental Activities Internal Service Funds Unemployment Reserve Fund
<u>OPERATING REVENUES</u>	
Miscellaneous Revenues	\$ 541,829
Total Revenue	541,829
<u>OPERATING EXPENSES</u>	
Personnel Services	138,389
Total Operating Expenses	138,389
Operating Income (Loss)	403,440
Change in Net Position	403,440
Net Position, July 1, 2024	-
Net Position, June 30, 2025	\$ 403,440

DALLAS SCHOOL DISTRICT NO 2**STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS****For the Fiscal Year Ended June 30, 2025**

	Governmental Activities
	Internal Service Funds
	Unemployment Compensation Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Internal activity - received from other funds	\$ 541,829
Cash paid for unemployment claims	(138,389)
Net Cash Provided (Used) by Operating Activities	403,440
Cash and Cash Equivalents at July 1, 2024	-
Cash and Cash Equivalents at June 30, 2025	\$ 403,440
<u>Reconciliation of Income (Loss) From Operations</u>	
<u>to net cash provided (used) by operating activities:</u>	
Income (loss) from operations	\$ 403,440
Net cash provided (used) by operating activities	\$ 403,440

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Dallas School District No. 2 was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 to operate elementary and secondary schools. The District is governed by a separately elected Board of Directors who approve of the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The basic financial statements of Dallas School District No. 2 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

Reporting Entity

In determining the financial reporting entity, the Dallas School District No. 2 complies with Governmental Accounting Standards Board Statement 14 as amended, "The Financial Reporting Entity." The criteria for including organizations as component units within the District's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their name); 2) the District holds the corporate powers of the organization; 3) the District appoints a voting majority of the organization's board; 4) the District can impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the District; and 6) there is fiscal dependency by the organization on the District. Based on the aforementioned criteria, Dallas School District No. 2 has no component units.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District with most of the inter-fund activities removed to minimize the double counting of internal activities. Governmental activities include programs supported primarily by taxes, state school support payments, grants, and other intergovernmental revenues. The District has no business-type activities that rely, to a significant extent, on fees and charges for support. The District also reports no fiduciary activities.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program of function and, therefore, are identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to school district functions or activities in separate funds to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds.

The fund financial statements provide reports on the financial condition and results of operations for governmental activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - The General Fund is the main operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. This fund accounts for all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund. General Fund expenditures are categorized by "Instruction" which is the direct teaching of students or the interaction between teacher and students. "Support Services" covers all the support activities for students, teachers, and facilities. Major activities in support services are transportation, maintenance of facilities (i.e., heating, phones, electricity, cleaning,) administration, counseling for students, and technology support.

Special Grants and Projects Fund – The Special Grants and Projects Fund accounts for the revenues and expenditures of local, state, and federal grants, student body activities, food service and other special programs.

Capital Construction Bond Projects Fund – Accounting for this fund is for the use of capital improvements.

Proprietary Funds

The District reports the following proprietary fund:

Internal Service Funds – Internal Service funds are used to account for the district activities that are similar to business operations in the private sector. The District's internal service fund is the Unemployment Insurance Reserve Fund and is used to save and account for unemployment claims.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; the basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. The basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized when the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The revenues susceptible to accrual are property taxes, charges for services, interest income, and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when the revenue recognition is met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Budgeting

The District budgets all funds as required by state law. The District budgets for all funds on a modified accrual basis. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by annual appropriations at the following organizational levels: instruction, support services, community services, facilities acquisition and construction, and other expenditures. Appropriations lapse as of the fiscal year-end. A detailed budget document is required that contains more detailed information for the above-mentioned expenditure categories.

Unexpected additional resources may be added to the budget with a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the District Board of Directors. Original and supplemental budgets may be modified using appropriations transfers between the levels of control. Such transfers require approval by the District Board of Directors.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Cash and Investments

Cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any short-term, highly liquid investments with initial maturity dates of three months or less.

The District has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the District to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. The fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State that by law is made the custodian of, or has control of, any fund. LGIP is included in the Oregon Short-Term Fund (OSTF) which was established by the State Treasurer. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury on the management and investment options of the LGIP.

Receivables

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the District. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow or resources.

Intergovernmental grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as accounts receivable.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Inventory

Food and supply inventories in the Food Service Fund are valued at cost determined by the FIFO method. Commodities inventory in the Food Service Fund is valued at estimated fair market value. Inventory is treated as being expended when used rather than when purchased. Inventories of non-food service supplies are not considered significant. The District records the cost of non-food service supplies as expenses and expenditures when purchased rather than when used.

Restricted Assets and Liabilities

Assets with use restricted to future bond payments and the related liability are segregated in the statements of net position.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized but rather are charged to expenditures in the governmental funds. The District does not possess any infrastructure. The capitalization threshold used by the District as recommended by the State of Oregon is \$5,000.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

<u>Asset Class</u>	<u>Estimated Years of Useful Lives</u>
Buildings	20-50
Building Improvements	20-50
Land Improvements	15-25
Vehicles	10
Equipment	5-10

In the governmental fund financial statements, fixed assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized, and related depreciation is not reported in the fund's financial statements.

Compensated Absences and Accrued Liabilities:

The liability for accrued vacation benefits and sick leave that are expected to be liquidated with expendable available financial resources are reported in the government-wide statements consists of unpaid, accumulated annual leave. The early retirement liability has been calculated using the accrual method for benefit amounts due to former employees who currently are receiving early-termination benefits. Early retirement benefits are available to a limited number of employees each year.

All payables and accrued liabilities are reported on government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid on time and in full by current financial resources are reported as obligations of the funds.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position 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. Currently, the District has only one item that qualifies for reporting in this category, deferred pension contributions.

In addition to liabilities, the statement of financial position 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. The District has only one type of item that qualifies for reporting in this category, deferred earnings on pension assets. In the governmental funds' balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

Long-Term Debt

All bonds, notes, and capital lease payable are recognized in the government-wide financial statements as liabilities of the District. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position.

In the governmental fund financial statements, proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. Principal and interest payments on long-term debt are recorded as debt service in the expenditure section of the statement and schedules.

Equity Classifications

Government-wide Statements

Equity is classified as net position, which represents the difference between assets, liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications (Cont.)

Governmental Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- A. Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- B. Restricted: This classification includes fund balance amounts that are constrained for specific purposes that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- C. Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the District Board, and does not lapse at year-end.
- D. Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the District Board or through the District Board delegating this responsibility to selected staff members or through the budgetary process.
- E. Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The District's policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

Property Taxes

Real and personal property taxes are attached as an enforceable lien on property as of January 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the statement of net position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectable taxes has been established. All property taxes receivable is due from property owners within the District.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers in the fund financial statements. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. For the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.

Use of Estimates

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP'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.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

CASH AND INVESTMENTS:

For a discussion of deposit and investment policies and other related information, see the Cash and Investments note under the Summary of Significant Accounting Policies.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized in the Cash and Investments note under the Summary of Significant Accounting Policies.

Investments, including amounts held in pool cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2025, the reported amount of the District's deposits was \$2,749,111, the bank balance was \$3,899,397. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

Investments - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices.

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2025, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

CASH AND INVESTMENTS (Cont.):

On June 30, 2025, the District's investments in financial institutions are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Federal Agency Notes	\$ 1,447	N/A
Oregon State Treasurer's Local Government Investment Pool (LGIP)	\$ 24,549,391	N/A
Total Investments	<u>\$ 24,550,838</u>	

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a *concentration of credit risk*. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 99.9% of the District's total investments.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2025:

<u>Governmental Activities</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Assets not being depreciated:				
Land	\$ 121,067	\$ -	\$ -	\$ 121,067
Construction in Progress	9,690,380	4,444,553	135,915	13,999,019
Total assets not being depreciated	9,811,447	4,444,553	135,915	14,120,086
Assets being depreciated:				
Building and Building Improvement	50,560,134	135,915	-	50,696,049
Machinery and Equipment	6,446,550	7,400	-	6,453,949
Total Depreciable Assets	57,006,684	143,315	-	57,149,998
Less: Accumulated Depreciation				
Building and Building Improvement	16,843,606	1,462,069	-	18,305,675
Machinery and Equipment	6,087,201	69,747	-	6,156,948
Total Accumulated Depreciation	22,930,807	1,531,815	-	24,462,623
Net Value of Capital Assets Being Depreciated	34,075,876	(1,388,501)	-	32,687,376
Total Governmental Activities --				
Net Value of Capital Assets	<u>\$ 43,887,324</u>	<u>\$ 3,056,053</u>	<u>\$ 135,915</u>	<u>\$ 46,807,461</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 256,536
Support Services	964,264
Enterprise and Community Services	311,016
Total Depreciation Expense	<u>\$ 1,531,815</u>

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS:

A summary of debt transactions for the year ended June 30, 2025, is as follows:

Bonds Payable

Full Faith and Credit Pension Obligation Bonds, Series 2021A

On August 19, 2021, the District issued Full Faith and Credit Pension Obligation Bonds, Series 2021A. The bonds are held by US Bank. The original balance was \$39,575,000 and has a variable interest rate on the bonds varying from 0.182% to 2.895%. Interest payments are due on the 30th of June and December of each year with a principal payment due with the June payment.

General Obligation Bonds, Series 2017

On December 19, 2017, the District issued General Obligation Bonds, Series 2017. The bonds are held by US Bank. The original balance was \$7,905,950.90 and has a variable interest rate on the bonds varying from 3.00% to 4.00%. Interest payments are due on the 15th of June and December of each year with a principal payment due with the June payment.

Full Faith and Credit Financing, Series 2019

On September 17, 2019, the District issued Full Faith and Credit Financing, Series 2019. The bonds are held by US Bank. The original balance was \$1,249,000 and has a fixed interest rate of 2.040%. Interest payments are due on the 1st of June and December of each year with a principal payment due with the June payment.

Legal Settlement Obligation

The District was determined by the Administrative Law Judge (ALJ) to have been in violation of state and federal law in litigation settled in a previous year. The District proposed and Complainant accepted a settlement of \$240,000 paid out in yearly installments of \$40,000 beginning October 2019, with the final payment ending on October 30, 2024.

General Obligation Bonds, Series 2022

On September 1, 2022, the District issued General Obligation Bonds, Series 2022. The bonds are held by US Bank. The original balance was \$14,177,157.65 including a bond premium of \$1,412,157.65 and has a fixed interest rate of 5.000%. Interest payments are due on the 15th of June and December of each year with a principal payment due with the June payment.

General Obligation Bonds, Series 2024

On June 20, 2024, the District successfully issued General Obligation Bonds, Series 2024, amounting to a principal sum of \$15,235,000, inclusive of a bond premium totaling \$1,474,222.15. This brought the gross sale proceeds of the Bonds to \$16,709,222.15. The primary application of the proceeds is to fund the capital expenditures of District facilities and cover the expenses associated with the issuance of the Bonds. The Bonds will bear a 5% interest, with the first interest payment due on December 15, 2024, and subsequent semiannual payments on June 15 and December 15 of each year until the Bonds mature. The District's Paying Agent, initially U.S. Bank Trust Company, National Association, will be responsible for disbursing the principal and interest on the Bonds to DTC.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS: (Cont.):

The following is a schedule of Bonds and Notes Payable:

	Outstanding Balance July 1, 2024	Additions	Reductions	Interest Paid	Outstanding Balance June 30, 2025	Due Within One Year
Bonds Payable:						
Full Faith and Credit Pension Obligation Bonds, Series 2021A	\$ 35,955,000	\$ -	\$ 1,425,000	\$ 803,396	\$ 34,530,000	\$ 1,515,000
Full Faith and Credit Financing, Series 2019	761,000	-	102,000	15,524	659,000	104,000
General Obligation Bonds, Series 2022	\$ 9,655,000	\$ -	\$ 1,160,000	\$ 482,745	\$ 8,495,000	\$ 1,270,000
General Obligation Bonds, Series 2024	15,235,000	-	1,305,000	751,169	13,930,000	1,420,000
Total Bonds Payable	61,606,000	-	3,992,000	2,052,833	57,614,000	4,309,000
Bond Premium 2022	\$ 827,247	\$ -	\$ 237,856	-	\$ 589,391	-
Bond Premium 2024	-	1,474,222	283,626	-	1,190,596	-
Total Bonds Payable, net of Premium	62,433,247	1,474,222	4,513,482	2,052,833	59,393,987	4,309,000
Notes Payable:						
Legal Settlement Obligation	40,000	-	40,000	-	-	-
Total Notes Payable	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ -	\$ -
Compensated Absences	78,379	10,805 *	-	-	89,183	-
Total Long-Term Debt	\$ 61,724,379	\$ 10,805	\$ 4,032,000	\$ 2,052,833	\$ 57,703,183	\$ 4,309,000

* The change in the compensated absences liability is presented as a net change.

The future debt service requirements on the above debt are as follows:

Bonds Payable:	Due Fiscal Year Ending June 30,	Principal	Interest	Total
	2026	\$ 4,309,000	\$ 1,925,635	\$ 6,234,635
	2027	4,657,000	1,772,287	6,429,287
	2028	5,024,000	1,601,209	6,625,209
	2029	4,216,000	1,412,572	5,628,572
	2030	4,543,000	1,264,990	5,807,990
	2031 - 2035	20,660,000	3,755,871	24,415,871
	Total	<u>\$57,614,000</u>	<u>\$12,907,537</u>	<u>\$70,521,537</u>

The District has no unused lines of credit.

The District has not pledged any assets as collateral for their debt.

For further details on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Information section of this report.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS: (Cont.)

Leases - Right to Use

9427-4 On 6/1/2022 the District entered into a 48 month lease as Lessee for the use of technology equipment. An initial lease liability was recorded in 2021-22 with the implementation of GASB 87 in the amount of \$107,735 with a correction to \$115,298. As of 06/30/2025, the value of the lease liability is \$0 and will not be renewed.

9427-5 In on 5/1/2022 the District entered into a 60 month lease as Lessee for the use of technology equipment. An initial lease liability is added in 2023-24 with an initial lease liability of \$329,266 as a prior year adjustment. As of 6/30/2025 the value of the lease liability was \$43,117. The District is required to make an annual fixed advance payment of \$43,116. The lease has an interest rate of 3%. The value of the right to use assets as of 6/30/2025 was \$329,266 with accumulated amortization of \$286,150.

9427-6 On 03/01/2022 the District entered into a 48 month lease as Lessee for the use of technology equipment. An initial lease liability was recorded in 2021-22 with the implementation of GASB 87 in the amount of \$35,075 with a correction in 2022-23 to \$37,536. As of 06/30/2025, the value of the lease liability is \$0 and will not be renewed.

9427-1R On 8/1/2022 the District entered into a 48 month lease as Lessee for the use of technology equipment and included as an addition in the 2022-23 lease schedules. It is initially recorded as a lease liability of \$272,437. As of 06/30/2025 the value of the lease liability is \$71,203. The District is required to make an annual fixed payment of \$71,203. The lease has an interest rate of 3%. The value of the right to use assets as of 06/30/2025 is \$272,437 with accumulated amortization of \$198,652.

9427-7 On 9/1/2022 the District entered into a 48 month lease as Lessee for the use of technology equipment and recorded in the 2022-23 lease schedules. The initial lease liability is valued at \$36,605. As of 06/30/2025 the value of the lease liability is \$9,567. The District is required to make an annual fixed payment of \$9,567. The lease has an interest rate of 3%. The value of the right to use assets as of 06/30/2025 is \$36,605 with accumulated amortization of \$25,929.

POA 2020 - On 7/01/2020, the District entered into a 60 month lease as Lessee for the use of copy machines. An initial lease liability was recorded in 2021-2022 with the implementation of GASB 87 in the amount of \$140,561 with a correction in 2022-23 to \$172,217. As of 06/30/2025, the value of the lease liability is \$0 and is deleted from the schedule below.

POA 2024 - On April 1, 2025, the District entered into a 63 month lease as Lessee for the use of printers and copy machines. An initial lease liability of \$398,466 was issued in 2024-2025. As of 06/30/2025 the value of the lease liability is \$359,775. The District is required to make annual lease payments in the amount of \$75,898. The lease has an implied interest rate of 3%. The value of the right to use assets as of 6/30/2025 is \$398,466 with accumulated depreciation of \$38,691.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS: (Cont.)

Leases - Right to Use

TRT 2024 - On 6/1/2024, the District entered into a 60 month lease as Lessee for the use of a maintenance shop facility. An initial lease liability of \$168,831 was recorded in 2023-24. As of 06/30/2025, the value of the lease liability is \$134,302. The District is required to make monthly payments starting at \$2650 then increasing over the life of the lease to \$2982. The lease has an interest rate of 2.61 %. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 is \$168,831 with accumulated amortization of \$34,530 and is included with Buildings on the Lease Class activities table found below.

Jennings Lodge - On 7/01/2022 the District entered into a 60 month lease agreement as Lessee for the use of classroom space. An initial lease liability is recorded in 2022-23 of \$36,678. As of 06/30/2025, the value of the lease liability was \$15,773. The District opted to end the lease as of 06/30/2025. The lease had an interest rate of 3%. The building estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 is \$0 and is included with the Buildings on the Lease Class activities table found below as a reduction.

Lease Liability	Outstanding 7/1/2024	PY Corrections	Issued	Matured & Redeemed	Outstanding 7/1/2025	Due w/in 1 Yr
Equipment						
Pacific Office Automation	36,448			36,448	0	0
Pacific Office Automation 2025	0		398,466	38,691	359,775	75,898
Insight 9427-3	53,522	-40,703		12,818	0	0
Insight 9427-4	30,133			30,133	0	0
Insight 9427-5	86,234			43,116	43,119	43,119
Insight 9427-6	9,521	290		9,810	0	0
Insight 9427 R12	136,152	6,254		71,203	71,203	71,203
Insight 9727-7	18,293	841		9,567	9,567	9,567
Building						
TRT Investments 156 Ash 2024	166,181			31,880	134,302	32,836
Jennings Lodge - 140 Clay St Cancelled	22,875		-15,773	7,102	0	0
	559,358	-33,318	382,694	290,768	617,966	232,623

Principal & Int Requirements to Maturity

FY Ending June 30 2025	Principal Payments	Interest Payments
2026	199,787	5,994
2027	75,898	2,277
2028	75,898	2,277
Thereafter	132,081	3,962
Total Equipment	483,664	14,510
FY Ending June 30 2025	Principal Payments	Interest Payments
2026	32,836	690
2027	33,821	710
2028	34,836	732
Thereafter	32,809	689
Total Buildings	134,301	2,821
Combined	617,965	17,331

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS: (Cont.)

Leases - Right to Use

Right to Use Asset	Balance BOY	PY Corrections	Additions	Deletions	Balance EOY
Equipment					
Pacific Office Automation	172,217			172,217	0
Pacific Office Automation 2025			398,466		398,466
Insight 9427-3	211,035			211,035	0
Insight 9427-4	115,298			115,298	0
Insight 9427-5	329,266				329,266
Insight 9427-6	37,536			37,536	0
Insight 9427-1R	272,437				272,437
Insight 9427-7	36,605				36,605
Buildings					
TRT Investments 156 Ash 2024	168,831				168,831
Jennings Lodge 140 Clay	36,678			36,678	0
Total	1,379,903	-	398,466	572,764	1,205,605

Accumulated Amortization	Balance BOY	PY Corrections	Additions	Deletions	Balance EOY
Equipment					
Pacific Office Automation	137,773		34,443	172,217	0
Pacific Office Automation 2025	0		38,691		38,691
Insight 9427-3	145,087	26,379	39,569	211,035	0
Insight 9427-4	88,876		26,423	115,298	0
Insight 9427-5	243,033		43,117		286,150
Insight 9427-6	21,896	6,256	9,384	37,536	0
Insight 9427-1R	130,543		68,109		198,652
Insight 9427-7	16,777		9,151		25,929
Buildings					
TRT Investments 156 Ash 2024	2,650		31,880		34,530
Jennings Lodge - 140 Clay	14,671		7,336	22,007	0
Total	801,306	32,635	308,102	558,093	583,950

Equipment					
Pacific Office Automation	34,444			34,443	0
Pacific Office Automation 2025	0		398,466	38,691	359,775
Insight 9427-3	65,948	-26,379		39,569	0
Insight 9427-4	26,422			26,423	0
Insight 9427-5	86,233			43,117	43,117
Insight 9427-6	15,640	-6,256		9,384	0
Insight 9427-1R	141,894			68,109	73,785
Insight 9427-7	19,828			9,151	10,676
Buildings					
TRT Investments 156 Ash 2024	166,181			31,880	134,302
Jennings Lodge - 140 Clay	22,007		-14,671	7,336	0
Net Right to Use Assets	578,597	-32,635	383,795	308,102	621,655

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS: (Cont.)

Subscription Based Information Technology Agreements

Brightly Product Package - On 7/1/2022 the District entered into a 1-year subscription agreement with Brightly for the use of technology and anticipates continuing the subscription through 6/30/24. An initial subscription liability was recorded in 2022-23 with the implementation of GASB 96 in the amount of \$32,484.97 with an assumed rate of 3%. This subscription is not expected to be renewed in subsequent years. It is removed from the schedule below.

Frontline Education Agreement - On 7/1/2021 the District entered into a 1-year subscription agreement with Frontline Education for use of technology and anticipates continuing the subscription through 6/30/25. An initial subscription liability was recorded in 2022-23 with the implementation of GASB 96 in the amount of \$130,622 with an assumed rate of 3%. The district added one year to the subscription for \$9891 and is required to make an annual fixed subscription payment of \$9891. As of 06/30/2025, the value of the right to use the underlying technology asset is \$140,513, with accumulated amortization of \$132,615 and the liability balance of \$9891.

Lease Query - On 03/24/2023 the District entered into a 1-year subscription agreement with Lease Query for the use of technology and anticipates continuing the subscription through 4/23/24. An initial subscription liability was recorded in 2022-23 with the implementation of GASB 96 in the amount of \$9,238 with an assumed rate of 3%. This subscription is not expected to be renewed in subsequent years and is removed from the schedule below.

Marcia Brenner Plug Ins - On 11/21/2022 the District entered into a 1-year subscription agreement with Marcia Brenner for the use of technology and anticipates continuing the subscription through 10/31/25. An initial subscription liability was recorded in 2022-23 with the implementation of GASB 96 in the amount of \$16,115 with an assumed rate of 3%. This subscription was extended for two additional years for \$16,115 for a total subscription right to use asset of \$32,230 and accumulated depreciation of \$14,378.

Nearpod Curriculum - On 07/01/2022 the District entered into a 1-year subscription agreement with Nearpod for the use of technology and anticipates continuing the subscription through 6/30/24. An initial subscription liability was recorded in 2022-23 with the implementation of GASB 96 in the amount of \$28,824 with an assumed rate of 3%. This subscription is not expected to be renewed in subsequent years and is removed from the schedule below.

PowerSchool Unified Talent - On 06/30/2022 the District entered into a 1-year subscription agreement with Power School for the use of technology and anticipates continuing the subscription through 06/30/2025. An initial subscription liability was recorded in 2022-23 with the implementation of GASB 96 in the amount of \$34,947 with an assumed rate of 3%. The district added an additional year for \$43,056. The district is required to make an annual fixed subscription payment of \$23,071. As of 6/30/2025 the value of the right to use the underlying technology asset is \$78,003, with accumulated amortization of \$43,295 and a liability balance of \$23,071, with a net asset balance of \$34,708.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS: (Cont.)

Subscription Based Information Technology Agreements (Cont.)

Renaissance - On 8/31/2022 the District entered into a subscription agreement with Renaissance for the use of technology and anticipates continuing the subscription through 8/31/2025. An initial subscription liability was recorded in 2022-23 with the implementation of GASB 96 in the amount of \$108,965 with an assumed rate of 3%. As of 6/30/2025 the value of the right to use the underlying technology asset is \$0 and is removed from the schedule below.

Subscription Asset Balance - GASB 96

Gross Asset Balance	BALANCE BEGINNING BALANCE	ADDITIONS	REDUCTIONS	BALANCE END OF YEAR
Brightly	\$32,485		\$32,485	\$0
Frontline	130,622	9,891		140,513
Lease Query	9,238		9,238	-
Marcia Brenner	16,115	16,115		32,230
NearPod	28,824		28,824	-
PowerSchool	34,947	43,056		78,003
Renaissance	108,965	-	108,965	
	\$361,196	\$69,063	\$179,512	\$250,747

Accumulated Amortization	BALANCE BEGINNING BALANCE	ADDITIONS	REDUCTIONS	BALANCE END OF YEAR
Brightly	\$32,485		\$32,485	\$0
Frontline	97,966	34,649		132,615
LeaseQuery	9,238	-	9,238	-
Marcia Brenner	8,953	5,425		14,378
Nearpod	28,824		28,824	-
PowerSchool	23,309	19,986		43,295
Renaissance	99,896	-	99,896	-
	\$300,672	\$60,060	\$170,443	\$190,288

Requirements to Maturity

	Principal Payments	Interest Payments	Total
2025.26	\$38,534	\$3	\$38,537
Thereafter	5,115	0	5,115
	\$43,649	\$3	\$43,652

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN:

DALLAS SCHOOL DISTRICT NO. 2 offers various retirement plans to qualified employees as described below.

Cost-sharing Multiple-employer Defined Benefit Pension Plan - The Oregon Public Employees Retirement System (PERS)

Name of Pension Plan

DALLAS SCHOOL DISTRICT NO. 2 participates with other state agencies in the Oregon Public Employees Retirement System (OPERS) which is a cost-sharing multiple-employer defined benefit pension plan.

Organization

OPERS administers a cost-sharing, multiple-employer defined benefit pension plan (Plan) for units of state government, political subdivisions (including community colleges and school districts), and public universities. The Plan contains multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the Plan. As of June 30, 2024, there were 904 participating employers and more than 415,000 active, inactive, and retired members and beneficiaries.

OPERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Oregon Public Employees Retirement Board (OPERB) to administer and manage the System. All members of the Board are appointed by the governor and confirmed by the State Senate. Oregon PERS produces an independently audited comprehensive annual financial report (ACFR) for the funds administered by OPERB. The OPERS ACFR can be found at:

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

Plan Membership

The 1995 Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which has been codified into ORS 238.435. This legislation created a second tier of benefits for those who established membership on or after January 1, 1996. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to age 58 for Tier One.

As of June 30, 2024, Tier One was comprised of 7,928 active plan members, 127,957 retired plan members or their beneficiaries currently receiving benefits, and 6,927 inactive plan members entitled to but not yet receiving benefits for a total of 142,812 members. For Tier Two, as of June 30, 2024, there were 23,549 active plan members, 24,248 retired plan members or their beneficiaries currently receiving benefits, and 12,332 inactive plan members entitled to but not yet receiving benefits for a total of 60,129.

The 2003 Legislature enacted House Bill 2021, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program and the Individual Account Program. Membership for the OPSRP Pension Program includes public employees hired on or after August 29, 2003. OPSRP is part of PERS and is administered by the Board. The PERS Board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS purposes.

As of June 30, 2024, there were 163,367 active OPSRP Pension plan members, 13,931 retired plan members or their beneficiaries currently receiving benefits, 10,596 inactive plan members entitled to but not yet receiving benefits, and 24,658 inactive plan members not eligible for refund or retirement for a total of 212,552 OPSRP Pension Program members.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

Plan Benefits

1. OPERS Pension (Chapter 238) – Tier One/Tier Two

a. Pension Benefits

The PERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit.

These options include survivorship benefits and lump-sum refunds. The basic benefit is most commonly based on years of service and final average salary. A percentage (2.0% for Police and Fire employees, 1.67% for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which they are entitled.

Under Senate Bill (SB) 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary is limited for all members beginning in 2021. The limit was equal to \$232,976 as of January 1, 2024, and it is indexed with inflation every year.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they have contributions in each of five calendar years or have 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 One 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 Two members are eligible for full benefits at age 60. The plans are closed to new members hired on or after August 29, 2003.

b. Death Benefits

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

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

A member's beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lumpsum and monthly payments, if eligible. The monthly payment must be a minimum of \$200 per month for deaths that occur after July 30, 2003.

In 2019 the Legislature introduced an Optional Spouse Death Benefit (OSDB) that may provide a higher survivor benefit than the standard pre-retirement death benefit described above. To be eligible for the OSDB, the member must have died before retiring, named their spouse or other person who is constitutionally required to be treated in the same manner as the spouse as their pre-retirement beneficiary, and met the following conditions:

- Member's date of death must be on or after January 1, 2020.
- Member's account must be eligible for the employer-matching death benefit (as described above).
- Member must have a surviving spouse.
- The surviving spouse must be the member's sole beneficiary as determined by a valid Tier One/Tier Two Preretirement Beneficiary Designation form on file with PERS.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

As of January 1, 2024, the Legislature modified the rules such that, in order to be eligible for the Optional Spouse Death Benefit, a surviving spouse must make a written election no later than 60 days after the date of the estimate that PERS provides to a member's spouse. For members who die before their earliest retirement date, the OSDB is the actuarial equivalent of 50% of the service retirement that would have been paid to the member, calculated as if the member became inactive on their date of death and retired at their earliest retirement date. For members who die after their earliest retirement date but before normal retirement age, the OSDB is the actuarial equivalent of the service retirement that would have been paid to the member calculated as if they retired on the first day of the month following their death. For members who die after their normal retirement age, the OSDB is the actuarial equivalent of the benefit that would have been paid to the member, calculated as if the member retired on the first day of the month following their date of death.

The surviving spouse or other person 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 the age of their federally required minimum distribution.

c. 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 for General Service members is computed to age 58 (55 for Police and Fire members) when determining the monthly benefit.

d. Benefit Changes After Retirement

Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations caused by 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 adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

2. OPSRP Pension Program

a. Pension Benefits

This portion of OPSRP provides a life pension funded primarily by employer contributions and earnings. Benefits are calculated with the following formula for members who attain normal retirement age.

General Service: 1.5% 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.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary is limited for all members beginning in 2020. The limit was equal to \$232,976 as of January 1, 2024 and is indexed with inflation every year.

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, or, if the pension program is terminated, the date on which termination becomes effective.

b. Death Benefits

Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person 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 the age of their federally required minimum distribution.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

c. 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 from a job-related injury may receive a disability benefit of 45% 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.

d. Benefit Changes After Retirement

Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

3. Individual Account Program (IAP)

a. Benefit Terms

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established.

Employers have the option to make employer contributions for a member under ORS 238A.340. Contributions for these accounts are deposited into a separate employer-funded account. The member becomes vested in this optional employer-funded account 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. The accounts fall under Internal Revenue Code Section 414(k).

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer-funded account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or an anticipated life-span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

b. Death Benefits

Upon the death of a nonretired 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.

c. Recordkeeping

PERS contracts with Voya Financial to maintain IAP participant records.

4. Postemployment Healthcare Benefits

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing, multiple-employer OPEB plan for 904 participating employers. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium costs, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

A surviving spouse or dependent of a deceased PERS 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 PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

For the fiscal year ended June 30, 2024, PERS employers contributed 0.04% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. A (0.04)% unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2021. Consequently, PERS employers had an effective contribution rate of 0.00% for the RHIA program. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. These rates were based on the December 31, 2021, actuarial valuation.

Contributions

Description of Funding and Contributions for PERS Benefit Plans

OPERS' funding policy provides for periodic member and employer contributions at rates established by the PERS Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary.

Member Contributions

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

The Member Reserve represents accumulated member contributions and earnings allocations made prior to January 1, 2004, and subsequent earnings allocations less refunds and amounts transferred to reserves for retirements and disabilities (ORS 238.515). The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements.

Starting July 1, 2020, Senate Bill 1049 (2019) required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. In 2024, if the member earns more than \$3,688 per month, 0.75% (if OPSRP member) or 2.5% (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the member's Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

a. Employee Pension Stability Accounts (EPSA)

EPSA was created by the Oregon Legislature through Senate Bill 1049 (2019) to address the increasing cost of funding pension benefits. EPSA's function is to help pay for part of an applicable member's lifetime monthly pension benefit when they retire.

EPSA rules apply to most PERS members, but the EPSA redirect is only triggered when the member's gross pay in a month exceeds the monthly salary threshold, which is tied to the annual Consumer Price Index (All Urban Consumers, West Region). EPSA accounts are credited with investment earnings and losses annually and have no guaranteed rate of return.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

b. Target-Date Funds

The Oregon Investment Council, responsible for all PERS fund investments, approved the transition to a target-date fund (TDF) investment methodology for all IAP accounts beginning January 1, 2018. This change in investment methodology reflects an investment best practice that will better protect participants from potential losses as they approach and enter retirement by gradually reducing investment risk as participants age.

Effective January 1, 2021, Senate Bill 1049 (2019) allowed members to elect investment of their IAP account in a TDF other than the default TDF based on their year of birth. PERS now provides members the opportunity to make elections once a year during the month of September, with the change effective the following calendar year.

Employer 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. This funding policy applies to the PERS Defined Benefit Plan and OPEB plans. Employer contribution rates during fiscal year 2024 were based on the December 31, 2021, actuarial valuation, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, public universities, and political subdivisions have made supplemental unfunded actuarial liability payments, and their rates have been reduced.

a. PERS Defined Benefit Plan (ORS 238)

Effective July 1, 2023, the contribution rate for state agencies was 28.88%, the State and Local Government Rate Pool was 29.03%, the School Districts Pool was 28.58%, and the judiciary was 29.01% of PERS-covered salaries. Political subdivisions that have not joined the State and Local Government Rate Pool had an average pension contribution rate of 29.81%.

b. OPSRP Pension Program (ORS 238A)

All PERS-participating employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. The OPSRP Pension Program employer rates effective July 1, 2023, through June 30, 2025, are 11.58% of covered salaries for General Service employees and 16.37% of covered salaries for Police and Fire employees. These rates increased from 10.33% of covered salaries for General Service and 14.69% of covered salaries for Police and Fire employees for the period July 1, 2021, through June 30, 2023. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Effective January 1, 2021, Senate Bill 1049 (2019) requires employers to pay contributions on reemployed PERS retirees' salaries as if they were active members, excluding IAP (6%) contributions. Reemployed retirees do not accrue additional benefits while they work after retirement.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

District Employer Contributions

The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The District's employer required contributions for the year ended June 30, 2025 were \$6,203,583 for Defined Benefits and IAP excluding amounts to fund employer specific liabilities.

Amortization of the PERS Side Account resulted in a PERS savings to the District of \$2,764,079 for FY 2024-2025 from the required PERS Defined Benefits contribution above, netting to a net contribution of \$2,190,955.

The current year contribution rates in effect for PERS have been reduced while the District receives amortization of the PERS Side Account, funded with PERS retirement bonds (described in Long Term Debt). Because of the side account amortization, the adjusted PERS contribution rates in effect for the period July 1, 2023 to June 30, 2025 were: Tier1/Tier2 – 11.97 % and OPSRP General Service – 9.13%.

District Member Contributions

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

During FY 2024-2025 approximately \$1,301,907 in employee IAP contributions were paid or picked up by the district.

Pension Plan ACFR

Oregon PERS produces an independently audited ACFR which can be found at:
<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

Actuarial Valuations

The employer contribution rates effective July 1, 2023, through June 30, 2025, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years by ongoing Board policy. However, upon passage of Senate Bill 1049, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2022 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution 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 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 the same period of years.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

For the Postemployment Healthcare component, the RHIA plan fiduciary net position balance represents the program’s accumulation of employer contributions and investment earnings less premium subsidies and administrative expenses. No UAL rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2021. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:	
Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study	2022, published July 20, 2023
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuation calculations are based on the benefits provided under the terms of the plan in effect at the time of each valuation and the pattern of cost-sharing between the employer and plan members. The December 31, 2022, system-wide actuarial valuation was used to develop the GASB 67 financial reporting results for the Defined Benefit Pension Plan as of June 30, 2024, using standard roll-forward procedures.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from 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.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency if such an evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

OIC Target and Actual Investment Allocation as of June 30, 2024

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation²</u>
Debt Securities	20.0% - 30.0%	25.0%	Debt Securities	19.1%
Public Equity	22.5% - 32.5%	27.5%	Public Equity	23.0%
Real Estate	7.5% - 17.5%	12.5%	Real estate	13.2%
Private Equity	15.0% - 27.5%	20.0%	Private Equity	26.9%
Real Assets	2.5% - 10.0%	7.5%	Real Assets	10.1%
Diversifying Strategies	2.5% - 10.0%	7.5%	Diversifying Strategies	5.0%
Opportunity Portfolio ¹	0.0% - 5.0%	0.0%	Opportunity Portfolio	2.7%
Total		100%	Total	100%

¹Opportunity Portfolio is an investment strategy. Up to 5% of total Fund assets may be invested in it.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

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 Oregon PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. 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.

<u>Long Term Expected Rate of Return¹</u>	Annual	20-Year	Annual
Asset Class	Target	Annualized	Standard
	Allocation	Geometric Mean	Deviation
Global Equity	27.50%	7.07%	17.99%
Private Equity	25.50%	8.83%	30.00%
Core Fixed Income	25.00%	4.50%	4.22%
Real Estate	12.25%	5.83%	15.13%
Master Limited Partnerships	0.75%	6.02%	27.04%
Infrastructure	1.50%	6.51%	17.11%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%	9.04%
Hedge Fund Equity - Hedge	0.63%	6.48%	12.04%
Hedge Fund - Macro	5.62%	4.83%	7.49%
Assumed Inflation - Mean		2.35%	1.41%

¹Based on the Oregon Investment Council's (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

²The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

Sensitivity Analysis

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	5.90%	6.90%	7.90%
Employer's proportionate share of the net pension liability	\$ 26,124,138	\$ 16,560,894	\$ 8,551,210

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

Changes Since Last Valuation

A summary of key changes implemented after the December 31, 2024 valuation, which was used in the 2024 PERS ACFR. Changes are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2024 Experience Study for the System, which was published on July 22, 2025, which can be found at: https://www.oregon.gov/pers/Documents/Financials/Actuarial/2025/2024_Exp_Study.pdf

Changes in Actuarial Methods and Allocation Procedures

As of June 30, 2024, PERS fully finished and closed the Employer Programs, Salary Limit, Member Choice, Technical Debt, and Work After Retirement projects. House Bill 2296 (2023) extended the sunset of the work after retirement provisions until 2034. The Member Redirect project has an expected completion date of June 2025. PERS received funding for these projects for the 2023-25 biennium.

The timing of the amortization period for Pre-SLGRP liabilities and surpluses for SLGRP employers was revised to align the biennial rate-setting cycle.

Changes in Assumptions

- Adjust mortality assumptions to use the new “Pub-2016” base tables, matched to observed PERS-specific experience.
- Increase the individual member salary increase assumption’s merit/longevity component for one member category based on observations of the last 12 years of experience. The individual member salary increase assumption consists of the sum of inflation, real wage growth, and merit/longevity components, with the latter varying by member. We also recommend maintaining an assumed additional 2% annual increase specifically for calendar year 2025 above the long-term assumptions, which was first adopted in the 2022 Experience Study to reflect significant bargained increases already known at that time.
- Adjust retirement rates for certain member categories and service bands to more closely align with recent and expected future experience.
- Lower assumed rates of ordinary (non-duty) disability incidence to more closely match recent experience.
- Adjust the Tier One/Tier Two unused sick leave assumption for one member category to reflect recently observed experience.
- Decrease the likelihood of program participation for non-disabled and disabled retirees in the RHIA retiree healthcare program.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

Mortality Rates

A summary of the current assumed mortality rates and recommended changes is shown below:

Assumption	Used for December 31, 2022 and 2023 Valuations	Recommended December 31, 2024 and 2025 Valuations
Healthy Annuitant Mortality	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2016 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	Blend 80% Teachers and 20% General Employees, no set back	No change
Other General Service male (and male beneficiary)	General Employees, set back 12 months	No change
Police & Fire male	Public Safety, no set back	No change
School District female	Teachers, no set back	No change
Other female (and female beneficiary)	General Employees, no set back	No change
Police & Fire female	Public Safety, set back 12 months	No change
Disabled Retiree Mortality	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2016 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
Police & Fire male	Blended 50% Public Safety, 50% Non-Safety, no set back	Blended 20% Public Safety, 80% Non-Safety, no set back
Other General Service male	Non-Safety, set forward 24 months	120% of Non-Safety, no set back
Police & Fire female	Blended 50% Public Safety, 50% Non-Safety, no set back	Blended 20% Public Safety, 80% Non-Safety, no set back
Other General Service female	Non-Safety, set forward 12 months	120% of Non-Safety, no set back
Non-Annuitant Mortality	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2016 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	125% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
Other General Service male	115% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
Police & Fire male	125% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
School District female	100% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
Other General Service female	125% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
Police & Fire female	100% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date, that we are aware of.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2025, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.

Employer Contributions

OPERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position.

Beginning with fiscal year 2016, OPERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the OPERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 96, of the June 30, 2024 Oregon PERS ACFR. <https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2025, the employer reported a liability of \$16,560,894 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2024, the employer's proportion was 0.07450719%.

For the year ended June 30, 2025, the employer recognized pension expense of \$6,526,941.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

As of June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 981,080	\$ 39,525
Changes of assumptions	1,665,038	2,133
Net difference between projected and actual earnings on investments	1,052,080	-
Changes in proportionate share	6,676,067	13,636,393
Differences between employer contributions and employer's proportionate share of system contributions	19,158,281	-
(prior to post-measurement date contributions)	\$ 29,532,546	\$ 13,678,051
Post-measurement date contributions	6,203,583	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 35,736,129</u>	<u>\$ 13,678,051</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>\$ 15,854,495</u>

Contributions of \$6,203,583 less amortization of the District's Side Account for PERS defined benefits and IAP for employees, were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in next fiscal year.

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

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ 4,220,119
2nd Fiscal Year	6,037,529
3rd Fiscal Year	3,317,199
4th Fiscal Year	1,709,825
5th Fiscal Year	569,823
Total	<u>\$ 15,854,495</u>

Net Pension Liability

Net pension liabilities are calculated at the system-wide level and are allocated to employers based on their proportionate share. UAL Side Accounts are included as assets in this calculation. The rate setting actuarial valuation will continue to allocate the UAL Side Account, transitional or pre-SLGRP liabilities or surpluses as adjustments to the respective employers.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA)

Plan Description

The District contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible OPERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

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.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at <https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

Funding Policy

For the fiscal year ended June 30, 2024, PERS Employers had an effective contribution rate of 0.00% for the RHIA program. The unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2021. Consequently, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. These rates were based on the December 31, 2021, actuarial valuation.

Contributions

The District's contributions to OPERS' RHIA for the years ended June 30, 2025, 2024, and 2023 were \$77, \$768, and \$2,963, respectively, which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total (OPEB) RHIA Liability

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2024. That independently audited report was dated November 27, 2024 and can be found at: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
	RHIA
Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study	2022, published July 20, 2023
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 25.0% Disabled retirees: 15%
Healthcare cost trend rate	Not applicable
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuation calculations are based on the benefits provided under the terms of the plan in effect at the time of each valuation and the pattern of cost-sharing between the employer and plan members. The December 31, 2022, system-wide actuarial valuation was used to develop the GASB 67 financial reporting results for the Defined Benefit Pension Plan as of June 30, 2024, using standard roll-forward procedures.

Discount Rate

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

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

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. Table 31 on page 92 shows Milliman's assumptions for each of the asset classes in which the plans were 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 on page 74. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS' audited financial statements at:

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

Sensitivity Analysis

The following presents the employer's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent, as well as what the employer's proportionate share of the OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	5.90%	6.90%	7.90%
Employer's proportionate share of the net OPEB liability	\$ (563,606)	\$ (608,846)	\$ (647,798)

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2025, the District reported a net OPEB RHIA liability/(asset) of \$(608,846) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB RHIA liability/(asset) used to calculate the net OPEB RHIA liability/(asset) was determined by an actuarial valuation as of December 31, 2021. Consistent with GASB Statement No. 75, paragraph 59(a), The District's proportion of the net OPEB RHIA liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2024, the District's proportion was 0.15073852 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2025 was \$(77,014).

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 11,908
Changes of assumptions	-	7,701
Net difference between projected and actual earnings on investments	17,191	-
Changes in proportionate share (prior to post-measurement date contributions)	<u>-</u>	<u>1,683</u>
	\$ 17,191	\$ 21,292
Post-measurement date contributions	77	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 17,268</u>	<u>\$ 21,292</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>\$ (4,101)</u>

Contributions of \$77 were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

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

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ (36,131)
2nd Fiscal Year	20,745
3rd Fiscal Year	9,300
4th Fiscal Year	<u>1,985</u>
Total	<u>\$ (4,101)</u>

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2024 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB and EXPLICIT MEDICAL BENEFIT:

OEGB Health Insurance Subsidy and Explicit Medical Benefit

Plan Description

Implicit Medical Benefit

The District operates a single employer retiree benefit plan through the Oregon Educators Benefit Board that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The District is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. In some cases, the premium itself for retirees does not represent the full cost of medical coverage (as retirees can be expected to generate higher medical claims and therefore higher premiums than the active population). Providing the same rate to retirees as provided to current employees, raises the medical premium rates for the entire employee groups. This additional cost is called the “implicit subsidy” and is required to be valued under GASB 75. This “plan” is not a stand-alone plan, and therefore, does not issue its own financial statements.

Explicit Medical Benefit

In addition to the Implicit Subsidy Medical Benefit, described above, Dallas School District No. 2 offers a stand alone Explicit Subsidy Medical Benefit for certain retirees. Benefits include payments by the District towards the cost of the medical benefits provided in the Implicit Medical Benefit. Eligibility for benefit and duration of the benefit varies by employee group. The retiree must be receiving benefits from Oregon PERS, under Oregon PERS eligibility requirements.

Eligibility for Explicit Medical Benefit.

Eligible Class of Employee

Administrative employees:

Identified by the District by name.

Classified and Confidential employees:

Policy A - Hired before July 1, 1989, with 10 years of service at retirement.

Policy B - Hired between July 1, 1989, and June 30, 2004, with 15 years of service at retirement.

Licensed employees:

Policy A - Hired between September 1, 1972, and August 31, 1988, with 10 years of service at retirement.

Policy B - Hired between September 1, 1988, and September 1, 1998, with 15 years of service at retirement.

Dependent Eligibility

Qualified spouses, domestic partners, and children may qualify for coverage.

Benefit Duration

All employees under Policy A receive one year of coverage for every two years of service with the District, not to exceed age 65.

All employees under Policy B or as an Administrative employee receive seven years of coverage, not to exceed age 65.

Retirees Contributions

Covered retirees pay any premium amount in excess of a negotiated cap that may vary in amount.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB and EXPLICIT MEDICAL BENEFIT (Cont.):

Funding Policy

For the Implicit Medical Benefits, when the District has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The District will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

For the Explicit Medical Benefits, for those retirees who are eligible for the benefit, the District contributes a portion of the insurance premiums in amounts determined by the employee group and dates of service to the District.

The District engaged an actuary to perform an evaluation for the GASB 75 benefits both Implicit Medical Benefit as well as Explicit Medical Benefit as of July 1, 2023, using entry age normal Actuarial Cost Method. The assumptions are generally based upon those used for valuing pension benefits under Oregon PERS, and were developed in consultation with Independent Actuaries, Inc. The Total OPEB Liability (OPEB TOL) was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. On July 10, 2025, a supplement to the actuarial valuation reflected an updated measurement date of June 30 2025, with an adjusted discount rate from 4.0% to 5.25%:

At June 30, 2025, the District reported an estimated net OPEB OEGB and Explicit Benefit liability/(asset) for the benefits for both the Implicit Medical Benefit, and the Explicit Medical Benefit or OPEB TOL of \$3,838,588 for its proportionate share of the net OPEB TOL liability/(asset).

The OPEB OEGB liability/(asset) was measured as of June 30, 2024, and the total OPEB OEGB liability/(asset) method used to calculate the net OPEB OEGB liability/(asset) was determined by an actuarial valuation as of July 1, 2023. Consistent with GASB Statement No. 75, paragraph 59(a), The District's proportion of the net OPEB OEGB liability/(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.

The stand alone Explicit Benefit program liability was projected based on the census data, benefit provisions, and actuarial assumptions described in the OPEB OEGB report. For purposes of GASB 75 accounting, the amount from the implicit rate subsidy is considered to be the employer's "contribution".

Based on the measurement date of June 30, 2024, the District's estimated OPEB OEGB TOL expense/(income) for the year ended June 30, 2024, was \$338,958.

Actuarial Methods and Assumptions

Discount Rate	4.00%	5.25%
Other Key Actuarial Assumptions and Methods		
Valuation date	July 1, 2023	July 1, 2023
Measurement date	June 30, 2024	June 30, 2025
Inflation	2.50%	2.50%
Salary increases	3.50%	3.50%
Withdrawal, retirement, and mortality rates	Oregon PERS valuation PUB 2010 Retiree Tables, Teachers and General Employees, sex distinct, projected generationally.	Oregon PERS valuation PUB 2010 Retiree Tables, Teachers and General Employees, sex distinct, projected generationally.
Election and Lapse Rates	100% of those currently enrolled and 75% of those currently enrolled are assumed to remain enrolled in retirement. 70% of future retirees are assumed to cover a spouse as well.	100% of those currently enrolled and 75% of those currently enrolled are assumed to remain enrolled in retirement. 70% of future retirees are assumed to cover a spouse as well.
Actuarial cost method	Entry Age Normal	Entry Age Normal

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB and EXPLICIT MEDICAL BENEFIT (Cont.):

In order to apply the entry age normal actuarial cost method, Projected Benefit Payments are determined for each active employee and retiree. These Projected Benefit Payments are the net benefits estimated to be payable in all future years. The net benefits for a particular year are the difference between the total cost of benefits and the portion of the benefits paid by the retirees in that year. The Present Value of Benefits is then allocated over the service of each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay, as required under GASB 75. This level percent multiplied by expected pay is referred to as the Service Cost and is the portion of the Present Value of Benefits attributable to an employee's service in a given year. The Service Cost equals \$0 for retirees. For purposes of projecting benefits prior to the valuation date as required by the actuarial cost method, we assumed a health cost trend equal to the ultimate health cost trend rate. The Total OPEB Liability is the portion of the Present Value of Benefits that is attributable to employee service prior to the valuation date. For retirees, the Total OPEB Liability equals the Present Value of Benefits.

The Discount Rate

The Discount Rate is a single rate of return that is applied to the Projected Benefit Payments in order to calculate the Present Value of Benefits. Under GASB 75, for plans without assets, the discount rate is equal to a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the Pub-2010 Health Retiree, sex distinct for members and dependents. For members only, a one-year setback is applied. Future mortality improvement is not projected as it would be immaterial to the valuation.

Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2022. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

Starting per capita costs are based on premium rates. The same rates are charged for actives and pre-Medicare retirees. When an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. As such, premiums were estimated for pre-Medicare retirees based on average ages and assumptions on the relationship between costs and increasing age (Morbidity).

Sensitivity Analysis

The following presents the total OPEB liability of the Plan, calculated using the disclosure discount rate 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	Discount Rate	1% Increase
	4.25%	5.25%	6.25%
Total OPEB liability from Implicit Rate Subsidy	\$ 4,020,182	\$ 3,838,588	\$ 3,666,548
	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	\$ 3,549,412	\$ 3,838,588	\$ 4,166,503

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB and EXPLICIT MEDICAL BENEFIT (Cont.):

Participation

The following table represents the number of the District's covered participants:

As of Valuation Date July 1, 2023	Administrative	Class/Conf	Licensed	Total
Participant Counts				
Active Participants	14	127	167	308
Inactive Participants	1	10	18	29
Total Number of Participants	<u>15</u>	<u>137</u>	<u>185</u>	<u>337</u>

Changes in Net (OPEB) OEGB Liability

Changes in Total OPEB Liability June 30, 2024 to June 30, 2025	Increase (Decrease) Total OPEB Liability
Balance per actuarial as of Prior Year	\$ 4,295,592
Changes for the year:	
Service Cost	138,843
Interest	166,696
Effect of changes to benefit terms	-
Effect of economic/ demographic gains or losses	-
Changes in assumptions or other inputs	(228,448)
Benefit payments	<u>(534,095)</u>
Net OPEB Liability per actuarial at June 30, 2025	<u>\$ 3,838,588</u>

Components of (OPEB) OEGB Expense

OPEB Expense	July 1, 2024 to June 30, 2025
Service cost	\$ 138,843
Interest on total OPEB liability	166,696
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	182,724
Recognition of assumption changes	<u>(149,305)</u>
OPEB Expense	<u>\$ 338,958</u>

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB and EXPLICIT MEDICAL BENEFIT (Cont.):

Schedule of Deferred Inflows and Outflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 930,801	\$ 3,557
Changes of assumptions or inputs	<u>22,229</u>	<u>887,605</u>
Total Deferred Outflows/Inflows (prior to post-measurement date contributions)	<u>\$ 953,030</u>	<u>\$ 891,162</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>\$ 61,868</u>

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ 33,424
2nd Fiscal Year	14,752
3rd Fiscal Year	14,752
4th Fiscal Year	14,757
5th Fiscal Year	2,780
Thereafter	<u>(18,597)</u>
Total	<u>\$ 61,868</u>

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2024, Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to review 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 the District expects such amount, if any, to be immaterial. The District is not currently named as a defendant in any pending or threatened litigation.

RISK MANAGEMENT:

To reduce the risk of loss from liability, fire, theft, accident, medical costs, and error and omissions, the District maintains various commercial insurance policies.

The District came under the State Unemployment Act as of July 1, 1974. The District has elected to pay State Unemployment insurance to the State to pay for any claims paid to former employees. Any reimbursements are paid by the fund incurring the liability to the Employment Division of the State of Oregon. The estimated liability for unpaid claims is calculated as the present value of expected unpaid claims based on historical experience and going concern assessments. The District's estimated liability for unpaid unemployment claims is im-material. Therefore, no liability amount appears on the District's statement of net position or balance sheet.

Certain employees have health care coverage provided by a third-party insurance company. Premiums to the insurance company are paid by employer contributions for eligible employees.

There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

RISK DUE TO CONCENTRATIONS AND CONSTRAINTS:

The District is subject to a concentration risk related to its reliance on state funding for operational and instructional expenditures. For the fiscal year ended June 30, 2025, approximately 70.1% of the District's total governmental fund revenues were derived from state apportionments and grants.

This concentration represents a lack of diversity in the District's revenue sources and makes the District vulnerable to the risk of a substantial impact should there be significant changes in state funding levels. The State of Oregon has in the past experienced budgetary pressures due to declining tax revenues and increasing costs in other areas of the state budget, which could affect future funding allocations to school districts.

The District monitors state funding and evaluates potential mitigation strategies, including expenditure reviews and the identification of potential areas for budget reductions, to mitigate the potential impact of reduced state funding.

A concentration is a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. At June 30, 2025, the District had approximately 312 employees funded under governmental activities of the District. Of this total, 136 are certified staff under the Dallas Education Association Collective Bargaining Agreement (132 of which were active members represented by the union contract which expires in June 2026), 155 were classified staff under the Dallas Chapter of the Oregon School Employees Association Collective Bargaining Agreement (101 of which were active members of the union which contract expired June 2025). There are 21 other staff which are considered non-represented and are not represented by a collective bargaining agreement and include administrative staff, supervisory staff, and confidential staff.

DALLAS SCHOOL DISTRICT NO. 2
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund transfers for the year ended June 30, 2025, were as follows:

<u>Fund</u>	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund #100	\$ 167,664	\$ 94,850
Special Grants And Projects Fund #200	94,850	-
Debt Service -General Obligation Bonds Fund #301	-	117,664
Food Service Fund #203	-	50,000
Total	<u>\$ 262,514</u>	<u>\$ 262,514</u>

The transfers out of the General Fund to the other funds represent the District's election to provide general fund support to the programs and activities of those funds.

OVER-EXPENDITURE OF APPROPRIATIONS

<u>Fund / Category</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
Food Service Fund #203/ Enterprise and Community Services	\$ 1,255,000	\$ 1,318,001	\$ 63,001

SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 19, 2025, the date on which the financial statements were available to be issued.

REQUIRED
SUPPLEMENTARY
INFORMATION

DALLAS SCHOOL DISTRICT NO 2
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
General Fund #100
For the Fiscal Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		Variance with Original Budget-- over (under) Final Budget	Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>			
<u>REVENUES:</u>					
Taxes	\$ 9,551,289	\$ 9,551,289	\$ -	\$ 9,925,265	\$ 373,976
Tuition Charges	700	700	-	-	(700)
Earnings on Investments	305,000	305,000	-	376,076	71,076
Fees and Charges	95,500	95,500	-	75,529	(19,971)
Miscellaneous Revenue	695,000	695,000	-	685,245	(9,755)
Intermediate Government Aid	90,000	90,000	-	125,681	35,681
State Aid	29,903,961	29,903,961	-	29,703,780	(200,181)
Federal Aid	213,550	213,550	-	181	(213,369)
Total Revenues	<u>40,855,000</u>	<u>40,855,000</u>	<u>-</u>	<u>40,891,757</u>	<u>36,757</u>
<u>EXPENDITURES:</u>					
Instruction	25,336,381	25,336,381	-	25,094,545	(241,836)
Support Services	15,249,619	15,249,619	-	14,687,328	(562,291)
Contingency	1,960,000	1,960,000	-	-	(1,960,000)
Total Expenditures	<u>42,546,000</u>	<u>42,546,000</u>	<u>-</u>	<u>39,781,873</u>	<u>(2,764,127)</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,691,000)	(1,691,000)	-	1,109,884	2,800,884
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers In	96,000	96,000	-	94,850	(1,150)
Interfund Transfers Out	(168,000)	(168,000)	-	(167,664)	336
Sale of or Compensation for Loss of Fixed Assets	-	-	-	908	908
Total Other Financing Sources (Uses)	<u>(72,000)</u>	<u>(72,000)</u>	<u>-</u>	<u>(71,906)</u>	<u>94</u>
Net Change in Fund Balance	(1,763,000)	(1,763,000)	-	1,037,978	2,800,978
Beginning Fund Balance	2,650,000	2,650,000	-	2,353,300	(296,700)
Ending Fund Balance	<u>\$ 887,000</u>	<u>\$ 887,000</u>	<u>\$ -</u>	<u>\$ 3,391,278</u>	<u>\$ 2,504,278</u>

DALLAS SCHOOL DISTRICT NO 2
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Special Grants And Projects Fund #200
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget-- over (under) Final Budget	Actual Amounts (Budgetary Basis (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final			
<u>REVENUES:</u>					
Miscellaneous Revenue	\$ 131,000	\$ 131,000	\$ -	\$ 180,391	\$ 49,391
Intermediate Government Aid	670,000	670,000	-	230,888	(439,112)
State Aid	5,306,454	5,306,454	-	5,386,235	79,781
Federal Aid	1,996,064	1,996,064	-	1,667,525	(328,539)
Total Revenues	8,103,518	8,103,518	-	7,465,039	(638,479)
<u>EXPENDITURES:</u>					
Instruction	5,864,856	5,864,856	-	5,566,029	(298,827)
Support Services	2,110,162	2,110,162	-	1,799,594	(310,568)
Enterprise and Community Services	32,500	32,500	-	4,566	(27,934)
Total Expenditures	8,007,518	8,007,518	-	7,370,189	(637,329)
Excess (Deficiency) of Revenues Over Expenditures	96,000	96,000	-	94,850	(1,150)
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers Out	(96,000)	(96,000)	-	(94,850)	1,150
Total Other Financing Sources (Uses)	(96,000)	(96,000)	-	(94,850)	1,150
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

DALLAS SCHOOL DISTRICT NO 2

SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
PERS
Last 10 Fiscal Years*

Fiscal Year Ended June 30, ¹	Measurement Date	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll as of Measurement Date	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	June 30, 2024	0.07450719%	\$ 16,560,894	\$ 21,049,464	78.68%	79.3%
2024	June 30, 2023	0.02402000%	4,499,111	20,333,130	22.13%	81.7%
2023	June 30, 2022	0.06332636%	9,696,536	18,097,573	53.58%	84.5%
2022	June 30, 2021	0.19043861%	22,788,798	14,651,591	155.54%	87.6%
2021	June 30, 2020	0.18677845%	40,761,482	17,772,956	229.35%	75.8%
2020	June 30, 2019	0.21680841%	37,502,663	16,326,825	229.70%	80.2%
2019	June 30, 2018	0.21340826%	32,328,540	16,429,352	196.77%	82.1%
2018	June 30, 2017	0.21877476%	29,490,920	15,691,571	187.94%	83.1%
2017	June 30, 2016	0.23182264%	34,801,961	14,597,154	238.42%	80.5%
2016	June 30, 2015	0.25451453%	14,612,853	13,593,815	107.50%	91.9%

¹Measurement date is one year in arrears.

*This schedule is presented to illustrate the requirement to show information for 10 years.

DALLAS SCHOOL DISTRICT NO 2

SCHEDULE OF EMPLOYER CONTRIBUTIONS

PERS

Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2025	\$ 6,203,583	\$ 6,203,583	\$ -	\$ 20,809,149	29.81%
2024	6,999,298	6,999,298	-	21,049,464	33.25%
2023	6,650,950	6,650,950	-	20,333,130	32.71%
2022	6,800,535	6,800,535	-	18,097,573	37.58%
2021	6,030,126	6,030,126	-	14,651,591	41.16%
2020	6,007,105	6,007,105	-	17,772,956	33.80%
2019	4,859,386	4,859,386	-	16,326,825	29.76%
2018	4,787,429	4,787,429	-	16,429,352	29.14%
2017	4,029,692	4,029,692	-	15,691,571	25.68%
2016	3,799,142	3,799,142	-	14,597,154	26.03%

*This schedule is presented to illustrate the requirement to show information for 10 years.

DALLAS SCHOOL DISTRICT NO 2

SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY

OPEB RHIA

Last 10 Fiscal Years*

Fiscal Year Ended June 30, ¹	Measurement Date	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll as of Measurement Date	(b/c)	Plan fiduciary net position as a percentage of the total pension liability
					Employer's share of the net pension liability (asset) as a percentage of its covered payroll	
2025	June 30, 2023	0.15073852%	\$ (608,846)	\$ 21,049,464	-2.89%	220.6%
2024	June 30, 2023	0.15035832%	(550,561)	20,333,130	-2.71%	201.6%
2023	June 30, 2022	0.14793382%	(525,661)	18,097,573	-2.90%	194.6%
2022	June 30, 2021	0.14650551%	(503,101)	14,651,591	-3.43%	183.9%
2021	June 30, 2020	0.24868573%	(506,723)	17,772,956	-2.85%	150.1%
2020	June 30, 2019	0.15185770%	(293,444)	16,326,825	-1.80%	144.4%
2019	June 30, 2018	0.15940735%	(177,942)	16,429,352	-1.08%	124.0%
2018	June 30, 2017	0.14869076%	(62,055)	15,691,571	-0.40%	108.9%
2017	June 30, 2016	0.15065387%	40,912	14,597,154	0.28%	94.2%

¹Measurement date is one year in arrears.

*This schedule is presented to illustrate the requirement to show information for 10 years.

The full 10-year trend will be presented for those years for which information is available

DALLAS SCHOOL DISTRICT NO 2

SCHEDULE OF EMPLOYER CONTRIBUTIONS

OPEB RHIA

Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2025	\$ 77	\$ 77	\$ -	\$ 20,809,149	0.00%
2024	768	768	-	21,049,464	0.00%
2023	2,963	2,963	-	20,333,130	0.01%
2022	3,646	3,646	-	18,097,573	0.02%
2021	3,920	3,920	-	14,651,591	0.03%
2020	17,759	17,759	-	17,772,956	0.10%
2019	75,264	75,264	-	16,326,825	0.46%
2018	77,186	77,186	-	16,429,352	0.47%
2017	77,239	77,239	-	15,691,571	0.49%
2016	73,924	73,924	-	14,597,154	0.51%

*This schedule is presented to illustrate the requirement to show information for 10 years.

DALLAS SCHOOL DISTRICT NO 2

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS

OREGON EDUCATORS BENEFIT BOARD

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021
Total OPEB Liability					
Service cost	\$ 138,843	\$ 138,184	\$ 140,273	\$ 195,811	\$ 189,189
Interest on total OPEB liability	166,696	154,639	156,514	118,182	124,256
Effect of changes to benefit terms	-	-	-	-	-
Effect of economic/demographic gains or losses	-	742,662	-	747,609	-
Effect of assumption changes or inputs	(228,448)	(434,514)	(57,478)	(651,812)	-
Benefit payments	(534,095)	(581,797)	(588,917)	(630,442)	(495,622)
Net change in total OPEB liability **	(457,004)	19,174	(349,608)	(220,652)	(182,177)
Total OPEB liability, beginning	4,295,592	4,276,418	4,626,026	4,846,678	5,028,855
Total OPEB liability, ending (a) **	<u>\$ 3,838,588</u>	<u>\$ 4,295,592</u>	<u>\$ 4,276,418</u>	<u>\$ 4,626,026</u>	<u>\$ 4,846,678</u>
Covered payroll	\$21,049,464	\$20,333,130	\$18,097,573	\$14,651,591	\$17,772,956
Total OPEB OEGB liability as a % of covered payroll	18.24%	21.13%	23.63%	31.57%	27.27%
	2020	2019	2018		
Total OPEB Liability					
Service cost	\$ 163,272	\$ 157,751	167,050		
Interest on total OPEB liability	186,552	192,690	187,293		
Effect of changes to benefit terms	-	-	-		
Effect of economic/demographic gains or losses	(24,917)	-	-		
Effect of assumption changes or inputs	155,591	456,167	-		
Benefit payments	(526,161)	(670,880)	(653,028)		
Net change in total OPEB liability **	(45,663)	135,728	(298,685)		
Total OPEB liability, beginning	5,074,518	4,938,790	5,237,475		
Total OPEB liability, ending (a) **	<u>\$ 5,028,855</u>	<u>\$ 5,074,518</u>	<u>\$ 4,938,790</u>		
Covered payroll	\$16,326,825	\$16,429,352	\$15,691,571		
Total OPEB OEGB liability as a % of covered payroll	30.80%	30.89%	31.47%		

*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

**Totals may not agree due to rounding.

SUPPLEMENTARY
INFORMATION

DALLAS SCHOOL DISTRICT NO 2
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS -- BY FUND TYPE

June 30, 2025

	Special Revenue Funds	Debt Service Funds	Total Non- Major Governmental Funds
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 540,113	\$ 2,070,780	\$ 2,610,893
Property Taxes Receivable	-	150,661	150,661
Due From Other Governments	75,201	-	75,201
Inventory-Food, Supplies & Commodities	50,630	-	50,630
Total Assets	\$ 665,944	\$ 2,221,441	\$ 2,887,385
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>			
LIABILITIES:			
Accounts Payable	908	-	908
Due to Other Funds	41,293	-	41,293
Total Liabilities	42,201	-	42,201
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Property Taxes	-	115,774	115,774
Total Deferred Inflows of Resources	-	115,774	115,774
FUND BALANCES:			
Unspendable	50,630	-	50,630
Restricted for:			
Debt Service	-	2,105,667	2,105,667
Food Service Program	33,000	-	33,000
Committed for:			
Student Body Activities	540,113	-	540,113
Total Fund Balances	623,743	2,105,667	2,729,410
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 665,944	\$ 2,221,441	\$ 2,887,385

DALLAS SCHOOL DISTRICT NO 2
**Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances**
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
For the Fiscal Year Ended June 30, 2025

	Special Revenue Funds	Debt Service Funds	Total Non- Major Governmental Funds
<u>REVENUES:</u>			
Taxes	\$ -	\$ 3,793,176	\$ 3,793,176
Earnings on Investments	334	140,033	140,367
Fees and Charges	758,368	-	758,368
Miscellaneous Revenue	552	2,169,339	2,169,891
Intermediate Government Aid	-	514	514
State Aid	289,045	-	289,045
Federal Aid	1,047,312	-	1,047,312
Total Revenues	2,095,611	6,103,062	8,198,673
<u>EXPENDITURES:</u>			
Current:			
Instruction	713,571	-	713,571
Enterprise and Community Services	1,318,001	-	1,318,001
Debt Service	-	6,043,856	6,043,856
Total Expenditures	2,031,572	6,043,856	8,075,428
Excess (Deficiency) of Revenues Over Expenditures	64,039	59,206	123,245
<u>OTHER FINANCING SOURCES (USES):</u>			
Interfund Transfers In	50,000	117,664	167,664
Total Other Financing Sources (Uses)	50,000	117,664	167,664
Net Change in Fund Balance	114,039	176,870	290,909
Beginning Fund Balance	509,704	1,928,797	2,438,501
Ending Fund Balance	\$ 623,743	\$ 2,105,667	\$ 2,729,410

DALLAS SCHOOL DISTRICT NO 2
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2025

	Student Activity Fund #201	Food Service Fund #203	Totals
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 540,113	\$ -	\$ 540,113
Due From Other Governments	-	75,201	75,201
Inventory-Food, Supplies & Commodities	-	50,630	50,630
Total Assets	\$ 540,113	\$ 125,831	\$ 665,944
<u>LIABILITIES AND FUND BALANCES:</u>			
LIABILITIES:			
Accounts Payable	-	908	908
Due to Other Funds	-	41,293	41,293
Total Liabilities	-	42,201	42,201
FUND BALANCES:			
Unspendable	-	50,630	50,630
Restricted for:			
Food Service Program	-	33,000	33,000
Committed for:			
Student Body Activities	540,113	-	540,113
Total Fund Balances	540,113	83,630	623,743
Total Liabilities and Fund Balances	\$ 540,113	\$ 125,831	\$ 665,944

DALLAS SCHOOL DISTRICT NO 2
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2025

	<u>Student</u>	<u>Food</u>	<u>Totals</u>
<u>REVENUES:</u>			
Earnings on Investments	\$ -	\$ 334	\$ 334
Fees and Charges	753,565	4,803	758,368
Miscellaneous Revenue	-	552	552
State Aid	-	289,045	289,045
Federal Aid	-	1,047,312	1,047,312
Total Revenues	<u>753,565</u>	<u>1,342,046</u>	<u>2,095,611</u>
<u>EXPENDITURES:</u>			
Current:			
Instruction	713,571	-	713,571
Enterprise and Community Services	-	1,318,001	1,318,001
Total Expenditures	<u>713,571</u>	<u>1,318,001</u>	<u>2,031,572</u>
Excess (Deficiency) of Revenues Over Expenditures	39,994	24,045	64,039
<u>OTHER FINANCING SOURCES (USES):</u>			
Interfund Transfers In	-	50,000	50,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Net Change in Fund Balance	39,994	74,045	114,039
Beginning Fund Balance	500,119	9,585	509,704
Ending Fund Balance	<u>\$ 540,113</u>	<u>\$ 83,630</u>	<u>\$ 623,743</u>

DALLAS SCHOOL DISTRICT NO 2
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Student Activity Fund #201
For the Fiscal Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		Variance with Original Budget-- over (under) Final Budget	Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>			
<u>REVENUES:</u>					
Fees and Charges	\$ 1,050,000	\$ 1,050,000	\$ -	\$ 753,565	\$ (296,435)
Total Revenues	1,050,000	1,050,000	-	753,565	(296,435)
<u>EXPENDITURES:</u>					
Instruction	1,050,000	1,050,000	-	713,571	(336,429)
Total Expenditures	1,050,000	1,050,000	-	713,571	(336,429)
Net Change in Fund Balance	-	-	-	39,994	39,994
Beginning Fund Balance	300,000	300,000	-	500,119	200,119
Ending Fund Balance	\$ 300,000	\$ 300,000	\$ -	\$ 540,113	\$ 240,113

DALLAS SCHOOL DISTRICT NO 2
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Food Service Fund #203
For the Fiscal Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		Variance with Original Budget-- over (under) Final Budget	Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>			
<u>REVENUES:</u>					
Earnings on Investments	\$ 1,000	\$ 1,000	\$ -	\$ 334	\$ (666)
Fees and Charges	-	-	-	4,803	4,803
Miscellaneous Revenue	18,000	18,000	-	552	(17,448)
State Aid	52,000	52,000	-	289,045	237,045
Federal Aid	1,134,000	1,134,000	-	1,047,312	(86,688)
Total Revenues	1,205,000	1,205,000	-	1,342,046	137,046
<u>EXPENDITURES:</u>					
Enterprise and Community Services	1,255,000	1,255,000	-	1,318,001	63,001
Total Expenditures	1,255,000	1,255,000	-	1,318,001	63,001
Excess (Deficiency) of Revenues Over Expenditures	(50,000)	(50,000)	-	24,045	74,045
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers In	50,000	50,000	-	50,000	-
Total Other Financing Sources (Uses)	50,000	50,000	-	50,000	-
Net Change in Fund Balance	-	-	-	74,045	74,045
Beginning Fund Balance	20,000	20,000	-	9,585	(10,415)
Ending Fund Balance	\$ 20,000	\$ 20,000	\$ -	\$ 83,630	\$ 63,630

DALLAS SCHOOL DISTRICT NO 2**COMBINING BALANCE SHEET****NON-MAJOR DEBT SERVICE FUNDS**

June 30, 2025

	Debt Service - General Obligation Bonds Fund #301	Debt Service - Other Facilities Fund #302	Debt Service - PERS Pension Bonds Fund #310	Totals
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$1,031,521	\$ 340	\$ 1,038,919	\$ 2,070,780
Property Taxes Receivable	150,661	-	-	150,661
Total Assets	<u>\$1,182,182</u>	<u>\$ 340</u>	<u>\$ 1,038,919</u>	<u>\$ 2,221,441</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Property Taxes	115,774	-	-	\$ 115,774
Total Deferred Inflows of Resources	<u>115,774</u>	<u>-</u>	<u>-</u>	<u>115,774</u>
FUND BALANCES:				
Restricted for:				
Debt Service	1,066,408	340	1,038,919	\$ 2,105,667
Total Fund Balances	<u>1,066,408</u>	<u>340</u>	<u>1,038,919</u>	<u>2,105,667</u>
Total Deferred Inflows of Resources and	<u>\$1,182,182</u>	<u>\$ 340</u>	<u>\$ 1,038,919</u>	<u>\$ 2,221,441</u>

DALLAS SCHOOL DISTRICT NO 2
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
NON-MAJOR DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2025

	Debt Service - General Obligation Bonds Fund #301	Debt Service - Other Facilities Fund #302	Debt Service - PERS Pension Bonds Fund #310	Totals
<u>REVENUES:</u>				
Taxes	\$ 3,793,176	\$ -	\$ -	\$ 3,793,176
Earnings on Investments	118,926	-	21,107	140,033
Miscellaneous Revenue	-	-	2,169,339	2,169,339
Intermediate Government Aid	514	-	-	514
Total Revenues	3,912,616	-	2,190,446	6,103,062
<u>EXPENDITURES:</u>				
Debt Service	3,698,936	117,524	2,227,396	6,043,856
Total Expenditures	3,698,936	117,524	2,227,396	6,043,856
Excess (Deficiency) of Revenues Over Expenditures	213,680	(117,524)	(36,950)	59,206
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	-	117,664	-	117,664
Total Other Financing Sources (Uses)	-	117,664	-	117,664
Net Change in Fund Balance	213,680	140	(36,950)	176,870
Beginning Fund Balance	852,728	200	1,075,869	1,928,797
Ending Fund Balance	\$ 1,066,408	\$ 340	\$ 1,038,919	\$ 2,105,667

DALLAS SCHOOL DISTRICT NO 2
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Debt Service -General Obligation Bonds Fund #301 (A Non-Major Fund)
For the Fiscal Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		Variance with	Actual	Variance with
	<u>Original</u>	<u>Final</u>	Original Budget-- over (under)	Amounts (Budgetary Basis (See Note 1))	Final Budget Over (Under)
<u>REVENUES:</u>					
Taxes	\$3,251,000	\$3,251,000	\$ -	\$ 3,793,176	\$ 542,176
Earnings on Investments	70,000	70,000	-	118,926	48,926
Intermediate Government Aid	-	-	-	514	514
Federal Aid	500	500	-	-	(500)
Total Revenues	<u>3,321,500</u>	<u>3,321,500</u>	-	<u>3,912,616</u>	<u>591,116</u>
<u>EXPENDITURES:</u>					
Debt Service	3,699,020	3,699,020	-	3,698,936	(84)
Total Expenditures	<u>3,699,020</u>	<u>3,699,020</u>	-	<u>3,698,936</u>	<u>(84)</u>
Net Change in Fund Balance	(377,520)	(377,520)	-	213,680	591,200
Beginning Fund Balance	871,100	871,100	-	852,728	(18,372)
Ending Fund Balance	<u>\$ 493,580</u>	<u>\$ 493,580</u>	\$ -	<u>\$ 1,066,408</u>	<u>\$ 572,828</u>

DALLAS SCHOOL DISTRICT NO 2
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Debt Service - Other Facilities Fund #302 (A Non-Major Fund)
For the Fiscal Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		Variance with	Actual	Variance with
	<u>Original</u>	<u>Final</u>	Original Budget-- over (under) Final Budget	Amounts (Budgetary Basis (See Note 1)	Final Budget Over (Under)
<u>EXPENDITURES:</u>					
Debt Service	\$ 118,000	\$ 118,000	\$ -	\$ 117,524	\$ (476)
Total Expenditures	<u>118,000</u>	<u>118,000</u>	<u>-</u>	<u>117,524</u>	<u>(476)</u>
Excess (Deficiency) of Revenues Over Expenditures	(118,000)	(118,000)	-	(117,524)	476
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers In	118,000	118,000	-	117,664	(336)
Total Other Financing Sources (Uses)	<u>118,000</u>	<u>118,000</u>	<u>-</u>	<u>117,664</u>	<u>(336)</u>
Net Change in Fund Balance	-	-	-	140	140
Beginning Fund Balance	-	-	-	200	200
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 340</u>	<u>\$ 340</u>

DALLAS SCHOOL DISTRICT NO 2
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Debt Service - PERS Pension Bonds Fund #310 (A Non-Major Fund)
For the Fiscal Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		Variance with Original Budget-- over (under) Final Budget	Actual Amounts (Budgetary Basis (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>			
<u>REVENUES:</u>					
Earnings on Investments	\$ -	\$ -	-	\$ 21,107	\$ 21,107
Miscellaneous Revenue	2,228,496	2,228,496	-	2,169,339	(59,157)
Total Revenues	2,228,496	2,228,496	-	2,190,446	(38,050)
<u>EXPENDITURES:</u>					
Debt Service	2,228,496	2,228,496	-	2,227,396	(1,100)
Total Expenditures	2,228,496	2,228,496	-	2,227,396	(1,100)
Net Change in Fund Balance	-	-	-	(36,950)	(36,950)
Beginning Fund Balance	1,000,000	1,000,000	-	1,075,869	75,869
Ending Fund Balance	\$1,000,000	\$1,000,000	\$ -	\$ 1,038,919	\$ 38,919

DALLAS SCHOOL DISTRICT NO 2
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Capital Construction Bond Projects Fund #400 (A Major Fund)
For the Fiscal Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		Variance with Original Budget--	Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>	over (under) Final Budget	(Budgetary Basis) (See Note 1)	Over (Under)
<u>REVENUES:</u>					
Earnings on Investments	\$ 300,000	\$ 300,000	\$ -	\$ 996,029	\$ 696,029
State Aid	2,000,000	2,000,000	-	1,435,429	(564,571)
Total Revenues	2,300,000	2,300,000	-	2,431,458	131,458
<u>EXPENDITURES:</u>					
Facilities Acquisition and Construction	10,380,000	10,380,000	-	4,424,486	(5,955,514)
Contingency	5,000,000	5,000,000	-	-	(5,000,000)
Total Expenditures	15,380,000	15,380,000	-	4,424,486	(10,955,514)
Net Change in Fund Balance	(13,080,000)	(13,080,000)	-	(1,993,028)	11,086,972
Beginning Fund Balance	13,080,000	13,080,000	-	20,926,241	7,846,241
Ending Fund Balance	\$ -	\$ -	\$ -	\$ 18,933,213	\$ 18,933,213

DALLAS SCHOOL DISTRICT NO 2
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
UNEMPLOYMENT RESERVE FUND #702
For the Fiscal Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		Variance with Original Budget-- over (under) Final Budget	Actual Amounts (Budgetary Basis (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>			
Miscellaneous Revenue	\$ 350,000	\$ 350,000	\$ -	\$ 541,829	\$ 191,829
Total Revenues	350,000	350,000	-	541,829	191,829
Support Services	700,000	700,000	-	138,389	(561,611)
Total Expenditures	700,000	700,000	-	138,389	(561,611)
Net Change in Fund Balance	(350,000)	(350,000)	-	403,440	753,440
Beginning Fund Balance	350,000	350,000	-	-	(350,000)
Ending Fund Balance	\$ -	\$ -	\$ -	\$ 403,440	\$ 403,440

OTHER
INFORMATION

Additional
Supporting Schedules

DALLAS SCHOOL DISTRICT NO 2
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2025

Full Faith and Credit Pension Obligation Bonds, Series 2021A

On August 19, 2021, the District issued Full Faith and Credit Pension Obligation Bonds, Series 2021A. The bonds are held by US Bank. The original balance was \$39,575,000 and has a variable interest rate on the bonds varying from 0.182% to 2.895%. Interest payments are due the 30th of June and December of each year with a principal payment due with the June payment.

Current Year Activity:

	Outstanding Balance July 1, 2024	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2025	Due Within One Year
Principal	\$ 35,955,000	\$ -	\$ 1,425,000	\$ 34,530,000	\$ 1,515,000
Interest	-	803,396	803,396	-	790,941
Total	<u>\$ 35,955,000</u>	<u>\$ 803,396</u>	<u>\$ 2,228,396</u>	<u>\$ 34,530,000</u>	<u>\$ 2,305,941</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2026	\$ 1,515,000	\$ 790,941	\$ 2,305,941	1.10%
	2027	1,610,000	774,215	2,384,215	1.36%
	2028	1,710,000	752,319	2,462,319	1.53%
	2029	1,820,000	726,156	2,546,156	1.71%
	2030	1,940,000	695,089	2,635,089	1.81%
	2031	2,065,000	660,033	2,725,033	1.89%
	2032	2,195,000	621,067	2,816,067	2.04%
	2033	2,335,000	576,355	2,911,355	2.21%
	2034	2,485,000	524,821	3,009,821	2.36%
	2035	2,650,000	466,250	3,116,250	2.46%
	2036	2,820,000	401,139	3,221,139	2.54%
	2037	3,000,000	329,596	3,329,596	2.90%
	2038	3,200,000	242,746	3,442,746	2.90%
	2039	3,410,000	150,106	3,560,106	2.90%
Total		<u>\$ 34,530,000</u>	<u>\$ 7,762,219</u>	<u>\$ 42,292,219</u>	

DALLAS SCHOOL DISTRICT NO 2
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2025

Full Faith and Credit Financing, Series 2019

On September 17, 2019, the District issued Full Faith and Credit financing, Series 2019. The bonds are held by US Bank. The original balance was \$1,249,000 and has a fixed interest rate of 2.040%. Interest payments are due the 1st of June and December of each year with a principal payment due with the June payment.

Current Year Activity:

	Outstanding Balance July 1, 2024	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2025	Due Within One Year
Principal	\$ 761,000	\$ -	\$ 102,000	\$ 659,000	\$ 104,000
Interest	-	15,524	15,524	-	13,444
Total	\$ 761,000	\$ 15,524	\$ 117,524	\$ 659,000	\$ 117,444

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2026	\$ 104,000	\$ 13,444	\$ 117,444	2.04%
	2027	107,000	11,322	118,322	2.04%
	2028	109,000	9,139	118,139	2.04%
	2029	111,000	6,916	117,916	2.04%
	2030	113,000	4,651	117,651	2.04%
	2031	115,000	2,346	117,346	2.04%
Total		\$ 659,000	\$ 47,818	\$ 706,818	

DALLAS SCHOOL DISTRICT NO 2
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2025

Legal Settlement Obligation

The District was determined by the Administrative Law Judge (ALJ) to have been in violation of state and federal law in litigation settled in a previous year. The District proposed and Complainant accepted a settlement of \$240,000 paid out yearly installments of \$40,000 beginning October 2019, with the final payment ending on October 30, 2024.

Current Year Activity:

	Outstanding Balance July 1, 2024	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2025	Due Within One Year
Principal	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ -
Total	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>

DALLAS SCHOOL DISTRICT NO 2
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2025

General Obligation Bonds, Series 2022

On September 1, 2022, the District issued General Obligation Bonds, Series 2022. The bonds are held by US Bank. The original balance was \$14,177,157.65 including bond premium of \$1,412,157.65 and has a fixed interest rate of 5.000%. Interest payments are due the 15th of June and December of each year with a principal payment due with the June payment.

Current Year Activity:

	Outstanding Balance July 1, 2024	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2025	Due Within One Year
Principal	\$ 9,655,000	\$ -	\$ 1,160,000	\$ 8,495,000	\$ 1,270,000
Interest	-	482,745	482,745	-	424,750
Total	<u>\$ 9,655,000</u>	<u>\$ 482,745</u>	<u>\$ 1,642,745</u>	<u>\$ 8,495,000</u>	<u>\$ 1,694,750</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2026	\$ 1,270,000	\$ 424,750	\$ 1,694,750	5.00%
	2027	1,380,000	361,250	1,741,250	5.00%
	2028	1,505,000	292,250	1,797,250	5.00%
	2029	1,635,000	217,000	1,852,000	5.00%
	2030	1,770,000	135,250	1,905,250	5.00%
	2031	935,000	46,750	981,750	5.00%
Total		<u>\$ 8,495,000</u>	<u>\$ 1,477,250</u>	<u>\$ 9,972,250</u>	

DALLAS SCHOOL DISTRICT NO 2
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2025

General Obligation Bonds, Series 2024

On June 20, 2024, the District successfully issued General Obligation Bonds, Series 2024, amounting to a principal sum of \$15,235,000, inclusive of a bond premium totaling \$1,474,222.15. This brought the gross sale proceeds of the Bonds to \$16,709,222.15. The primary application of the proceeds is to fund the capital expenditures of District facilities and cover the expenses associated with the issuance of the Bonds. The Bonds will bear a 5% interest, with the first interest payment due on December 15, 2024, and subsequent semiannual payments on June 15 and December 15 of each year until the Bonds mature. The District's Paying Agent, initially U.S. Bank Trust Company, National Association, will be responsible for disbursing the principal and interest on the Bonds to DTC.

Current Year Activity:

	Outstanding Balance July 1, 2024	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2025	Due Within One Year
Principal	\$ 15,235,000	\$ -	\$ 1,305,000	\$ 13,930,000	\$ 1,420,000
Interest	-	751,169	751,169	-	696,500
Total	<u>\$ 15,235,000</u>	<u>\$ 751,169</u>	<u>\$ 2,056,169</u>	<u>\$ 13,930,000</u>	<u>\$ 2,116,500</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2026	\$ 1,420,000	\$ 696,500	\$ 2,116,500	5.00%
	2027	1,560,000	625,500	2,185,500	5.00%
	2028	1,700,000	547,500	2,247,500	5.00%
	2029	650,000	462,500	1,112,500	5.00%
	2030	720,000	430,000	1,150,000	5.00%
	2031	1,770,000	394,000	2,164,000	5.00%
	2032	2,935,000	305,500	3,240,500	5.00%
	2033	3,175,000	158,750	3,333,750	5.00%
Total		<u>\$ 13,930,000</u>	<u>\$ 3,620,250</u>	<u>\$ 17,550,250</u>	

DALLAS SCHOOL DISTRICT NO 2
Oregon Department of Education Form 581-3211-C
For the Fiscal Year Ended June 30, 2025

SUPPLEMENTAL INFORMATION 2024-2025

Part A is needed for computing Oregon's full allocation for ESEA, Title 1 & other Federal Funds for Education

B. Energy Bills for Heating - All Funds:

Please enter your expenditures for electricity
 & heating fuel, and water & sewage
 for these Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$ 436,348
Function 2550	\$ -

C. Replacement of Equipment - General Fund:

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

Exclude these functions:

- 1113,1122 & 1132
- 1140
- 1300
- 1400

- Extra-curricular Activities
- Pre-Kindergarten
- Continuing Education
- Summer School

Exclude these functions:

- 4150 Construction
- 2550 Pupil Transportation
- 3100 Food Service
- 3300 Community Services

\$	7,400
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*Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.

REPORT ON LEGAL
AND OTHER
REGULATORY REQUIREMENTS

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2025

To the Governing Body of the Dallas School District No. 2
Dallas, Oregon

We have audited the basic financial statements of the Dallas School District No. 2 as of and for the year ended June 30, 2025, and have issued our report thereon dated December 19, 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 Dallas School District No. 2's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 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 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.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, 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, except for:

- The District exceeded budgeted appropriations in one fund as noted in the Notes to the Financial Statements

OAR 162-10-0230 Internal Control

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

This report is intended solely for the information and use of the Board of Directors and management of Dallas School District No. 2 and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Ashraf Lakhani Farishta, CPA
Umpqua Valley Financial
Roseburg, Oregon
December 19, 2025

DALLAS SCHOOL DISTRICT NO. 2

SINGLE AUDIT SECTION



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

To the Board of Directors
Dallas School District No. 2

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dallas School District No. 2, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Dallas School District No. 2's basic financial statements and have issued our report thereon dated December 19, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dallas School District No. 2's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dallas School District No. 2's internal control. Accordingly, we do not express an opinion on the effectiveness of Dallas School District No. 2's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dallas School District No. 2's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Ashraf Lakhani".

Ashraf Lakhani Farishta, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
December 19, 2025



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

To the Board of Directors
Dallas School District No. 2

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Dallas School District No. 2's compliance with the types of compliance requirements described in the OMB *Circular Compliance Supplement* that could have a direct and material effect on each of Dallas School District No. 2's major federal programs for the year ended June 30, 2025. Dallas School District No. 2's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Dallas School District No. 2 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Dallas School District No. 2 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinions on compliance for each major federal program. Our audit does not provide a legal determination of Dallas School District No. 2's compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Dallas School District No. 2's federal programs.



Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Dallas School District No. 2's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Dallas School District No. 2's compliance with the requirements of each major program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Dallas School District No. 2's compliance with the compliance requirements referred to above and performing such other procedures as we have considered necessary in the circumstances.
- Obtain an understanding of Dallas School District No. 2's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Dallas School District No. 2's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on Dallas School District No. 2's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Dallas School District No. 2's response was not subjected to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.



Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in black ink that reads 'Ashraf Lakhani'.

Ashraf Lakhani Farishta, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
December 19, 2025

DALLAS SCHOOL DISTRICT NO. 2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED June 30, 2025

Federal Agency Prefix	AL Three-Digit Extension	Additional Award Identification	Federal Program Name	Cluster Name	Grant Fund	Federal Assistance Listing Number	Grant Period	Original Program or Grant Amount	Cash Received	Expenditures	(Receivable)/Deferred Revenue	
											June 30, 2024	June 30, 2025
US DEPARTMENT OF EDUCATION												
Passed Through Oregon Department of Education:												
84	010		Title IA - Grants to Local Education Agencies		257	84-010	2023-24	\$ 719,551	\$ 128,783	\$ -	\$ -	
84	010		Title IA - Grants to Local Education Agencies		257	84-010	2024-25	719,837	716,743	716,743	-	
84	013		Title I N&D - PADTC LTCT		283	84-013	2024-25	46,199	46,199	46,199	-	
			Total Title I					1,485,607	891,725	762,942	-	
84	367		Title II-A Teacher Quality		277	84-367	2023-24	108,786	14,271	4,951	-	
84	367		Title II-A Teacher Quality		277	84-367	2024-25	119,671	107,748	107,748	-	
			Total Title II-A					228,457	122,018	112,698	-	
84	424		Title IV - Student Support and Academic Enrichment		297	84-424	2024-25	58,037	58,037	58,037	-	
			Total Title IV					58,037	58,037	58,037	-	
84	425	COVID-19, 84-425	Elementary and Secondary School Emergency Relief, II LTCT	Educational Stabilization Fund	281/221	84-425	2023-24	90,000	90,000	84,621	-	
84	425U	COVID-19, 84-425U	Elementary and Secondary School Emergency Relief, III	Educational Stabilization Fund	103/222	84-425U	2020-24	5,156,206	564,488	564,488	-	
			Total Educational Stabilization Fund					5,246,206	654,488	84,621	-	
84	027		IDEA - Special Education Grants to States (Part B Sec.611)		237	84-027	2023-24	697,133	135,412	-	-	
84	027		IDEA - Special Education Grants to States (Part B Sec.611)		237	84-027	2024-26	635,242	628,072	628,072	-	
84	027		IDEA - PADTC LTCT (Part B Sec.611)		282	84-027	2023-24	17,352	17,352	17,352	-	
			Total IDEA (Part B, Sec. 611)					1,349,727	780,835	645,424	-	
84	173		IDEA - Special Education Grants to States (Part B Sec.619)		204	84-173	2024-25	6,011	3,802	3,802	-	
			Total IDEA (Part B, Sec. 619)					6,011	3,802	3,802	-	
66	444		Lead Testing Reimbursement Additional Funds		287	66-444	2023-24	11,720	4,482	-	-	
93	658		Foster Transportation Reimbursement		100	93-658	2023-24	8,109	8,109	741	-	
			Total Other Grants Passed Through Oregon Department of Education					19,829	12,591	741	-	
			Total Passed through Oregon Department of Education					\$ 8,393,874	\$ 2,523,497	\$ 1,668,265	\$ -	
			Total U.S. Department of Education					\$ 8,393,874	\$ 2,523,497	\$ 1,668,265	\$ -	
U.S. DEPARTMENT OF AGRICULTURE												
10	555		National School Lunch - Lunch		203	10-555	2023-24	583,161	745,754	659,916	(26,517)	
10	553		National School Lunch - Breakfast		203	10-553	2023-24	216,849	233,408	218,763	(8,918)	
10	555		National School Lunch - Commodities		203	10-555	2023-24	92,841	92,981	92,981	-	
10	555		NLSF Supply Chain Assistance		203	10-555	2024-25	63,760	63,760	63,760	-	
10	559		National School Lunch - Summer Program		203	10-559	2024-25	(1,612)	11,673	11,892	(1,831)	
10	185		Local Foods for Schools Cooperative		203	10-185	2023-24	8,341	8,341	-	-	
			Total National School Lunch Program					964,932	1,175,917	1,047,313	(37,267)	
			Total U.S. Department of Agriculture					\$ 964,932	\$ 1,175,917	\$ 1,047,313	\$ (37,267)	
			TOTALS					\$ 9,358,826	\$ 1,021,104	\$ 2,715,578	\$ (37,267)	

This schedule is prepared using the modified accrual basis of accounting.

RECONCILIATION TO REVENUE:	
Cash Receipts per Schedule Above	\$ 3,699,414
Grants Receivable/Deferred Revenue Beginning of Year	(1,021,104)
Grants Receivable/Deferred Revenue End of Year	37,267
Federal Revenue Recognized per Financial Statements	\$ 2,715,578

DALLAS SCHOOL DISTRICT NO. 2

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of federal awards (the “Schedule”) includes the federal award activity of Dallas School District No. 2 under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Dallas School District No. 2, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Dallas School District No. 2.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COSTS RATE

Dallas School District No. 2 has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance, or other approved rate that is lower.

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I—Summary of Auditor’s Results

1. The auditor’s report expresses an unqualified opinion on the financial statements of Dallas School District No. 2 in accordance with GAAP.
2. No material weaknesses or significant deficiencies in internal control related to the financial statement audit were identified which are required to be reported.
3. No instances of noncompliance material to the financial statements of Dallas School District No. 2 were disclosed during the audit.
4. The auditor’s report on compliance for the major federal award program expresses an unmodified opinion.
5. The audit did not disclose any findings that are required to be reported.
6. The programs tested as a major program were the
 - o Grants to Local Education Agencies (Title I) AL# 84.010
7. The threshold for distinguishing between Type A and B programs was \$750,000.
8. The District was determined to be a low-risk auditee.

Section II—Financial Statements Findings

No findings related to the financial statements are reported in accordance with *Government Auditing Standards* for the year ended June 30, 2025.

Section III—Findings and Questioned Costs for Federal Awards.

No matters were reported relating to significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Section IV—Summary Schedule of Prior Audit Findings

There were no findings for the fiscal year ended June 30, 2024.

Dallas School District 2025-2026		MONTHLY FINANCIAL HIGHLIGHTS AND ASSURANCES							January 2026
Resources primarily come from the State School Fund Grant formula and may be used for general operations of the school district									
GENERAL FUND OPERATIONS (FUND 100)	October	November	December	January	MTM Change	MONITORING	Notes:		
District Enrollment (ADMir) Charter Enrollment	2397 481	2397 481	2397 481	2394 472	-3 -9	Watch Closely	Updated with Period 2 submission for current annual enrollment. Only slight decline from October but still down from prior year. Will plan to use this extended ADMir to plan for next fiscal year.		
Revenue Projection	\$44,267,866	\$44,180,029	\$44,356,811	\$44,356,811	\$0	On Track			
Expenditure Projection	\$41,203,131	\$41,152,822	\$41,233,574	\$41,145,093	-\$88,481	On Track			
EFB \$ Projection	\$3,064,735	\$3,027,207	\$3,123,237	\$3,211,717	\$88,481	On Track			
EFB % Projection	7.32%	7.30%	7.53%	7.74%	0.21%	On Track	EFB projected for June 30 remains a stable position for the upcoming legislative session and potential reductions in year 2 of the biennium.		
Cash Flow Concerns	NONE	NONE	NONE	NONE		On Track			
Spending is within Appropriations	YES	YES	YES	YES		On Track			

NOTES TO FINANCIAL STATEMENT: All cash, investment and credit card accounts have been balanced, reconciled and reviewed and all cash and investment accounts are reconciled to the general ledger by the business manager as of 1/31/2025. The adopted budget reflects expected expenditures. All payroll reports have been filed and payroll liabilities have been paid timely. All federal and state reimbursement requests as well as required financial reporting forms have been filed timely. All credit card expenditures, travel and other reimbursements have been reviewed and approved at the proper level. There have been no significant changes to the internal control system, to the accounting system or accounting policies that are significant. Currently the business office is adequately staffed to allow for proper segregation of duties and I am not aware of any new pronouncements or other financial changes that may require additional staff time to properly implement. All financial statements that have been provided to the board are accurate and complete to the best of my knowledge and I am aware of no other financial matters that the board should be aware of at this time. I know of no cases of fraud or other misconduct and I have not been asked by the superintendent to do anything that makes me feel uncomfortable or to present any information I feel is inaccurate. **Tami Larson 1/31/2025. For information about the information contained in this report, please contact the Business Office at 111 SW Ash St., Dallas, OR, 97338. Ph 503-623-5594**

Dallas School District 2025-2026	General Fund Operations										January 2026
Resources primarily come from the State School Fund Grant formula and may be used for general operations of the school district											
GENERAL FUND OPERATIONS (FUND 100)	Current MTD	Current YTD	Add: Projections	Adjustments*	Annual Forecast	Annual Budget	Variance Fav / (Unfav)	*Notes			
Beginning Fund Balance	\$0	\$2,875,984	\$0		\$2,875,984	\$2,000,000	\$875,984				
Local Sources (Property Taxes, Interest, Fees)	\$300,745	\$10,079,182	\$854,030		\$11,033,212	\$10,760,958	\$272,254				
Flow Through ESD, County School Funds	\$0	\$57,324	\$0		\$57,324	\$55,000	\$2,324				
State Sources (SSF, Common School Fund, High Cost Disability)	\$2,503,885	\$20,058,498	\$10,331,443		\$30,389,941	\$31,180,492	-\$790,551				
Federal Sources (In Lieu of Property Taxes)	\$0	\$0	\$350		\$350	\$3,550	-\$3,200				
Other Sources			\$0		\$0	\$0	\$0				
TOTAL REVENUE	\$2,804,730	\$30,195,003	\$11,285,824	\$0	\$41,480,827	\$42,000,000	-\$519,173				
AVAILABLE RESOURCES (REV + BEG FUND BAL)	\$2,804,730	\$33,070,987	\$11,285,824	\$0	\$44,356,811	\$44,000,000	\$356,811				
Salaries	\$1,538,013	\$8,425,412	\$9,829,385	\$575,000	\$18,829,798	\$18,867,265	-\$37,468				
Associated Payroll Costs	\$855,434	\$4,669,465	\$5,255,254	\$433,750	\$10,368,469	\$10,873,645	\$515,176				
Contracted Services	\$886,857	\$6,078,674	\$4,205,170	\$375,000	\$10,658,845	\$10,518,565	-\$140,280				
Supplies and Materials	\$23,185	\$236,905	\$168,294	\$69,256	\$474,455	\$474,455	\$0				
Capital Leases & Equipment Purchases	\$9,684	\$110,426	\$43,509	\$76,266	\$230,200	\$230,200	\$0				
Dues, Fees, Insurance, Interest Paid	\$6,420	\$455,536	\$1,849	\$0	\$457,385	\$398,345	-\$59,040				
Transfers to Other Funds	\$0	\$17,442	\$0	\$18,500	\$135,942	\$135,942	\$0				
Contingencies	\$0	\$0	\$0	\$0	\$0	\$1,661,583	\$1,661,583				
Unappropriated Ending Fund Balance						\$840,000					
TOTAL EXPENDITURES	\$3,319,593	\$20,093,860	\$19,503,462	\$1,547,771	\$41,145,093	\$44,000,000	\$1,939,971				
Expenditures by Appropriation	Current MTD	Current YTD	Add: Encumbrances	Adjustments*	Annual Forecast	\$25,358,580	Variance Fav / (Unfav)	*Notes			
Instruction	\$2,085,948	\$11,774,409	\$12,656,588	\$1,006,051	\$25,437,048	\$25,358,580	-\$78,468				
Support Services	\$1,233,644	\$8,202,010	\$6,846,674	\$523,220	\$15,572,103	\$16,003,896	\$431,792				
Enterprise and Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Facilities Acquisition and Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Transfers to Other Funds	\$0	\$117,442	\$0	\$18,500	\$136,942	\$136,942	\$0				
Contingencies					\$0	\$1,661,583	\$1,661,583				
Unappropriated Ending Fund Balance						\$840,000					
TOTAL EXPENDITURES	\$3,319,593	\$20,093,860	\$19,503,462	\$1,547,771	\$41,145,093	\$44,000,000	\$2,014,907				
SURPLUS / (DEFICIT)	-\$514,863	\$10,101,143			\$3,211,717						
Ending Fund Balance									of Revenues Board Policy, 8%		
Investment Account Balances by Type	Yield	Beg Bal	Deposits	Withdrawals	End Bal	Annual Debt	Debt Obligation	Due by June 30, 2026			
General Operations (5703.5018)	4.16%	\$13,407,462	\$2,683,704	\$3,344,967	\$12,746,199	\$3,928,692	\$567,347	\$3,361,345			
Debt Service (5770)	4.16%	\$4,141,652	\$109,856	\$20	\$4,251,487						
Capital Projects (3974.6022)	4.16%	\$15,702,377	\$89,621	\$1,035,346	\$14,756,652						
Total District		\$33,251,491	\$2,883,181	\$4,380,333	\$31,754,338						

Dallas School District 2025-2026		Capital Projects Funds							January 2026	
Proceeds from 2022 voter approved bonds sold to complete a variety of construction projects around the district.										
CAPITAL CONSTRUCTION F403 Voter Approved Bond	Prior Year Cumulative Total	Current MTD	Current YTD	Add: Projections	Annual Forecast	Revenue Total ALL Years	Project Budget	Variance Fav / (Unfav)		
Beginning Fund Balance	\$0	\$18,763,930	\$18,763,930	\$0	\$18,763,930					
Interest	\$1,553,433	\$58,254	\$409,232	\$513,408	\$922,640	\$2,476,073	\$2,000,000	\$476,073		
OSCIM Grant	\$1,435,429	\$0	\$1,567,787	\$996,784	\$2,564,571	\$4,000,000	\$4,000,000	\$0		
Bond Issuance #1 2022	\$12,756,016	\$0	\$0	\$0	\$0	\$12,756,016	\$12,756,016	\$0		
Bond Issuance #2 2024	\$15,235,000	\$0	\$0	\$0	\$0	\$15,235,000	\$15,235,000	\$0		
Bond Proceeds	\$2,886,380	\$0	\$0	\$0	\$0	\$2,886,380	\$0	\$2,886,380		
Other Sources - Energy Trust, Seismic, Etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$1,310,508	-\$1,310,508		
TOTAL REVENUE	\$33,866,258	\$58,254	\$1,977,019	\$1,510,192	\$3,487,211	\$37,353,469	\$35,301,524	\$2,051,945		
TOTAL AVAILABLE RESOURCES	\$33,866,258		\$20,740,950		\$22,251,141					
Expenditures by Building	Prior Year Cumulative Total	Current MTD	Current YTD	Encumbered	Annual Forecast	Project Total ALL Years	Original Proj Budget	Variance Fav / (Unfav)		
Lyle Elementary	\$635,422	\$0	\$120,875	\$105,392	\$226,267	\$861,689	\$3,865,970	\$3,004,281		
Oakdale Elementary	\$324,856	\$0	\$1,249	\$0	\$1,249	\$326,105	\$2,095,520	\$1,769,415		
Whitworth Elementary	\$322,563	\$0	\$3,536	\$0	\$3,536	\$326,099	\$2,728,840	\$2,402,741		
LaCreole Middle School	\$4,811,465	\$0	\$147,408	\$106,089	\$253,497	\$5,064,962	\$6,739,312	\$1,674,350		
Dallas High School	\$3,290,908	\$708,923	\$5,673,734	\$863,201	\$6,536,935	\$9,827,843	\$9,727,985	-\$99,858		
Morrison Building	\$1,547,708	\$156,183	\$394,095	\$119,936	\$514,031	\$2,061,738	\$981,650	-\$1,070,088		
District Wide Management/Oversight/Planning	\$4,273,851	\$41,275	\$214,742	\$164,516	\$379,258	\$4,653,109	\$9,152,247	\$4,499,138		
TOTAL EXPENDITURES	\$15,206,773	\$906,381	\$6,555,638	\$1,359,134	\$7,914,772	\$23,121,544	\$35,301,524	\$12,179,980		
Expenditures by Project Type	Prior Year Cumulative Total	Current MTD	Current YTD	Encumbered	Annual Forecast	Project Total ALL Years	Project Budget	Variance Fav / (Unfav)		
000 District Wide Management/Oversight/Planning	\$4,273,851	\$41,275	\$214,742	\$164,516	\$379,258	\$4,653,109	\$9,152,247	\$4,499,138		
800 Critical Facility Upgrade (CFU)	\$6,510,814	\$858,916	\$5,730,436	\$1,175,414	\$6,905,849	\$13,416,664	\$12,940,452	-\$476,212		
900 New Construction	\$3,437,176	\$0	\$0	\$0	\$0	\$3,437,176	\$11,718,750	\$8,281,574		
830 Health Safety & Security	\$984,932	\$6,189	\$610,460	\$19,204	\$629,664	\$1,614,596	\$1,490,075	-\$124,521		
TOTAL EXPENDITURES	\$15,206,773	\$906,381	\$6,555,638	\$1,359,134	\$7,914,772	\$23,121,545	\$35,301,524	\$12,179,979		
Reserved for Future Projects	\$18,659,485				-\$4,427,561	\$14,231,924		\$14,231,924		

\$0 \$0 \$0 \$0 \$0 \$0 \$1 \$0 -\$1 \$0 -\$1

**DALLAS SCHOOL DISTRICT NO.2
DALLAS, OREGON
FEBRUARY 9, 2026**

**RESOLUTION #25-26-04
SETTING RATES FOR SCHOOL SUPPORT FEE**

WHEREAS, HB 2009 (2023) was passed in 2023 and became part of ORS 285C.067;

WHEREAS, HB 2009 (2023) requires the governing body of each school district, after coordinating with the zone sponsor, to set a rate for the School Support Fee imposed pursuant to Sections 48 (2) and 51 (2) of HB 2009 (2023);

WHEREAS, this rate must be at least 15 percent and not more than 30 percent;

WHEREAS, the Dallas School District No. 2 has coordinated with the administration of the City of Dallas to set the rate;

WHEREAS, by November 1 in any applicable year, the administration of the City of Dallas will provide the district with all information necessary for the district to collect the fee directly from the business firm;

WHEREAS, by December 1 in any applicable year, the district shall send to the business firm a notice of the required fee, with a due date not later than December 31 of the same year;

WHEREAS, the district shall be responsible for making refunds to business firms of overpayments;

WHEREAS, if a fee payment is delinquent for more than 60 days following the date of delinquency or any later date allowed for curing the delinquency, the Board shall give written notice of the delinquency to the business firm and the assessor of the county;

BE IT THEREFORE RESOLVED that the Dallas School District Board establishes the rate of the School Support Fee at 15 (fifteen) percent.

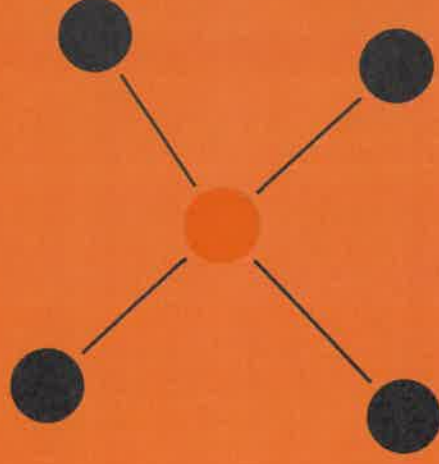
Dated at Dallas, Oregon, this 9th day of February, 2026.

Rob Ogilvie
Dallas School District No 2, Board of Directors Chair

Steve Spencer
Dallas School District No 2, Superintendent

Special Education Department Report

Dallas School District | February 9, 2026 Special Education Board Report
Adapted presentation from student-centered context for long-range planning



Special Education Overview

Facilities are part of how students access learning.

12 Disability Categories (Oregon)

- | | |
|---------------------------------|---------------------------------|
| • Autism Spectrum Disorder | • Orthopedic Impairment |
| • Emotional Behavioral Disorder | • Other Health Impairment |
| • Deaf or Hard of Hearing | • Specific Learning Disability |
| • Deafblindness | • Speech or Language Impairment |
| • Developmental Delay | • Traumatic Brain Injury |
| • Intellectual Disability | • Visual Impairment |

Free & Appropriate Education

FAPE is the foundational obligation under the Individuals with Disabilities Act (IDEA). This means that the district is required under the federal and state laws to locate, identify, and serve all students with disabilities in a manner that allows access and progress in the general education curriculum.

Who we serve....

15.7% of the student body is identified as students with disabilities that require special education (~480 students 2024; ~ 460 students in 2025). The supports and services vary for each student. Each student has an individualized plan, called an IEP, that outlines the legal requirements for their educational supports and services that is above and beyond what all students receive in general education.

We have approximately 90-95 staff that provide services and/or supports to students on IEPs.

Why Special Education Space Matters

Facilities are part of how students access learning.

Access + Dignity

Space influences whether students can move, communicate, participate, and feel safe—without drawing attention to disability.

Regulation + Belonging

Predictable environments and calm spaces help students regulate and remain connected to school communities.

Key message

Facilities do not determine who we serve—but they strongly affect how well we can serve students and staff.

Who We Serve

Students with a wide range of strengths and support needs.

C

Communication
Support

S

Sensory &
Regulation

M

Mobility &
Access

L

Learning &
Instruction

Important context for special education impact

- Students with disabilities learn across all schools and grade levels and their needs very significantly.
- Supports may include related services that require adaptive equipment, specialized or personal learning environments, etc.
- Services are individualized: needs change by student, but needs are more predictable at the program level.

District Special Education Programs

District terminology, with plain-language context.

Educational Resource Center (ERC)

Targeted instruction and accommodations supporting participation in general education settings.

Structured Learning Program (SLP)

Predictable environments and routines for students needing higher structure and regulation support. Safety is a priority.

Developmental Learning Center (DLC)

Intensive daily living and functional instruction. Often requires adaptive equipment, storage, and specialized spaces.

Daily Living Skills (DLS)

Specialized post-secondary services for students 18-21 years of age with disabilities.

Educational Learning Center (ERC)

What it is: Targeted specially designed instruction delivered in a smaller setting for part of the day (reading, writing, math, executive functioning, organization, etc.).

Who it serves: Students who need explicit instruction and scaffolding beyond what can be delivered solely in the general education setting.

Common components: Small-group instruction aligned to IEP goals, skill-building, structured practice, and frequent progress monitoring, with planned generalization back to the classroom.

Core staff + supports: 1-2 Teacher(s) and 1-3 Assistants

Typical needs rating:

- Instruction
- Regulation
- Related services
- Storage/equipment
- Special challenge - Staffing

Structured Learning Program (SLP)

What it is: A structured program providing specially designed instruction in regulation, coping skills, replacement behaviors, and social-emotional learning—coordinated with behavior plans.

Who it serves: Students whose emotional/behavior needs significantly impact learning and require explicit instruction and consistent implementation across settings.

Common components: FBAs/BIPs, predictable routines, de-escalation supports, skills instruction, staff coaching, data collection, and coordinated reintegration/inclusion when appropriate.

Core staff + supports: 1 Teacher and 3-6 Assistants (depending upon number and needs of students)

Typical needs rating:

- Safety - includes locking storage, PLEs, proximity to bathrooms and exits, specialized training, staff retention
- Instruction
- Regulation
- Related services
- Storage/equipment (huge for safety)

Developmental Learning Center (DLC)

What it is: A program focused on functional academics, independence, daily living skills, communication, community readiness, and vocational foundations as appropriate.

Who it serves: Students with significant support needs requiring a functional curriculum and intensive instruction to make progress toward individualized outcomes.

Common components: Functional academics, self-care/independence, safety skills, communication supports, social/employment readiness, and community-based instruction when appropriate.

Core staff + supports: 1 Teacher and 3-6 Assistants (depending on needs of students)

Typical needs rating:

- Mobility and Access - changing tables in bathrooms, space for equipment, medical procedures
- Instruction - functional routines and materials
- Regulation
- Related services - many specialists provide additional services
- Storage/equipment - much more equipment than other classrooms/programs

Daily Living Skills (DLS)

What it is: An 18–21 program emphasizing employability, independent living, community participation, and functional skill development aligned to transition goals.

Who it serves: Eligible students who have not yet met diploma requirements and continue to need specially designed instruction to progress toward postsecondary outcomes.

Common components: Work-based learning, community instruction, daily living skills, supported decision-making instruction, travel training when appropriate, and coordinated transition planning with agencies/family.

Core staff + supports: 1 Teacher and 2 Assistants

Typical needs rating:

- Access to Community - need parking for van/bus for transportation throughout the day
- Instruction - kitchen, laundry, housekeeping, etc.
- Regulation
- Related services
- Storage/equipment

What we need for quality special education programming

Common needs that support students and staff.

Small-group + 1:1 Instruction

Flexible rooms for direct instruction, practice, and individualized supports. Master schedules that meet the needs of marginalized populations first.

Regulation Options

Designated spaces that reduce escalation and supports student self-management. Variety of options to serve a range of need based on intensity.

Related Services

Speech, OT/PT, Hearing, Psychologists, Nursing, and other services are becoming more challenging to staff, yet they are required.

Storage + Equipment

Secure storage for materials, adaptive equipment, sensory materials, and confidential resources. Prioritizing our spaces for sped programs supports equity.

SPED Department Focus

What are we focusing on?



SPED Celebrations and Focused Attention

CELEBRATIONS!!

- Triennial Cyclical Monitoring by ODE - in process for 2025-26 school year
 - Above state average in compliance standards
- District positions are fully staffed
 - Mentoring Program
- Sped Staff are doing amazing work!

FOCUSED ATTENTION

- Supporting new teachers
- Reading instructional focus through building PLC work
- Section 504
- Supporting the work with Tier 3 for MTSS

Funding Structures

How special education is currently funded and what you can do as a board member



Current District Status

SPED Child Count: 462

Official cumulative enrollment reported to the state is 2936 students

% of Students in Special Education: 15.7% (this is a forever changing number) (down by 20 students from last year)

SPECIAL EDUCATION FUNDING

Can be a complex calculation based on the following revenue sources:

- General Fund - must maintain our funding efforts each year
- IDEA (federal grant)
- Program grant (specialized programs like PADTC)
- Local Service Plan (LSP) - Direct Service & Transit Dollars (federal and state)
- High Cost Disability (state grant thru reimbursement)
- Weighted calculation - 2nd weight for added services

Special Education Cost Buckets

There are several large expense categories in special education....

Staffing

Staffing is essential in special education and is the most expensive element.

Transportation

Specialized transportation is needed for approximately 96 (21%) students on IEPs. This is a right that students have to ensure equal access. We are reimbursed at 30% for these costs.

Specialized Services

Staffing and equipment for specialized services (OT, PT, Speech, etc.)

Equipment/Supplies/Materials

Specialized equipment, supplies, and materials are the foundation of specially designed instruction.

Other Expenses

This would include legal fees, specialized placements, furniture, etc.

COST CONTEXT

Where does the money go?

Why special education costs impact general fund balances...

Individual student needs can be hard to predict, as they are constantly changing. The systems and staffing needs are responsive to student needs.

Higher support needs often require:

- More staff time
- More specialized services or materials
- Specialized equipment & spaces
- Different placement options

Facilities that fit program needs can reduce disruptions and improve efficiency over time.

Funding sources that are stable at the levels that are needed to provide the free and appropriate public education reduces the burden of the community to pay for special education.



Note: This deck focuses on relative drivers, not placement costs.

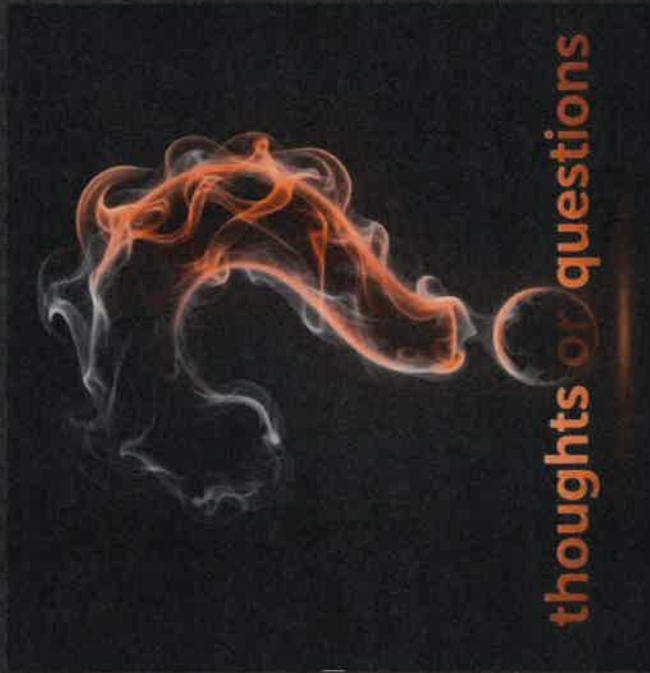
Closing Thoughts

What can you do as a board member to support special education?

- Governance that keeps equity at the forefront. Support dignity, safety, and belonging for all students.
 - Create predictable environments that reduce disruptions.
 - Sustain/Adapt programs over time as student needs evolve.
- ⚡ Political support and advocacy for fully funding special education (high cost disability and raising the cap to 15%).
- ⚡ Political support and advocacy for behavioral and mental health programming for students. We need more options for students with funding.

Questions

Any questions or thoughts that you want me to consider in my department?





FINAL Dallas School District Academic Calendar 2026-2027

August 2026						
Student	0					
Staff	1					
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September 2026						
Student	17					
Staff	21					
S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October 2026						
Student	21					
Staff	22					
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November 2026						
Student	14					
Staff	18					
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2026						
Student	14					
Staff	14					
S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

January 2027						
Student	18					
Staff	19					
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

February 2027						
Student	16					
Staff	19					
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

March 2027						
Student	17					
Staff	18					
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April 2027						
Student	21					
Staff	22					
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

May 2027						
Student	18					
Staff	19					
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June 2027						
Student	11/12					
Staff	13					
S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Other Information	
Student Days: K-5= 167 & 6-12 = 168 190 Teacher Days	
Semester 1	83 Student Days
Semester 2	85 Student Days

The calendar is subject to change based on state funding or other emergency closures. Lost student instructional time will be made up within a semester, if possible. Lost professional development time will be added in June, if needed.

- District Inservice - No Students
- District Assessment - No Students
- District Planning - No Students
- Weekly - Grades 6-12 Late Start

- Holiday - Schools Closed
- Schools Closed
- K-12 Conferences - No Students
- K-12 Evening Conferences, Student School Day K-12

August 2026	
31	District Inservice --No Students
September 2026	
1-4	District Inservice --No Students
7	Labor Day --Schools Closed
8	K-5 Orientation Day
8	First Day of School for Grades 6 and 9 Only
9	All Grades In Session
October 2026	
9	Statewide Inservice - No Students
November 2026	
6	District Assessment--No Students
11	Veteran's Day --Schools Closed
23-24	K-12 Conferences --No Students
25	Schools Closed
26	Thanksgiving -- Schools Closed
27	Schools Closed
December 2026	
21-31	Winter Break -- Schools Closed
January 2027	
1	Winter Break -- Schools Closed
4	Inservice Day --No Students
18	Dr. Martin Luther King, Jr. Day - Schools Closed
February 2027	
1	District Assessment -- No Students
2	District Planning -- No Students
12	District Inservice -- No Students
15	President's Day -- Schools Closed
March 2027	
17-18	K-12 Evening Conferences -Student School Day K-12
19	Schools Closed
22-26	Spring Break - Schools Closed
April 2027	
16	District Assessment -- No Students
May 2027	
21	Schools Closed
24	Memorial Day -- Schools Closed
June 2027	
9	Last Day for DHS Seniors
11	DHS Graduation
	Grades K-5 Last Day of School - Half Day
15	8th Grade Recognition
	Last Day of School 6-12--Half Day & K-5 Assessment --No K-5 Students
16	Morrison Graduation
17	District Assessment - No Students

Dallas School District Enrollment Report
February 2026

School	Capacity	Kgtn	1	2	3	4	5	Total	Last Month	Feb 24/25	Feb 23/24	Feb 22/23	Feb 21/22	
Lyle	[460]	24	25	27	28									
		20	25	22	30									
		23	24	24	30									
Total		67	74	73	88			302	308	303	345	338	320	
Oakdale	[412]	22	25	24	24									
		22	27	23	25									
		23	26	24	26									
					25									
Total		67	78	71	100			316	314	313	338	358	358	
Whitworth	[437]						28	29						
							28	25						
							32	25						
							30	26						
							30	27						
							30	27						
Total					0	178	159	337	335	367	363	386	344	
Total K-5								955	957	983	1046	1082	1022	

LUCKIAMUTE VALLEY CHARTER SCHOOLS

2025-26

February

STUDENT TOTALS

	Current #'s	Last Year
In District	146	138
Out of District	63	72
TOTAL STUDENT #'s	209	210

BREAKDOWN BY GRADE LEVELS

	Current #'s	Last yr.
Kindergarten	22	22
1st Grade	24	21
2nd Grade	25	23
3rd Grade	27	24
4th Grade	25	25
5th Grade	23	25
6th Grade	22	29
7th Grade	22	20
8th Grade	19	21

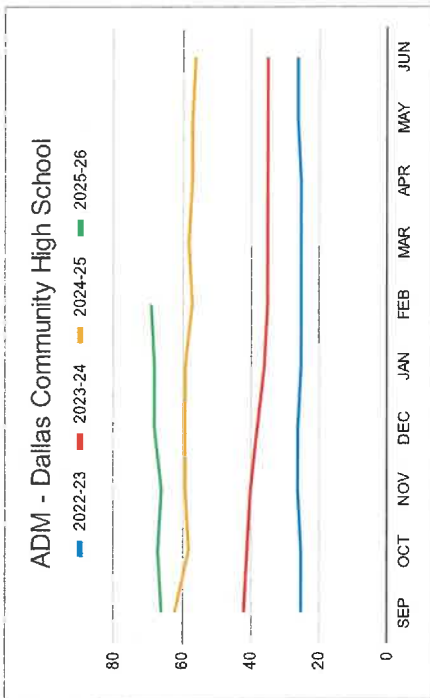
NUMBERS CURRENT AS OF 2/2/2026

Dallas Community School & Dallas Community High School 2025-26 Average Daily Membership (ADM) Enrollment

Grade Level	JUN 2025	SEP 2025	OCT 2025	NOV 2025	DEC 2025	JAN 2026	FEB 2026	MAR 2026	APR 2026	MAY 2026	JUN 2026
K	13	13	13	13	13	13	13	13	0	0	0
1	21	17	16	16	19	19	21	21	0	0	0
2	18	29	29	29	28	28	26	26	0	0	0
3	21	27	26	24	26	25	26	26	0	0	0
4	25	23	23	23	23	25	24	24	0	0	0
5	20	25	25	25	26	25	25	25	0	0	0
6	29	18	18	17	17	16	16	16	0	0	0
7	31	18	18	17	17	17	18	18	0	0	0
8	18	29	27	27	28	29	29	29	0	0	0
Total K-8	196	199	195	191	197	197	198	198	0	0	0
9	19	18	18	18	18	19	19	19	0	0	0
10	21	22	22	24	24	23	24	24	0	0	0
11	7	19	19	19	19	19	19	19	0	0	0
12	9	7	7	7	7	7	7	7	0	0	0
Subtotal 9-12	56	66	66	68	68	68	69	69	0	0	0

Total K-8	196	199	195	191	197	197	198	198	0	0	0
# changed	-4	3	-4	-4	6	0	1	-198	0	0	0
% changed	-2%	2%	-2%	-2%	3%	0%	1%	-100%	#DIV/0!	#DIV/0!	#DIV/0!
K-8 Vacancy Rate	21.60%	20.40%	22.00%	23.60%	21.20%	21.20%	20.80%	100.00%	100.00%	100.00%	100.00%
K-8 Enrollment Cap	250	250	250	250	250	250	250	250	250	250	250

Total 9-12	56	66	66	68	68	68	69	69	0	0	0
# changed	-1	10	0	2	0	0	1	-69	0	0	0
% changed	-2%	18%	0%	3%	0%	0%	1%	-100%	#DIV/0!	#DIV/0!	#DIV/0!
9-12 Vacancy Rate	44.00%	10.00%	34.00%	32.00%	32.00%	32.00%	31.00%	100.00%	100.00%	100.00%	44.00%
HS Enrollment Cap	100	100	100	100	100	100	100	100	100	100	100



Luckiamute Valley Charter Schools
Profit & Loss
 January 2026

02/03/26
 Accrual Basis

	Jan 26
Ordinary Income/Expense	
Income	
R1510 · Earnings on Investments	1,776.14
R1600 · Food Service Sales	25.00
R1990 · Miscellaneous	85.00
R3101 · State School Funds	456,277.56
R3299 · Other Restricted State Gr	15,391.37
Total Income	473,555.07
Gross Profit	473,555.07
Expense	
1000 · 1000-INSTRUCTION	
1100 · Regular Programs	
1111 · Elementary Grades K-5	
111-111 · Licensed Salaries	37,651.54
111-112 · Classified Salaries	11,777.56
111-121 · Substitute Salaries	546.25
111-131 · Extra Duty Salaries	583.33
111-211 · PERS-Employer	11,833.00
111-212 · PERS-EPPT	2,750.21
111-220 · Social Security	4,080.65
111-231 · Worker's Comp	30.15
111-240 · Health Insurance	19,272.39
111-241 · OR-PFL	220.57
111-311 · Sub_Instructional Services	1,579.03
Total 111 · Elementary Grades K-5	90,324.68
1121 · Middle Programs 6-8	
121-111 · Licensed Salaries	22,801.11
121-112 · Classified Salaries	4,134.62
121-121 · Substitute Salary	400.43
121-211 · PERS-Employer	5,855.78
121-212 · PERS-EPPT	1,414.45
121-220 · Social Security	2,140.92

Luckiamute Valley Charter Schools
Profit & Loss

January 2026

	Jan 26
121-231 · Workers Comp	14.65
121-240 · Health Insurance	8,807.03
121-241 · OR-PFL	119.71
121-311 · Sub Instructional Services	1,380.40
121-410 · Consumables	125.12
Total 1121 · Middle Programs 6-8	47,194.22
Total 1100 · Regular Programs	137,518.90
1250 · Special Programs	
125-111 · Certified Salaries	3,782.24
125-112 · Classified Salaries	4,754.12
125-131 · Extra Duty	583.33
125-211 · PERS Employer	2,668.74
125-212 · PERS-EPPT	384.16
125-220 · Social Security	697.64
125-231 · Workers Comp	6.00
125-240 · Health Insurance	2,400.00
125-241 · OR-PFL	36.48
125-311 · Sub Instructional Services	327.04
125-340 · Travel	114.40
125-390 · General Professional/Tech	1,680.00
125-420 · Textbooks	716.30
Total 1250 · Special Programs	18,150.45
1270 · Title I	
127-111 · Licensed Salaries	5,093.59
127-211 · PERS	1,504.43
127-212 · PERS-EPPT	341.62
127-220 · Social Security	435.55
127-231 · Worker's Comp	3.06
127-240 · Health Insurance	1,663.41
127-241 · OR-Paid Family Leave	22.78
Total 1270 · Title I	9,064.44

Luckiamute Valley Charter Schools
Profit & Loss

02/03/26
 Accrual Basis

January 2026

	Jan 26
Total 1000 · 1000-INSTRUCTION	164,733.79
2000 · SUPPORT SERVICES	
2100 · Support Services - Students	
2113 · Social Work Services	
211-111 · Licensed Salaries	5,654.41
211-211 · PERS-Employer	1,404.56
211-212 · PERS-EPPT	339.26
211-220 · Social Security	428.93
211-231 · Workers Comp	2.16
211-240 · Health Insurance	1,090.24
211-241 · OR-PFL	22.62
Total 2113 · Social Work Services	8,942.18
Total 2100 · Support Services - Students	8,942.18
2310 · School Board	
231-131 · Extra Duty Stipend_Board Sec	239.80
231-340 · Board Travel_Conference	5.00
231-640 · Dues and Fees	
Total 2310 · School Board	244.80
2410 · School Administration	
241-112 · Confidential Salaries	7,451.41
241-113 · Administrator salaries	17,860.19
241-211 · PERS-Employer	6,761.44
241-212 · PERS-EPPT	1,113.19
241-220 · Social Security	1,989.86
241-231 · Workers Comp	9.74
241-240 · Health Insurance	2,600.00
241-241 · OR-PFL	97.56
241-390 · Professional Development	442.70
241-410 · Consumables	88.52
241-640 · Dues and Fees	1,808.43

Luckiamute Valley Charter Schools
Profit & Loss

January 2026

	Jan 26
Total 2410 · School Administration	40,223.04
2500 · Support services-business	
2520 · Fiscal services	
252-114 · Managerial Classified	8,312.50
252-211 · PERS - Company	2,213.87
252-212 · PERS EPPT	534.75
252-220 · Social Security	655.58
252-231 · Workers Comp	2.41
252-240 · Health-Employer	700.00
252-241 · OR-PFL	35.65
252-380 · Payroll and Accounting Servi...	2,171.31
252-381 · Audit Services	2,500.00
252-640 · Dues and Fees	44.01
Total 2520 · Fiscal services	17,170.08
2540 · Plant services	
254-112 · Classified Salaries	2,671.89
254-131 · Extra Duty Plant Services	833.33
254-211 · PERS-Company	732.06
254-212 · PERS-EPPT	176.83
254-220 · Social Security	225.45
254-231 · Worker's Comp	2.75
254-240 · Health Insurance	1,944.00
254-241 · OR-PFL	11.79
254-322 · Repairs and Maintenance	816.00
254-324 · Rental	637.00
254-325 · Electricity	2,404.37
254-327 · Water	216.51
254-329 · Other property services	1,497.00
254-410 · Supplies	30.00
Total 2540 · Plant services	12,198.98
2550 · Transportation	
255-331 · Transportation	9,763.98

Luckiamute Valley Charter Schools
Profit & Loss
January 2026

	Jan 26
Total 2550 · Transportation	9,763.98
Total 2500 · Support services-business	39,133.04
2660 · Technology Services	1,500.00
266-112 · Classified Salaries	114.75
266-220 · Social Security	
Total 2660 · Technology Services	1,614.75
Total 2000 · SUPPORT SERVICES	90,157.81
3000 · ENTERPRISE & COMMUNITY	
3120 · Food Services	4,498.25
312-112 · Classified Salary	743.63
312-121 · Substitute	179.62
312-211 · PERS-Employer	344.12
312-212 · PERS-EPPT	3.81
312-220 · Social Security/Medicare	2,912.85
312-231 · Workers Comp	17.99
312-240 · Health Insurance	113.94
312-241 · OR-PFL	221.65
312-311 · Non Instructional Services	5,112.50
312-341 · Mileage	
312-450 · Food	
Total 3120 · Food Services	14,148.36
Total 3000 · ENTERPRISE & COMMUNITY	14,148.36
6560 · Payroll Expenses	
Total Expense	269,039.96
Net Ordinary Income	204,515.11
Net Income	204,515.11

Luckiamute Valley Charter Schools
Profit & Loss Budget vs. Actual General Fund

July 2025 through January 2026

02/03/26
Accrual Basis

	Jul '25 - Jan 26	Budget	% of Budget
Ordinary Income/Expense			
Income			
R1200 · District Pass-Thru		299,502.00	90.6%
R1510 · Earnings on Investments	9,064.62	10,000.00	4.4%
R1600 · Food Service Sales	626.50	14,200.00	
R1920 · Donations	4,411.00	200.00	2,205.5%
R1960 · Recovery Of a Prior Year Expend	11,061.96		
R1990 · Miscellaneous	2,868.08	2,000.00	143.4%
R3101 · State School Funds		2,907,790.00	62.8%
R3102 · OR Free Expanded Eligible (EIG)	1,825,110.24	4,000.00	
R3199 · Other Unrestricted State Rev	10,130.15		
R3299 · Other Unrestricted State Cr	98,694.94	285,023.00	34.6%
R4300 · Restricted Rev. Direct from Fed		38,324.00	
R4500 · Restricted Rev. from Fed	18,889.38	45,000.00	42.0%
R4700 · Grants in Aid		2,000.00	
Total Income	1,980,856.87	3,608,039.00	54.9%
Gross Profit	1,980,856.87	3,608,039.00	54.9%
Expense			
1000 · 1000-INSTRUCTION			
1100 · Regular Programs			
1111 · Elementary Grades K-5			
111-111 · Licensed Salaries	182,829.90	491,617.00	37.2%
111-112 · Classified Salaries	66,571.98	142,430.00	46.7%
111-121 · Substitute Salaries	3,218.73	45,000.00	7.2%
111-131 · Extra Duty Salaries	7,904.32	10,000.00	79.0%
111-211 · PERS-Employer	58,447.08	231,598.00	25.2%
111-212 · PERS-EPPT	13,546.27	10,220.00	132.5%
111-220 · Social Security	20,278.50	41,544.00	48.8%
111-231 · Worker's Comp	147.25	1,366.00	10.8%
111-240 · Health Insurance	50,761.95	85,820.00	59.1%
111-241 · OR-PFL	1,105.67	2,164.00	51.1%
111-311 · Sub_Instructional Services	25,827.72		
111-341 · Travel	226.85	100.00	226.9%
111-355 · Printing	1,994.63	5,000.00	39.9%
111-399 · Purchased Services		10,000.00	
111-410 · Supplies	2,763.33	13,000.00	21.3%
111-420 · Textbooks	15,470.72	21,022.00	73.6%
111-460 · Non-Consumables		4,500.00	
111-470 · Computer Software	2,716.12	2,000.00	135.8%
111-480 · Computer Hardware	2,075.94	2,018.00	102.9%
Total 1111 · Elementary Grades K-5	455,886.96	1,119,399.00	40.7%

Luckiamute Valley Charter Schools
Profit & Loss Budget vs. Actual General Fund

July 2025 through January 2026

02/03/26
Accrual Basis

	Jul '25 - Jan 26	Budget	% of Budget
1121 - Middle Programs 6-8			
121-111 - Licensed Salaries	117,265.94	286,869.00	40.9%
121-112 - Classified Salaries	17,772.71	53,010.00	33.5%
121-121 - Substitute Salary	794.68	26,000.00	3.1%
121-131 - Extra Duty Salaries	1,131.00	1,252.00	90.3%
121-211 - PERS-Employer	31,029.85	98,124.00	31.6%
121-212 - PERS-EPPT	7,495.17	6,263.00	119.7%
121-220 - Social Security	11,087.50	25,894.00	42.8%
121-231 - Workers Comp	74.76	846.00	8.8%
121-240 - Health Insurance	22,285.15	60,992.00	36.5%
121-241 - OR-PFL	614.43	1,354.00	45.4%
121-311 - Sub Instructional Services	5,901.44		
121-355 - Printing	824.29	2,016.00	40.9%
121-399 - Purchased Services	9,000.00	28,000.00	32.1%
121-410 - Consumables	4,777.44	11,700.00	40.8%
121-420 - Textbooks	685.56	27,960.00	2.5%
121-460 - Non-consumable		7,300.00	
121-470 - Computer Software	4,798.44	500.00	959.7%
121-480 - Computer Hardware	2,401.72	2,818.00	85.2%
Total 1121 - Middle Programs 6-8	237,940.08	640,898.00	37.1%
Total 1100 - Regular Programs	693,827.04	1,760,297.00	39.4%
1250 - Special Programs			
125-111 - Certified Salaries	21,911.20	51,540.00	42.5%
125-112 - Classified Salaries	27,727.02	56,847.00	48.8%
125-121 - Substitute Salaries	58.65	1,000.00	5.9%
125-131 - Extra Duty	3,004.15	7,000.00	42.9%
125-211 - PERS Employer	14,888.56	30,936.00	48.1%
125-212 - PERS-EPPT	2,224.82	1,975.00	112.6%
125-220 - Social Security	3,757.50	9,057.00	41.5%
125-231 - Workers Comp	32.74	379.00	8.6%
125-240 - Health Insurance	2,400.00	2,400.00	100.0%
125-241 - OR-PFL	208.50	474.00	44.0%
125-311 - Sub Instructional Services	1,380.40		
125-340 - Travel	728.70	1,084.00	67.2%
125-390 - General Professional/Tech	3,360.00	87,200.00	3.9%
125-410 - Consumables	116.46	200.00	58.2%
125-420 - Textbooks	744.28	200.00	372.1%
125-470 - Computer Software	135.00		
Total 1250 - Special Programs	82,677.98	250,292.00	33.0%
1270 - Title I			
127-111 - Licensed Salaries	26,467.95	64,011.00	41.3%
127-121 - Substitute Salaries		1,000.00	

Luckiamute Valley Charter Schools
Profit & Loss Budget vs. Actual General Fund

02/03/26
Accrual Basis

July 2025 through January 2026

	Jul '25 - Jan 26	Budget	% of Budget
127-211 · PERS	7,965.80	21,300.00	37.4%
127-212 · PERS-EPPT	1,803.10	1,360.00	132.6%
127-220 · Social Security	2,505.60	4,973.00	50.4%
127-231 · Worker's Comp	15.66	423.00	3.7%
127-240 · Health Insurance	8,453.64	18,533.00	45.6%
127-241 · OR-Paid Family Leave	120.23	260.00	46.2%
127-410 · Consumable Supplies		100.00	
Total 1270 · Title I	47,331.98	111,960.00	42.3%
Total 1000 · 1000-INSTRUCTION	823,837.00	2,122,549.00	38.8%
2000 · SUPPORT SERVICES			
2100 · Support Services - Students			
2113 · Social Work Services			
211-111 · Licensed Salaries	29,272.05	72,046.00	40.6%
211-211 · PERS-Employer	7,271.20	41,811.00	17.4%
211-212 · PERS-EPPT	1,756.30		
211-220 · Social Security	2,221.17		
211-231 · Workers Comp	10.80		
211-240 · Health Insurance	5,451.20		
211-241 · OR-PFL	117.10		
211-341 · Travel		395.00	
211-390 · Professional Dev	308.98	3,500.00	
211-410 · Consumables		315.00	98.1%
211-420 · Textbooks		1,000.00	
Total 2113 · Social Work Services	46,408.80	119,067.00	39.0%
Total 2100 · Support Services - Students	46,408.80	119,067.00	39.0%
2200 · Instructional Staff			
220-313 · Support Services		2,000.00	
220-341 · Travel			
Total 2200 · Instructional Staff		2,000.00	
2220 · Library/Media Center			
222-430 · Library Books	484.48	3,500.00	13.8%
222-450 · Periodicals	816.30	1,081.00	75.5%
Total 2220 · Library/Media Center	1,300.78	4,581.00	28.4%
2230 · Assessment and Testing			
223-312 · Testing Services	5,893.70	6,200.00	95.1%
Total 2230 · Assessment and Testing	5,893.70	6,200.00	95.1%
2240 · Instructional Staff Development			

Luckiamute Valley Charter Schools
Profit & Loss Budget vs. Actual General Fund

02/03/26
Accrual Basis

July 2025 through January 2026

	Jul '25 - Jan 26	Budget	% of Budget
224-312 · Instruction Improvement Service		5,000.00	
224-341 · Travel		1,000.00	
Total 2240 · Instructional Staff Development		6,000.00	
2310 · School Board			
231-131 · Extra Duty Stipend_Board Sec		2,000.00	
231-211 · PERS-ER		579.79	
231-212 · PERS-EPPT		37.01	
231-220 · Social Security		153.00	
231-231 · Workers Comp		5.00	
231-241 · OR-PFL		8.00	
231-340 · Board Travel_Conference	800.12	4,000.00	20.0%
231-382 · Legal Services	1,226.03	5,000.00	24.5%
231-410 · Consumables	4.38	2,000.00	0.2%
231-640 · Dues and Fees	2,449.65	5,000.00	49.0%
231-651 · Liability Insurance	39,750.00	38,955.00	102.0%
Total 2310 · School Board	44,230.18	57,737.80	76.6%
2410 · School Administration			
241-112 · Confidential Salaries	43,711.88	86,115.00	50.8%
241-113 · Administrator salaries	107,317.61	246,051.00	43.6%
241-121 · Admin Sub Salary			
241-131 · Extra Duty Salary	15,000.00	85,699.00	52.4%
241-211 · PERS-Employer	44,936.59	5,470.00	121.6%
241-212 · PERS-EPPT	6,651.30	22,821.00	57.6%
241-220 · Social Security	13,136.46	1,343.00	4.5%
241-231 · Workers Comp	60.52	38,400.00	40.6%
241-240 · Health Insurance	15,600.00	1,193.00	54.9%
241-241 · OR-PFL	654.88		
241-311 · Sub Instructional Services	830.21	3,000.00	10.1%
241-340 · Travel	301.90	3,131.00	44.0%
241-351 · Telephone	1,378.90	1,000.00	30.5%
241-353 · Postage	304.88	21,000.00	31.3%
241-390 · Professional Development	6,579.25	4,209.00	35.7%
241-410 · Consumables	1,501.67	190.00	
241-460 · Non-Consumables		6,800.00	54.3%
241-470 · Software	3,691.80	600.00	
241-471 · Software Maintenance		4,770.00	124.9%
241-640 · Dues and Fees	5,959.95		
Total 2410 · School Administration	267,617.80	531,792.00	50.3%
2500 · Support services-business			
2520 · Fiscal services			
252-114 · Managerial Classified	49,875.00	99,750.00	50.0%

Lackiamute Valley Charter Schools
Profit & Loss Budget vs. Actual General Fund

02/03/26

Accrual Basis

July 2025 through January 2026

	Jul '25 - Jan 26	Budget	% of Budget
252-211 · PERS - Company	13,283.22	31,004.00	42.8%
252-212 · PERS EPPT	3,208.50	1,979.00	162.1%
252-220 · Social Security	4,040.80	7,631.00	53.0%
252-231 · Workers Comp	3,339.44	6,500.00	51.4%
252-232 · Unemployment	212.53	30,308.00	0.7%
252-240 · Health-Employer	4,100.00	8,400.00	48.8%
252-241 · OR-PFL	213.90		
252-380 · Payroll and Accounting Services	2,171.31	4,000.00	54.3%
252-381 · Audit Services	11,350.00	9,850.00	115.2%
252-410 · Supplies	74.29	198.00	37.5%
252-470 · Software	1,077.05	2,000.00	53.9%
252-640 · Dues and Fees	478.66	1,000.00	47.9%
252-690 · Grant Indirect Charges		167,366.00	
Total 2520 · Fiscal services	93,424.70	369,986.00	25.3%
2540 · Plant services			
254-112 · Classified Salaries	20,219.44	44,560.00	45.4%
254-131 · Extra Duty Plant Services	833.33	11,000.00	7.6%
254-211 · PERS-Company	6,589.50	10,108.00	65.2%
254-212 · PERS-EPPT	1,788.50	645.00	277.3%
254-220 · Social Security	1,567.84	4,250.00	36.9%
254-231 · Worker's Comp	19.12	139.00	13.8%
254-240 · Health Insurance	1,944.00	1,944.00	100.0%
254-241 · OR-PFL	81.99	222.00	36.9%
254-322 · Repairs and Maintenance	15,441.49	25,000.00	61.8%
254-324 · Rental	4,736.86	7,500.00	63.2%
254-325 · Electricity	9,761.85	23,000.00	42.4%
254-327 · Water	4,528.94	3,200.00	141.5%
254-328 · Garbage	3,462.14	6,000.00	57.7%
254-329 · Other property services	9,529.00	7,400.00	128.8%
254-410 · Supplies	2,392.29	5,012.00	47.7%
254-460 · Non-consumables		2,000.00	
254-470 · Software_Network	2,280.00	2,000.00	
254-520 · Major Building Improvements		4,000.00	
254-530 · Improvements Other		3,000.00	
254-541 · Equipment	549.99		18.3%
Total 2540 · Plant services	85,726.28	160,980.00	53.3%
2550 · Transportation			
255-331 · Transportation	33,819.39	68,366.00	49.5%
Total 2550 · Transportation	33,819.39	68,366.00	49.5%
Total 2500 · Support services-business	212,970.37	599,332.00	35.5%
2660 · Technology Services			

Luckiamute Valley Charter Schools
Profit & Loss Budget vs. Actual General Fund

02/03/26

Accrual Basis

July 2025 through January 2026

	Jul '25 - Jan 26	Budget	% of Budget
266-112 · Classified Salaries	9,000.00	18,000.00	50.0%
266-211 · PERS Employer		5,218.00	
266-212 · PERS-Pick-Up		333.00	
266-220 · Social Security	688.50	1,377.00	50.0%
266-231 · Workers Comp		45.00	
266-241 · OR-PFL		72.00	
266-361 · Service Area Direction		2,250.00	
Total 2660 · Technology Services	9,688.50	27,295.00	35.5%
Total 2000 · SUPPORT SERVICES	588,110.13	1,354,004.80	43.4%
3000 · ENTERPRISE & COMMUNITY			
3120 · Food Services			
312-112 · Classified Salary	23,594.58	55,852.00	42.2%
312-121 · Substitute		2,000.00	
312-211 · PERS-Employer	3,718.15	16,191.00	23.0%
312-212 · PERS-EPPT	898.10	1,033.00	86.9%
312-220 · Social Security/Medicare	1,951.70	4,426.00	44.1%
312-231 · Workers Comp	20.06	145.00	13.8%
312-240 · Health Insurance	7,364.25	12,992.00	56.7%
312-241 · OR-PFL	100.38	231.00	43.5%
312-311 · Non Instructional Services	251.81	1.00	25,181.0%
312-318 · Travel-Trainings-Conferences	1,038.61	1.00	103,861.0%
312-341 · Mileage	1,502.16	1.00	150,216.0%
312-385 · Management Services		1.00	
312-410 · Supplies	2,678.06	500.00	535.6%
312-450 · Food	30,602.59	78,000.00	39.2%
312-460 · Non Consumables	1,250.00	1.00	125,000.0%
312-470 · Software		2,200.00	
312-541 · Equipment	3,766.42	1.00	376,642.0%
312-640 · Dues and Fees	3,608.00	1,000.00	360.8%
Total 3120 · Food Services	82,344.87	174,576.00	47.2%
Total 3000 · ENTERPRISE & COMMUNITY	82,344.87	174,576.00	47.2%
4000 · FACILITIES ACQUISITION & CONSTR			
4150 · Building Acq, const, impr. Ser		19,808.00	
415-520 · Building Improvements			
415-530 · Improvements-Other	4,307.33		
Total 4150 · Building Acq, const, impr. Ser	4,307.33	19,808.00	21.7%
Total 4000 · FACILITIES ACQUISITION & CONSTR	4,307.33	19,808.00	21.7%
6560 · Payroll Expenses			

Luckiamute Valley Charter Schools
Profit & Loss Budget vs. Actual General Fund

July 2025 through January 2026

02/03/26

Accrual Basis

	Jul '25 - Jan 26	Budget	% of Budget
66900 · Reconciliation Discrepancies	0.11		
Total Expense	1,498,599.44	3,670,937.80	40.8%
Net Ordinary Income	482,257.43	-62,898.80	-766.7%
Other Income/Expense Other Income			
R5200 · Interfund Transfers		62,893.00	
Total Other Income		62,893.00	
Net Other Income		62,893.00	
Net Income	482,257.43	-5.80	-8,314,783.3%

Luckiamute Valley Charter Schools
Balance Sheet

As of January 31, 2026

02/03/26
Accrual Basis

	Jan 31, 26
ASSETS	
Current Assets	
Checking/Savings	
.1000 · Operating Account 7001075924	317,286.32
.1002 · Food Service-144000940	11,297.14
.1006 · Money Market -7566012082	671,668.00
1072 · Bill.com Money Out Clearing	-38.98
Total Checking/Savings	1,000,212.48
Accounts Receivable	
.1200 · Accounts Receivable	-24.00
Total Accounts Receivable	-24.00
Other Current Assets	
1150 · Employee Overpayment Receivable	-600.00
2121 · Payroll Asset	-0.33
Total Other Current Assets	-600.33
Total Current Assets	999,588.15
TOTAL ASSETS	999,588.15
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
.2000 · Accounts Payable	7,585.45
Total Accounts Payable	7,585.45
Credit Cards	
1703 · Credit Card at Elan Financial	3,264.12
Total Credit Cards	3,264.12
Other Current Liabilities	

Luckiamute Valley Charter Schools
Balance Sheet
 As of January 31, 2026

02/03/26
 Accrual Basis

	Jan 31, 26
.2100 · Payroll Liabilities	35,931.80
Total Other Current Liabilities	35,931.80
Total Current Liabilities	46,781.37
Total Liabilities	46,781.37
Equity	
3900 · Retained Earnings	470,549.35
Net Income	482,257.43
Total Equity	952,806.78
TOTAL LIABILITIES & EQUITY	999,588.15

Dallas Community School

Financial Report - Q2, October 2025 to December 2025

Bank Balances as of:	JUL 2025	AUG 2025	SEP 2025	OCT 2025	NOV 2025	DEC 2025
Umpqua Bank Ending Balance	\$1,078,059.10	\$1,072,893.43	\$942,594.45	\$1,012,128.98	\$1,048,129.65	\$0.00
Live Oak Bank CD	\$214,455.70	\$215,223.91	\$215,969.96	\$216,743.60	\$217,494.92	\$0.00

Bank Balances as of:	JAN 2026	FEB 2026	MAR 2026	APR 2026	MAY 2026	JUN 2026
Umpqua Bank Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Live Oak Bank CD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

REVENUE/RESOURCES							
	OCT 2025	NOV 2025	DEC 2025	Actual YTD	Budget YTD	Annual Budget	BVA%
State School Funding	\$211,330.54	\$211,330.54	\$0.00	\$1,056,652.69	\$845,473.74	\$2,536,421.00	124.98%
Interest Income	\$773.64	\$751.32	\$0.00	\$2,924.60	\$3,200.00	\$9,600.00	91.39%
Restricted Grants	\$0.00	\$25,568.55	\$0.00	\$25,568.55	-	\$322,275.96	-%
Misc. Income	\$779.99	\$1,268.00	\$0.00	\$2,924.60	-	-	-%
Total Revenue	\$212,884.17	\$238,918.41	\$0.00				

100-GENERAL FUND [ALL EXPENDITURES ARE REPRESENTED HERE BY OBJECT CODE]							
	OCT 2025	NOV 2025	DEC 2025	Actual YTD	Budget YTD	Annual Budget	BVA%
100 Salaries	\$110,067.36	\$100,365.45	\$0.00	\$490,112.60	\$788,104.40	\$1,278,217.00	38.34%
200 Associated Payroll	\$49,113.75	\$45,973.12	\$0.00	\$234,936.37	\$452,806.63	\$687,743.00	34.16%
300 Services	\$23,782.92	\$18,176.69	\$0.00	\$144,651.68	\$277,451.32	\$422,103.00	34.27%
400 Supplies and Materials	\$8,133.35	\$2,657.33	\$0.00	\$48,263.72	\$45,766.28	\$94,030.00	51.33%
411 K-8 Allotments	\$16,947.69	\$5,833.00	\$0.00	\$44,746.31	\$105,253.69	\$150,000.00	29.83%
500 Equipment/Facility	\$134.95	\$0.00	\$0.00	\$56,183.75	\$24,316.25	\$80,500.00	69.79%
600 Dues & Fees	\$2,705.75	\$947.49	\$0.00	\$61,506.85	\$38,114.15	\$99,621.00	61.74%
Total Expenditures	\$210,885.77	\$173,953.08	\$0.00	\$1,080,401.28	\$1,731,812.72	\$2,812,214.00	

200-SPECIAL REVENUE FUNDS [INTEGRATED PROGRAM EXPENDITURES]							
	OCT 2025	NOV 2025	DEC 2025	Actual YTD	Budget YTD	Annual Budget	BVA%
100 Salaries	\$3,425.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
200 Associated Payroll	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
300 Services	\$954.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
400 Supplies and Materials	\$2,284.09	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
411 K-8 Allotments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
500 Equipment/Facility	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
600 Dues & Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Expenditures	\$6,663.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

Notes from the Business Office

Cash Position:

- Our primary checking account ended November 2025 with a balance of \$1,048,130. The Live Oak Banks CD continues to grow earning \$751 of interest for the month, increasing the balance to \$217,495.

Revenue Highlights:

- In November, we received regular State School Fund (SSF) payment of \$211,330.54, and \$26,836.55 of combined grant income.

Expenditures Highlights (All Funds):

- November marked the second month of Q2 of the 2025-26 fiscal year. Total expenditures for the month were \$173,953. Object codes 100, 200, 300 are tracking in line with expectations at this point in the year (38-45% is considered normal). Expenditures in object codes 400, 500, and 600 are elevated due to timing-related factors, such as front-loaded supply purchases, facility costs, and annual fees that occur early in the year. These categories are expected to even out as the year progresses.

Restricted Grant Highlights (200):

- With the new biennium, the state is still finalizing restricted grant awards and reporting systems. Everything is on track, but I've needed time to update budgets and adjust to the new ODE processes. I expect to have this fully updated in the new year.

**Luckiamute Valley Charter School
Bridgeport Campus
Board Meeting Minutes
December 17, 2025
630pm**

Call to Order: The meeting was called to order by the chairperson at 6:35pm.

Board Members Present: Vicki Avery, Matt Beasley, Greg Oldham, Fred Weisensee **Staff Members Present:** Christy Wilkins, Christine Caponi, Daniel Shimek

Board Secretary: Donna Santa Maria

Public In Attendance: None

1. Approval of Agenda- Greg made a motion to approve, Matt seconded. All in favor.

2.Consent Agenda- The November 2025 board minutes are approved. Greg made a motion to approve and Matt seconded. All in favor.

3.Announcements- Next Board meeting will be January 21, 2025, 6:30pm. Bridgeport Campus.

4.Public Comment- None

5.Old Business-None

6.New Business-

Directors Report- Christy Wilkins

1. Annual Report- This is a required report for the Dallas School District and ODE. It is a comprehensive report that articulates the model of both schools. Narratives, graphs and financials were all included. It was a successful team effort with Christine Caponi and Daniel Shimek.
2. Parent Conferences- Conferences at both campuses had an exceptional turnout. Teachers worked very hard at accommodating parents' schedules through the week. Bridgeport had a 95% parent turnout, while Pedee had over 50% parent attendance which has

improved. Assessment data, work samples, art work and an overall view of how their child is performing were discussed.

3. Expansion of the Bridgeport Kitchen- On Tuesday December 9th there was a meeting with the Polk County Planning Department regarding the expansion of the kitchen at Bridgeport.

Financial Report-Christine Caponi

1. Monthly Financials are all in order. No questions on reports.
2. Year End Audit- The final audit was presented to the board. Fred made a motion to accept the final audit and to submit to the Secretary of State along with the Plan of Action as presented. Greg seconded. All in favor.
3. Plan of Action- The Board reviewed and approved the plan of action.

Work Session-

1. A work session has been scheduled for Wednesday, January 21st at 4pm. Dinner will be served.

7. Enrollment-

- As of January 5th, 2026 Bridgeport has 149 students enrolled. This is an updated, increased, enrollment number.
- There have been several tours this month.
- 3rd and 5th grades have waiting lists.

8. **Adjournment** - Chairperson adjourned the meeting at 7:50pm.



DALLAS COMMUNITY SCHOOL

Community Innovation Partners Board of Directors Dallas Community School Agenda January 8, 2026

Mission Statement:

Through our E3 model at Dallas Community School, we **ENGAGE** students by fostering curiosity, **EMPOWER** them through meaningful, real-world learning experiences, and **EQUIP** them with the skills needed to make a positive impact in their communities.

In Person

689 Main St.
Dallas, OR 97338

Join Zoom Meeting

<https://us02web.zoom.us/j/87471057418?pwd=SDdHT2dRZEFUZEEdXTGZ5bGY0dkJvdz09>

1. Board Meeting Call to Order - 6:30 PM
2. Consent Agenda:
 - a. January 8, 2026 Agenda
 - b. December 10, 2025 Minutes
3. Public Comment:
4. Treasurer's Report - Heather
 - a. November 2025 Financials
5. Executive Director Report - Andy Johnson
 - a. Executive Summary - December
 - i. Enrollment
 - ii. Programs / Community Engagement
 - iii. Facilities Update
 - iv. Staffing Update
 - b. Strategic Plan Update / Continuous Improvement
 - c. Additional Highlights
6. Board Discussion and Action:
 - a. 2024-25 Audit
 - b. New Board Members
7. Adjourn

Next Meeting: February 5, 2026 @ 6:30 PM

Board Meeting Minutes for Wednesday, December 10, 2025 @ 5:30 p.m.

PLEASE NOTE: IN PERSON & ON VIDEO CONFERENCE

Date: December 10, 2025
Location: 686 Main St., Dallas, OR 97338

In Attendance

President: Wendy Sparks
Vice President: Erin Miller
Secretary: Heather Irwin
Treasurer:
Board Members: Jessica Mackey,
Staff: Andy Johnson, Toni Hannan
Visitors: See Sign In Sheet

Mission Statement: Through our **E3** model at Dallas Community School, we **ENGAGE** students by fostering curiosity, **EMPOWER** them through meaningful, real-world learning experiences, and **EQUIP** them with the skills needed to make a positive impact in their communities.

1. **Call to order:** 5:32 PM
2. **Consent Agenda:** The Board approved the Consent Agenda with the following changes:
 - a. Board member changes moved to the top of agenda
 - b. Remove Brian M. from all bank accounts under Board Actions
 - c. December 10, 2025 Agenda
 - d. November 6, 2025 Minutes

With above changes, Jess M. moved to approve the Consent Agenda as amended, Erin M. seconded. The motion passed unanimously.
3. **Board Member Changes:** Wendy S. reported that Doug A. and Brian M. have submitted their resignations from the Board. The Board formally acknowledged and accepted their resignations. With these changes, Wendy S. nominated Erin M. to serve as Treasurer. Jess M. seconded. The nomination was approved. Erin M. then nominated Jess M. to serve as Secretary. Wendy S. seconded. The nomination was approved. The Board will begin the process of identifying and appointing replacement members in the near future.
4. **Public Comment:** No public comment was made.
5. **Treasurer's Report:**
 - a. **September Financials** - Heather I. reviewed the September financial statements and reported that spending is tracking as expected. Andy J. noted, for full transparency, that a few budget lines, particularly travel, may come in higher than originally

planned due to additional conferences added to the calendar. He emphasized that these conferences were important and beneficial. The Board had no questions.

6. **Director Report by Andy Johnson:** The following summarizes key highlights and Board discussion. See full report attached.
- a. **Executive Summary:** Andy J. provided an overview of his written report, noting that teacher evaluations are underway and required submissions to ODE will be completed this year. He shared that the evaluation process has created opportunities to mentor a few teachers and has allowed him to spend more time in classrooms. He also reported that Western Oregon University has reached out and that DCS will host a student teacher next year, one of our current employees.
 - i. **Enrollment Update:** Andy reviewed current enrollment. He also explained that every new high school family meets with Ian, and the sophomore cohort is one student away from forming a waitlist. Absorb is fully implemented and supporting the onboarding process. This should save a lot of time and resources.
 - ii. **Programs / Community Engagement:** Andy J. highlighted the Entrepreneur Fair, noting it was highly successful. Board members shared positive feedback and observed that student participation appeared to exceed 75 students. Andy noted he was unable to attend this year and plans to attend next year.
 - iii. **Facilities Update:** Andy J. provided a brief update on current facility projects, including the accordion door issue, which was fixed during Thanksgiving break.
 - iv. **Staffing Update:** Andy J. summarized recent staffing changes and updates.
 - b. **Strategic Plan Update / Continuous Improvement:** Andy J. reviewed progress on strategic plan initiatives and continuous improvement goals.
 - i. **5-YR Projection:** Andy presented the five-year budget narrative and discussed capacity planning. He confirmed that the school can sustain a cap of 200 students. The Board discussed how maintaining a waitlist supports program integrity, supply-and-demand value, and stability. Board questions and discussion highlights included:
 - **Staffing Capacity:** Wendy S. asked whether staffing levels are sufficient to support 200 students at the K–8 campus. Andy confirmed that they are, noting that recent teacher/guide role adjustments have resulted in an FTE structure that appropriately supports a 200-student enrollment.
 - **Budget Assumptions and Line Items:** Wendy S. asked about maintaining certain budget line items at current levels, specifically allotments and non-consumables. Heather I. explained that these items will be reviewed during the budget year and that current spending trends remain lower, making it reasonable to keep the amounts unchanged at this time, with flexibility to adjust if needed. Andy J. added that with the introduction of the junior high, the allotment structure will be adjusted accordingly and that he is confident the line item remains appropriate. He also explained that anticipated needs in 2026–27 reflect a temporary increase to four

administrative positions, with staffing expected to return to a normal structure the following year.

- **High School Capacity:** Erin M. asked whether high school enrollment can be capped based on space and whether the facility has capacity to serve 85 students next year. Andy J. responded that the school can maintain its current enrollment and noted he will confirm enrollment parameters with legal counsel. The Board discussed capping high school enrollment at 75 students for the current year.

Wendy S. inquired about building size and long-term facility needs. Andy J. explained that planned facility expansion will occur in phases due to fiscal constraints. He noted that capping high school enrollment for the current year—and potentially next year—may be appropriate until the facility expansion is completed. The Board also discussed how the future junior high program may impact high school enrollment.

- Additional Highlights:** Andy J. discussed ongoing challenges related to time and space constraints. He shared that he will be meeting with Blue Spruce Construction over spring break to discuss potential summer work. Andy also provided highlights from the Cognia conference and noted that the organization primarily presents on the West Coast due to established relationships and connections.

Andy provided an update on SB 141 (Education Accountability Act), explaining that it is a bill and that the state is still working through implementation details, including earlier proposals that would have increased district-level accountability for charter schools. The Board had no questions.

7. Board Discussion and Action:

- 200 Student Cap for K-8 Program:** The Board discussed enrollment capacity for both the K–8 and high school programs. Wendy S. moved to approve a cap of 200 students for the K–8 program. Jess M. seconded. The motion passed unanimously. As part of the same action, the Board authorized school administration to determine an appropriate enrollment cap for the high school program based on current and future facility capacity constraints.
- The Board discussed updates to bank account signatory authority following recent Board member resignations. Wendy S. moved to remove Brian M. from all school bank accounts. Jess M. seconded. The motion passed unanimously.

Andy J. requested that administrative banking access be updated to ensure appropriate operational oversight. The Board approved adding Andy J. and Heather I. as authorized representatives on all School bank accounts, including operating accounts, mortgage accounts, certificates of deposit, and membership accounts. Erin M. will remain an authorized signer on the Live Oak account. Erin M. moved to

approve the banking access updates as presented. Jess M. seconded. Motion passed unanimously.

8. Adjourn: 6:57 PM

Next meeting: January 8, 2026 @ 6:30 PM

Director's Report: December 2025

Andy Johnson

Executive Director, DCS

Submitted: 12/10/2025

Reporting Period: November 2025

Executive Summary

November seems like a short month due to the Thanksgiving holiday week along with Veteran's Day on Nov. 11th. However, there was quite a lot that took place. We are in full swing for our supervisory (observations) cycle and I have been getting into classrooms 4-5 times every week. This is great, as this is a requirement for ODE and we are to report the evaluation #s based off of the state's rubric to our district and to the ODE staff. Also, it has been a great process to set goals with our staff and hear about what they would like to see happen. It is truly feeling like a partnership in developing teachers in the classroom. I have also started to coach 3 teachers through this process that need that additional support and are looking for some reinforcement in their classroom management.

WOU has reached out to us and we will be able to have one of our IAs student teach in ELA at our high school. This is a great move for our school and for this teacher candidate.

Organizational Highlights

A quick look at some of the events and happenings at DCS in November:

- **ENROLLMENT:** As of 12/09/25 – 198 Students in K-8 / 68 Students at DCHS / 266 total – We are having weekly meetings over at the high school with students who are interested in joining.
 - At this point, we are having them join us for J-term as Exhibition is next week. Every new family meets with Ian.
 - We are one away from having a wait list for our sophomore class.
 - Our K-8 “absorb curriculum” is up and running and has been received well. We are now able to replace our information nights with online curriculum and we are able to bring people onboard at any time without having them wait for an information night once a month. These families go through the modules and then meet with a guide to follow up with their unique questions. They are then sent paperwork. This streamlines the process.
- **COMMUNITY ENGAGEMENT:** The Student Entrepreneur Fair was a HUGE success! Approximately 75 people were in attendance and there were 30 vendors who participated.
- **FACILITIES:** Concrete grinding completed during fall break.

Staffing and HR

- Posted job for full time HS math teacher – Advanced Mathematics. Hope is to have this teacher start and shadow Ian in January term, and begin teaching in Term 3 to free Ian up to do admin responsibilities.
 - Interviewed two candidates as of 12/9/25
 - Have 1 second interview scheduled

Strategic Plan Update / Continuous Improvement

Looking ahead to the focus for December 2025

- Strategic Goal #3 (Supporting / Developing Staff): Observation cycle has begun. The process is: Pre-conference / classroom observation / Post-conference
- Strategic Goal #8 (Start the Jr. High Bridge Program): Team is continuing to meet every other Tuesday, and we have had a teacher agree to join the team to teach the ELA portion of the curriculum. The days for the Jr. High program have been selected and will be on Tuesdays and Thursdays beginning next year.

Challenges

Time, time, time. Space, Space, Space. As our HS grows, the need for us to continue to make improvements to the building becomes more and more evident. We are exploring what we need to have done over the summer.

Additional Highlights

Ian and I presented at Cognia's conference in Florida last week. The presentation went very well. We made some great connections, and we had some great take-aways from the conference. Some sessions we were able to attend were...

- Staff Retention
- Empowering Staff Leadership
- Preparing for next steps in accreditation
- Responsible use of AI in education
- Student Engagement

Our session was on mission alignment, and using your mission statement to inform your decision making processes. This went really well, and we were able to use the power of our story to help people understand the importance of staying on mission.

I graduate George Fox on Friday.