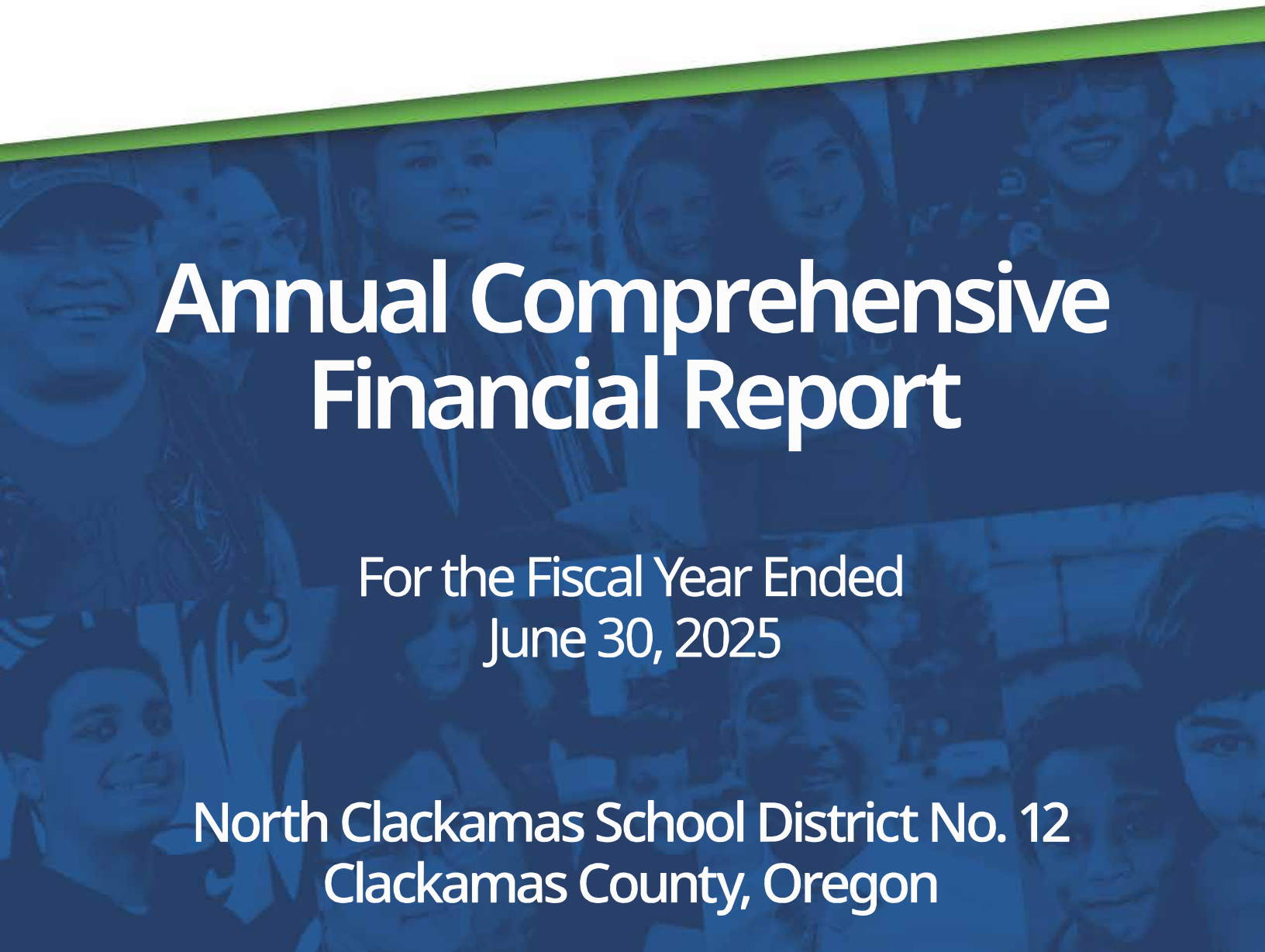
North Clackamas Schools

Annual Comprehensive Financial Report

For the Fiscal Year Ended
June 30, 2025



North Clackamas School District No. 12
Clackamas County, Oregon

North Clackamas School District No. 12
Clackamas County, Oregon

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025

Prepared by the
Business Office

Dr. Shay James
Superintendent – Clerk

Matthew J. Makara
Executive Director, Finance & Business Services

NORTH CLACKAMAS SCHOOL DISTRICT NO.12
CLACKAMAS COUNTY, OREGON

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INTRODUCTORY SECTION

Matthew J. Makara
Executive Director, Finance & Business Services

12400 SE Freeman Way, Milwaukie, Oregon 97222
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January 31, 2026

North Clackamas School District No.12
Board of Directors
12400 SE Freeman Way
Milwaukie, Oregon 97222

The Annual Comprehensive Financial Report of North Clackamas School District ("District") for the fiscal year ended June 30, 2025 is hereby submitted. Oregon Municipal Audit Law requires that an independent audit be made of all District funds within six months following the close of the fiscal year. This report is published to fulfill the requirement for the fiscal year ended June 30, 2025 and consists of management's representations concerning the finances of the district together with the opinions of our auditor.

This report was prepared by the District's Fiscal Services Department. The responsibility for the completeness, fairness, and accuracy of the data presented and all accompanying disclosures rests with the district. To provide a reasonable basis for making these representations, the district's management has established a comprehensive internal control framework that is designed both to protect assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the district's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the district's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Clear Trail CPAs, Certified Public Accountants, have issued an unmodified opinion on the North Clackamas School District's financial statements for the year ended June 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE DISTRICT

The North Clackamas School District is a kindergarten through twelfth grade district serving 16,973 students in 32 schools. The average age of the school facilities is 48 years (for more information about the facilities see page 89 in the Statistical Section of the document). The district is a financially independent, special-purpose municipal corporation exercising financial accountability for all public education within its boundaries. As required by accounting principles generally accepted in the United States of America, all significant activities and organizations have been included in the financial statements.

The district is located in Clackamas County and is located approximately 12 miles southeast of Portland, Oregon along Interstate 205. The district covers approximately 40 square miles in Northern Clackamas County and encompasses the cities of Milwaukie, Happy Valley, Johnson City, and part of Damascus as well as unincorporated neighborhoods of Oak Grove, Concord, Clackamas, Sunnyside, Mount Scott, Southgate and Carver. It is the fifth largest school district in Oregon. The North Clackamas School District Board of Directors, elected by a majority of the voting electorate, is the governing body responsible for the district's public decisions. The seven-member Board has the oversight, responsibility and control over all activities related to the district.

ECONOMIC CONDITION AND OUTLOOK

Located in northwestern Oregon, Clackamas County is one of the six counties that comprise the Portland-Vancouver Primary Metropolitan Statistical Area (PMSA). The six counties are Clackamas, Washington, Multnomah, Yamhill and Columbia in Oregon, and Clark in Washington. Because the District lies within the PMSA, economic and demographic data is not available specifically for the district. Data is generally available for Clackamas County and for the PMSA.

Currently, the three largest sectors for employment in the PVH-PMSA are: 1) trade, transportation and utilities, 2) professional and business services, and 3) Education and health services. Unemployment in the area has increased from 4.0% in September 2024 to 5.1% in September 2025. Housing prices continue to increase, although at a slower rate, and the median income has also increased. Property tax collection has increased approximately 5% year over year.

Clackamas County, in particular, has had increasing home prices and building activity throughout the area. Clackamas Town Center, the largest shopping center in Clackamas County, with 1.2 million square feet of space, has approximately 170 stores. Major commercial business centers are located in the Clackamas Town Center and along McLoughlin Boulevard. Industrial sites include the Clackamas Industrial area along Highway 212, with roughly 500 businesses, and the Milwaukie Industrial area along Highway 224, with approximately 300 businesses. Community business centers are located in Milwaukie, Gladstone and Damascus.

A variety of transportation alternatives are available in this area. Tri-Met service is available to Portland and the metropolitan area. Transfer stations are located in downtown Milwaukie and Clackamas Town Center. Portland International Airport (PDX) offers easy access to domestic and international markets with 14 scheduled passenger airlines and 11 cargo carriers serving customers both internationally and domestically. Several railroads operate in the district. The Southern Pacific Mainline runs through the Clackamas and Milwaukie Industrial areas. Two other transcontinental railroads serving Portland include Burlington Northern and Union Pacific. Amtrak provides passenger service. The Port of Portland has five Marine terminals, four dry docks and excellent ship repair facilities. Container handling and dockside rail service are readily available. An extensive rail, air, barge and highway transportation network serves the harbor. I-205 is a circumferential freeway bypassing downtown Portland. It connects with I-5 and I-84 for destinations north, south and east. The I-205 beltline serves about 100,000 vehicles daily. Highway 212 connects North Clackamas to U.S. Highway 26 and serves the Mount Hood corridor and Central Oregon. Highway 99E connects the North Clackamas area to the Willamette Valley, Salem and Eugene.

MAJOR INITIATIVES

The School Board, for the 2024-25 school year, approved the following guiding pillars:

- Student Experience and Success: We prepare each student through engagement, effective instruction, empowerment, and skill development in order to succeed in life and career
- People and Culture: We foster a welcoming and affirming environment through intentional, culturally inclusive practices where each student and employee is equipped to perform at their highest level
- Family and Community Collaboration: We elevate student achievement and well-being through collaboration and active partnership with families and community
- Resources and Services: We maximize resources and services through strategic investment, innovative practices, and continuous improvement processes to strengthen the school community and advance student outcomes

Six to seven specific objectives were approved for each of the guiding pillars and the NCSD leadership team uses those objectives to guide the development and rollout of all major initiatives.

Key performance indicators publicly reported by the State of Oregon for North Clackamas School District include the following:

- Third Grade English Language Arts
- Eighth Grade Mathematics
- On-Track to Graduate
- On-Time Graduation Rates
- Five-year Completion Rates

As reported on the 2023-24 District Profile issued by the Oregon Department of Education, North Clackamas students outpaced the state in all of the performance indicators listed above.

FINANCIAL INFORMATION

Management of the District is responsible for establishing and maintaining an internal control structure designed to protect the assets of the district from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

Single Audit. As a recipient of federal, state, and county financial assistance, the district is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs.

This internal control structure is subject to periodic evaluation by management and the internal audit staff of the district. As part of the district's single audit tests have been made to determine the adequacy of the internal control structure, including that portion related to federal financial award programs, as well as to determine that the district has compiled with applicable laws and regulations. The results of the district's single audit for the fiscal year ended June 30, 2025, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls. In addition, the district maintains budgetary controls. The objective of such budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the District's Board of Directors. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Proprietary Funds, Internal Service Funds, and Fiduciary Funds, are included in the annual appropriated budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function within an individual fund. As demonstrated by the statements and schedules included in the financial section of this report, the district continues to meet its responsibility for sound financial management.

The district is required by the State of Oregon to adopt an annual budget for all funds subject to the requirements of Local Budget Law as outlined in the Oregon Revised Statutes 294.305 through 294.565, inclusive. The budget for each individual fund is a plan for the financial operation to be conducted during the coming fiscal year and is adopted annually, prior to July 1, by the Board of Directors. After adoption, the budget may be revised through procedures specified in state statute and Board policy.

Oregon Local Budget law requires the appointment of a Budget Committee to review and approve the budget. The Budget Committee consists of the seven members of the Board of Directors and seven members appointed by the Board. The administration proposes a budget to the Budget Committee, which the Budget Committee may revise or approve. A summary of the approved budget, together with a notice of public hearing, is published in a newspaper with general circulation in the district. A public hearing is held to receive comments concerning the approved budget. The Board of Directors adopts the budget, makes appropriations, and levies taxes after the public hearing and before the beginning of the year for which the budget has been prepared.

Fund Summary. The results of operations and other financial data for the year ended June 30, 2025, are presented by the following non-governmental individual funds. Governmental funds are discussed in more detail in the Management's Discussion and Analysis section.

The financial statements for the non-governmental funds reflect the financial activity of the Internal Service Fund (Self-Insurance Fund), Proprietary Fund (Community Services Fund), and the Fiduciary Funds (Charter School/Scholarship Funds).

Internal Service Fund

This fund accounts for costs incurred for employees' general health insurance, worker's compensation, property and liability claims. Principal revenue sources are charges to other funds for service and earnings on investments. The net position at June 30, 2025, was $7,611,018.

Proprietary Fund

This fund accounts for the rental of District buildings to the general public, child care facilities operated in District facilities, and tuition for after-school programs through the district. The net position of the Community Services Fund at June 30, 2025, was $715,675.

Fiduciary Funds

The district has a private purpose trust fund. This private purpose trust fund, accounts for charter school and scholarship transactions. The net position at June 30, 2025 was $20,685

Long-term Financial Planning: In January 2014, the Board of Directors readopted Policy **DBDB Fund Balance**, which directs the superintendent or designee to ensure a minimum fund balance of five (5) percent of total adopted revenues. The district's unassigned fund balance in the General Fund, at June 30, 2025, is $88,212,296, which is well above the minimum required level of five (5) percent.

During the 2022 legislative session, $10.2B in funding was approved for kindergarten through high school education for the 2023-2025 biennium. Much of this new revenue, however, will be offset by increases in Oregon Public Employee's Retirement (PERS) costs along with increases in employee salaries.

In May 2019, voters approved a local option levy for schools at $1.63 per $1,000 of assessed value. The levy provided $18.3 million in 2019-2020 which impacted classrooms across the district. This was renewed by voters in November 2023 for an additional five years, and is anticipated to generate approximately $25m on average annually over that time.

INDEPENDENT AUDIT

As required by Oregon revised Statutes, sections 297.405 to 297.555 (known as the "Municipal Audit Law") an annual audit by independent certified public accountants has been performed. Pauly Rogers & Co., a firm of licensed certified public accountants, has audited the North Clackamas School District's financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the district for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the district's basic financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report. The independent audit of the district's basic financial statements was part of the broader federally mandated "Single Audit" designed to meet the special requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the district's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of this report.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to North Clackamas School district for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the second year that the district has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements.

In addition, the Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to North Clackamas School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The district has achieved this prestigious award for four consecutive years.

The Certificate of Excellence is recognition that the district has met the highest standards for financial reporting and accountability as adopted by ASBO. The district believes that the current Annual Comprehensive Financial Report continues to conform to these standards and will be submitting it to ASBO for review.

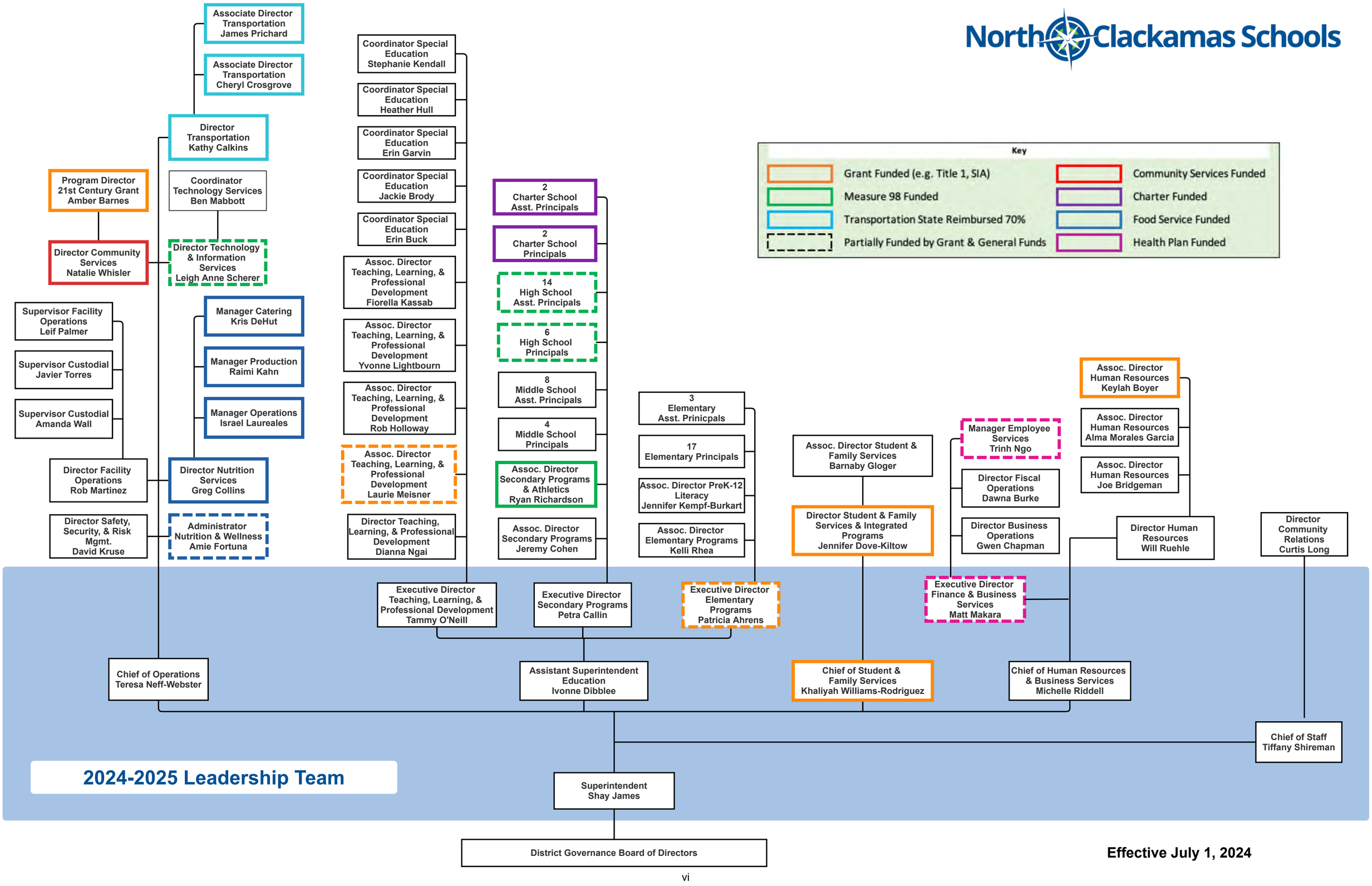
We wish to express our appreciation to the entire Fiscal Services staff for their efforts and contributions to this annual financial report. We would also like to thank the members of the Board of Directors for their continued support and dedication to the effective financial operation of the district.

Respectfully submitted,

Matthew J. Makara,
Executive Director, Finance and Business Services

Students • Families • Staff • Community

North Clackamas Schools



Effective July 1, 2024

NORTH CLACKAMAS SCHOOL DISTRICT 12
CLACKAMAS COUNTY, OREGON

Administration Building
12400 SE Freeman Way
Milwaukie, OR 97222

Shay James	Superintendent
Tiffany Shireman	Chief of Staff
Ivonne Dibblee	Assistant Superintendent, Education
Teresa Neff-Webster	Chief of Operations
Michelle Riddell	Chief of Human Resources & Business Services
Khaliyah Williams-Rodriguez	Chief of Student & Family Services
Matthew J. Makara	Executive Director, Finance & Business Services

BOARD OF DIRECTORS AS OF JUNE 30, 2025

	Term Expires
Kathy Wai, Chair	June 30, 2025
Jena Benologa, Vice Chair	June 30, 2027
Mitzi Bauer	June 30, 2025
April Dobson	June 30, 2027
Paul Kemp	June 30, 2027
Tory McVay	June 30, 2025
Glenn Wachter	June 30, 2027

The Board of Directors receives mail at the address above.

FINANCIAL SECTION

CLEAR TRAIL CPAS
Clear Solutions, Clear Results

2850 SW Cedar Hills Blvd, #2074, Beaverton OR 97005 • 503-586-7170 • ClearTrailCPAS.com

January 31, 2026

INDEPENDENT AUDITORS' REPORT

To the Board of Education
North Clackamas School District
Clackamas County, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Clackamas School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Clackamas School District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

The District adopted new accounting guidance, GASB Statement No. 101 – *Compensated Absences*, during the fiscal year under audit. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 North Clackamas School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the North Clackamas School District'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 the North Clackamas School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

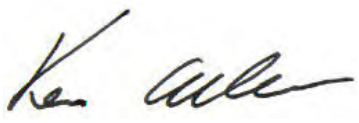
Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical, and the compliance and other reports sections, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2026 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 31, 2026, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Kenneth Allen, CPA
Clear Trail CPAS

NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2025

As management of the North Clackamas School District (the district), we offer readers of the district's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, which can be found on pages i-v of this report.

FINANCIAL HIGHLIGHTS

In the government-wide statements, the assets and deferred outflows of resources of the district exceeded its liabilities and deferred inflows of resources at June 30, 2025, by $38.0 million (net position). Of this amount, $179.0 million represents the district's net investment in capital assets, $36.5 million is restricted, and the remainder is an unrestricted net deficit of $177.5 million.

- The district's government-wide net position increased $145 thousand for the fiscal year as a result of ongoing operations. In addition, the beginning net position was restated and reduced by $9.3 million due to the adoption of GASB Statement 101, Compensated Absences, as well as the recalculation of deferred interest on bonded debt.
- The district had $723.4 million invested in capital assets, net of depreciation and amortization.
- At the end of the fiscal year, unassigned fund balance for the General Fund was $88.2 million or about 32 percent of total general fund resources.
- Total cost of the District's Governmental Funds programs was $395 million for the fiscal year, an increase of $43.4 million (12.3 percent) from the prior year.
- The district's outstanding long term debt obligations (leases payable, subscriptions payable, bonds payable, notes payable, accrued compensated absences, other post-employment benefits, and net pension liability) increased by $36.6 million, Bonds payable decreased by $46.5 million. The Proportionate Share of Net Pension Liability increased by $63.6 million and the remainder of these liabilities increased by $19.5 million due primarily to the adoption of GASB 101, Compensated Absences. The Pension Liability and Other Postemployment Benefits are discussed at greater detail in the notes to the financial statements.
- In November 2023, NCSD voters overwhelmingly approved a renewal of the local option levy. The amount of the levy is $1.63 per $1,000 of assessed value. The cost to each property owner varies based on a property's assessed value and real market value as determined by the county assessor. The 2024-2025 proceeds of $25.4 million were used to fund teaching positions and restore days to the school calendar.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the basic financial statements of the district. The district's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

1) **Government-wide Financial Statements**: The *government-wide financial statements* are designed to provide readers with a broad overview of the district's finances, in a manner similar to a private-sector business. These statements can be found on pages 12 to 13 and include:

   The S*tatement of Net Position*: The *Statement of Net Position* focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of what the district owns (assets plus deferred outflows), what it owes (liabilities plus deferred inflows), and the net difference (net position).

   Net position may be further separated into amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the district is improving or deteriorating.

The *Statement of Activities*: The *Statement of Activities* presents information showing how the net position of the district changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the district's activities are shown in two categories:

Governmental activities: The District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues.

***Business-type activities*:** Business-type activities are intended to recover all or a significant part of their activities through user fees and charges, and include building rentals and daycare provided by the district.

2) **Fund financial statements**: The *fund financial statements* provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the district as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The North Clackamas School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Reports by fund are shown in the Financial Section of the report beginning on page 14. All of the funds of the district can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

Governmental funds: The *governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities. The district maintains several individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Special Revenue, Debt Service, and Capital Projects Funds, all of which are considered to be major funds. The basic governmental fund financial statements can be found on pages 14-17 of this report.

Proprietary funds: The District maintains two proprietary fund types (enterprise fund and internal service fund).

The Enterprise Fund is an accounting device used to charge for fees and rental services to recover costs of providing the services. The enterprise fund financial statements provide the information for the business-type activities.

The Internal Service Fund is an accounting device used to accumulate and allocate costs internally among the district's various functions. The district uses its internal service funds to account for insurance claims and premiums. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements are located on pages 18-20 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the district. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the district's own programs. The accounting used for fiduciary funds is the same as that used for proprietary funds. The district maintains one fiduciary fund - Charter Schools and Scholarships. The fiduciary fund financial statements are located on pages 21-22 of this report.

3) **Notes to the basic financial statements**: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements are considered to be an integral part of the financial statements. The notes to the financial statements are located on pages 23-56 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of a government's financial position. In the case of the district, assets and deferred outflows exceeded liabilities and deferred inflows by $38.0 million at June 30, 2025.

Cash and investments total $161.4 million, which represents 17.8 percent of total assets.

Capital assets, which consist of the district's leases, subscriptions, land, buildings, building improvements, construction-in-progress, vehicles, and equipment, represent about 79.8 percent of total assets.

The remaining assets are property tax and other receivables.

The district reports deferred outflows of $127.7 million, which represent the deferred book loss that occurred as a result of the 2016 refunding of previously issued GO Bonds ($24.7 million), as well as deferred items related to the district's pension plan ($92.2 million) and other post-employment benefits ($10.8 million). The deferred loss will be amortized over the life of the bonds and the deferred pension items are calculated as part of the PERS actuarial valuation.

The district's largest liability (69.2 percent) is for the repayment of general obligation and limited tax pension obligation bonds. The next-largest liability is the district's proportionate share of the net pension liability (PERS) and other post-employment benefits, which represents 22.2 percent of total liabilities. Other liabilities, representing 8.6 percent of the district's total liabilities, consist almost entirely of payables on accounts, notes, claims, and accrued salaries and benefits.

The district reports Deferred Inflows related to pensions and other post-employment benefits (OPEB) of $45.5 million. Pension deferrals are reported as a result of the district adopting GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and are representative of adjustments to estimates made in the most recent actuarial valuation for the pension plan.

The majority of the district's net position reflects its investment in capital assets (e.g., land, buildings, vehicles and equipment), less any related debt used to acquire those assets that are still outstanding. The district uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

GOVERNMENTAL ACTIVITIES FINANCIAL ANALYSIS

During the current fiscal year, the district's overall financial condition changed as indicated by a decrease of $9.1 million in net position. Unrestricted net position decreased by $85.6 million. At the same time, the district's net investment in capital assets increased by $71.2 million.

Statement of Net Position

	Governmental Activities (in thousands)		Business-type Activities (in thousands)		Total Primary Government (in thousands)		
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	Increase (Decrease)
Current and other assets	$ 182,111	$ 179,795	$ 765	$ 775	$ 182,876	$ 180,570	$ 2,306
Capital assets	723,390	733,980	-	-	723,390	733,980	(10,590)
Total Assets	905,501	913,775	765	775	906,266	914,550	(8,284)
Deferred Outflows of Resources	127,737	84,980	-	-	127,737	84,980	42,757
Long-term debt	918,537	881,888	-	-	918,537	881,888	36,649
Other liabilities	31,257	27,944	49	41	31,306	27,985	3,321
Total Liabilities	949,794	909,832	49	41	949,843	909,873	39,970
Deferred Inflows of Resources	45,474	41,829	-	-	45,474	41,829	3,645
Net Position							
Net investment in capital assets	178,961	107,794	-	-	178,961	107,794	71,167
Restricted	36,464	31,152	-	-	36,464	31,152	5,312
Unrestricted	(177,455)	(91,852)	716	734	(176,739)	(91,118)	(85,621)
Total Net Position	$ 37,970	$ 47,094	$ 716	$ 734	$ 38,686	$ 47,828	$ (9,142)

Net Position decreased primarily due to the adoption of GASB Statement 101, Compensated Absences, which added over $20 million of liabilities to the District's balance sheet.

The key elements of the change in the district's net position for the year ended June 30, 2025 are as follows:

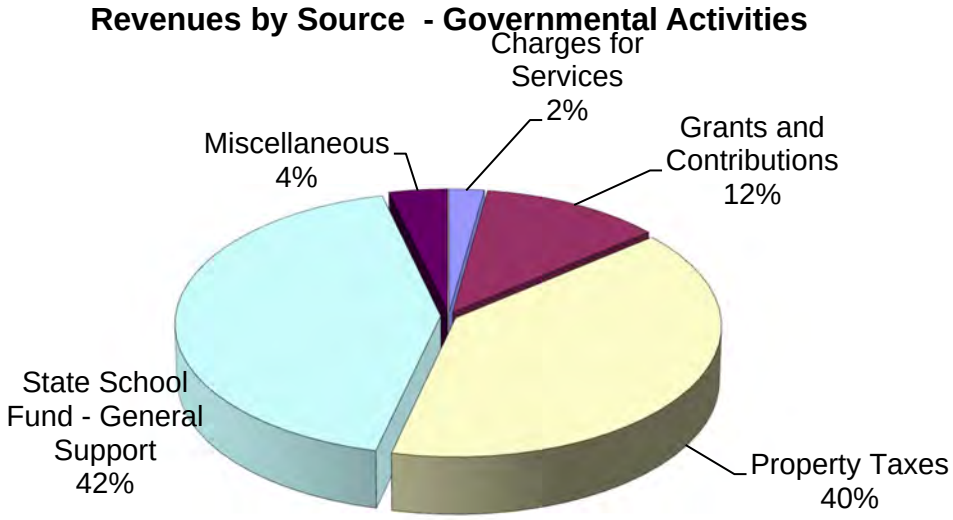
Changes in Net Position
For the Year Ended

	Governmental Activities (in thousands)		Business-type Activities (in thousands)		Total Primary Government (in thousands)		
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	Increase (Decrease)
Revenues:							
Program Revenues:							
Charges for services	$ 5,322	$ 6,265	$ 3,071	$ 2,631	$ 8,393	$ 8,896	$ (503)
Operating grants	43,634	43,761	-	-	43,634	43,761	(127)
General Revenues:							
Property taxes	148,031	142,329	-	-	148,031	142,329	5,702
State and local sources	158,602	148,308	-	-	158,602	148,308	10,294
Federal sources	34	71	-	-	34	71	(37)
Miscellaneous	14,066	10,401	-	-	14,066	10,401	3,665
Total revenues	369,689	351,135	3,071	2,631	372,760	353,766	18,994
Expenses:							
Instruction	193,244	167,562	-	-	193,244	167,562	25,682
Support services	141,978	114,597	-	-	141,978	114,597	27,381
Community services	11,603	10,147	3,089	2,663	14,692	12,810	1,882
Interest on long-term debt	22,701	28,863	-	-	22,701	28,863	(6,162)
Total expenses	369,526	321,169	3,089	2,663	372,615	323,832	48,783
Change in net position	163	29,966	(18)	(32)	145	29,934	(29,789)
Net position - Beginning of Year	47,094	17,128	734	766	47,828	17,894	29,934
Restatement	(9,287)	-	-	-	(9,287)	-	(9,287)
Net position - End of Year	$ 37,970	$ 47,094	$ 716	$ 734	$ 38,686	$ 47,828	$ (9,142)

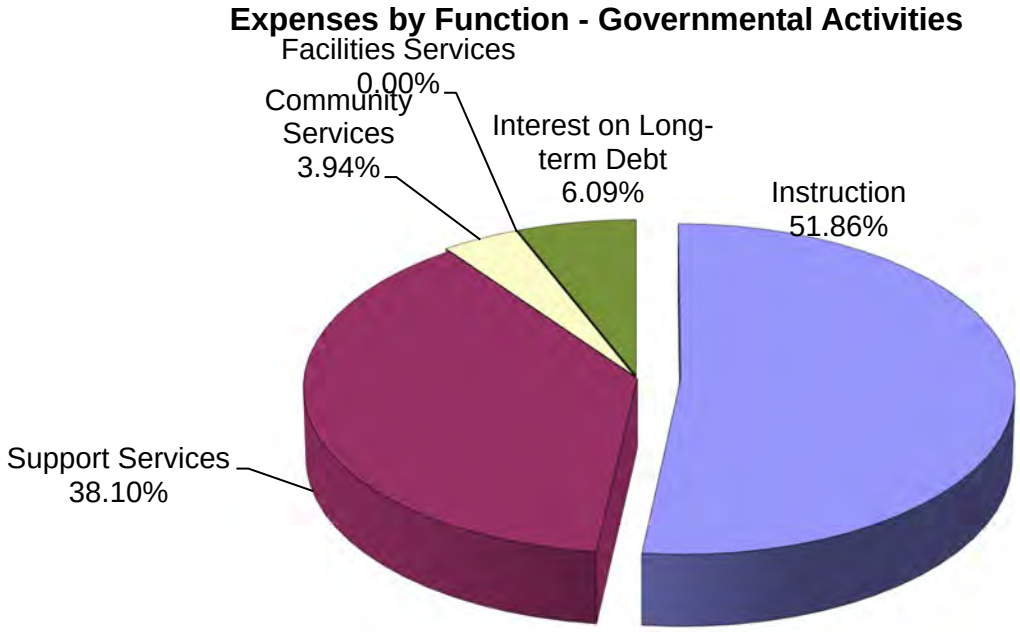
Property tax revenues increased by $5.7 million from 2024-25. Tax receipts increased primarily due to increases in assessed values and building activity within the county. Taxes were levied appropriately to collect the permanent tax rate and funds to pay general obligation bonded debt. State School Fund (SSF) revenues increased by $9.8 million. Miscellaneous revenue increased primarily due to higher investment earnings. Operating grants decreased by $127 thousand mainly due to the District exhausting the majority of the approved ESSER Federal funds in 2023-24

Instruction and support services expenses increased in 2024-25 by $53 million primarily due to increased salary and benefit costs and the District spending down a portion of it's reserves.

FY 2025 REVENUE PERCENTAGES:



FY 2025 EXPENDITURE PERCENTAGES:



As illustrated above, State School Fund – General Support revenues represent about 42 percent of the district's total revenue sources. Property taxes comprise about 40 percent of revenues. Instructional expenses make up about 52 percent of the district's expenses, while support services are about 38 percent.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds: The focus of the district's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the district's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2025, the District's governmental funds reported combined ending fund balances of $133.9 million, an increase of $1.5 million compared to the prior year. Approximately $88.2 million of the ending fund balance constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Fund balance of $13.6 million is restricted for capital projects, primarily related to bond work. The remaining $32.1 million is restricted for debt repayment and grant activities, as authorized by voters and grantors.

General Fund: The General Fund is the main operating fund of the district. As of June 30, 2025, unassigned fund balance was $88.2 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 34 percent of total General Fund expenditures. The fund balance increased by $3.2 million during the current fiscal year.

Special Revenue Fund: The Special Revenue Fund has a total fund balance of $22.2 million. This fund accounts for revenues and expenditures for grants that are restricted for specific educational projects. Principal revenue sources are federal, state, and intermediate grants. The fund increased by $6 million due to transfers in from other funds to help support programs.

Debt Service Fund: The Debt Service Fund has a total fund balance of $9.9 million, all of which is restricted for the payment of debt service. The fund balance decreased by $1.1 million due to the timing of payments of principal and interest that came due.

Capital Projects Fund: The Capital Projects Fund has a total fund balance of $13.6 million. The fund balance decreased by $6.5 million during the current fiscal year, primarily due to continued construction and improvements at various school sites.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets: The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. During the year, the district's investment in capital assets decreased by approximately $10.6 million mainly due to ongoing depreciation and amortization of assets.

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

Capital Assets (Net of Depreciation) (in Thousands)

	Governmental Actvities		
	June 30, 2025	June 30, 2024	Increase (Decrease)
Land	$ 67,699	$ 67,604	$ 95
Lease Assets	9	47	(38)
Subscription Assets	843	515	328
Construction in Progress	-	546	(546)
Buildings and Improvements	641,257	651,246	(9,989)
Equipment	13,582	14,022	(440)
Total capital assets, net of accumulated depreciation	$ 723,390	$ 733,980	$ (10,590)

Additional information on capital assets can be found in note 5 in the Notes to Basic Financial statements section of this report.

Long-term debt: At the end of the current fiscal year, the district had total long-term debt outstanding of $657.6 million, consisting of general obligation and pension obligation debt, and unamortized bond premium.

During the current fiscal year, the districts' total debt decreased by $46.5 million.

Outstanding Bonded Debt (in thousands)

	Governmental Actvities		
	June 30, 2025	June 30, 2024	Increase (Decrease)
General obligation bonds	$ 621,480	$ 655,705	$ (34,225)
Pension obligation bonds	36,110	48,410	(12,300)
Total long-term debt	$ 657,590	$ 704,115	$ (46,525)

State statutes limit the amount of general obligation debt a school district may issue to 7.95 percent of its total real market value. With a real market value of over $20 billion the current debt margin for the district is nearly $1.1 billion, which is significantly in excess of the district's outstanding general obligation debt.

In January 2017 Standard & Poor's Rating Services confirmed the district's rating for general obligation debt as "A+" with a stable outlook and Moody's Investors Service issued an underlying Aa3 rating. Additional information on the district's long-term debt can be found in Note 5 in the Notes to Basic Financial statements section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the district is the State of Oregon's State School Fund. For the year ended, June 30, 2025, the State School Fund – General Support provided 56 percent of the District's General Fund program resources. State provided funding for K-12 education for the 2025-27 biennium is $11.36 Billion, up from $10.2 Billion, an 11.3% increase from the previous biennium. However, increasing payroll and associated payroll costs such as PERS and health insurance costs continue to cause significant strain on the 2025-26 budget and are anticipated to cause more financial pressure in future years.

Because of continued growth in real estate values and increased building, property taxes are expected to grow at

a rate of approximately 3.5%. Enrollment has seen modest gains over the past few years. The district is implementing a refined strategic planning process that will more closely align budgeting efforts action plan goals. The action plan goals include a focus on student achievement, equity, quality of programs, and stewardship of resources and assets entrusted to the district.

In June 2025, the board adopted the district budget for the fiscal year 2025-26. The adopted budget for the General Fund for the year ending June 30, 2026 is $359.6 million. This is an increase of $37.4 million from the 2024-25 adopted budget.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the district's finances and to demonstrate the district's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer at 12400 SE Freeman Way, Milwaukie, OR 97222. An electronic copy of this and other prior year financial statements are available on the district's website at: http://www.nclack.k12.or.us/business/page/audit-reports.

BASIC FINANCIAL STATEMENTS

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF NET POSITION
June 30, 2025

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and Investments	$ 160,641,822	$ 765,146	$ 161,406,968
Property Taxes and Other Receivables	16,954,819	-	16,954,819
OPEB Net Asset - RHIA	4,118,592	-	4,118,592
Lease Receivable	395,305	-	395,305
Capital Assets			
Lease Assets (GASB 87), Net of Amortization	9,400	-	9,400
Subscription Assets (GASB 96), Net of Amortization	843,161	-	843,161
Land and Construction in Progress - Nondepreciable	67,699,443	-	67,699,443
Capital Assets, Net of Depreciation	654,838,473	-	654,838,473
Total Assets	905,501,015	765,146	906,266,161
Deferred Outflows of Resources			
Pension Deferrals	92,225,680	-	92,225,680
OPEB - RHIA	460,109	-	460,109
OPEB Liability, Implicit Rate Subsidy	10,332,682	-	10,332,682
OPEB Liability, Stipend Benefit	8,861	-	8,861
Deferred Charge on Refunding	24,709,676	-	24,709,676
Total Deferred Outflows of Resources	127,737,008	-	127,737,008
Liabilities			
Accounts Payable	5,522,830	2,404	5,525,234
Accrued Payroll and Payroll Liabilities	15,533,487	47,067	15,580,554
Estimated Claims Liabilities	9,592,396	-	9,592,396
Accrued Interest Payable	608,271	-	608,271
Long-term Obligations			
Due Within One Year			
Accrued Compensated Absences	5,323,600	-	5,323,600
Bonds Payable	47,253,126	-	47,253,126
Lease Payable (GASB 87)	9,992	-	9,992
Subscriptions Payable (GASB 96)	291,745	-	291,745
Notes Payable	840,294	-	840,294
OPEB Liability, Medical Benefit	1,317,072	-	1,317,072
OPEB Liability, Stipend Benefit	19,866	-	19,866
Due in More Than One Year			
Accrued Compensated Absences	18,005,652	-	18,005,652
Subscriptions Payable (GASB 96)	407,755	-	407,755
Bonds Payable	610,336,421	-	610,336,421
Notes Payable	1,640,626	-	1,640,626
Proportionate Share of Net Pension Liability	211,130,502	-	211,130,502
OPEB Liability, Medical Benefit	21,956,266	-	21,956,266
OPEB Liability, Stipend Benefit	4,341	-	4,341
Total Liabilities	949,794,242	49,471	949,843,713
Deferred Inflows of Resources			
Leases	391,915	-	391,915
Pension Deferrals	30,534,022	-	30,534,022
OPEB - RHIA	213,129	-	213,129
OPEB Liability, Implicit Rate Subsidy	13,909,389	-	13,909,389
OPEB Liability, Stipend Benefit	425,142	-	425,142
Total Deferred Inflows of Resources	45,473,597	-	45,473,597
Net Position			
Net Investment in Capital Assets	178,960,959	-	178,960,959
Restricted for:			
Special Grants and Services	22,154,422	-	22,154,422
OPEB - RHIA	4,365,572	-	4,365,572
Debt Services	9,944,770	-	9,944,770
Unrestricted	(177,455,539)	715,675	(176,739,864)
Total Net Position	$ 37,970,184	$ 715,675	$ 38,685,859

See notes to the basic financial statements

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

Functions/Programs	Expenses	Function Revenues: Charges for Services	Function Revenues: Operating Grants and Contributions	Function Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:							
Instructional Services	$ 193,244,368	$ 4,956,036	$ 23,996,590	$ -	$ (164,291,742)	$ -	$ (164,291,742)
Supporting Services	141,977,539	-	10,894,017	-	(131,083,522)	-	(131,083,522)
Community Services	11,603,350	366,158	8,743,790	-	(2,493,402)	-	(2,493,402)
Interest on Long-term Debt	22,701,463	-	-	-	(22,701,463)	-	(22,701,463)
Total Governmental Activities	369,526,720	5,322,194	43,634,397	-	(320,570,129)		(320,570,129)
Business-Type Activities:							
Community Services	3,089,144	3,071,075	-	-	-	(18,069)	(18,069)
Total	$ 372,615,864	$ 8,393,269	$ 43,634,397	$ -	(320,570,129)	(18,069)	$ (320,588,198)
General Revenues							
Property Taxes Levied for General Purposes and Debt Service					148,031,108	-	148,031,108
Intermediate Revenue					3,589,503	-	3,589,503
State General Support					155,012,959	-	155,012,959
Federal Unrestricted Revenue					34,440	-	34,440
Miscellaneous					7,680,944	-	7,680,944
Earnings on Investments					6,385,189	-	6,385,189
Total General Revenues					320,734,143	-	320,734,143
Change in Net Position					164,014	(18,069)	145,945
Net Position							
Beginning of Year					47,093,433	733,744	47,827,177
Restatement of Net Position					(9,287,263)	-	(9,287,263)
End of Year					$ 37,970,184	$ 715,675	$ 38,685,859

See notes to the basic financial statements

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
ASSETS					
Cash and Investments	$ 104,463,792	$ 2,000	$ 40,238,287	$ 5,074,817	$ 149,778,896
Lease Receivable	395,305	-	-	-	395,305
Property Taxes and Other Receivables	7,844,867	7,402,058	1,698,155	8,750	16,953,830
Due from Other Funds	-	17,224,040	-	8,571,045	25,795,085
Total Assets	$ 112,703,964	$ 24,628,098	$ 41,936,442	$ 13,654,612	$ 192,923,116
LIABILITIES					
Accounts Payable	$ 4,104,877	1,059,600	-	98,468	$ 5,262,945
Accrued Payroll and Payroll Liabilities	14,119,411	1,414,076	-	-	15,533,487
Due to Other Funds	1,890,325	-	30,504,234	-	32,394,559
Total Liabilities	20,114,613	2,473,676	30,504,234	98,468	53,190,991
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows - Lease	391,915	-	-	-	391,915
Unavailable Revenue - Property Taxes	3,985,140	-	1,487,438	-	5,472,578
Total Deferred Inflows of Resources	4,377,055	-	1,487,438	-	5,864,493
FUND BALANCES					
Restricted for					
Special Grants and Services	-	22,154,422	-	-	22,154,422
Debt Service	-	-	9,944,770	-	9,944,770
Future Capital Projects	-	-	-	13,556,144	13,556,144
Unassigned	88,212,296	-	-	-	88,212,296
Total Fund Balances	88,212,296	22,154,422	9,944,770	13,556,144	133,867,632
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 112,703,964	$ 24,628,098	$ 41,936,442	$ 13,654,612	$ 192,923,116

See notes to the basic financial statements

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
June 30, 2025

Total Fund Balances - Governmental Funds		$ 133,867,632
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	$ 955,222,843	
Accumulated depreciation	(232,684,927)	722,537,916
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are not reported as revenue in the governmental funds.		5,472,578
The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position		7,611,108
The OPEB net asset - RHIA is not collectable in the current period, and therefore is not reported as an asset in the governmental funds		4,118,592
The net pension liability is not due and payable in the current period, and therefore is not reported as a liability in the governmental funds		(211,130,502)
Lease Assets under GASB 87 are not recognized in the governmental funds		9,400
Lease Liabilities under GASB 87 are not recognized in the governmental funds		(9,992)
Subscription Assets under GASB 96 are not recognized in the governmental funds		843,161
Subscription Liabilities under GASB 96 are not recognized in the governmental funds		(699,500)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows of resources related to pensions	92,225,680	
Deferred outflows of resources related to refunding	24,709,676	
Deferred outflows of resources related to OPEB - RHIA	460,109	
Deferred outflows of resources related to OPEB - Implicit	10,332,682	
Deferred outflows of resources related to OPEB - Stipend	8,861	
Deferred inflows of resources related to OPEB - RHIA	(213,129)	
Deferred inflows or resources related to OPEB	(13,909,389)	
Deferred inflows or resources related to stipend benefit	(425,142)	
Deferred inflows or resources related to pensions	(30,534,022)	82,655,326
Long-term obligations not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These obligations consist of:		
Accrued interest payable	(608,271)	
Accrued compensated absences	(23,329,252)	
Bonds payable	(657,589,547)	
Notes payable	(2,480,920)	
Net OPEB liability	(23,273,338)	
Net OPEB liability, stipend benefit	(24,207)	(707,305,535)
Total Net Position		$ 37,970,184

See notes to the basic financial statements

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2025

	General	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Revenues					
Property Taxes	$ 107,463,862	$ -	$ 39,591,234	$ -	$ 147,055,096
State Sources	154,913,924	29,074,647	-	34,999	184,023,570
Federal Sources	35,516	14,528,824	-	-	14,564,340
Earnings from Investments	5,032,371	-	872,888	244,506	6,149,765
Services Provided Other Funds	2,910,478	-	14,248,775	-	17,159,253
Intermediate Sources	3,589,503	-	-	-	3,589,503
Construction Excise Tax	-	-	-	810,530	810,530
Miscellaneous	3,393,679	5,965,876	39	-	9,359,594
Total Revenues	277,339,333	49,569,347	54,712,936	1,090,035	382,711,651
Expenditures					
Current					
Instruction	147,545,189	24,373,703	-	-	171,918,892
Support Services	113,353,364	14,443,283	-	10,134	127,806,781
Enterprise and Community Services	121	10,444,439	-	-	10,444,560
Facilities Acquisition and Construction	-	-	-	3,564,011	3,564,011
Debt Service					
Support Services					
Principal	346,284				346,284
Interest	23,512	-	-	-	23,512
Unallocated					
Principal	-	-	54,495,165	-	54,495,165
Interest	-	-	18,155,247	-	18,155,247
Capital Outlay					
Instruction	573,270	-	-	-	573,270
Support Services	329,725	897,130	-	413,965	1,640,820
Enterprise and Community Services	-	89,999	-	-	89,999
Facilities Acquisition and Construction	22,185		-	5,937,069	5,959,254
Total Expenditures	262,193,650	50,248,554	72,650,412	9,925,179	395,017,795
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,145,683	(679,207)	(17,937,476)	(8,835,144)	(12,306,144)
Other Financing Sources (Uses)					
Issuance of Debt - bond refunding	-	-	14,370,000	-	14,370,000
Issuance of Debt - subscriptions	559,488	-	-	-	559,488
Transfers In	-	7,850,000	2,421,957	2,575,814	12,847,771
Transfers (Out)	(12,549,922)	(1,140,000)	-	(257,849)	(13,947,771)
Total Other Sources (Uses)	(11,990,434)	6,710,000	16,791,957	2,317,965	13,829,488
Net Change in Fund Balance	3,155,249	6,030,793	(1,145,519)	(6,517,179)	1,523,344
Fund Balances					
Beginning of Year	85,057,047	16,123,629	11,090,289	20,073,323	132,344,288
End of year	$ 88,212,296	$ 22,154,422	$ 9,944,770	$ 13,556,144	$ 133,867,632

See notes to the basic financial statements

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds		$ 1,523,344
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 is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Expenditures for capital assets	$ 10,199,462	
Less current year depreciation and adjustments	(21,079,629)	
		(10,880,167)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the net effect of these differences in the treatment of long-term debt.		
Principal payments	54,127,061	
Deferred interest accretion	(8,232,927)	
Issuance of debt	(14,370,000)	
Change in compensated absences	(1,614,220)	29,909,914
Change in GASB 87 Net Asset Position	(38,043)	
Change in GASB 87 Net Liability Position	37,829	(214)
Change in GASB 96 Net Asset Position	328,859	
Change in GASB 96 Net Liability Position	(251,033)	77,826
Governmental funds report the effect of issuance costs, premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences:		
Amortization of deferred charge on refunding bonds	(4,267,335)	
Amortization of premium	4,055,066	(212,269)
The revenues and expenses of the internal service funds are included in governmental activities in the statement of activities.		(3,617,006)
Actuarial changes in Long-term pension liabilities, deferred outflows and deferred inflows of resources are not reported as governmental funds liabilities and therefore not reported as revenues or expenditures in the governmental funds.		(18,059,139)
In the statement of activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as interest expenses when due.		23,261
Property taxes that do not meet the measurable and available criteria are not recognized as revenues in the current year in the governmental funds. In the statement of activities property taxes are recognized as revenue when levied.		976,012
In the statement of activities, contributions for other postemployment benefits less than the actuarially determined contribution amount increase the other postemployment benefit obligation. In the governmental funds the entire contribution is recognized as an expenditure. This is the amount by which the obligation decreased.		422,452
Change in Net Position		$ 164,014

See notes to the basic financial statements

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	BUSINESS TYPE ACTIVITIES: ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES: INTERNAL SERVICE FUND
ASSETS		
Current Assets:		
Cash and Investments	$ 765,146	$ 10,862,926
Accounts Receivable	-	989
Interfund Receivable	-	6,339,589
Total Current Assets	765,146	17,203,504
LIABILITIES		
Current Liabilities:		
Estimated Claims Liability	-	9,592,396
Accounts Payable	2,404	-
Accrued Payroll and Associated Payroll Costs	47,067	-
Total Current Liabilities	49,471	9,592,396
NET POSITION		
Unrestricted	715,675	7,611,108
Total Net Position	$ 715,675	$ 7,611,108

See notes to the basic financial statements

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2025

	BUSINESS TYPE ACTIVITIES: ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
Operating Revenues:		
Services Provided to Other Funds	$ -	$ 45,831,087
Charges for Services	2,757,523	-
Rentals	313,552	-
Miscellaneous	-	4,214,446
Total Operating Revenues	3,071,075	50,045,533
Operating Expenses:		
Purchased Services	-	54,997,963
Other Operating Expenses	3,089,144	-
Total Operating Expenses	3,089,144	54,997,963
Operating Income, (Loss)	(18,069)	(4,952,430)
Nonoperating Revenue and Expenses		
Earnings from Investments	-	235,424
Total Nonoperating Revenue and Expenses	-	235,424
Income (Loss) Before Transfers	(18,069)	(4,717,006)
Transfers		
Transfer In	-	1,100,000
Total Transfers	-	1,100,000
Change in Net Position	(18,069)	(3,617,006)
Net Position		
Beginning of Year	733,744	11,228,114
End of Year	$ 715,675	$ 7,611,108

See notes to the basic financial statements

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2025

	BUSINESS TYPE ACTIVITIES: ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from User Charges	$ 2,757,723	$ -
Cash Received from Other Rentals and Miscellaneous	313,552	4,214,446
Cash Received from Assessments Made to Other Funds	-	45,886,473
Cash received from state grants	-	-
Cash Payments to Suppliers for Goods and Services	(1,271)	(58,735,907)
Cash Payments to Employees for Services	9,422	-
Cash Payments for Other Operating Expenses	(3,089,144)	-
Net Cash Provided (Used) by Operating Activities	(9,718)	(8,634,988)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Received	-	235,424
Net Cash Provided (Used) by Investing Activities	-	235,424
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers, In	-	1,100,000
Net Cash Provided (Used) by Noncapital Financing Activities	-	1,100,000
Net Increase, (Decrease) in Cash and Cash Equivalents	(9,718)	(7,299,564)
Cash and Cash Equivalents - Beginning	774,864	18,162,490
Cash and Cash Equivalents - Ending	$ 765,146	$ 10,862,926
Reconciliation of Operating Income, (Loss) to Net Cash Provided, (Used) by Operating Activities:		
Operating income, (loss)	$ (18,069)	$ (4,952,430)
Adjustments to Reconcile Operating Income, (Loss) to Net Cash Provided, (Used) by Operating Activities:		
Changes in Assets and Liabilities:		
Receivables	-	55,386
Interfund	200	(6,339,589)
Payables	(1,271)	2,601,645
Accrued Payroll and Asocciated Payroll Costs	9,422	-
Net Cash Provided (Used) by Operating Activities	$ (9,718)	$ (8,634,988)
Cash Paid for Interest	$ -	$ -
Cash Paid for Taxes	$ -	$ -

See notes to the basic financial statements

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2025

	Private Purpose Trust Fund
Assets	
Cash and Investments	$ -
Other Receivables	45,182
Due from Other Funds	259,885
Total Assets	305,067
Liabilities	
Accounts Payable	-
Accrued Payroll, Taxes and Employee Withholdings	284,382
Due to Other Funds	-
Total Liabilities	284,382
Net Position	
Held in Trust for:	
Scholarships and Charter Schools	20,685
Total Net Position	$ 20,685

See notes to the basic financial statements

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2025

	Private Purpose Trust Fund
Additions:	
State and Local Sources	$ 13,376,326
Total Additions	13,376,326
Deductions:	
Charter Schools Payments	12,909,461
Total Deductions	12,909,461
Change in Net Position	466,865
Net Position	
Beginning of Year	(446,180)
End of Year	$ 20,685

See notes to the basic financial statements

1. Summary of Significant Accounting Policies

Reporting Entity

North Clackamas School District No. 12 (the District) is a municipal corporation governed by an elected Board of Directors. The Board approves administrative officials. The daily functioning of the District is under 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 District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special districts, which provide service within the District's boundaries, however, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District, except fiduciary activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies, or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues not classified as program revenues, including property taxes and state supports, are presented as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the governmental-wide financial statements.

Net position is reported restricted when constraints placed on the net position use are either externally restricted, imposed by creditors (such as grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the District's funds including those of a fiduciary nature. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The District reports the following major governmental funds:

General Fund – This fund accounts for all revenues and expenditures except for those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon. Expenditures in the fund are made for instructional purposes and related support services.

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation – FUND FINANCIAL STATEMENTS (Continued)

Special Revenue Fund - This fund accounts for the revenues and expenditures of specific educational programs funded from federal, state, local sources, and student body activities. Principal sources of revenue are federal and state grants paid to the District through state and county agencies and other grants paid to the District directly from state, local and private agencies as well as student body receipts.

Debt Service Fund - This fund is used for the accumulation of resources and payment of general obligation bond principal and interest. Primary resources in these funds are property taxes and earnings on investments.

Capital Projects Fund – This fund accounts for activities related to the acquisition, construction, equipping and furnishing of new schools and other facilities. Principal revenue sources are proceeds from general obligation bond issues and related interest earned on proceeds not yet expended.

Additionally, the District reports the following fund types:

Enterprise Fund – This fund accounts for activities related to community service including child care services. Principal revenue sources are charges for services and rentals.

Internal Service Fund – This fund accounts for costs incurred for employees' general health insurance. The principal revenue source is charges to other funds for services.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund are rental and lease charges for facility use and service charges to external customers for goods and services. Operating expenses for the Enterprise Fund include salaries and benefits, supplies, materials and administrative expenses. The principal operating revenues of the District's Internal Service Funds are charges to other funds for insurance. Operating expenses for the Internal Service Funds include self-insurance. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses in both the Enterprise Fund and the Internal Service Funds.

The private-purpose trust fund is used to account for charter school receipts and scholarship resources held by the District in a fiduciary capacity for use by charter schools and students. Disbursements from this fund is made in accordance with the trust and donor agreements.

Measurement Focus and Basis of Accounting

Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under finance purchase agreements are reported as other financing sources.

The Enterprise and Internal Service Fund employs the economic resources measurement focus and the accrual basis of accounting.

Budget

A budget is prepared and legally adopted for each governmental fund type and private purpose trust on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America basis for the governmental fund types and private purpose trust fund, except that capital outlay expenditures, including items below the District's capitalization level, are budgeted by function in the governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of supplemental budget and appropriation resolution.

Supplemental budgets less than 10% of fund's budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires a hearing before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. The District's appropriations lapse at year-end. In 2024-2025, actual expenditures were within appropriations for all categories except for the Following:

- Debt Service Fund $14,287,213 (This was due to refunded bonds and was offset by $14,370,039 of debt proceeds so is not a reflection of excess spending in the fund as a whole. This is exempt from being a budget law violation in accordance with ORS 249.338(5))
- Self-Insurance Fund Support Services by $4,400,411
- Trust Fund Instruction by $669,735

Cash and Investments

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

The District's investments consist of the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported a fair value based upon quoted market rates. Changes in fair value of investments are recorded as investment earnings. The LGIP is stated at costs which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

1. Summary of Significant Accounting Policies (Continued)

Cash and Investments (Continued)

The Oregon State Treasury administers the LGIP. It is an open-ended, no-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. The LGIP is commingled with State's short-term funds. 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 in the management and investment options of the LGIP.

Fair Value, Inputs, Methodologies and Hierarchy

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

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

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

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

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

Property Taxes Receivable

Property taxes are levied and become a lien on all taxable property as of July 1. Collections dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 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 uncollectible taxes has been established. All property taxes receivable are due from property owners within the District.

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants.

1. Summary of Significant Accounting Policies (Continued)

Grants

Unreimbursed grant expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are recorded as unearned revenue.

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 System (OPERS) and additions to/deductions from OPERS fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Capital Assets

Capital assets are recorded at original cost or estimated original cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at their acquisition value on the date donated. The District defines capital assets as assets with an initial cost of more than $5,000 and an estimated life in excess of one year. Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time

Retirement Plans

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

The District offers its employees a tax deferred annuity plan established pursuant to Section 403(b) and 457(b) of the Internal Revenue Code.

1. Summary of Significant Accounting Policies (Continued)

Lease and Subscription Assets

Lease and Subscription assets are assets which the government has a right to use for a term of more than one year. The value of the assets is determined by the net present value of the remaining payments under contract at the government's incremental borrowing rate at the time of the agreement, amortized over the life of the agreement.

Leases and Subscriptions Payable

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

Self-Insurance

The District is self-insured for losses and claims up to policy deductible limits ranging from $5,000 to $50,000 for property, comprehensive general and automobile liability, board of directors' liability, boiler and machinery, and fidelity bonds coverages. Additionally, the District is self-insured for workers' compensation.

Post Employment Health Care Benefits

Eligible employees who elect early retirement are entitled to participate in the District's group medical insurance plan. Such costs are recorded as expenses in the General Fund and are funded as premiums become due.

Compensated Absences

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

Vacation

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The District's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are expensed in the period incurred. Savings realized from

1. Summary of Significant Accounting Policies (Continued)

Long-term Debt (Continued)

advance refunding of debt are recorded as deferred outflows of resources and amortized over the remaining life of the related defeased debt.

In the fund financial statements bond premiums and discounts are recognized when incurred and are not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Interfund Transactions

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. This includes interfund transfers occurring within governmental activities and interfund receivables and payables. Interfund services provided and used are not eliminated during the consolidation process.

Interfund Receivables/Payables

The District maintains a cash pool that is available for use by all funds. The cash pool account is maintained in the General Fund, while activity between funds utilizing this cash is referred to as Due to/from Other Funds in each fund at the end of the fiscal year in the fund basis financial statements. All interfund loan balances are considered current and are eliminated in the government-wide financial statements.

Fund Balances

In the governmental financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental fund balances are classified as nonspendable, restricted, committed, assigned or unassigned. Following are descriptions of fund classifications used by the district:

Nonspendable fund balance includes items not immediately converted to cash, such as prepaid items and inventory.

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal resolution of the School Board. The School Board can modify or rescind the commitment at any time through taking a similar formal resolution.

Assigned fund balance includes amounts assigned for specific uses as authorized by the Superintendent and/or Director of Finance.

Unassigned fund balance is the residual classification for balances not assigned to another category. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The governing body has approved the following order of spending regarding fund balance categories: The spending of restricted fund balances on purposes for which such funds can be used to occur first when funds are spent for restricted and unrestricted purposes. When unrestricted classifications of fund balance are spent,

1. Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

the board will consider the committed amounts will be reduced first, followed by assigned amounts and then unassigned amounts.

To preserve a sound financial system and to provide stable financial base, the governing body has adopted a minimum fund balance policy. The District will target a minimum fund balance equal to no less than (5%) percent of the General Fund expenditures and other financing uses as a reserve for economic uncertainties.

Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consist of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets. In addition, the District has unspent bond proceeds in the form of cash and investments to fund bond expenditures in subsequent years.

Restricted net position – This amount is restricted when constraints placed on the net position use are either externally restricted, imposed by creditors (such as grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

Unrestricted net position – This amount is all net position that do not meet the definition of "net invested in capital assets" or "restricted net position". In the event that both restricted and unrestricted net position is available for use, restricted net position is assumed to be utilized first.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. Cash and Investments

The District maintains a cash pool that is available for use by all funds except the agency fund. Each fund type's portion of this pool is reported on the Combined Balance Sheet as Cash and Investments or Due to/from other funds. In addition, cash is separately held by certain funds of the District.

Cash and investments on June 30, 2025 consist of the following:

Deposits with banks	$	104,595,413
Investments		56,811,555
	$	161,406,968

2. Cash and Investments (Continued)

Deposits

Custodial credit risk – Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Insurance and collateral requirements for the deposits are established by federal banking regulations and Oregon law. State statutes require that the District's deposits be covered by the Federal Deposit Insurance Corporation (FDIC) or by a multiple financial institution collateral pool under ORS 295.015 which is administered by the State of Oregon Office of the Treasury.

Deposits with financial institutions include primarily bank demand and money market deposits. The balances in these accounts according to the District's records total $104,595,588 on June 30, 2025. The bank statement records reflect a balance of $107,199,853 at year end. Of this amount, $250,000 is covered by the FDIC's general deposit insurance rules. As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of State Treasurer. As a result the District has no exposure to custodial credit risk for deposits with financial institutions.

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held.

Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2025. The LGIP seeks to exchange shares at $1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at $1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it materially approximates fair value.

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

https://www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/pages/default.aspx

2. Cash and Investments (Continued)

Investment Type	Fair Value	Maturity Under 3 months	% of Investment Portfolio
Local Government Investment Pool	$ 56,811,555	$ 56,811,555	100.00%
	$ 56,811,555	$ 56,811,555	100.00%

The "weighted average maturity in years" calculation assumes that all investments are held until maturity.

Interest rate risk – investments. Interest rate risks is the risk that changes in interest rates will adversely affect the fair value of an investment. The District minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet the cash requirements for ongoing operations and capital construction projects, thereby avoiding the need to sell securities in the open market, and investing primarily in the Local Government Investment Pool (LGIP). Funds may be invested in the LGIP to the extent permitted by ORS 294.810. Excess amounts are invested in adherence with the portfolio maturity constraints.

Under the District's policy, investments of over 18 months will be avoided, unless they can be matched with specific expected use of funds as provided by ORS 294.135. The investment of capital bond proceeds are timed to meet construction payments.

Concentration of credit risk – investments. The Oregon State Treasurer's Local Government Investment Pool (LGIP) is subject to regulatory oversight by the Oregon Secretary of State and is not required to be categorized by risk. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares. The Oregon State Treasurer maintains the Oregon Short-Term Fund, of which the LGIP is a part. It is not registered with the U.S. Securities and Exchange Commission. The Fund currently has no credit rating as assigned by the credit rating agencies. On June 30, 2025, the fund's composite weighted rating was equivalent to S&P's AA ratings. The State's investment policies are governed by statute and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB) and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

Investments (Continued)

As a means of limiting its exposure to fair value losses arising from rising interest rates, no more than the stated percentage of the overall portfolio will be invested in each of the following categories of securities:

Investment Type	Maximum % of Holdings
U.S. Treasury Securities	100%
Local Government Investment Pool	100% (or pool limit)
Fully insured Certificates of Deposit (CD)	100%
Bankers' Acceptances (BA's)	50%
Certificates of Deposits (CD)	25%
Repurchase Transactions	10%
U.S. Government agency securities and Instrumentalities of government sponsored Corporations.	100%

2. Cash and Investments (Continued)

As of June 30, 2025, more than 5% of the District's total investments are in securities by the following issuers:

Issuer	% of Total Investments
Local Government Investment Pool	100%

As of June 30, 2025, the District was in compliance with the State of Oregon statutes regarding investments as discussed under Note 1 and the District's investment policies.

3. Receivables

Lease

The District had 1 active lease as lessor for the use of it's buildings. The interest rate charged on the lease is 2.5% and it expires in April, 2029. The total value of the Lease Receivable at June 30, 2025 was $395,305.

Future receipts associated with the lease are scheduled as follows:

Year	Principal Payments	Interest Payments	Total Payments
2026	$ 96,839	$ 7,331	$ 104,170
2027	98,875	5,295	104,170
2028	100,955	3,215	104,170
2029	98,636	1,092	99,728
	$ 395,305	$ 16,933	$ 412,238

Property Tax and Other Receivables are distributed as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Proprietary Funds	Total
Uncollected Property Taxes	$ 3,985,140	$ -	$ 1,487,439	$ -	$ -	$ 5,472,579
Grants Receivables	-	7,402,058	-	-	-	7,402,058
Other Receivables	3,859,727	-	210,716	8,750	989	4,080,182
Total Receivables	$ 7,844,867	$ 7,402,058	$ 1,698,155	$ 8,750	$ 989	$ 16,954,819

Special Revenue Fund and Capital Projects Fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs.

4. Capital Assets

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

	July 1, 2024	Increases	Decreases	June 30, 2025
Capital Assets Not Being Depreciated:				
Construction in Progress	$ 546,499	$ -	$(546,499)	$ -
Land	67,603,629	95,814	-	67,699,443
Total Capital Assets Not Being Depreciated	68,150,128	95,814	(546,499)	67,699,443
Capital Assets Being Depreciated:				
Buildings and Improvements	842,152,771	9,291,240	-	851,444,011
Equipment and Licensed Vehicles	34,720,482	1,358,907	-	36,079,389
Total Capital Assets Being Depreciated	876,873,253	10,650,147	-	887,523,400
Less Accumulated Depreciation for:				
Buildings and Improvements	(190,907,291)	(19,280,142)	-	(210,187,433)
Equipment	(20,698,007)	(1,799,487)	-	(22,497,494)
Total Accumulated Depreciation	(211,605,298)	(21,079,629)	-	(232,684,927)
Total Capital Assets Being Depreciated, Net	665,267,955	(10,429,482)	-	654,838,473
Total Capital Assets, Net	$ 733,418,083	$ (10,333,668)	$(546,499)	$ 722,537,916

Depreciation expense for the year was charged to the following programs:

Program	
Instructional programs	$ 11,713,503
Supporting services	8,654,497
Community services	711,629
Total depreciation expense	$ 21,079,629

	July 1, 2024	Increases	Decreases	June 30, 2025
Capital Assets Being Amortized				
Leases - Vehicles	$ 186,255	$ -	$ -	$ 186,255
Less Accumulated Amortization for:				
Leases - Vehicles	(138,812)	(38,043)	-	(176,855)
Total Leases, Net	$ 47,443	$ (38,043)	$ -	$ 9,400

	July 1, 2024	Increases	Decreases	June 30, 2025
Capital Assets Being Amortized				
Subscriptions - Software	$ 815,350	$ 559,488	$ -	$ 1,374,838
Less Accumulated Amortization for:				
Subscriptions - Software	(301,048)	(230,629)	-	(531,677)
Total Subscriptions, Net	$ 514,302	$ 328,859	$ -	$ 843,161

*All amortization for both leases and subscriptions was charged to Support Services on the Statement of Activities.

5. Long-Term Debt

General Long-Term Debt

General Obligation Bonds – General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bonds to provide funds for the acquisition and construction of school facilities.

In May of 2016, the District issued $23,830,000 in general obligation bonds for the purpose of refunding additional 2007 bonds. The bonds were sold at a premium of $3,084,637. In addition, the District provided $464,705 of its own funds to bring the total money raised to $27,379,342. The 2007 with an outstanding principal balance of $25,630,000 were paid off and transaction costs of $209,421. The difference of $1,539,921 is reported as a deferred loss on the Statement of Net Position and amortized over the life of the new bonds.

In March 2017, the District issued Series 2017B for $182,350,000 in general obligation bonds to finance capital construction and improvements. Interest rates range from 4.0% to 5.0%, payable semiannually in June and December, beginning June 2020. The bonds mature on June 15, 2037 with principal payments due annually on June 15th. The District issued series 2017B deferred interest bonds for $140,292,626 in general obligation bonds to finance capital construction and improvements. Interest rates range from 1.42% to 4.56% deferred interest is compounded and paid at maturity beginning June 2019. The bonds mature June 15, 2042.

In December 2018, the District issued Series 2018 for $110,357,000 in general obligation bonds to finance capital construction and improvements. Interest rates on this issue is 5.0%, payable semiannually in June and December, beginning December 2019. The bonds mature on June 15, 2042 with principal payments due annually on June 15th.

Pension Obligation Bonds – On October 31, 2002 and April 2003, the District issued $113,978,012 of limited tax pension obligation bonds to finance its portion of the unfunded actuarial liability (UAL) with the State of Oregon Public Employees Retirement System (PERS) as of December 31, 2000. On August 11, 2011, the District issued $3,490,000 of limited tax pension obligation bonds.

Full Faith and Credit Obligation Bonds – On June 30, 2020, the District issued $11,036,100 full faith and credit obligation bonds to provide funds for the District's bus transportation facility and subsequent improvements. Interest rate on the bonds is $2.93% with final maturity June 1, 2035.

In October 2020, the District issued $139,415,000 in general obligation bonds for the purpose of refunding portion of its general obligation bonds issued in 2014. A total of $138,616,157 was raised to buy back bonds issued in 2014. The difference of $798,843 was paid for cost of issuance of the bonds.

The 2020 refunding resulted in a deferred loss on the Statement of Net Position of $20,926,157 due to the excess of the principal balance of the new bonds as compared to the principle balance outstanding for the bonds that were paid off. Although the stated amount of the bonded debt is now higher, the District will save a significant amount of money over the life of the new bonds due to the reduction in interest payments. The present value of savings on the total debt service of the refunding bonds in comparison to the old bonds is $9,644,103. The deferred loss is amortized on the straight line basis over the life of the 2020 refunding bonds.

In June 2025, the District issued $14,370,000 in general obligation refunding bonds for the purpose of refunding portion of its general obligation bonds issued in 2017. The bond interest rate is 4.0%-4.35% and payments are scheduled through June of 2027. As a result of the issuance of the refunding bonds, $9,640,945 of principal and $5,648,039 of deferred interest were paid off on a portion of the bonds issued in 2017.

5. Long-Term Debt (Continued)

Bonds payable are as follows:

Issue Date	Issue Amount	Outstanding July 1, 2024	Additions	Reductions	Outstanding June 30, 2025	Interest Rates
General Obligation Bonds:						
05/16	23,830,000	20,730,000	-	315,000	20,415,000	2.0% - 4.0%
3/17A	140,292,626	132,193,968	-	9,640,945	122,553,023	1.42% -4.56%
3/17B	182,350,000	166,710,000	-	4,500,000	162,210,000	4.0% - 5.0%
12/18	110,357,000	95,270,000	-	4,255,000	91,015,000	5.00%
10/20	139,415,000	122,605,000	-	16,440,000	106,165,000	.25% - 1.58%
06/25	14,370,000	-	14,370,000	-	14,370,000	4.30%-4.35%
		537,508,968	14,370,000	35,150,945	516,728,023	
Limited Tax Pension Obligation Bonds:						
10/02	50,821,060	21,410,000	-	5,450,000	15,960,000	2.06 - 6.10 %
03/03	63,156,952	26,999,999	-	6,850,000	20,149,999	1.50 - 6.27%
		48,409,999	-	12,300,000	36,109,999	
Full Faith and Credit Obligation		9,758,789	-	343,023	9,415,766	2.93%
Total G.O. and Pension Bonds		595,677,756	14,370,000	47,793,968	562,253,788	
Bond Interest Accretion		63,236,213	8,232,927	17,279,358	54,189,782	
Unamortized Premium		45,201,043	-	4,055,066	41,145,977	
Total Bonds Payable		704,115,012	22,602,927	69,128,392	657,589,547	
Less Current Portion		(42,208,089)			(47,253,126)	
		$ 661,906,923			$ 610,336,421	

Payments on the general obligation bonds are made by the Debt Service Fund from property taxes and earnings on investments. Payments on pension bonds are made by the Debt Service Fund from revenue charges to other funds. Notes Payable payments are paid out of the Debt Service Funds from transfers from the general fund. Notes payable at June 30, 2025, consist of the following:

Description	Issued to	Issued Date	Maturity Date	Interest Rate	Original Issue Amount	Amount Outstanding
Schedule #16	Key Bank	10/12/2016	6/20/2026	2.96%	1,020,576	113,144
Schedule #17	Key Bank	10/30/2017	6/20/2027	2.58%	2,394,649	549,901
Schedule #18	Key Bank	8/30/2018	6/20/2028	3.23%	1,852,380	615,424
Schedule #19	Key Bank	8/30/2018	6/20/2028	2.19%	1,852,380	1,202,450
Freeman Building	US Bank	10/1/2016	10/1/2026	3.66%	2,249,205	-
Total Note Payable					$ 9,369,190	2,480,919
Less Current Portion						(840,294)
						$ 1,640,625

5. Long-Term Debt (Continued)

The District total long-term debt changes is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accrued Compensated Absences	$ 21,715,032	$ 1,614,220	$ -	$ 23,329,252	$ 5,323,600
Bonds Payable	595,677,756	14,370,000	47,793,968	562,253,788	43,198,060
Unamortized Premiums	45,201,043	-	4,055,066	41,145,977	4,055,066
Deferred Interest on Bonds	63,236,213	8,232,927	17,279,358	54,189,782	-
Notes Payable	4,142,411	-	1,661,491	2,480,920	840,294
Lease Liab. Intangible (GASB 87)	47,821	-	37,829	9,992	9,992
Subscription Liability (GASB 96)	448,467	559,488	308,455	699,500	291,745
Proportionate Share of NPL	147,574,459	63,556,043	-	211,130,502	-
Other Post Employment Benefits	24,077,669	-	804,331	23,273,338	1,317,072
OPEB Liability, Stipend	685,781	-	661,574	24,207	19,866
	$ 902,806,652	$ 88,332,678	$ 72,602,072	$ 918,537,258	$ 55,055,695

Payments for pension liabilities and other post employment benefits are made by the General fund.

Future maturities are as follows:

Fiscal Year	Bonds	Notes	Leases Liab. Intangible (GASB 87)	Subscription Liab. Intangible (GASB 96)	Total	Interest Due
2025-2026	$ 43,198,060	$ 840,296	$ 9,992	$ 291,745	$ 44,340,093	$ 17,248,709
2026-2027	46,958,391	746,327	-	166,072	47,870,790	15,935,156
2027-2028	33,514,023	480,316	-	114,846	34,109,185	14,472,726
2028-2029	28,469,967	274,482	-	126,837	28,871,286	13,396,131
2029-2030	30,741,231	139,499	-	-	30,880,730	12,621,523
2030-2035	180,140,725	-	-	-	180,140,725	71,857,873
2035-2040	148,260,204	-	-	-	148,260,204	133,511,657
2040-2045	50,971,187	-	-	-	50,971,187	73,838,256
	$ 562,253,788	$ 2,480,920	$ 9,992	$ 699,500	$ 565,444,201	$ 352,882,031

6. Lease Liability Intangible (GASB 87)

The District has four vehicle leases, all of which expire in the following year.

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
Lease Liability Vehicles				
Total Vehicle Lease Liability	$ 47,821	$ -	$ 37,829	$ 9,992

7. Subscriptions Payable and Right-to-Use Assets (GASB 96)

As of 06/30/2025, North Clackamas School District No. 12, OR had 3 active subscriptions. The subscriptions have payments that range from $63,800 to $147,000 and interest rates that range from 2.3657% to 7.0000%. As of 06/30/2025, the total combined value of the subscription liability is $699,500.

7. Subscriptions Payable and Right-to-Use Assets (GASB 96) – (Continued)

Principal and Interest Requirements to Maturity

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 291,745	$ 43,255	$ 335,000
2027	166,072	25,654	191,726
2028	114,846	16,918	131,764
2029	126,837	8,789	135,626
	$ 699,500	$ 94,616	$ 794,116

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025	Short-Term Balance as of June 30, 2025
Subscription Liability					
Software					
Total Subscription Liability	$ 448,467	$559,488	$ 308,455	$ 699,500	$ 291,745

8. Interfund Receivables/Payables & Transfers

The composition of due to/due from balances as of June 30, 2025 is as follows:

	Due From	Due to
Major Government Funds		
General Fund	$ -	$ 1,890,325
Special Revenue Fund	17,224,040	-
Debt Service Fund	-	30,504,234
Capital Projects Fund	8,571,045	-
Fiduciary Funds	259,885	-
Proprietary Funds	6,339,589	-
	$ 32,394,559	$ 32,394,559

The District maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is reported as either Cash and Investments or Due to/from Other Funds. Interfund receivables and payables (Due To /Due From Other Funds) arise during normal processing of receipts and disbursements for all funds through a single checking account and do not represent interfund loans.

The interfund transfers during the year ended June 30, 2025 are as follows:

	Transfer In	Transfer Out
Major Government Funds		
General Fund	$ -	$ 12,549,922
Special Revenue Fund	7,850,000	1,140,000
Debt Service Fund	2,421,957	-
Capital Projects Fund	2,575,814	257,849
Internal Service Fund	1,100,000	-
	$ 13,947,771	$ 13,947,771

The District made transfers from the General fund to fund bus replacement and cover wage increases in the Special Revenue Fund, to cover principal and interest payments in the Debt Service Fund, to the Internal Service Fund to cover worker's compensation claims and to the Capital Projects Fund to cover principal and interest. The Special Revenue Fund made a transfer to the Debt Service Fund to cover bus financing payments and to the Capital Projects fund to cover principal and interest payments.

9. Pension Plan

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:
https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf
If the link is expired please contact Oregon PERS for this information.

a. **PERS Pension (Chapter 238)**. The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
    i. **Pension Benefits**. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
    A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
    ii. **Death Benefits**. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
        - member was employed by PERS employer at the time of death,
        - member died within 120 days after termination of PERS covered employment,
        - member died as a result of injury sustained while employed in a PERS-covered job, or
        - member was on an official leave of absence from a PERS-covered job at the time of death.
    iii. **Disability Benefits**. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
    iv. **Benefit Changes After Retirement**. Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

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

9. Pension Plan (Continued)

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

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

ii. **Death Benefits**. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

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

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2022 actuarial valuation, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2025 were $17,793,934, excluding amounts to fund employer specific liabilities. In addition approximately $19,974 in employee contributions were paid or picked up by the District in fiscal 2025. At June 30, 2025, the District reported a net pension liability of $211,130,502 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2024 and 2023, the District's proportion was .950 percent and .788 percent, respectively. Pension expense for the year ended June 30, 2025 was $18,059,139.

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

(1) Tier 1/Tier 2 – 13.53%
(2) OPSRP general services – 10.69%

9. Pension Plan (Continued)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 12,507,529	$ 503,899
Changes in assumptions	21,227,129	27,195
Net difference between projected and actual earnings on pension plan investments	13,412,691	-
Net changes in proportionate share	27,284,397	8,392,364
Differences between contributions and proportionate share of contributions	-	21,610,564
Subtotal - Amortized Deferrals (below)	74,431,746	30,534,022
Contributions subsequent to measuring date	17,793,934	-
Deferred outflow (inflow) of resources	$ 92,225,680	$ 30,534,022

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

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

Year ending June 30,	Amount
2026	$ (722,572)
2027	22,898,741
2028	11,551,640
2029	7,945,941
2030	2,223,974
Thereafter	-
Total	$ 43,897,724

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:
https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf

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

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

9. Pension Plan (Continued)

Actuarial Methods and Assumptions:

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

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

Assumed Asset Allocation:

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

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

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's

9.Pension Plan (Continued)

assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

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

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 the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	$ 333,049,791	$ 211,130,502	$ 109,017,139

Changes Subsequent to the Measurement Date

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

9.Pension Plan (Continued)

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

Deferred Compensation Plan

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

OPSRP Individual Account Program (OPSRP IAP)

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

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

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

Contributions:
Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning $2,500 or more per month (increased to $3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did make optional contributions to member IAP accounts for the year ended June 30, 2025 in the amount of $19,974.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.
http://www.oregon.gov/pers/EMP/Pages/GASB.aspx

10. Other Post Employment Benefits

The District offers a postemployment health insurance subsidy and contributes to a retirement health insurance account through Oregon Public Employees Retirement System. The breakdown of the net OPEB liability, asset, deferred outflows of resources and deferred inflows of resources related to OPEB are:

	Health Insurance Subsidy	Health Insurance Account	Stipend Benefit	Net
Total OPEB Liability	$ 23,273,338	$ -	$ 24,207	$ 23,297,545
Total OPEB Asset	-	4,118,592	-	4,118,592
OPEB Deferred Outflows of Resources	10,332,682	460,109	8,861	10,801,652
OPEB Deferred Inflows of Resources	(13,909,389)	(213,129)	425,142	(13,697,376)
OPEB Expense	2,317,204	(425,156)	(842,979)	1,049,069

Plan Description – The District maintains a single employer plan is comprised of both explicit and implicit benefits to employees attaining early retirement eligibility. Employees are generally "early retirement eligible" after attaining age 55 and completing 10 years of District Service or upon retiring from the District after completing 30 years of PERS covered employment. Licensed are provided an upfront Health Reimbursement Account contribution that can be used to purchase benefits. Administrative employees are provided with an "allowance" that may be drawn down as a stipend or may be applied to pay for continued coverage under one or more of the District's benefit plans (i.e. the medical plan, the dental plan, the vision plan, and life insurance plan). These benefit fall within the scope of GASB 75 and are collectively referred to as "Stipend" benefits.

Confidential employees are provided an allowance to pay for continued coverage under one or more of the District's benefit plans. Because this benefit is contingent on the retiree's continued coverage under the District's health plan the benefits is the Scope of GASB 75 and are referred as to as "Explicit Medical" benefits.

Per Oregon Revised Statutes (ORS) 243.303, the District provides health insurance coverage on a self-pay basis for retirees and eligible dependents until they are Medicare eligible. Healthcare premiums rates must be based on all plan members, both active employees and retirees. There is an implicit subsidy with respect to retired employees because the medical premium rates charged for coverage typically are less than actual expected retiree claim costs. This is due to medical premium rates being determined by blending both active employee and retiree experience. This additional cost is called the "implicit subsidy" and is required to be valued under GASB 75. There are 2,101 active and 77 retired members in the plan.

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

Total OPEB Liability – The District's total OPEB liability of $23,273,338 was measured as of June 30, 2025 and was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

10. Other Post Employment Benefits (Continued)

Postemployment Health Insurance Subsidy (PHIS)

Valuation date	June 30, 2025
Measurement date	June 30, 2025
Actuarial cost method	Entry Age Normal, level percent of salary.
Actuarial assumptions:	
Discount rate	5.20% per year, based on all years discounted at 20 year municipal bond rate.
Inflation rate	2.50% per year
Salary increases	3.00% per year
Healthcare cost trend rates	Increase from 3.0% to 5.0% in 2024-2025 depending on plan selected by employees to an ultimate rate range of 3.0% to 5.0% beginning in 2025
Mortality rates	As developed for the valuation of benefits under Oregon PERS and vary by years of service.
Turnover rates	As developed for the valuation of benefits under Oregon PERS and vary by years of service.
Disability rates	As developed for the valuation of benefits under Oregon PERS and vary by employee age.
Retirement rates	As developed for the valuation of benefits under Oregon PERS and vary by employee age.

Changes in the Total OPEB Liability:

Balance at June 30, 2024	$	24,077,669
Service cost		920,709
Interest		852,721
Change in benefit terms		550,637
Change in assumptions		(7,596,340)
Experience (gain)/loss		5,898,851
Benefit payments		(1,430,909)
Balance at June 30, 2025	$	23,273,338

Postemployment Health Insurance Subsidy (PHIS)

For the year ended June 30, 2025, the District recognize an OPEB expense of $2,317,204 related to the PHIS OPEB. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

10. Other Post Employment Benefits (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 5,511,484	$ 5,019,946
Changes in assumptions	4,821,198	8,889,443
Total	$ 10,332,682	$ 13,909,389

Amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense in subsequent years as follows:

	Expense
June 30, 2026	$ 41,835
June 30, 2027	109,045
June 30, 2028	109,045
June 30, 2029	(483,197)
June 30, 2030	(736,997)
June 30, 2031	(736,993)
Thereafter	(1,879,445)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what that the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65 percent) or one percentage point higher (5.20 percent) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB Liability	$ 25,081,076	$ 23,273,338	$ 21,600,925

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate - The following presents the total OPEB liability of the District, as well as what that the District's total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability	$ 21,705,963	$ 23,273,338	$ 25,107,037

10. Other Post Employment Benefits (Continued)

Retirement Health Insurance Account (RHIA)

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

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

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.00% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2025. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District has not made significant contributions to RHIA in any of the three previous fiscal years.

At June 30, 2025, the District reported a net OPEB liability/(asset) of ($4,118,592) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB 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 and 2023, the District's proportion was 1.02 percent and 1.21 percent, respectively. OPEB expense for the year ended June 30, 2025 was $425,156.

10. Other Post Employment Benefits (Continued)

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	$	(489,658)
Net amortization of employer-specific deferred amounts from:		
- Changes in proportionate share (per paragraph 64 of GASB 75)		64,502
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)		-
Employer's Total OPEB Expense/(Income)	$	(425,156)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ -	$ 80,553
Changes in assumptions	-	52,096
Net difference between projected and actual earnings on pension plan investments	116,289	-
Net changes in proportionate share	343,820	80,480
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	460,109	213,129
Contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	$ 460,109	$ 213,129

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

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

Year ending June 30,	Amount
2026	$ (1,376)
2027	172,019
2028	62,913
2029	13,425
2030	-
Thereafter	-
Total	$ 246,981

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 January 31, 2025 and can be found at:

https://www.oregon.gov/pers/emp/Documents/GASB/2024/Oregon-Public-Employees-Retirement-System-RHIA-Schedule-Plan-FY06302024.pdf

10. Other Post Employment Benefits (Continued)

Actuarial Methods and Assumptions:

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

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

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2024 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.

Long-Term Expected Rate of Return:

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

10. Other Post Employment Benefits (Continued)

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

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

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net OPEB liability (asset)	$ (3,812,564)	$ (4,118,592)	$ (4,382,089)

Changes Subsequent to the Measurement Date

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

Stipend Benefit

Stipend Benefit – The District offers stipend benefits, a single employer benefit plan, to all retired licensed employees and administrators as follows:

- Licensed Employees – At least 10 consecutive years of licensed, active District Service and eligible for PERS retirement.

- Administrators – Administrators must have been hired prior to July 1, 2005. At least 10 years of District Service as an Administrator, or 7 years as an Administrator with 20 years of total District Service and eligible for PERS retirement.

Stipend Benefit for Licensed Employees – Eligible licensed employees may receive a $15,000 to $30,000 one-time contribution to a Health Reimbursement Account based on their years of consecutive service. This benefit is pro-rated for employees who work less than full time.

10. Other Post Employment Benefits (Continued)

Stipend Benefit

Option 1: Retiree may use stipend benefit to pay for continued coverage under one or more of the District's health plans (i.e. the medical plan, the dental plan, the vision, plan and the life insurance plan) on a pre-tax basis. Any remaining amount in the retiree's account balance at the age of 65 can be used to pay Medicare premiums and any other eligible expenses covered under the plan documents. If the retiree dies before the account balance is exhausted, any remaining amount belongs to their designated beneficiary.

Stipend Benefit for Administrators – Eligible Administrators receive the lesser of 60% of salary at retirement or $60,000 (benefit is pro-rated for employees who work less than full time) as retirement benefit that may be paid in one of the following forms:

Option 1: The Administrator may elect to purchase District insurance using the stipend up to age 65. After age 65, any remaining balance is payable to the retiree. If the retiree dies before the account balance is exhausted, any remaining amount is paid as a lump sum to retiree's beneficiary.

Option 2: Retiree may receive retirement benefit as stipend payable over five (5) years in equal installments. This benefit continues until the account balance is exhausted. If the retiree dies before the account balance is paid, any remaining amount is paid as a lump sum to retiree's beneficiary.

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

Total OPEB Stipend Liability – The District's total OPEB Stipend liability of $685,781 was measured as of June 30, 2025 and was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions and Other Inputs - The total OPEB Stipend liability in the June 30, 2025 actuarial valuation was determined using the actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. See table in health insurance subsidy section.

Changes in the Total OPEB Stipend Liability:

Balance at June 30, 2024	$	685,781
Service cost		-
Interest		24,331
Change in benefit terms		(548,554)
Change in assumptions		(40,083)
Experience (gain)/loss		(58,901)
Benefit payments		(38,367)
Balance at June 30, 2025	$	24,207

For the year ended June 30, 2025, the District recognized OPEB Stipend expense reduction of ($842,979) related to the OPEB Stipend. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB Stipend from the following sources:

10. Other Post Employment Benefits (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 393,649
Changes in assumptions	8,861	31,493
Total	$ 8,861	$ 425,142

Amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to OPEB Stipend will be recognized in pension expense in subsequent years as follows:

	Expense
June 30, 2026	(204,797)
June 30, 2027	(145,216)
June 30, 2028	(66,268)
June 30, 2029	-
June 30, 2030	-
June 30, 2031	-
Thereafter	-

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what that the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.20 percent) or one percentage point higher (6.20 percent) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB Stipend Liability	$ 24,370	$ 24,207	$ 24,048

Tax Sheltered Annuity and Deferred Compensation Arrangements

The District offers its employees a tax deferred annuity program established pursuant to Section 403(b) of the Internal Revenue Code (the Code). Contributions are made through salary reductions from participating employee up to the amounts specified in the Code.

The District had a deferred compensation plan available for its employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under Section 457 of the Code and have been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administration for the sole benefit of the plan participants and are not considered assets or liabilities of the District. Roth contributions are taxed when invested but not subject to income tax when withdrawn.

11. Accrued Compensated Absences

The General Fund is the primary fund where the compensated absences liability is liquidated. Activity for compensated absences for the year ended June 30, 2025, as follows:

	Beginning Balance	Net Change	Ending Balance	Due Within one year
Accrued Compensated Absences	$ 21,715,032	$ 1,614,220	$ 23,329,252	$ 5,323,600

12. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance. The District is self-insured for $50,000 for each comprehensive general liability or automobile claim. The operations of the self-insurance program are reported in an Internal Service Fund, the General Self-Insurance Fund. Expenses are for reported and expected claims, administrative operating costs and the premium for its property insurance policies.

The District established a Self-Insurance Fund to account for and finance its uninsured risks of loss related to injuries of employees. Under this program, the Fund provides coverage up to a maximum of $300,000 for each Workers' compensation claim.

The District established the Health Self-Insurance Fund during the 1999-2000 fiscal year. The Health Self-Insurance Fund is used to pay for employee medical bills, stop loss insurance payment, and administrative fees.

The District purchases commercial insurance for claims and stop-loss for the Health Fund in excess of coverage provided by the above Internal Service Fund and for all other risks of loss. Settled claims have not exceed this commercial coverage in any of the past three fiscal years.

The General Fund makes payments to the above Internal Service Funds based on estimates of the amounts needed to pay prior and current year claims and to establish assets available to pay claim losses. Standards require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. The Claim liability of $9,592,396 reported in the fund at June 30, 2025 has been accrued. Liabilities include an amount calculated considering the effects of inflations, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The District provides currently for estimated losses to be incurred from pending claims and for incurred but no reported claims.

Changes in the fund's claims liability amounts for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Estimated claims liability	$ 6,987,045	$ 6,146,624
Current year claims and changes in estimates	57,603,314	48,979,181
Claims payments	(54,997,963)	(48,138,760)
Estimated claim liability	$ 9,592,396	$ 6,987,045

13. Contingent Liabilities

The amounts of grant revenue reflected in the financial statements are subject to audit and adjustment by grantor agencies, principally the federal government. Any costs that are questioned or recommended to be disallowed which ultimately result in disallowed claims may become a liability of the District. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although District management expects such amounts, if any, to be immaterial. The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable. The District is dependent on the State of Oregon for a substantial portion of its operating funds. Due to funding uncertainties at the State level, future funding for school district may be reduced. The ultimate effect of this possible reduction in funding on the District's future operations is not yet determinable.

14. Property Tax Abatements

For the year ended June 30, 2025, $36,123,012 in tax abatements were issued at the County level for properties within the District's boundaries. The majority of the abatements, totaling $22,479,623 were issued in reference to ORS 307.090 – Schools. $6,654,879 in abatements were issued in reference to ORS 307.130 – Property of certain museums, volunteer fire departments and literary, benevolent, charitable and scientific institutions. The remaining $6,988,510 consisted of a variety of abatements that were not individually significant to the District.

15. Restatement of Previously Issued Financial Statements

Implementation of GASB No. 101 – Compensated Absences

In fiscal year 2024-25, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. This Statement was issued to improve the recognition and measurement of compensated absences and liabilities, such as vacation and sick leave, and to enhance consistency in financial reporting among governments.

GASB 101 requires that compensated absences be recognized as a liability when the related leave is earned rather than when it is paid or taken. Under the previous standard, GASB Statement No. 16, certain leave types were only recognized when they were due and payable.

The adjustment reflects the cumulative effect of applying the new standard retroactively to beginning balances. The change had no impact on fund balance in the governmental fund financial statements because liabilities for compensated absences are recognized only to the extent they are due and payable in those statements.

Amendment to Deferred Interest Calculation

In fiscal year 2024-25, the District issued GO Refunding Bonds to payoff in advance a portion of the outstanding 2017 GO Bonds. In the process of recalculating the total remaining deferred interest on the 2017 Bonds after the 2025 Refunding Bonds were issued, the District amended it's calculation of deferred interest outstanding at June 30, 2024 and June 30, 2025. The updated calculation resulted in a reduction of deferred interest payable of $11,631,319 at June 30, 2024. The change had no impact on fund balance in the governmental fund financial statements because liabilities for interest are recognized only to the extent that they are due and payable in those statements.

As a result of the above referenced items, the beginning net position as of July 1, 2024 has been restated as follows:

Government-wide Statement of Net Position	**Governmental Activities**
Beginning Net Position, as previously reported	$ 47,093,433
Adjustment for update to deferred interest	11,631,319
Adjustment for implementation of GASB 101 (increase in compensated absences liability)	(20,918,582)
Beginning Net Position, as restated	$ 37,806,170

16. Certain Risk Disclosures

State and Federal Funding

The School District operates as a subdivision of the state, and as such, its funding is heavily reliant on appropriations from the state legislature to the School Support Fund (SSF). For the year ended June 30, 2025, approximately 42% of the District's total governmental fund revenues were derived from SSF grants. This concentration of funding exposes the District to significant financial risk should state funding levels decrease. Although the legislature approved the next biennial funding cycle, effective beginning July 1, 2025, the District's future funding remains uncertain, particularly given the state's dependence on federal aid for various programs, including education. Federal funding, as noted in subsequent sections, is currently experiencing reductions and is expected to face further reductions in the foreseeable future.

The District also receives a notable portion of its governmental resources through a Student Investment Account (SIA) grant, which accounted for 5% of total governmental fund resources for the fiscal year ending June 30, 2025. The SIA grant is primarily funded through the state's Corporate Activity Tax (CAT), which is subject to fluctuation based on economic conditions at both the federal and state levels. The funding cycle aligns with the state's biennial budget process, with the next cycle commencing on July 1, 2025. This concentration presents additional risk, as the volatility of the underlying tax revenue increases the potential for future reductions. The District's management continues to monitor economic trends and their potential impact on SIA funding levels.

The District also receives federal grants, which totaled 4% of its governmental fund revenues for the year ending June 30, 2025. Most of these federal grants are scheduled to begin in the upcoming fiscal year starting October 1, 2025. As of the financial statement date, federal budget negotiations for 2025-26 are ongoing, and the District's reliance on federal funding introduces exposure to the broader implications of national debt levels and potential federal spending adjustments. Management actively monitors economic and legislative developments to assess potential impacts on future federal funding.

The District's long-term financial strategies are reviewed periodically to address the risks associated with these funding concentrations

Payroll costs and Collective Bargaining

The School District's operating expenses are predominantly driven by employee salaries and benefits, with approximately 92% of staff compensation covered by two separate collective bargaining agreements. This heavy reliance on a limited number of agreements exposes the District to financial and operational risks, especially as future contract negotiations could significantly impact the District's resources. Negotiations with the licensed staff union are scheduled to begin during the 2026 fiscal year. The District's management is actively involved in these discussions to ensure operational continuity and to mitigate potential adverse effects on the District's budget and long-term fiscal health.

REQUIRED SUPPLEMENTARY INFORMATION

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
SCHEDULE OF CHANGES IN TOTAL OTHER
POST EMPLOYMENT BENEFITS AND RELATED RATIOS
June 30, 2025

OPEB Liability - Medical Benefit

	June 30, 2025	June 30, 2024	June 30 2023
Total OPEB Liability - Beginning	$ 24,077,669	$ 23,148,369	$ 31,746,671
Service Cost	920,709	1,077,781	1,046,389
Interest	852,721	827,111	672,802
Changes in Benefit Terms	550,637		-
Changes of Assumptions or Other Input	(7,596,340)	-	(2,732,245)
Experience (Gain)/Loss	5,898,851	-	(6,388,370)
Benefit Payments	(1,430,909)	(975,592)	(1,196,878)
Net Change in Total OPEB Liability	(804,331)	929,300	(8,598,302)
Total Liability - End of Year	23,273,338	24,077,669	$ 23,148,369
Covered Employee Payroll	$ 142,067,808	$ 100,470,253	$ 97,543,935
Total OPEB Liability as Percentage of Covered Payroll	16.38%	23.96%	23.73%

Total Pension Liability - Stipend Benefit

	June 30, 2025	June 30, 2024	June 30 2023
Total Pension Liability - Beginning	$ 685,781	$ 700,031	$ 1,212,353
Service Cost		12,963	13,060
Interest	24,331	24,605	25,427
Changes in Benefit Terms	(548,554)	-	-
Changes of Assumptions or Other Input	(40,083)	-	(52,546)
Experience (Gain)/Loss	(58,901)	-	(427,927)
Benefit Payments	(38,367)	(51,818)	(70,336)
Net Change in Total Pension Liability	(661,574)	(14,250)	(512,322)
Total Liability - End of Year	$ 24,207	$ 685,781	$ 700,031
Covered Employee Payroll	$ 0	$ 2,350,652	$ 2,374,777
Total OPEB Liability as Percentage of Covered Payroll	NA	29.17%	29.48%

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

June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
$ 30,319,345	$ 25,723,404	$ 24,860,477	$ 15,348,952	$ 14,508,158	$ 4,981,640
1,817,784	1,764,839	1,198,657	1,163,745	671,940	655,551
643,729	545,646	849,377	521,671	513,228	170,684
-	-	-	-	-	10,238,544
-	4,030,406	-	8,186,327	-	(960,386)
-	(820,888)	-	527,893	-	(149,996)
(1,034,187)	(924,062)	(1,185,107)	(888,111)	(344,374)	(427,879)
1,427,326	4,595,941	862,927	9,511,525	840,794	9,526,518
$ 31,746,671	$ 30,319,345	$ 25,723,404	$ 24,860,477	$ 15,348,952	$ 14,508,158
$ 109,699,434	$ 106,504,305	$ 95,128,229	$ 92,357,504	$ 92,574,470	$ 90,316,556
28.94%	28.47%	27.04%	26.92%	16.58%	16.06%

June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
$ 1,248,818	$ 1,485,075	$ 1,943,193	$ 2,132,215	$ 3,018,348	$ 10,248,588
39,571	38,418	30,445	29,558	43,659	42,594
25,874	30,011	58,439	65,999	89,806	357,313
-	-	-	-	-	(5,876,834)
-	156,566	-	(28,463)	-	(41,983)
-	(269,931)	-	236,927	-	(1,175,802)
(101,910)	(191,321)	(547,002)	(493,043)	(1,019,598)	(535,528)
(36,465)	(236,257)	(458,118)	(189,022)	(886,133)	(7,230,240)
$ 1,212,353	$ 1,248,818	$ 1,485,075	$ 1,943,193	$ 2,132,215	$ 3,018,348
$ 4,180,081	$ 4,058,331	$ 4,467,431	$ 4,337,312	$ 62,135,175	$ 62,135,175
29.00%	30.77%	33.24%	44.80%	3.43%	4.86%

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
June 30, 2025

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY FOR RHIA (ASSET)

Fiscal Year Ended	(a) District's Proportion of the net pension Liability (Asset) (NPL)	(b) District's Proportionate Share of the Net OPEB Liability (Asset) (NPL)	(c) District's Covered Payroll	(b/c) NPL as a Percentage of Covered Payroll	Plan Fiduciary net position as a percentage of the total pension liability
June 30, 2018	0.9186%	$ (383,355)	$ 91,691,433	-0.42%	108.90%
June 30, 2019	0.9427%	(1,052,364)	95,592,498	-1.10%	124.00%
June 30, 2020	0.9185%	(1,774,960)	98,558,381	-1.80%	144.40%
June 30, 2021	1.6820%	(3,428,600)	108,584,022	-3.16%	150.10%
June 30, 2022	1.0455%	(3,590,355)	109,196,663	-3.29%	183.90%
June 30, 2023	1.0057%	(3,573,758)	128,047,177	-2.79%	194.60%
June 30, 2024	1.2051%	(4,412,555)	139,068,754	-3.17%	201.60%
June 30, 2025	1.0197%	(4,118,592)	142,090,019	-2.90%	220.60%

The amounts presented each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR RHIA

Fiscal Year Ended	Statutorily Required Contribution	Contributions in relation to the statutorily required Contribution	Contribution Deficiency (excess)	District's Covered Payroll	Contributions as a Percent of Covered Payroll
June 30, 2018	$ 456,482	$ 456,482	$ -	95,592,498	0.48%
June 30, 2019	455,249	455,249	-	98,558,381	0.46%
June 30, 2020	120,163	120,163	-	108,284,022	0.11%
June 30, 2021	27,975	27,975	-	109,196,663	0.03%
June 30, 2022	24,788	24,788	-	128,047,177	0.02%
June 30, 2023	23,748	23,748	-	139,068,754	0.02%
June 30, 2024	-	-	-	142,090,019	0.00%
June 30, 2025	-	-	-	155,357,068	0.00%

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

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
June 30, 2025

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Fiscal Year Ended	(a) District's Proportion of the net pension Liability (NPL	(b) District's Proportionate Share of the Net Pension Liability (NPL)	(c) District's Covered Payroll	(b/c) NPL as a Percentage of Covered Payroll	Plan Fiduciary net position as a percentage of the total pension liability
June 30, 2016	0.5400%	31,054,190	79,190,775	39.21%	91.88%
June 30, 2017	0.6300%	94,982,200	85,807,840	110.69%	80.53%
June 30, 2018	0.7000%	94,728,298	91,691,433	103.31%	83.12%
June 30, 2019	0.8418%	127,533,440	95,592,498	133.41%	82.10%
June 30, 2020	0.7879%	136,301,159	98,558,381	138.29%	80.20%
June 30, 2021	0.8038%	175,416,318	108,584,022	161.55%	75.80%
June 30, 2022	0.7860%	94,061,729	109,196,663	86.14%	87.00%
June 30, 2023	0.8683%	132,947,400	128,047,177	103.83%	84.50%
June 30, 2024	0.7879%	147,574,459	139,068,754	106.12%	81.30%
June 30, 2025	0.9499%	211,130,502	142,090,019	148.59%	79.30%

The amounts presented each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

SCHEDULE OF DISTRICT CONTRIBUTIONS

Fiscal Year Ended	Statutorily required contribution	Contributions in relation to the statutorily required Contribution	Contribution deficiency (excess)	District's Covered Payroll	Contributions as a percent of covered payroll
June 30, 2016	2,813,974	2,813,974	-	85,807,840	3.28%
June 30, 2017	3,007,479	3,007,479	-	91,691,433	3.28%
June 30, 2018	7,993,460	7,993,460	-	95,592,498	8.36%
June 30, 2019	8,228,081	8,228,081	-	98,558,381	8.35%
June 30, 2020	14,822,647	14,822,647	-	108,584,022	13.65%
June 30, 2021	14,905,919	14,905,919	-	109,196,663	13.65%
June 30, 2022	14,104,373	14,104,373	-	128,047,177	11.01%
June 30, 2023	14,936,468	14,936,468	-	139,068,754	10.74%
June 30, 2024	16,453,365	16,453,365	-	142,090,019	11.58%
June 30, 2025	17,793,934	17,793,934	-	155,357,068	11.45%

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2025

	Budget			Variance with
	Adopted	Final	Actual	Final budget
Revenues				
Revenues from Local Sources				
Property Taxes	$ 109,934,872	$ 109,934,872	$ 107,230,829	$ (2,704,043)
Penalties and Interest on Taxes	200,000	200,000	233,033	33,033
Earnings from Investments	2,575,000	2,575,000	5,032,371	2,457,371
Fees	400,000	400,000	460,987	60,987
Rentals	101,430	101,430	65,756	(35,674)
Contributions - Private	10,000	10,000	140,305	130,305
Services Provided Other Funds	2,817,980	2,817,980	2,910,478	92,498
Fees Charged to Grants	1,122,110	1,122,110	1,287,546	165,436
Miscellaneous Local Sources	535,553	535,553	1,439,085	903,532
Revenues from Intermediate Sources				
Other Intermediate Sources	2,920,320	2,920,320	3,589,503	669,183
Revenues from State Sources				
Unrestricted State Grants	143,313,318	143,313,318	154,913,924	11,600,606
Revenues from Federal Sources				
Federal Grants	-	-	35,516	35,516
Total Revenues	263,930,583	263,930,583	277,339,333	13,408,750
Expenditures				
Instruction *	153,204,141	153,204,141	148,118,459	5,085,682
Support Services *	116,902,299	121,902,299	114,052,885	7,849,414
Enterprise and Community Services *	13,190	13,190	121	13,069
Facilities Acquisition and Construction *	300,000	300,000	22,185	277,815
Contingencies *	45,678,058	34,198,058	-	34,198,058
Total Expenditures	316,097,688	309,617,688	262,193,650	47,424,038
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,167,105)	(45,687,105)	15,145,683	60,832,788
Other Financing Sources (Uses):				
Subscription Proceeds	-	-	559,488	559,488
Transfers (out) *	(6,069,922)	(12,549,922)	(12,549,922)	-
Total Other Financing Sources (Uses)	(6,069,922)	(12,549,922)	(11,990,434)	559,488
Net Change in Fund Balance	(58,237,027)	(58,237,027)	3,155,249	61,392,276
Fund Balance				
Beginning of Year	58,237,027	58,237,027	85,057,047	26,820,020
End of Year	$ -	$ -	$ 88,212,296	$ 88,212,296

* Legally adopted appropriation level

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2025

	Budget			Variance with
	Adopted	Final	Actual	Final budget
Revenues				
Local Sources	$ 15,784,919	$ 15,784,919	$ 5,965,876	$ (9,819,043)
State Sources	25,892,135	25,892,135	29,074,647	3,182,512
Federal Sources	16,068,618	16,068,618	14,528,824	(1,539,794)
Total Revenues	57,745,672	57,745,672	49,569,347	(8,176,325)
Expenditures				
Instruction *	25,159,071	25,159,071	24,373,703	785,368
Support Services *	28,862,851	28,862,851	15,340,413	13,522,438
Enterprise and Community Services *	11,005,765	11,005,765	10,534,438	471,327
Contingencies *	8,000,000	12,000,000	-	12,000,000
Total Expenditures	73,027,687	77,027,687	50,248,554	26,779,133
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,282,015)	(19,282,015)	(679,207)	18,602,808
Other Financing Sources (Uses):				
Transfers In	3,850,000	7,850,000	7,850,000	-
Transfers (Out) *	(1,140,000)	(1,140,000)	(1,140,000)	-
Total Other Financing Sources (Uses)	2,710,000	6,710,000	6,710,000	-
Net Change in Fund Balance	(12,572,015)	(12,572,015)	6,030,793	18,602,808
Fund Balances				
Beginning of Year	12,572,015	12,572,015	16,123,629	3,551,614
End of Year	$ -	$ -	$ 22,154,422	$ 22,154,422

* Legally adopted appropriation level

SUPPLEMENTARY INFORMATION

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2025

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
Revenues				
Revenues from Local Sources				
Property Taxes	$ 40,369,387	$ 40,369,387	$ 39,503,610	$ (865,777)
Penalties and Interest of Taxes	100,000	100,000	87,624	(12,376)
Earnings from Investments	100,000	100,000	872,888	772,888
Services Provided Other Funds	15,021,855	15,021,855	14,248,775	(773,080)
Total Revenue	55,591,242	55,591,242	54,712,897	(878,345)
Expenditures				
Debt Service *				
Redemption of Principal	58,363,199	58,363,199	54,495,165	3,868,034
Interest	-	-	18,155,247	(18,155,247)
Total Expenditures	58,363,199	58,363,199	72,650,412	(14,287,213)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,771,957)	(2,771,957)	(17,937,515)	(15,165,558)
Other Financing Sources (Uses)				
Debt proceeds	-	-	14,370,039	14,370,039
Transfers In	2,421,957	2,421,957	2,421,957	-
Total Other Financing Sources (Uses)	2,421,957	2,421,957	16,791,996	14,370,039
Net Change in Fund Balance	(350,000)	(350,000)	(1,145,519)	(795,519)
Fund Balance				
Beginning of Year	350,000	350,000	11,090,289	10,740,289
End of Year	$ -	$ -	$ 9,944,770	$ 9,944,770

* Legally adopted appropriation level

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2025

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
Revenues				
Revenues from Local Sources				
Earnings from Investments	$ 200,000	$ 200,000	$ 244,506	$ 44,506
Miscellaneous Local Sources	105,000	105,000	34,999	(70,001)
Construction Excise Tax	2,000,000	2,000,000	810,530	(1,189,470)
Revenues from State Sources	100,000	100,000	-	(100,000)
Total Revenue	2,405,000	2,405,000	1,090,035	(1,314,965)
Expenditures				
Support Services *	500,000	500,000	424,099	75,901
Facilities Acquisition and Construction *	21,543,151	24,023,151	9,501,080	14,522,071
Contingency	2,500,000	2,500,000	-	2,500,000
Total Expenditures	24,543,151	27,023,151	9,925,179	17,097,972
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,138,151)	(24,618,151)	(8,835,144)	15,783,007
Other Financing Sources (Uses)				
Loan Receipts	-	-	-	-
Transfers In	95,814	2,575,814	2,575,814	-
Transfers (Out) *	(257,849)	(257,849)	(257,849)	-
Total Other Sources (Uses)	(162,035)	2,317,965	2,317,965	-
Net Change in Fund Balance	(22,300,186)	(22,300,186)	(6,517,179)	15,783,007
Fund Balance				
Beginning of Year	22,300,186	22,300,186	20,073,323	(2,226,863)
Prior Period Adjustment				
End of Year	$ -	$ -	$ 13,556,144	$ 13,556,144

* Legally adopted appropriation level

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
COMMUNITY SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2025

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
Revenues				
Revenues from Local Sources				
Child Care	$ 2,750,000	$ 2,750,000	$ 2,757,523	$ 7,523
Rental	400,000	400,000	313,552	(86,448)
Total Revenues	3,150,000	3,150,000	3,071,075	(78,925)
Expenditures				
Enterprise and Community Services *	3,260,000	3,260,000	3,089,144	170,856
Contingencies *	590,000	590,000	-	590,000
Total Expenditures	3,850,000	3,850,000	3,089,144	760,856
Net Change in Fund Balance	(700,000)	(700,000)	(18,069)	681,931
Fund Balance				
Beginning of the Year	700,000	700,000	733,744	33,744
End of Year	$ -	$ -	$ 715,675	$ 715,675

* Legally adopted appropriation level

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
SELF-INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2025

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
Revenues				
Recovery Stop Loss	$ 350,000	$ 350,000	$ 2,984,201	$ 2,634,201
RX America Refund	500,000	500,000	1,172,378	672,378
Service Provided Other Fund	39,425,000	39,425,000	45,831,087	6,406,087
Earnings from Investments	108,297	108,297	235,424	127,127
Miscellaneous	92,500	92,500	57,867	(34,633)
Total Revenues	40,475,797	40,475,797	50,280,957	9,805,160
Expenditures				
Instruction *	2,692	2,692	-	2,692
Support Services - Self Insured Losses *	48,597,552	50,597,552	54,997,963	(4,400,411)
Enterprise and Community Services *	553	553	-	553
Total Expenditures	48,600,797	50,600,797	54,997,963	(4,397,166)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,125,000)	(10,125,000)	(4,717,006)	5,407,994
Other Financing Sources (Uses)				
Transfers In	1,100,000	1,100,000	1,100,000	-
Total Other Sources (Uses)	1,100,000	1,100,000	1,100,000	-
Net Change in Fund Balance	(7,025,000)	(9,025,000)	(3,617,006)	5,407,994
Fund Balance				
Beginning of Year	7,025,000	9,025,000	11,228,114	2,203,114
End of Year	$ -	$ -	$ 7,611,108	$ 7,611,108

* Legally adopted appropriation level

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
PRIVATE PURPOSE TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2025

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
Revenues				
State and Local Sources	$ 12,492,041	$ 12,492,041	$ 13,376,326	$ 884,285
Total Revenues	12,492,041	12,492,041	13,376,326	884,285
Expenditures				
Instruction *	10,051,214	10,051,214	10,720,949	(669,735)
Support Services *	2,440,827	2,440,827	2,188,512	252,315
Total Expenditures	12,492,041	12,492,041	12,909,461	(417,420)
Net Change in Fund Balance	-	-	466,865	466,865
Fund Balance				
Beginning of Year	-	-	(446,180)	(446,180)
End of Year	$ -	$ -	$ 20,685	$ 20,685

* Legally adopted appropriation level

STATISTICAL SECTION

NORTH CLACKAMAS SCHOOL DISTRICT 12

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

Government-Wide Activities:

		2024-25	2023-24	2022-23	2021-22
Governmental Activities:					
Net investment in capital assets		$ 178,960,959	$ 107,793,634	$ 110,375,943	$ 109,124,464
Restricted		36,464,764	31,152,503	26,548,422	21,044,427
Unrestricted		(177,455,539)	(91,852,291)	(119,796,317)	(134,172,757)
		37,970,184	47,093,846	17,128,048	(4,003,866)
Business-Type Activities:					
Unrestricted		715,675	733,743	766,044	643,618
Net Position	(1)	$ 38,685,859	$ 47,827,589	$ 17,894,092	$ (3,360,248)

(1) The District Implemented GASB 65 beginning in FY 2012-13.

(2) as restated for GASB 68

(3) as restated for GASB 75

(4) As of June 30, 2017 the District began reporting its building rental and daycare activities as business-type activities. Prior to this date, these activities were reported as part of the governmental activities.

(5) As restated to update Hoodview Property valuation

Source: North Clackamas School District 12 Financial Records.

2020-21	2019-20 (5)	2018-19	2017-18	2016-17 (4)	2015-16 (3)
$ 136,942,719	$ 140,429,621	$ 134,005,255	$ 107,588,556	$ 77,648,768	$ 62,543,176
13,635,691	13,890,941	15,219,073	11,689,071	7,310,418	8,320,737
(169,938,999)	(174,679,980)	(170,984,770)	(135,253,106)	(89,447,817)	(59,616,903)
(19,360,589)	(20,359,418)	(21,760,442)	(15,975,479)	(4,488,631)	11,247,010
849,695	1,026,581	936,100	680,857	611,821	-
$ (18,510,894)	$ (19,332,837)	$ (20,824,342)	$ (15,294,622)	$ (3,876,810)	$ 11,247,010

NORTH CLACKAMAS SCHOOL DISTRICT 12

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Government-wide Activities:			
Expenses :	2024-25	2023-24	2022-23
Governmental Activities:			
Instruction	$ 193,244,368	$ 167,562,013	161,462,515
Support Services	141,977,539	114,597,316	108,102,553
Community Services	11,603,350	10,146,612	8,569,455
Facilities Acquisition	-	-	-
Interest on Long-Term Debt	22,701,463	28,863,616	34,173,774
Total Governmental Activities	369,526,720	321,169,557	312,308,297
Business-Type Activities:			
Community services	3,089,144	2,663,317	1,861,154
Total Primary Government Expenses	372,615,864	323,832,874	314,169,451
Program Revenues:			
Governmental Activities:			
Charges for Services:			
Instruction	4,956,036	4,236,736	3,948,379
Support Services			
Community Services	366,158	2,028,022	1,737,460
Operating Grants and Contributions:			
Instruction	23,996,590	22,886,133	29,517,515
Support Services	10,894,017	15,433,831	10,623,004
Community Services	8,743,790	5,441,425	5,424,424
Capital Grants and Contributions:	-	-	
Facilities Acquisitions	-	-	
Total Governmental Activities	48,956,591	50,026,147	51,250,782
Business-Type Activities:			
Community services	-	-	-
Total Program Revenues	48,956,591	50,026,147	51,250,782
Net (Expense) Revenue			
Governmental Activities	(320,570,129)	(266,219,746)	(261,057,516)
Business-Type Activities	(18,069)	(2,663,317)	(1,861,154)
Total Primary Government Net Expense	(323,659,273)	(273,806,727)	(262,918,669)
General Revenues:			
Property taxes levied for general purposes	148,031,108	142,329,045	138,236,420
State and local revenue	158,602,462	148,308,411	136,832,062
Grants and contributions not restricted to specific programs	34,440	70,987	149,634
Earnings on investments	6,385,189	6,086,184	4,216,256
Miscellaneous	7,680,944	4,314,581	2,755,058
Transfers	-	-	-
Gain on Sale of Land & Building	-	-	-
Total governmental activities program revenues	320,734,143	301,109,208	282,189,430
Business-Type Activities:			
Charges for services	3,071,075	2,631,016	1,983,580
Transfers			
Total business-type activities program revenues	3,071,075	2,631,016	1,983,580
Total Primary Government General Revenues	323,805,218	303,740,224	284,173,010
Change in Net Position/Net Assets			
Governmental Activities	164,014	29,965,798	21,131,915
Business-type Activities	(18,069)	(32,301)	122,426
Change in Net Position/Net Assets (1)	$ 145,945	$ 29,933,497	$ 21,254,341

(2) As of June 30, 2017 the District began reporting its building rental and daycare activities as business-type activities. Prior to this date, these activities were reported as part of the governmental activities.

Source: North Clackamas School District 12 Financial Records

2021-22	2020-21	2019-20	2018-19	2017-18	2016-17 (2)	2015-16
$ 147,866,228	$ 154,283,439	$ 146,943,286	$ 132,657,492	$ 127,294,344	$ 115,762,194	$ 120,334,860
102,759,697	94,783,488	88,837,948	83,499,714	82,167,282	81,342,891	80,168,806
9,055,416	5,513,149	7,968,476	7,488,328	7,302,319	6,818,190	8,934,749
-	-	133,921	45,728	5,512,468	1,194,324	-
34,678,658	34,701,078	38,960,178	36,799,077	33,514,358	23,052,479	17,857,584
294,359,999	289,281,154	282,843,809	260,490,339	255,790,771	228,170,078	227,295,999
1,584,891	187,771	1,468,173	1,645,386	1,599,552	1,679,237	-
295,944,890	289,468,925	284,311,982	262,135,725	257,390,323	229,849,315	227,295,999
-	-	17,450	9,700	9,095	-	41,770
375,311	53,161	220,226	250,573	4,478,824	528,128	416,146
853,527	32,002	2,109,852	2,762,484	2,357,395	2,294,005	3,753,467
18,724,188	15,220,439	9,989,548	5,967,325	4,583,630	4,475,865	5,004,032
11,397,941	7,737,182	3,338,832	3,443,039	2,570,005	7,163,361	2,599,750
9,354,738	5,560,273	3,087,298	3,719,118	3,847,419	4,359,542	3,873,075
	457,000	2,236,884	2,559,838	3,036,326		
40,705,705	29,060,057	21,000,090	18,712,077	20,882,694	18,820,901	15,688,240
-	-	1,382,253	1,620,015	1,329,818	1,289,432	-
40,705,705	29,060,057	22,382,343	20,332,092	22,212,512	20,110,333	31,376,480
(253,654,294)	(260,221,097)	(261,843,719)	(241,778,262)	(234,908,077)	(209,349,177)	(211,607,759)
(1,584,891)	(187,771)	(85,920)	(25,371)	(269,734)	(389,805)	-
(255,239,185)	(260,408,868)	(261,929,639)	(241,803,633)	(235,177,811)	(209,738,982)	(195,919,519)
132,251,551	125,570,498	122,504,630	98,794,631	95,094,337	90,933,080	86,403,267
131,550,904	131,125,328	127,742,121	124,687,709	118,976,449	105,379,013	108,840,908
		-	161,791	18,127	32,899	97,719
(34,298)	2,359,290	7,335,969	10,281,409	3,787,674	1,722,729	447,228
3,592,847	2,164,810	1,305,294	2,067,759	1,443,029	2,266,372	2,584,962
-	-	-	-	25,000	25,000	-
-	-	-	-	2,034,747	-	-
267,361,004	261,219,926	258,888,014	235,993,299	221,379,363	200,359,093	198,374,084
1,378,814	10,885	176,401	280,614	363,770	328,654	-
		-	-	(25,000)	(25,000)	-
1,378,814	10,885	176,401	280,614	338,770	303,654	-
268,739,818	261,230,811	259,064,415	236,273,913	221,718,133	200,662,747	198,374,084
13,706,710	998,829	(2,955,705)	(5,784,963)	(13,528,714)	(8,990,084)	2,454,565
(206,077)	(176,886)	90,481	255,243	69,036	(86,151)	-
$ 13,500,633	$ 821,943	$ (2,865,224)	$ (5,529,720)	$ (13,459,678)	$ (9,076,235)	$ 2,454,565

NORTH CLACKAMAS SCHOOL DISTRICT 12

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2024-25	2023-24	2022-23	2021-22
General Fund (1)				
Non-spendable	$ -	$ -	$ -	$ -
Assigned	-	-	2,584,919	2,584,919
Unassigned	88,212,296	85,057,046	63,991,634	44,760,388
Unreserved	-	-	-	-
Total General Fund	$ 88,212,296	$ 85,057,046	$ 66,576,553	47,345,307
All Other Governmental Funds(1)				
Nonspendable--Inventory	$ -	$ -	$ -	$ -
Restricted for:				
Future Capital Projects	13,556,144	20,073,323	24,206,954	29,449,808
Special Grants and Services	22,154,422	16,124,042	15,533,722	12,011,185
Debt Service	9,944,770	11,090,290	7,495,411	9,033,242
Committed to:				
Restoration of School Days	-	-	-	-
Community Projects and Classes (3)	-	-	-	-
Assigned to:				
Unspecified	-	-	-	-
Unreserved, reported in:				
Scholarship fund (3)	-	-	-	-
Total all other governmental funds	$ 45,655,336	$ 47,287,655	$ 47,236,087	$ 50,494,235

(1) GASB 54 implemented - requiring new fund balance categories. Over time all fund balances will be reported under new GASB 54 fund balance categories.

(2) Assigned/Reserved for capital expenditures fluctuate from years when bonds are sold in anticipation of capital construction to years where capital expenditures are made.

(3) Beginning in FY 2016-17, the District began reporting community projects and classes separately from governmental funds as a business-type activity, and scholarships as a fiduciary activity

Source: North Clackamas School District 12 Financial Records

2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
$ -	$ -	$ -	$ 10,415	$ 13,781	$ -
46,990,398	23,554,298	19,505,654	16,912,838	17,220,582	21,358,910
-	-	-	-	-	-
46,990,398	23,554,298	$ 19,505,654	$ 16,923,253	$ 17,234,363	$ 21,358,910
$ -	$ -	$ -	$ -	$ -	$ -
61,864,188	164,323,241	280,129,774	278,931,333	352,219,143	4,299,161
7,489,008	6,108,852	6,578,499	5,372,766	2,624,563	963,242
6,146,683	7,782,089	8,640,574	6,316,305	4,685,855	3,058,334
-	-	-	-	-	-
-	-	-	-	697,972	708,133
-	-	-	-	-	-
-	-	-	-	86,934	10,215
$ 75,499,879	$ 178,214,182	$ 295,348,847	$ 290,620,404	$ 360,314,467	$ 9,039,085

NORTH CLACKAMAS SCHOOL DISTRICT 12

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2024-25	2023-24	2022-23	2021-22
Revenues				
Property and Other Taxes	$ 147,055,096	$ 141,733,834	$ 138,831,631	$ 131,197,642
Federal Sources	14,564,340	17,937,789	16,291,403	22,470,312
State and Local Sources	187,613,073	173,395,111	166,104,625	148,875,913
Earnings from Investments	6,149,765	5,670,785	3,889,169	(88,130)
Services Provided Other Funds	17,159,253	21,362,704	15,100,967	19,297,390
Construction Excise Tax	810,530	704,988	883,308	2,328,854
Miscellaneous	9,359,594	10,082,032	4,528,303	946,258
Total Revenues	382,711,651	370,887,243	345,629,406	325,028,239
Expenditures				
Current:				
Instruction	171,918,892	159,857,799	151,391,253	153,321,039
Support Services	127,806,781	115,738,551	107,624,128	101,176,277
Enterprise and Community Services	10,444,560	9,667,846	7,840,506	8,774,805
Facilities Acquisition and Construction	3,564,011	151,871	144,639	370,372
Capital Outlay	8,263,343	9,973,077	7,303,959	33,989,387
Debt Service				-
Principal	54,841,449	40,364,904	29,072,623	26,589,451
Interest	18,178,759	15,896,858	25,380,171	26,007,656
Bond Issue Costs	-	-	-	-
Total Expenditures	395,017,795	351,650,906	328,757,279	350,228,987
Excess (Deficit) of Revenues over expenditures	(12,306,144)	19,236,337	16,872,127	(25,200,748)
Other Financing Sources (Uses)				
Loan Receipts	-	-	192,871	-
Loan Receipts Transportation	-	-	-	-
Subscription Proceeds	559,488	382,832	-	-
Bond Proceeds	-	-	-	-
Premium on Bonds Issued	-	-	-	-
Refunding Bond Proceeds	14,370,000	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Proceeds from Sale of Land & Buildings	-	-	-	-
Sale of Fixed Assets	-	12,892	8,100	-
Transfers In	12,847,771	6,238,310	5,074,380	5,693,742
Transfers Out	(13,947,771)	(7,338,310)	(6,174,380)	(6,793,742)
Total Other Financing Sources (Uses)	13,829,488	(704,276)	(899,029)	(1,100,000)
Net Change in Fund Balance	$ 1,523,344	$ 18,532,061	15,973,098	(26,300,748)
Debt service as a percentage of noncapital	19.0%	16.5%	16.9%	17.0%

Source: North Clackamas School District 12 Financial Records

2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
$ 125,404,419	$ 122,019,780	$ 101,773,965	$ 94,528,096	$ 90,697,057	$ 86,073,312
18,241,697	11,070,355	9,999,783	10,112,364	10,260,995	10,411,736
137,562,379	133,059,422	130,603,281	127,147,943	110,078,291	114,321,843
2,318,240	7,205,789	10,087,786	3,655,652	1,642,404	390,270
14,601,183	14,689,792	13,930,249	13,171,221	12,398,145	11,721,466
2,185,683	1,980,357	1,104,639	690,927	1,562,492	1,608,377
1,073,416	815,941	849,075	514,345	491,932	476,080
301,387,017	290,841,436	268,348,778	249,820,548	227,131,316	225,003,084
134,508,070	133,391,795	120,408,142	114,707,938	103,719,850	101,392,874
82,958,553	83,710,486	77,441,964	74,745,191	70,249,596	67,492,189
4,920,299	7,252,413	6,917,791	6,663,571	6,220,100	7,950,848
110,766,705	137,901,643	138,385,660	82,119,850	-	277,383
115,499	3,330,284	2,013,234	2,473,660	10,359,390	5,176,367
-	-	-	-	43,872,873	38,969,339
24,652,770	15,852,383	18,627,092	14,569,522		
26,011,608	34,976,613	26,933,367	29,232,580		
787,308	-	-	-	-	209,421
384,720,812	416,415,617	390,727,250	324,512,312	234,421,809	221,468,421
(83,333,795)	(125,574,181)	(122,378,472)	(74,691,764)	(7,290,493)	3,534,663
-	2,524,219	1,852,380	2,394,649	3,269,781	900,000
-	11,036,100	-	-	-	-
-	-	-	-	-	-
-	-	110,357,000	-	322,642,626	-
-	-	16,086,546	-	30,870,341	-
139,415,000	-	-	-	-	26,914,637
(138,616,157)	-	-	-	-	(27,169,921)
-	-	-	2,003,772	-	-
4,256,750	-	13,500	26,100	45,135	8,900
3,628,315	5,645,688	6,014,476	3,939,476	3,923,315	7,292,601
(4,628,315)	(6,717,837)	(4,634,476)	(4,934,476)	(4,898,315)	(7,792,601)
4,055,593	12,488,170	129,689,426	3,429,521	355,852,883	153,616
$ (79,278,202)	$ (113,086,011)	$ 7,310,954	(71,262,243)	$ 348,562,390	$ 3,688,279
19.0%	18.5%	18.2%	17.8%	18.7%	18.0%

NORTH CLACKAMAS SCHOOL DISTRICT 12

TAXABLE PROPERTY VALUES
Last Ten Fiscal Years

FISCAL YEAR	PROPERTY VALUE ASSESSED VALUATION (1) REAL PROPERTY VALUE	MANUFACTURED STRUCTURE VALUE	PERSONAL PROPERTY VALUE	PUBLIC UTILITY VALUE	TOTAL ASSESSED VALUE	LESS URBAN RENEWAL EXCESS	TOTAL NET ASSESSED VALUE	TOTAL DIRECT TAX RATE (2)
2024-25	$ 18,316,577,244	$ 79,914,513	$ 523,993,003	$ 415,997,803	$ 19,336,482,563	$ 1,127,699,742	$ 18,208,782,821	8.6962
2023-24	$ 17,071,046,026	$ 77,678,571	$ 500,817,929	$ 367,684,831	$ 18,017,227,357	$ 908,033,267	$ 17,109,194,090	8.6962
2022-23	$ 16,327,070,214	$ 73,573,325	$ 491,562,785	$ 354,542,400	$ 17,246,748,724	$ 701,778,957	$ 16,544,969,767	8.7433
2021-22	15,545,942,293	67,143,782	477,449,550	338,553,900	16,429,089,525	474,058,070	15,955,031,455	8.7933
2020-21	14,915,024,254	61,315,362	475,890,661	336,738,100	15,788,968,377	382,536,534	15,406,431,843	8.6911
2019-20	14,214,530,917	56,278,148	450,098,519	311,191,300	15,032,098,884	288,101,801	14,743,997,083	8.8787
2018-19	13,605,552,058	52,928,753	436,718,547	308,307,100	14,403,506,458	262,585,368	14,140,921,090	7.2378
2017-18	13,010,696,977	46,907,172	404,550,509	330,344,902	13,792,499,560	230,816,822	13,561,682,738	7.2243
2016-17	12,390,038,747	40,982,087	388,101,856	316,827,200	13,135,949,890	199,481,457	12,936,468,433	7.2314
2015-16	11,833,617,732	36,549,547	345,606,884	301,905,200	12,517,679,363	169,607,486	12,348,071,877	7.2410

(1) Assessed value is limited to 3 percent annual increases.

(2) Per $1,000 of assessed value.

* Prior Information Not Available

Source: Clackamas County Department of Assessment and Taxation

NORTH CLACKAMAS SCHOOL DISTRICT 12

LARGEST TAXPAYERS

Current and Nine Years Ago

NORTH CLACKAMAS SCHOOL DISTRICT

TAXPAYER	BUSINESS	RANK	TAX PAID BY TAXPAYER	ASSESSED VALUATION	PERCENT OF ASSESSED VALUATION
			Year Ended June 30, 2025		
General Growth Properties	Town Center Mall	1	$ 5,427,289	$ 323,057,844	2.10 %
PCC Structural Inc	Manufacturing/Aerospace	2	4,989,170	286,547,672	1.86
Fred Meyer Stores	Supermarket	3	3,699,369	200,447,790	1.30
Portland General Electric	Electrical Utility	4	3,024,174	173,952,000	1.13
Northwest Natural Gas Co	Natural Gas Utility	5	1,514,871	87,932,970	0.57
Kaiser Foundation Hospital	Healthcare	6	1,449,854	81,862,535	0.53
B10 Mountain	Construction	7	1,555,961	80,764,901	0.52
CH Realty	Realty	8	1,201,659	68,095,361	0.44
Lincoln Advisory Group	Property Management	9	1,356,184	67,866,870	0.44
Blount Inc	Manufacturing	10	1,282,707	66,113,664	0.43
SUB TOTAL			25,501,235	$ 1,436,641,607	9.32 %
ALL OTHER TAXPAYERS				$ 13,969,790,236	90.68 %
TOTAL				$ 15,406,431,843	100.00 %

CLACKAMAS COUNTY

		RANK	TAX PAID BY TAXPAYER	ASSESSED VALUATION	PERCENT OF ASSESSED VALUATION
			Year Ended June 30, 2025		
General Growth Properties	Town Center Mall	1	$ 5,427,289	$ 323,057,844	0.47 %
PCC Structural Inc	Manufacturing/Aerospace	2	4,989,170	286,547,672	0.42
Fred Meyer Stores	Supermarket	3	3,699,369	200,447,790	0.29
Portland General Electric	Electrical Utility	4	3,024,174	173,952,000	0.25
Northwest Natural Gas Co	Natural Gas Utility	5	1,514,871	87,932,970	0.13
Kaiser Foundation Hospital	Healthcare	6	1,449,854	81,862,535	0.12
B10 Mountain	Construction	7	1,555,961	80,764,901	0.12
CH Realty	Realty	8	1,201,659	68,095,361	0.10
Lincoln Advisory Group	Property Management	9	1,356,184	67,866,870	0.10
Blount Inc	Manufacturing	10	1,282,707	66,113,664	0.10
SUB TOTAL				$ 1,436,641,607	2.09 %
ALL OTHER TAXPAYERS				$ 67,303,190,656	97.91 %
TOTAL				$ 68,739,832,263	100.00 %

Source: Clackamas County Department of Assessment and Taxation

Year Ended June 30, 2016

RANK	TAX PAID BY TAXPAYER	ASSESSED VALUATION	PERCENT OF ASSESSED VALUATION
1	$ 3,994,967	$ 246,843,401	2.44 %
2	2,279,695	134,953,460	
3	2,167,093	119,858,441	1.19
4	1,636,370	102,847,000	1.02
7	881,951	54,761,000	0.54
5	996,580	60,736,094	0.60
6	890,225	51,198,559	
9	919,448	49,152,061	0.49
8	970,155	5,753,253	0.06
10	816,498	49,770,614	0.49
	$ 15,552,983	$ 875,873,883	8.67 %
		$ 9,282,232,749	91.93 %
		$ 10,097,486,316	100.00 %

Year Ended June 30, 2015

RANK	TAX PAID BY TAXPAYER	ASSESSED VALUATION	PERCENT OF ASSESSED VALUATION
1	$ 3,791,359	$ 237,862,718	0.53 %
2	2,147,931	128,180,962	0.29
3	1,822,590	110,882,909	0.25
4	1,575,930	98,597,000	0.22
7	838,585	52,151,600	0.12
5	926,826	57,695,006	0.13
6	933,863	55,574,114	0.12
9	803,147	48,970,534	0.11
8	853,364	49,076,844	0.11
10	879,589	48,389,774	0.11
	$ 14,573,183	$ 887,381,461	1.98 %
		$ 43,899,226,252	98.02
		$ 44,786,607,713	100.00 %

NORTH CLACKAMAS SCHOOL DISTRICT 12

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

	Dollars per $1,000 True Cash Value									
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
DIRECT:										
North Clackamas School District Permanent Rate	4.87	4.87	4.87	4.87	4.87	4.87	$ 4.87	$ 4.87	$ 4.87	$ 4.87
North Clackamas School District Bond Rate	2.32	2.20	2.24	2.29	2.19	2.38	2.37	2.35	2.36	2.37
North Clackamas School District Local Option Levy	1.63	1.63	1.63	1.63	1.63	1.63	-	-	-	-
Weighted Average Direct Rate (1)	$ 8.82	$ 8.70	$ 8.74	$ 8.79	$ 8.69	$ 8.88	$ 7.24	$ 7.22	$ 7.23	$ 7.24
Overlapping:										
City of Gladstone	5.81	5.81	5.81	5.81	5.81	5.81	5.81	5.81	5.81	5.81
City of Happy Valley	2.59	2.59	2.59	2.59	2.05	2.05	2.59	2.05	2.05	2.05
City of Milwaukie	4.44	4.47	4.78	4.49	4.51	4.51	4.56	4.63	4.66	4.28
City of Portland	9.16	8.82	8.88	9.17	8.37	8.37	8.20	7.88	7.73	7.76
Clackamas City ESD	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37
Clackamas Community College	0.78	0.81	0.80	0.72	0.74	0.74	0.74	0.75	0.74	0.75
Clackamas County City	2.77	2.77	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65
Clackamas County Enhanced Law	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72
Clackamas County Library	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Clackamas County Public Safety Radio	0.09	0.09	0.09	0.10	0.10	0.10	0.10	0.10	-	-
Clackamas County RFPD 1	3.00	3.00	2.48	2.48	2.49	2.51	2.49	2.51	2.49	2.50
Clackamas County Rural	3.34	3.34	3.22	3.22	3.22	3.22	3.22	3.22	3.22	3.22
Clackamas County Soil Conservation	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Clackamas County Vector Control	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
County Extension + 4H	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Metro	0.57	0.57	0.57	0.57	0.59	0.66	0.47	0.41	0.40	0.39
North Clackamas Parks & Rec District	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54
Port of Portland	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Subtotal Overlapping:	34.78	34.50	34.10	34.03	32.75	32.84	33.07	32.24	31.99	31.63
Total (2)	$ 43.60	$ 43.19	$ 42.84	$ 42.83	$ 41.44	$ 41.72	$ 40.31	$ 39.46	$ 39.22	$ 38.87

Permanent tax rates are determined by the State of Oregon Constitution and State Statutes. Existing districts cannot increase their permanent rate authority. Rates for bond debt service are set based on each year's requirements.

(1) This is a weighted average rate as limited by ballot measure 5. Actual rates may vary by tax codes and lots because of differing compression.

(2) Numbers in totals do not reflect the actual tax rate for any one property, but are the results of the potential combination of taxing units within District boundaries.

N/A Not Available
Source: Clackamas County Department of Assessment and Taxation.

NORTH CLACKAMAS SCHOOL DISTRICT 12

PROPERTY TAX LEVIES AND COLLECTION

Last Ten Fiscal Years

	TOTAL TAX LEVY FOR FISCAL YEAR				COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY			TOTAL COLLECTIONS TO DATE	
FISCAL YEAR	GENERAL FUND	DEBT SERVICE	LOCAL OPTION	TOTAL LEVY	AMOUNT	PERCENT OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS	AMOUNT	PERCENT OF LEVY
2024-25	$ 81,155,723	38,867,907	23,956,615	143,980,245	$ 142,575,314	99.02%	$ -	142,575,314	99.02%
2023-24	$ 80,214,405	38,252,812	24,372,012	142,839,229	$ 139,486,611	97.65%	$ 1,053,027	140,539,638	98.39%
2022-23	$ 79,636,516	38,802,182	23,956,615	142,395,314	136,315,558	95.73%	$ 1,055,149	137,370,707	96.47%
2021-22	$ 76,676,185	37,827,236	22,088,084	136,591,505	$ 133,874,111	98.01%	$ 1,653,289	135,527,400	99.22%
2020-21	$ 74,022,605	$ 34,930,832	20,040,598	128,994,036	$ 127,036,289	98.48%	$ 1,477,099	$ 128,513,388	99.63%
2019-20	70,911,638	35,866,101	19,160,466	125,938,204	$ 123,924,288	98.40%	$ 1,115,730	125,040,018	99.29%
2018-19	67,999,160	34,454,468	-	102,453,628	$ 100,964,729	98.55%	1,206,259	102,170,987	99.72%
2017-18	65,159,777	32,551,405	-	97,711,182	95,765,906	98.01%	1,830,592	97,596,498	99.88%
2016-17	62,104,006	31,187,276	-	93,291,282	91,509,369	98.09%	1,743,436	93,252,805	99.96%
2015-16	59,069,176	29,539,574	-	88,608,750	86,668,218	97.81%	1,913,125	88,581,343	99.97%

Source: Clackamas County Department of Assessment and Taxation.

(1) Tax collections include discounts, interest and other adjustments.

NORTH CLACKAMAS SCHOOL DISTRICT 12

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

	NET GENERAL BONDED DEBT					
FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS AMOUNT AVAILABLE FOR REPAYMENT	NET UNAMORTIZED PREMIUM/ACC-REDITED INTEREST	NET GENERAL OBLIGATION BONDS OUTSTANDING	PER CAPITA (3)	AS PERCENTAGE OF ACTUAL TAXABLE VALUE (1)
2025	$ 516,728,023	$ -	$ 95,335,759	$ 612,063,782	4,802	3.40%
2024	537,508,968	(438,244)	108,437,256	645,507,980	5,127	3.93%
2023	560,763,968	(484,047)	103,869,202	664,149,123	5,616	4.61%
2022	581,938,968	(577,332)	99,301,148	680,662,784	5,346	4.94%
2021	601,173,968	(1,940,665)	94,733,094	693,966,397	5,467	5.28%
2020	597,138,968	(3,568,539)	90,165,041	683,735,470	5,430	5.46%
2019	608,665,968	(5,678,690)	85,596,988	688,584,266	5,469	5.77%
2018	524,050,119	(4,042,500)	53,138,338	573,145,957	4,613	5.03%
2017	525,436,999	(2,965,036)	56,510,359	578,982,322	4,713	5.30%
2016	219,350,000	(1,840,060)	27,999,897	245,509,837	1,998	2.29%

	OTHER GOVERNMENTAL ACTIVITIES DEBT			TOTAL DEBT		
FISCAL YEAR	PENSION OBLIGATION BONDS (4)	NOTES PAYABLE	FULL FATIH AND CREDIT OBLIGATIONS	TOTAL DISTRICT (2)	PER CAPITA (3)	AS PERCENTAGE OF ACTUAL TAXABLE VALUE (1)
2025	$ 36,109,999	$ 1,640,625	$ 9,415,766	$ 659,230,172	5,172	3.86%
2024	48,410,000	2,930,764	9,758,789	707,045,777	5,616	3.92%
2023	59,405,000	4,142,411	10,092,061	738,272,642	5,864	4.49%
2022	65,399,446	5,393,304	10,415,859	762,448,725	5,989	5.53%
2021	70,900,323	8,249,304	10,730,451	785,787,140	6,191	5.98%
2020	76,052,401	9,754,346	11,036,100	784,146,856	6,383	5.69%
2019	78,806,448	8,801,462	-	781,870,866	6,468	5.95%
2018	81,556,733	8,579,468	-	667,324,658	5,610	5.33%
2017	84,303,790	8,028,261	-	674,279,409	5,767	5.65%
2016	87,039,339	8,564,916	-	342,954,152	2,967	3.01%

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(1) Source: Clackamas County Department of Assessment and Taxation. The total estimated actual value of taxable property cannot be reasonably estimated.

(2) Includes net general bonded debt and other governmental activities debt, excluding amounts available for repayment.

(3) Per capita is calculated using the Census Bureau Small Area Income & Poverty Estimates (SAIPE)

(4) Limited Tax Pension Bonds are not included in the General Bonded Debt schedule above since they are not repaid directly with property tax dollars.

N/A Not Available

NORTH CLACKAMAS SCHOOL DISTRICT 12

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2025

Real Market Value	$ 32,810,287,713
Debt Limit (7.95% of Real Market Value) (1)	2,608,417,873
Amount of Debt Applicable to Debt Limit	511,998,968
Legal Debt Margin	$ 2,096,418,905

FISCAL YEAR	M5 REAL MARKET VALUE (2)	DEBT LIMIT	TOTAL NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE TO LIMIT AS A PERCENTAGE OF DEBT LIMIT
2025	$ 32,810,287,713	2,608,417,873	511,998,968	$ 2,096,418,905	19.63 %
2024	$ 32,756,728,828	2,604,159,942	560,763,968	$ 2,043,395,974	21.53
2023	$ 31,049,034,050	2,118,239,375	581,938,968	$ 1,536,300,407	27.47
2022	$ 26,664,520,437	1,947,616,087	601,173,968	$ 1,346,442,119	30.87
2021	$ 24,498,315,554	1,845,449,131	597,138,968	$ 1,248,310,163	32.36
2020	23,213,196,612	1,732,284,756	608,665,968	$ 1,123,618,788	35.14
2019	21,789,745,360	1,590,935,689	524,050,119	$ 1,066,885,570	32.94
2018	20,011,769,671	1,436,384,965	525,436,999	$ 910,947,966	36.58
2017	18,067,735,406	1,254,391,972	219,350,000	$ 1,035,041,972	17.49
2016	15,778,515,366	1,126,346,582	237,705,000	$ 888,641,582	21.10

(1) ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values within the District based on the following:

[A] For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value.

[B] For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value.

Allowable Percentage of Real Market Value:	
[A] Kindergarten through eighth grade, 9 x .0055	4.95%
[B] Ninth through twelfth, 4 x .0075	3.00%
Allowable Percentage	7.95%

(2) Source: Measure 5 Real Market Value from Clackamas County Department of Assessment and Taxation

NORTH CLACKAMAS SCHOOL DISTRICT 12JT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

OVERLAPPING GOVERNMENT	NET (2) DIRECT DEBT	PERCENT WITHIN SCHOOL DISTRICT(3)	OVERLAPPING DEBT
City of Gladstone	$ 6,395,937	3.96%	$ 253,042
City of Happy Valley	12,765,000	94.27%	12,033,017
City of Milwaukie	53,040,287	99.27%	52,650,812
City of Portland	652,713,733	0.09%	619,425
Clackamas Community College	243,230,031	37.81%	91,973,788
Clackamas County	88,689,500	27.58%	24,462,338
Clackamas Cty ESD	26,816,648	28.69%	7,694,233
Clackamas Cty RFPD 1	25,374,532	61.09%	15,501,936
Clackamas Soil Conservation	4,643,000	27.58%	1,280,632
Metro	910,575,000	7.44%	67,734,943
Port of Portland	24,170,000	0.00%	1,653,881
Oak Lodge Water Services District	2,612,307	78.76%	2,057,435
SUBTOTAL OVERLAPPING DEBT	$ 2,051,025,975		$ 277,915,482
DIRECT DISTRICT DEBT			659,230,172
TOTAL DIRECT AND OVERLAPPING DEBT			$ 937,145,654

(1) Source: Debt Management Division, State of Oregon.

(2) Net direct debt includes all tax-supported bonds. Self-supporting bonds are excluded.

(3) The percentage of overlapping debt is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping district's taxable assessed value that is within the school district's boundaries and dividing it by the overlapping district's total taxable assessed value. These percentages are calculated by the State of Oregon Municipal Debt Advisory Commission.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

NORTH CLACKAMAS SCHOOL DISTRICT 12

Debt Ratios
June 30, 2025

		2025
Total Real Market Value (M5)	$	32,810,287,713
Assessed Value	$	18,208,782,821
Estimated Population		128,404

Debt Information		**Net Direct Debt (1)**
District Direct Debt (2)	$	659,230,172
Overlapping Direct Debt		277,915,482
Total Direct Debit and Overlapping Debt	$	937,145,654

Bonded Debt Ratio		
District Direct Debt to Real Market Value		2.01%
Total Direct Debt to Real Market Value		2.86%
Per Capita RMV	$	255,523
Per Capita District Direct Debt	$	5,134
Per Capita Total Direct Debt and Overlapping Debt	$	7,298

(1) Net Direct Debt is Gross Direct Debt less self-supporting limited and unlimited tax supported debt.
(2) Includes Bonds Net of Refunded Bonds
Sources: Clackamas County Department of Assessment and Taxation, Debt Management Division,
Office of the State Treasurer, North Clackamas School District #12 Audited Financial Reports for the Fiscal Year

Census Bureau Small Area Income & Poverty Estimates (SAIPE)

NORTH CLACKAMAS SCHOOL DISTRICT 12

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
Clackamas County

YEAR	POPULATION		PERSONAL INCOME (in thousands)	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE (2)
2025	425,827	(1)	N/A	N/A	3.9 %
2024	423,228		N/A	N/A	3.7
2023	423,173		$ 33,967,827	80,269	3.2
2022	423,805		$ 30,303,725	71,504	3.7
2021	422,537		28,064,485	66,419	3.2
2020	425,316		$ 28,249,063	64,791	6.4
2019	418,087		27,768,920	61,726	3.7
2018	416,075		27,635,285	59,533	3.7
2017	412,672		27,409,262	55,806	3.7
2016	407,258		20,977,045	51,379	4.2

(1) Estimated
(2) As of October of the relevant year.
N/A - Data not available at time of printing.

Sources:
Population, personal income and per capita information: US Department of Commerce, Bureau of Economic Analysis and NCSD population estimates.
Unemployment rate information: US Department of Labor, Bureau of Labor Statistics. Not seasonally adjusted. (FRED)

NORTH CLACKAMAS SCHOOL DISTRICT 12

PRINCIPAL EMPLOYERS FOR THE PORTLAND METRO AREA
Current Year and Ten Years Ago

	2025			2015		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Ten Largest Employers						
Providence Health & Services	19,221	3	1.54	23,100	1	2.03
Intel Corporation	20,000	2	1.60 %	22,328	2	1.97 %
Oregon Health & Science University	20,882	1	1.67	19,603	3	1.73
Nike Inc.	10,700	6	0.86	15,522	4	1.37
Legacy Health System	10,652	7	0.85	13,087	5	1.15
Kaiser Permanente	13,308	4	1.07	12,514	6	1.10
Fred Meyer Stores	9,000	8	0.72	9,000	7	0.79
Portland State University	5,200	9	0.42	5,417	8	0.48
PeaceHealth	4,482	10	0.36	4,482	9	0.39
Lam Research			0.00	4,000	10	0.35
City of Portland						0.00
State of Oregon						0.00
Amazon	11,000	5				
U.S. Government						0.00
Subtotal of Ten Largest Employers	124,445		9.09	129,053		11.36
All Other Employers	1,123,255		90.91	1,006,147		88.64
Total Portland MSA Employment (1) (2)	1,247,700		100.00 %	1,135,200		100.00 %

(1) Portland-Vancouver-Hillsboro MSA includes Clackamas, Columbia, Multnomah, Washington, and Yamhill Counties in the State of Oregon and Clark and Skamania Counties in the State of Washington.
(2) Measured at December of the relevant fiscal year, nonfarm labor, not seasonally adjusted.

Sources:
Portland Business Journal, Portland Metro Area's Largest Employers 2022-23
US Dept. of Labor, Bureau of Labor Statistics

NORTH CLACKAMAS SCHOOL DISTRICT 12

OPERATING STATISTICS

Last Ten Fiscal Years

FISCAL YEAR	STUDENT ENROLLMENT(1)		AVERAGE DAILY MEMBERSHIP(2)	TEACHING FTE	STUDENT-TEACHING STAFF RATIO
2024-2025	15,526		19,178	1,130.8	13.7
2023-2024	16,376	#	19,829	1,095.5	14.9
2022-2023	16,753		20,823	1,056.9	15.9
2021-2022	16,440		20,001	1,021.3	16.1
2020-2021	16,458		19,719	995.0	16.5
2019-2020	17,200		20,481	971.8	17.7
2018-2019	17,316		20,431	948.6	18.3
2017-2018	17,219		20,480	939.6	18.3
2016-2017	17,321		20,684	937.3	18.5
2015-2016	17,250		20,672	884.4	19.5
2014-2015	17,199		19,745	841.4	20.4

	NUMBER OF TYPE A LUNCHES SERVED (4)			NUMBER OF BREAKFASTS SERVED		
FISCAL YEAR	PAID	FREE	REDUCED PRICE	PAID	FREE	REDUCED PRICE
2024-2025	N/A	1,426,938	N/A	N/A	374,601	N/A
2023-2024	368,484	787,770	55,567	33,838	257,986	8,039
2022-2023	424,985	656,351	43,516	46,441	233,060	7,494
2021-2022	N/A	1,362,703	N/A	N/A	354,081	N/A
2020-2021	N/A	707,899	N/A	N/A	707,261	N/A
2019-2020	355,275	404,149	82,422	60,586	207,524	28,118
2018-2019	497,884	522,893	134,501	69,180	224,593	45,548
2017-2018	456,057	559,342	114,435	64,009	252,827	49,278
2016-2017	438,007	643,671	142,533	52,916	266,558	46,914
2015-2016	458,755	645,111	140,172	57,414	265,364	44,970
2014-2015	426,601	648,923	113,433	50,839	244,557	34,884

(1) Oct 1st Enrollment in North Clackamas School District locations only.

(2) Average Daily Membership (ADMw) includes all resident students regardless of where they attend (including charter schools, schools outside the district, and schools for special needs students operated by other agencies and education service districts). In 2015-16, The Oregon Department of Education provided full funding for kindergarten students. Most recent year presented is projected.

(3) Full-time equivalent of 8 hour day. Includes all licensed staff (i.e., teachers, counselors, special education, librarians, etc.).

(4) Due to the Coronavirus Pandemic, the Department of Agriculture issued a directive that all meals were free in the 2020-21 school

Sources: Enrollment and Attendance Records, Oregon Department of Education,
North Clackamas School District Human Resources Department, School Nutrition Department

NORTH CLACKAMAS SCHOOL DISTRICT 12

FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE

Last Ten Fiscal Years

	2024-25 (1) BUDGETED	2023-24 ACTUAL	2022-23 ACTUAL	2021-22 ACTUAL	2020-21 ACTUAL	2019-20 ACTUAL	2018-19 ACTUAL	2017-18 ACTUAL	2016-17 ACTUAL
Licensed - General Fund	913.34	887.93	883.52	823.3975	896	902.08	871.21	861.04	862.69
Licensed - Other Funds	178.02	174.54	152.37	162.17	76.87	85.67	77.41	78.51	74.61
Total Licensed - FTE	1091.36	1062.47 #	1035.89 #	985.57	972.87	987.75	948.62	939.55	937.30
Classified - General Fund	757.65	748.49	783.02	796.4102	703.15	696.08	688.54	676.04	639.01
Classified - Other Funds	203.66	224.12	217.12	203.7781	96.38	156.41	160.27	161.93	148.99
Total Classified - FTE	961.31 #	972.61 #	1000.14	1000.19	799.53	852.49	848.81	837.97	788.00
Administrative - General Fund	92.8	92.16	93.6	90.05	90.85	86.25	74.35	75.35	73.35
Administrative - Other Funds	14.7	17.2	13.7	15.45	11.75	9.25	13.60	8.85	8.85
Total Administrative - FTE	107.50 #	109.36 #	107.30	105.50	102.60	95.50	87.95	84.20	82.20
Total - General Fund	1763.78	1728.58	1760.14	1709.86	1690.00	1684.41	1634.10	1612.43	1575.05
Total - Other Funds	396.39	415.86	383.19	381.40	185.00	251.33	251.28	249.29	232.45
Grand Total All Staff - FTE	2160.17 #	2144.44 #	2143.33	2091.26	1875.00	1935.74	1885.38	1861.72	1807.50

(1) North Clackamas School District Budgeted Numbers 2024-25

Source: North Clackamas School District Human Resource/Fiscal Service Departments

NORTH CLACKAMAS SCHOOL DISTRICT 12

Capital Asset Information

As of June 30, 2025

	YEAR OF ORIGINAL CONSTRUCTION	SQUARE FOOTAGE	PRACTICAL CAPACITY	ENROLLMENT 2024-25	% OF CAPACITY	AVERAGE AGE OF BUILDING
HIGH SCHOOLS						
Adrienne Nelson	2021	228,348	2080	1,402	33.19%	4
Clackamas High West	2002	269,160	2144	1,233	39.04%	23
Clackamas High East	1991	106,528	1014	N/A		34
New Urban/New Urban Annex	1924	55,428	375	337	89.87%	101
Milwaukie	1925	224,446	1920	870	45.31%	100
Rex Putnam	1963	216,693	1728	1,004	58.10%	60
Sabin Center	1967	84,140		N/A		56
Schellenberg Center	1968	67,803		N/A		55
Land Lab and Forestry Center	1970	4,878		N/A		55
High School Subtotal		1,029,076	7,181	3,444	58.08%	54
MIDDLE SCHOOLS						
Alder Creek	1957	157,378	1728	813	47.05%	68
Happy Valley	2009	135,604	1632	1,117	68.44%	16
Rock Creek	1991	110,112	1472	846	57.47%	34
Rowe	1963	107,880	1440	684	47.50%	62
Middle School Subtotal		510,974	6,272	3,460	55.12%	45
ELEMENTARY SCHOOLS						
Ardenwald	2001	64,300	560	394	70.36%	24
Beatrice Morrow Cannady	2019	65,377	560	521	93.04%	6
Bilquist	1960	60,736	504	374	74.21%	65
Campbell	1956	40,287	423	N/A	0.00%	69
Happy Valley	2008	60,512	532	495	93.05%	17
Lewelling	1963	58,868	448	285	63.62%	62
Linwood/Sojourner	1968	79,406	504	400	79.37%	57
Milwaukie El Puente	1916	58,862	560	443	79.11%	109
Mount Scott	1989	58,648	448	426	95.09%	36
Oak Grove	1963	54,556	476	289	60.71%	62
Oregon Trail	1993	64,807	588	475	80.78%	32
Riverside	1955	46,910	476	339	71.22%	70
Scouters Mountain	2009	61,884	560	562	100.36%	16
Spring Mountain	2000	58,053	560	349	62.32%	25
Sunnyside	1949	69,280	644	393	61.02%	76
Verne Duncan	2009	60,474	644	403	62.58%	16
View Acres	1964	53,191	560	368	65.71%	61
Whitcomb	1958	61,372	476	429	90.13%	67
Elementary Schools Subtotal		1,077,523	9,523	6,945	72.37%	48
North Clackamas School District Virtual School				0		
	School Subtotals	2,617,573				
Transportation (SE 102nd Ave)	2018	7,759				
Technology	1967	11,192				
Facility Operations	1916	15,021				
Transportation (Alder Creek)	1955, 1959	13,220				
Administration Building	1988	26,800				
	Support Subtotals	73,992				
	District Totals	2,691,565		13,849		

Source: North Clackamas Facilities Department

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the North Clackamas School District as of and for the year ended June 30, 2025, and have issued our report thereon dated January 31, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statues as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of 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.**

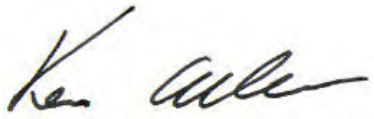
In connection with our testing nothing came to our attention that caused us to believe the North Clackamas School District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon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

- We noted two instances where actual expenditure exceeded the budget on page 25.

OAR 162-10-0230 Internal Control

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

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



Kenneth Allen, CPA
Clear Trail CPAS

GRANT COMPLIANCE SECTION

North Clackamas School District
Schedule of Expenditures of Federal Awards
For the Year Ending June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Grant Period	Federal AL Number	Pass Through Entity #	Expenditures	Passthrough to Subrecepients
U.S. Department of Education					
Passed through Oregon State Department of Education					
Title I Grants to Local Education Agencies					
Title I Grants to Local Education Agencies	7/1/22 - 9/30/24	84.010	76534	$ 928,629	$ -
Title I Grants to Local Education Agencies	7/1/24 - 9/30/25	84.010	82218	2,245,082	-
Title I Grants to Local Education Agencies	7/1/23 - 9/30/24	84.010	75163	115,113	-
Title I Grants to Local Education Agencies	7/1/24 - 9/30/25	84.010	79397	155,074	-
Total Title I Grants to Local Education Agencies				3,443,898	-
Student Support and Academic Enrichment					
Student Support and Academic Enrichment Program	7/1/23-9/30/24	84.424	77154	161,868	-
Student Support and Academic Enrichment Program	7/1/24-9/30/25	84.424	82678	256,856	-
Total Student Support and Academic Enrighcment Program				418,724	-
Supporting Effective Instruction State Grant					
Supporting Effective Instruction State Grants	7/1/24-9/30/25	84.367	82481	491,469	-
Total Supporting Effective Instruction State Grants				491,469	-
English Language Acquisition State Grants					
English Language Acquisition State Grants	7/1/23 - 9/30/24	84.365	76998	125,354	-
English Language Acquisition State Grants	7/1/24 - 9/30/25	84.365	82338	207,747	-
Total English Language Acquisition State Grants				333,101	-
Special Education Cluster					
Special Education Grants to States	7/1/23 - 9/30/25	84.027	78019	2,065,930	-
Special Education Grants to States	7/1/22 - 9/30/23	84.027	79972	-	-
Special Education Grants to States	7/1/24 - 9/30/26	84.027	83407	504,904	
Special Education Preschool Grants	7/1/24 - 9/30/26	84.173	83602	21,876	
Total Special Education Cluster				2,592,710	
21st Century Community Learning Centers					
21st Century Communicty Learning Centers	7/1/23 - 9/30/25	84.287	83284	423,430	-
21st Century Communicty Learning Centers	7/1/23 - 9/30/25	84.287	77616	5,613	-
21st Century Communicty Learning Centers (COVID 19)	7/1/23 - 9/30/25	84.287	77616	151,703	-
Total 21st Century Community Learning Centers				580,746	-

(Continued from previous page)

Education Stabilization Fund (Covid-19)					
Educational Stabilization Fund (COVID-19)	4/21/21-9/30/24	84.425	69374	6,349	-
Educational Stabilization Fund (COVID-19)	3/13/20-9/30/24	84.425	64942	414,712	-
Educational Stabilization Fund (COVID-19)	3/13/20-9/30/24	84.425	75952	40,904	-
Total Educational Stabilization Fund (Covid-19)				461,965	-
Passed Through Clackamas Education Service District					
Career & Technical Education - Basic Grants to States	7/1/24 - 6/30/25	84.048	n/a	109,964	-
Migrant Education Stat Grant Program	7/1/24 - 6/30/25	84.011	n/a	15,000	-
Passed Through G5					
Title VI Indian Education	7/1/24 - 6/30/25	84.060	S060A202668	43,143	-
Total US Dept of Education				8,490,720	-
U.S. Department of Health & Human Services					
Passed through Oregon Department of Health and Human Services					
Child Care & Development Block Grant	7/1/24 - 6/30/25	93.575	n/a	101,867	-
Total US Dept of Health & Human Services				101,867	-
U.S. Department of Agriculture					
Child Nutrition Cluster					
Commodities (Non-cash assistance)	7/1/24 - 6/30/25	10.553	n/a	543,522	-
School Breakfast Program	7/1/24 - 6/30/25	10.553	n/a	648,689	-
National School Lunch Program	7/1/24 - 6/30/25	10.555	n/a	4,054,539	-
National School Lunch Program	7/1/24 - 6/30/25	10.555	n/a	402,905	-
Summer Food Program	7/1/24 - 9/30/25	10.559	n/a	89,292	-
Fresh Fruit and Vegetable Program - Lewelling	10/1/23 - 9/30/24	10.582	78633	2,935	-
Fresh Fruit and Vegetable Program - Lewelling	10/1/24 - 9/30/25	10.582	83777	16,931	-
Fresh Fruit and Vegetable Program - Linwood	10/1/23 - 9/30/24	10.582	78634	1,451	-
Fresh Fruit and Vegetable Program - Linwood	10/1/24 - 9/30/25	10.582	83778	13,740	-
Fresh Fruit and Vegetable Program - Whitcomb	10/1/23 - 9/30/24	10.582	78635	2,242	-
Fresh Fruit and Vegetable Program - Whitcomb	10/1/24 - 9/30/25	10.582	83779	24,109	-
Total Child Nutrition Cluster				5,800,355	-
Child Care Food	7/1/24 - 6/30/25	10.558	n/a	143,188	-
Total US Department of Agriculture				5,943,543	-
US Department of Homeland Security					
FEMA - Wildfire	7/1/24-6/30/25	97.036	n/a	1,076	-
Total Federal Expenditures				$ 14,537,206	$ -

(Continued from previous page)

Reconciliation to Revenue

Total Federal Expenditures (From Previous Page)				$	14,537,206
Passed through Clackamas County and Clackamas Education Service District					
Federal Revenue, Not Grant - Federal Forest Fees	7/1/24 - 6/30/25	n/a	n/a	$	34,440
Miscellaneous					(7,306)
Total Federal Revenue				$	14,564,340

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January 31, 2026

To the Board of Education
North Clackamas School District
Clackamas County, Oregon

INDEPENDENT AUDITORS' 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*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Clackamas School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated January 31, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Kenneth Allen, CPA
Clear Trail CPAS

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January 31, 2026

To the Board of Education
North Clackamas School District
Clackamas County, Oregon

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Clackamas School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2025. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, North Clackamas School District 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of North Clackamas School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' 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 compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about compliance with the requirements of each major federal program as a whole.

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

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

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

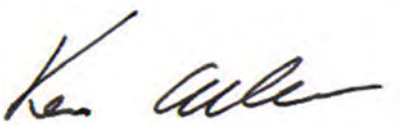
Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 Auditors' 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 in internal control over compliance. 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 or 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.



Kenneth Allen, CPA
Clear Trail CPAS

NORTH CLACKAMAS SCHOOL DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?	☐	yes	☒	no
Significant deficiency(s) identified that are not considered to be material weaknesses?	☐	yes	☒	none reported
Noncompliance material to financial statements noted?	☐	yes	☒	no
Any GAGAS audit findings disclosed that are required to be reported reported in accordance with section 515(d)(2) of the Uniform Guidance?	☐	yes	☒	no

FEDERAL AWARDS

Internal control over major programs:				
Material weakness(es) identified?	☐	yes	☒	no
Significant deficiency(s) identified that are not considered to be material weaknesses?	☐	yes	☒	none reported
Type of auditors' report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?	☐	yes	☒	no

IDENTIFICATION OF MAJOR PROGRAMS

AL NUMBER	NAME OF FEDERAL PROGRAM CLUSTER
84.010	Title I Grants to Local Educational Agencies
10.553, 10.555, 10.559, and 10.582	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and B programs	$750,000			
Auditee qualified as low-risk auditee?	☒	yes	☐	no

NORTH CLACKAMAS SCHOOL DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

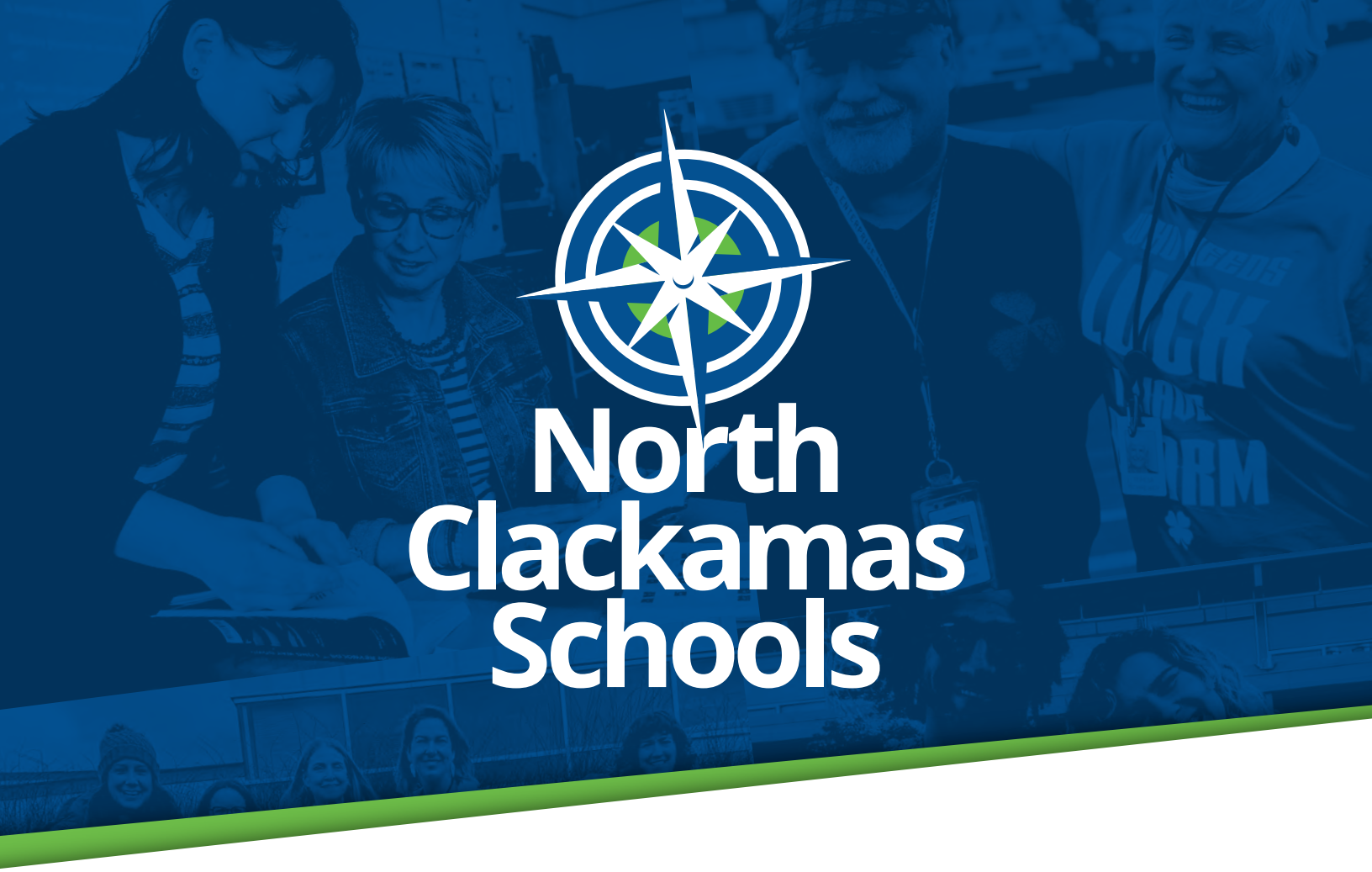
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with 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). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

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 allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has not elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.



North Clackamas Schools

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