

**GRANTS PASS SCHOOL DISTRICT NO. 7
GRANTS PASS, OREGON**

**FINANCIAL STATEMENT AND SUPPLEMENTARY
INFORMATION**

**YEAR ENDED JUNE 30, 2020
WITH
INDEPENDENT AUDITOR'S REPORT**



Certified Public Accountants, LLP
audit | tax | advisory | wealth management | cfo

**GRANTS PASS SCHOOL DISTRICT NO. 7
GRANTS PASS, OREGON
JUNE 30, 2020**

BOARD OF EDUCATION FISCAL 2020

| | |
|---|---------------|
| Scott Nelson (Position #1) Grants Pass, Oregon 97526 | Director |
| Cliff Kuhlman (Position #2) Grants Pass, Oregon 97526 | Director |
| Gary Richardson (Position #3) Grants Pass, Oregon 97528 | Chairman |
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| Cassie Wilkins (Position #5) Grants Pass, Oregon 97526 | Director |
| Brian De La Grange (Position #6) Grants Pass, Oregon 97527 | Director |
| Casey Durbin (Position #7) Grants Pass, Oregon 97526 | Vice-Chairman |

All board members receive mail at the address listed below

**Administrative Office:
725 Northeast Dean Drive
Grants Pass, Oregon 97526**

ADMINISTRATIVE STAFF

| | |
|------------|-------------------------------|
| Kirk Kolb | Superintendent |
| Sherry Ely | Director of Business Services |

**GRANTS PASS SCHOOL DISTRICT NO. 7
GRANTS PASS, OREGON
YEAR ENDED JUNE 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Grants Pass School District No. 7
Grants Pass, Oregon 97526

Report on the Financial Statements

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 Grants Pass School District No. 7, Oregon, (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Grants Pass School District No. 7 as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, other postemployment benefits schedules, pension schedules, and the budgetary comparison schedules as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to management's discussion and analysis, other postemployment benefits schedules and pension schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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 management's discussion and analysis, the other postemployment benefits schedules, and pension schedules because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The general fund and special revenue major governmental funds budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 general fund and special revenue major governmental funds budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information as listed in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information as listed in the Table of Contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 other supplementary information 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by the State of Oregon

In accordance with Oregon State Regulations, we have also issued our report dated December 31, 2020 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Aria Bettinger, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
December 31, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

**GRANTS PASS SCHOOL DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

As management of Grants Pass School District 7 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and the accompanying notes to enhance their understanding of the District's financial performance. Numerical amounts below have been rounded for ease of viewing.

FINANCIAL HIGHLIGHTS

- In the **government-wide statements**, the District's assets and deferred outflows totaled approximately \$96.6 million at June 30, 2020 consisting of \$51.5 million in capital assets, \$9.9 million in unrestricted cash and investments, \$4.1 million in receivables, \$1.2 million in other assets, and \$29.9 million in deferred outflows related to pension and other post-employment benefits (OPEB). The District's assets and deferred outflows increased approximately \$1.8 million, or 1.89 percent from the prior year.
- In the **government-wide statements**, the District's liabilities and deferred inflows totaled approximately \$108.2 million at June 30, 2020 consisting of \$4.7 million in accounts payable and other liabilities, \$3.7 million in other post-employment benefits, \$5.2 million in debt, \$87.9 million in pension liabilities and \$6.7 million in deferred inflows related to pension and OPEB.
- In the **government-wide statements**, the District's net position (assets/deferred outflows minus liabilities/deferred inflows) was a deficit of \$11.6 million at June 30, 2020, of which \$46.2 million was net investment in capital assets, \$832 thousand restricted for special purposes, and a negative balance of \$58.6 million was considered unrestricted. In the prior year, net position had a negative balance of \$3.2 million. The decrease of \$8.4 million can be attributed to increases in pension and OPEB liabilities (See page B-4 and *Note 11* and *Note 12* to the Financial Statements).
- At the end of the fiscal year, the fund balance for all **governmental funds** was approximately \$8.3 million, an increase of \$150 thousand in comparison to the prior year. Approximately \$4.0 million of this amount is unassigned and available for spending at the District's discretion. Approximately \$4.3 million is committed to specific and intended purposes through separate funds. Of the \$4.3 million of committed funds, \$3.3 million is committed for the District's future OPERS expenditures.
- At the end of the fiscal year, unassigned fund balance for the **General Fund** was approximately \$4.0 million, up approximately \$152 thousand from the prior year, an increase of approximately 3.9 percent. Unassigned fund balance in the General Fund represented about 6.3 percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Government-wide financial statements.

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

Statement of Net Position. The *statement of net position* includes all assets and deferred outflows of the District (including infrastructure) as well as all liabilities and deferred inflows (including long-term debt). Net position is the difference between assets/deferred outflows and liabilities/deferred inflows, which is one way to measure the District's financial health, or financial position. Over time, increase or decreases in the District's net position may be an indicator of whether its financial health is improving or deteriorating.

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

In the government-wide financial statements, the District's activities are shown in one category as *governmental activities*. All of 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.

The government-wide financial statements can be found as listed in the Table of Contents of this report.

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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and internal service 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. Unlike the government-wide financial statements, however, 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 the District's near-term financing requirements.

Since 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 the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental *funds* and governmental *activities*.

The District maintains nine individual governmental funds, four of which are considered major 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 Fund, the Federal Programs Fund, the PERS Reserve Fund, and the Measure 98 Fund, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the combining schedules. The basic governmental fund financial statements can be found as listed in the Table of Contents of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Internal service funds. This fund type is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District maintains two internal service funds to account for claims and other risk management costs not otherwise covered through insurance and unemployment costs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements and internal activity has been eliminated. The basic internal service fund financial statements can be found as listed in the table of contents of this report. Individual fund data for the internal service funds is provided as Supplemental Information in this report.

Notes to the 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 financial statements can be found as listed in the table of contents of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This Management's Discussion and Analysis is considered required supplementary information. Other required supplementary information is presented on the basic financial statements as listed in the table of contents. The combining schedules referred to earlier in connection with non-major governmental funds are presented as Other Supplementary Information as listed in the table of contents of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the end of the current year, the District had a negative net position balance. Net position decreased by \$8.4 million from prior year. The District's liabilities/deferred inflows exceeded assets/deferred outflows by \$11.6 million at June 30, 2020.

Capital assets, which consist of the District's land, buildings, building improvements, site improvements, vehicles, and equipment, represent 53 percent of total assets/deferred outflows. The remaining assets/deferred outflows consist mainly of investments, cash, property taxes receivable, and pension related deferred outflows related to pension. Last year, capital assets represented approximately 52 percent of total assets/deferred outflows.

Long term liabilities related to pensions and OPEB obligations represent approximately 85 percent of total liabilities/deferred inflows. The remaining liabilities/deferred inflows consist mainly of accounts payable and other liabilities, long-term debt, and deferred inflows related to pensions and OPEB.

A large portion of the District's net position reflects its net investment in capital assets (e.g. land, buildings, building improvements, site improvements, vehicles and equipment). The District's net investment in capital assets increased by about \$1.2 million over the prior year. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Statement of Net Position (continued)

| | Net Position (in thousands) | | Increase (Decrease) From June 30, 2019 |
|--|--|----------------------|---|
| | Governmental Activities | | |
| | June 30, 2020 | June 30, 2019 | |
| Assets: | | | |
| Current and other assets | 15,137 | \$ 13,784 | \$ 1,353 |
| Capital assets | 51,476 | 49,511 | 1,965 |
| Total assets | <u>66,613</u> | <u>63,295</u> | <u>3,318</u> |
| Deferred outflows | <u>29,987</u> | <u>31,516</u> | <u>(1,529)</u> |
| Total assets and deferred outflows | <u>96,601</u> | <u>94,811</u> | <u>1,790</u> |
| Liabilities: | | | |
| Current liabilities | 5,207 | 4,111 | 1,096 |
| Long-term liabilities | 96,257 | 84,479 | 11,778 |
| Total liabilities | <u>101,464</u> | <u>88,590</u> | <u>12,874</u> |
| Deferred inflows | <u>6,760</u> | <u>9,449</u> | <u>(2,689)</u> |
| Total liabilities and deferred inflows | <u>108,224</u> | <u>98,039</u> | <u>10,185</u> |
| Net position: | | | |
| Net investment in capital assets | 46,229 | 45,045 | 1,184 |
| Restricted | 832 | 699 | 133 |
| Unrestricted | <u>(58,684)</u> | <u>(48,972)</u> | <u>(9,712)</u> |
| Total net position | <u>\$ (11,623)</u> | <u>\$ (3,228)</u> | <u>\$ (8,395)</u> |

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Statement of Activities. During the current fiscal year, the District's net position decreased by approximately \$8.4 million. The decrease can be attributed to changes in pension and other post-employment benefits (See page B-4 and *Note 11* and *Note 12* to the Financial Statements).

**Changes in Net Position
(in thousands)**

| | Governmental Activities | | Increase (Decrease) From |
|---|--------------------------------|----------------------|---|
| | June 30, 2020 | June 30, 2019 | June 30, 2019 |
| Revenues: | | | |
| Program revenues: | | | |
| Charges for service | \$ 813 | \$ 1,171 | \$ (358) |
| Operating grants and contributions | 8,263 | 9,204 | (941) |
| Capital grants and contributions | 2,159 | 2,391 | (232) |
| General revenues: | | | |
| Property taxes | 14,913 | 14,571 | 342 |
| State school fund - general support | 46,575 | 43,822 | (43,555) |
| Construction excise tax | 267 | 195 | 46,380 |
| Other federal, state and local sources | 2,226 | 2,077 | 149 |
| Federal forest fees | 133 | 204 | (71) |
| Earnings on investments | 301 | 294 | 7 |
| Gain/(loss) on sale of capital assets | 19 | - | 19 |
| Miscellaneous | 477 | 1,151 | (674) |
| Total revenues | <u>76,146</u> | <u>75,080</u> | <u>1,066</u> |
| Expenses: | | | |
| Instruction | 54,225 | 49,371 | 4,854 |
| Support services | 26,946 | 23,618 | 3,328 |
| Enterprise and community services | 3,240 | 3,307 | (67) |
| Facilities acquisition and construction | - | 56 | (56) |
| Interest on long-term debt | 130 | 114 | 16 |
| Total expenses | <u>84,541</u> | <u>76,466</u> | <u>8,076</u> |
| Change in Net Position | <u>\$ (8,395)</u> | <u>\$ (1,386)</u> | <u>\$ (7,010)</u> |

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, 2020, the District's governmental funds reported combined ending fund balances of approximately \$8.3 million, an increase of about \$150 thousand in comparison with prior year. The following is a breakdown of the fund balances:

| Fund | Ending Fund Balance | % to Total |
|---|--------------------------------|-------------------|
| General Fund Total | \$ 4,027,082 | 48.6% |
| Federal Programs | - | 0.0% |
| Student Body | 439,814 | 5.3% |
| Food Service | - | 0.0% |
| Cool School | 392,414 | 4.7% |
| PERS Reserve | 3,303,221 | 39.8% |
| Measure 98 | - | 0.0% |
| Bus Replacement | 3,055 | 0.1% |
| Capital Projects | 127,249 | 1.5% |
| Total Governmental Fund Balances | \$ 8,292,835 | 100.0% |

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2020, total unassigned fund balance was \$4.0 million, up from \$3.9 million in the prior year. Total expenditures for the year ended June 30, 2020 approximated \$64.0 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 about 6.3 percent of total General Fund expenditures.

Federal Programs Fund. The Federal Programs Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

PERS Reserve Fund. This fund was established to accumulate resources in response to anticipated increases in mandated PERS contributions by the District. At June 30, 2020, the revenues in this fund were \$71 thousand with no expenditures. At June 30, 2020, the fund balance approximated \$3.2 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the Board adopted one resolution for appropriation transfers.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings, building improvements, site improvements, vehicles, and equipment. As of June 30, 2020, the District had invested over \$51.5 million in capital assets, net of depreciation. In the prior year, capital assets, net of depreciation, was about \$49.5 million. The major capital asset events for the year were construction associated with seismic rehabilitation projects and the purchase of school buses through a capital lease.

Additional information on the District's capital assets can be found in *Note 1* and *Note 5* of the notes to the basic financial statements as listed in the table of contents of this report.

Long-term debt. At the end of the current fiscal year, the District had \$5.2 million in outstanding debt; the debt proceeds were used for the cost of constructing and equipping additional elementary school classrooms at existing elementary schools and to pay all costs incidental thereto, and to purchase through a capital lease new school buses.

Additional information on the District's long-term debt can be found in *Note 1*, *Note 9*, and *Note 10* of the notes to the basic financial statements as listed in the table of contents of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

With the passage of HB 3427 last year, schools all across Oregon were slated to receive an additional influx of funding that would have brought approximately \$1 billion in additional funding per year. This would have been an historic level of funding for schools in Oregon. Unfortunately, in late winter and early spring, the global pandemic of COVID-19 literally brought the United States to a halt. In late March, Governor Brown issued an Executive Order that closed all schools to in-person learning with subsequent Executive Orders that have delayed the return to school for nearly all in-person learning. Businesses, large and small, have been impacted by the dramatic actions taken at the State level to try to help slow the spread of the virus. It will be difficult to ascertain at this point the true impact this global pandemic will have on funding for public education in Oregon. The initial effect to District 7 was a reduction in that additional funding of over \$3.5 million for the 2020.2021 school year. It is anticipated that for the 2021.2022 school year the additional funding that would have been a supplement to the State School fund will very likely be used to keep the State School Fund whole.

The most significant level of funding continues to be the State School Fund with nearly 79% of our General Fund revenue coming from the State. State income tax is the predominant source of revenue for the State School fund which causes an inherent instability in the amount of funding from one year to the next. Especially in consideration of the impacts of the global pandemic – the impact to income tax revenues has not been wholly determined yet. The Federal Government stepped in with relief funds which were a significant source of funding relief; however, with the pandemic still not under control, additional funding from the Federal Government will most likely be necessary. That is a wild card concept as no-one can be certain of the will, or the ability of, the federal government to continue to provide relief.

Approximately 21% of the total State School Fund Formula revenue comes from Property Taxes. The additional funding provided through the Student Success Act will hopefully provide some additional stability for all school districts in Oregon. However, the impact of the global pandemic on the collection of the corporate activity tax, which funds the Student Success Act, is still unknown.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

Another question mark on the stability of funding from the State is the fluctuation of ADMw due to the pandemic. School Districts in Oregon receive their portion of the State School Fund based on the weighted average daily student membership (ADMw) so an increase in cumulative student membership provides for an increase in State School Fund allocation. A reduction in ADMw would result in a decrease in funding to a school district. Because of the challenges faced by families when schools closed to in-person learning, many families chose to move their students to a charter school or to home school them. This has resulted in a downward shift of ADMw across the State. To provide a stable funding base Districts have historically been held harmless for a year when their ADMw drops below what it was the previous year. If the state maintains the integrity of the formula, most Districts, including District 7 should be able to weather the fluctuation of ADMw caused by the pandemic.

The PERS actuarial liability will always be a concern for school districts. Due to many factors, one being a higher return on investments and another being a change in how the state is amortizing the long-term liability, the rate that District 7 will have to pay in 2021.2022 will actually be a reduction compared to 2020.2021. The blended rate in 2020.2021 was 29.31%; the blended rate for 2021.2022 will be 25.28%. Applying that reduction to the 2020.2021 **all funds** payroll base of \$43.6 million – it would be an approximate savings of \$1.75 million.

For those programs such as IDEA and Title I that are mandated by the federal government, to the extent that the government does not fully fund them, the District's General Fund resources have to be reallocated to maintain these mandated programs. The District saw a reduction in funding of federally funded programs in 2020.2021 and, as always, we will monitor this as we plan for the 2021.2022 school year and make budgetary adjustments as needed depending on funding levels.

The global pandemic of 2020 has had a dramatic effect on public education, the extent of which we won't fully realize for months and maybe years to come. The District moved quickly to adjust to the changes brought about by the pandemic and will continue to do so. The mission of the District is to provide the best education possible for the children of Grants Pass and even amidst a global pandemic – we will do our very best to continue to uphold that mission and budget accordingly. District Administration is very grateful for the support of the Board, the families of our students, and the community at large - especially as we have all worked through the effects of the pandemic together.

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 District's Director of Business Services, at 725 NE Dean Drive, Grants Pass, Oregon 97526.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GRANTS PASS SCHOOL DISTRICT NO. 7
STATEMENT OF NET POSITION
JUNE 30, 2020

| | Governmental Activities |
|---|----------------------------|
| ASSETS: | |
| Cash and investments | \$ 9,872,110 |
| Receivables | 4,087,341 |
| Inventories | 260,021 |
| Other post-employment benefits asset - RHIA | 661,899 |
| Beneficial interest in trust | 255,477 |
| Capital assets, net | |
| Land | 2,373,073 |
| Construction in progress | 1,076,066 |
| Buildings and improvements | 44,985,953 |
| Vehicles | 2,303,808 |
| Machinery and equipment | 737,482 |
| TOTAL ASSETS | 66,613,230 |
| DEFERRED OUTFLOWS OF RESOURCES: | |
| Deferred outflows related to pensions (OPERS) | 29,304,105 |
| Deferred outflows related to pensions (early retirement stipend benefit plan) | 639,761 |
| Deferred outflows related to other post-employment benefits (RHIA) | 43,217 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES: | 29,987,083 |
| LIABILITIES: | |
| Accounts payable | 985,629 |
| Accrued payroll liabilities | 3,379,848 |
| Accrued interest payable | 32,025 |
| Unearned revenue | 131,070 |
| Accrued compensated absences payable | 132,478 |
| Net pension liability | 81,035,703 |
| Other post-employment benefit obligation | 3,669,537 |
| Early retirement stipend pension plan obligation | 6,850,188 |
| Noncurrent liabilities due within one year | |
| Capital lease | 267,864 |
| Note payable | 277,817 |
| Noncurrent liabilities due in more than one year | |
| Capital lease | 1,571,120 |
| Note payable | 3,130,459 |
| TOTAL LIABILITIES | 101,463,738 |
| DEFERRED INFLOWS OF RESOURCES: | |
| Deferred inflows related to beneficial interest in trust | 255,477 |
| Deferred inflows related to pensions (OPERS) | 5,721,346 |
| Deferred inflows related to other post-employment benefits (single-employer medical benefit plan) | 651,124 |
| Deferred inflows related to other post-employment benefits (RHIA) | 131,474 |
| TOTAL DEFERRED INFLOWS OF RESOURCES: | 6,759,421 |
| NET POSITION: | |
| Net investment in capital assets | 46,229,122 |
| Restricted: Cool Schools | 392,414 |
| Restricted: Student Body Funds | 439,814 |
| Unrestricted | (58,684,196) |
| TOTAL NET POSITION | \$ (11,622,846) |

**GRANTS PASS SCHOOL DISTRICT NO. 7
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Change In Net Position |
|--|------------------|-------------------------|--|--|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental activities: | | | | | |
| Instruction | \$ 54,225,077 | \$ 620,560 | \$ 4,525,710 | \$ - | \$ (49,078,807) |
| Supporting services | 26,946,303 | 166,707 | 1,160,400 | - | (25,619,196) |
| Community services | 3,240,375 | 25,937 | 2,577,199 | - | (637,239) |
| Facilities acquisition and construction | - | - | - | 2,158,950 | 2,158,950 |
| Interest and fees on long-term debt | 129,909 | - | - | - | (129,909) |
| | | | | | |
| Total governmental activities | \$ 84,541,664 | \$ 813,204 | \$ 8,263,309 | \$ 2,158,950 | (73,306,201) |
| | | | | | |
| General revenues: | | | | | |
| Property taxes levied for general purposes | | | | | 14,913,410 |
| Construction excise tax | | | | | 266,655 |
| State school fund - general support | | | | | 46,575,138 |
| Common school fund | | | | | 550,013 |
| Federal forest fees | | | | | 132,948 |
| Unrestricted state and local sources | | | | | 1,676,388 |
| Earnings on investments | | | | | 300,512 |
| Gain (loss) on sale of fixed assets | | | | | 19,423 |
| Miscellaneous | | | | | 477,208 |
| | | | | | 64,911,695 |
| | | | | | |
| CHANGE IN NET POSITION | | | | | (8,394,506) |
| | | | | | |
| Net Position - July 1, 2019 | | | | | (3,228,340) |
| | | | | | |
| Net position - June 30, 2020 | | | | | \$ (11,622,846) |

FUND FINANCIAL STATEMENTS

**GRANTS PASS SCHOOL DISTRICT NO. 7
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

| | General Fund | Federal Programs Fund | PERS Reserve Fund | Measure 98 Fund | Non-major Governmental Funds | Total |
|---|---------------------|-----------------------------|-------------------------|--------------------|------------------------------------|----------------------|
| ASSETS | | | | | | |
| Equity in pooled cash and investments | \$ 5,522,950 | \$ 150,853 | \$ 3,303,221 | \$ - | \$ 826,820 | \$ 9,803,844 |
| Receivables | 1,941,729 | 825,225 | - | 349,592 | 965,405 | 4,081,951 |
| Interfund receivable | 2,002,718 | - | - | - | 4,367 | 2,007,085 |
| TOTAL ASSETS | \$ 9,467,397 | \$ 976,078 | \$ 3,303,221 | \$ 349,592 | \$ 1,796,592 | \$ 15,892,880 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 942,565 | \$ - | \$ - | \$ - | \$ 25,942 | \$ 968,507 |
| Interfund payable | 4,367 | 845,008 | - | 349,592 | 808,118 | 2,007,085 |
| Accrued payroll liabilities | 3,379,848 | - | - | - | - | 3,379,848 |
| Unearned revenue | - | 131,070 | - | - | - | 131,070 |
| TOTAL LIABILITIES | 4,326,780 | 976,078 | - | 349,592 | 834,060 | 6,486,510 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue - property taxes | 1,113,535 | - | - | - | - | 1,113,535 |
| TOTAL DEFERRED INFLOWS | 1,113,535 | - | - | - | - | 1,113,535 |
| Fund Balances: | | | | | | |
| Restricted | | | | | | |
| Cool Schools - energy efficiency | - | - | - | - | 392,414 | 392,414 |
| Student Body Funds | - | - | - | - | 439,814 | 439,814 |
| Committed | | | | | | |
| PERS Reserve | - | - | 3,303,221 | - | - | 3,303,221 |
| Bus Replacement | - | - | - | - | 3,055 | 3,055 |
| Capital Projects | - | - | - | - | 127,249 | 127,249 |
| Unassigned | 4,027,082 | - | - | - | - | 4,027,082 |
| TOTAL FUND BALANCES | 4,027,082 | - | 3,303,221 | - | 962,532 | 8,292,835 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 9,467,397 | \$ 976,078 | \$ 3,303,221 | \$ 349,592 | \$ 1,796,592 | \$ 15,892,880 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2020**

| | | |
|---|---------------------|------------------------|
| TOTAL FUND BALANCES | | \$ 8,292,835 |
| Capital assets are not financial resources and therefore are not reported in the governmental funds: | | |
| Cost | \$ 87,942,313 | |
| Accumulated depreciation | <u>(36,465,931)</u> | |
| | | 51,476,382 |
| A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds. | | |
| | | 1,113,535 |
| Add the combined net position of the internal service funds, as it is not part of the governmental fund balance, but it is controlled by the District, and therefore included on the government-wide Statement of Net Position. | | |
| | | 56,534 |
| The asset associated with the District's pension (RHIA) is not recorded in the governmental funds as it is not available currently. | | |
| | | 661,899 |
| In the governmental funds, inventory is accounted for under the purchase method and the current value is not reported in the fund balance sheet. | | |
| | | 260,021 |
| Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather recognized as an expenditure when due. These liabilities consist of: | | |
| Compensated absences payable | | (132,478) |
| Long term debt | | (3,408,276) |
| Capital lease | | (1,838,984) |
| Interest accrual | | (32,025) |
| The net deferred outflow/(inflow) associated with the District's pension and other post employment benefits is not recorded in the governmental funds as it is not available nor payable currently. | | |
| | | 23,483,139 |
| The liability associated with the District's pension (OPERS) is not recorded in the governmental funds as it is not payable currently. | | |
| | | (81,035,703) |
| The early retirement stipend pension plan obligation is not reported with the governmental funds. | | |
| | | (6,850,188) |
| The other post employment benefit liability obligation is not reported with the governmental funds. | | |
| | | <u>(3,669,537)</u> |
| TOTAL NET POSITION | | <u>\$ (11,622,846)</u> |

GRANTS PASS SCHOOL DISTRICT NO. 7
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

| | General Fund | Federal Programs Fund | PERS Reserve Fund | Measure 98 Fund | Non-major Governmental Funds | Total |
|--|---------------------|-----------------------------|----------------------|--------------------|------------------------------------|---------------------|
| REVENUES | | | | | | |
| Property taxes and other taxes | \$ 14,926,807 | \$ - | \$ - | \$ - | \$ 266,655 | \$ 15,193,462 |
| Intergovernmental | 48,978,976 | 3,697,926 | - | 1,342,966 | 4,665,113 | 58,684,981 |
| Charges for services | 495,921 | - | - | - | 307,069 | 802,990 |
| Local grants and contributions | 119,799 | 102,975 | - | - | 448,991 | 671,765 |
| Investment earnings | 226,932 | - | 71,231 | - | 2,349 | 300,512 |
| Miscellaneous | 292,164 | 6,510 | - | - | 178,534 | 477,208 |
| TOTAL REVENUES | 65,040,599 | 3,807,411 | 71,231 | 1,342,966 | 5,868,711 | 76,130,918 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Instruction | 42,062,324 | 3,109,751 | - | 901,298 | 676,982 | 46,750,355 |
| Support services | 21,920,638 | 562,178 | - | 441,668 | 2,130,675 | 25,055,159 |
| Enterprise and community services | - | 135,482 | - | - | 2,666,601 | 2,802,083 |
| Facilities and acquisition | - | - | - | - | 2,366,738 | 2,366,738 |
| Debt service | - | - | - | - | 376,266 | 376,266 |
| TOTAL EXPENDITURES | 63,982,962 | 3,807,411 | - | 1,342,966 | 8,217,262 | 77,350,601 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,057,637 | - | 71,231 | - | (2,348,551) | (1,219,683) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from capital lease | - | - | - | - | 1,350,564 | 1,350,564 |
| Proceeds from sale of capital assets | 19,423 | - | - | - | - | 19,423 |
| Transfers | (925,000) | - | - | - | 925,000 | - |
| TOTAL OTHER FINANCING SOURCES (USES) | (905,577) | - | - | - | 2,275,564 | 1,369,987 |
| NET CHANGE IN FUND BALANCE | 152,060 | - | 71,231 | - | (72,987) | 150,304 |
| FUND BALANCE, July 1, 2019 | 3,875,022 | - | 3,231,990 | - | 1,035,519 | 8,142,531 |
| FUND BALANCE, June 30, 2020 | \$ 4,027,082 | \$ - | \$ 3,303,221 | \$ - | \$ 962,532 | \$ 8,292,835 |

GRANTS PASS SCHOOL DISTRICT NO. 7
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

| | | |
|---|--------------------|---------------------------|
| NET CHANGE IN FUND BALANCE | \$ | 150,304 |
| <p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> | | |
| <p>Government 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 outlays in the current period.</p> | | |
| Expenditures for capital assets | \$ 3,991,956 | |
| Less current year depreciation | <u>(2,026,192)</u> | 1,965,764 |
| <p>Governmental funds do not report inventory balances under the purchase method of accounting for inventory while the Statement of Net Position does. This is the change in inventory in the current period.</p> | | |
| | | 38,292 |
| <p>Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.</p> | | |
| | | (13,397) |
| <p>Repayment of debt principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position</p> | | |
| Debt principal repaid | | 269,616 |
| <p>Repayment of capital lease principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position</p> | | |
| Capital lease proceeds | \$ (1,350,564) | |
| Capital lease principal repaid | <u>299,088</u> | (1,051,476) |
| <p>In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as interest expense when paid.</p> | | |
| Interest paid | \$ 139,508 | |
| Interest expense | <u>(162,767)</u> | (23,259) |
| <p>Add the change in net position from the activity in the internal service funds, as they are not included in the governmental fund financial statements, but are included in the government-wide Statement of Activities as the District has control of the funds.</p> | | |
| | | (38,720) |
| <p>Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned (actuarially determined) net of employee contributions is reported as pension expense. (OPERS and stipend, including deferred outflows and inflows).</p> | | |
| | | (9,697,740) |
| <p>The change in the net post employment benefit obligation (OPEB) is not recognized in the governmental funds (including deferred outflows and inflows).</p> | | |
| | | (103,005) |
| <p>The change in the net post employment benefit asset (OPEB) RHIA is not recognized in the governmental funds (including deferred outflows and inflows).</p> | | |
| | | 131,298 |
| <p>Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expenditure when earned.</p> | | |
| | | <u>(22,183)</u> |
| CHANGE IN NET POSITION | \$ | <u>(8,394,506)</u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020**

| | Internal Service Funds |
|---------------------------------------|------------------------------|
| ASSETS | |
| Equity in pooled cash and investments | \$ 68,266 |
| Accounts receivable | <u>5,390</u> |
| TOTAL ASSETS | <u><u>\$ 73,656</u></u> |
| LIABILITIES AND NET POSITION | |
| Accounts payable | <u>\$ 17,122</u> |
| TOTAL LIABILITIES | <u>17,122</u> |
| NET POSITION | |
| Unrestricted | <u>56,534</u> |
| TOTAL NET POSITION | <u><u>\$ 56,534</u></u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020**

| | <u>Internal Service Funds</u> |
|------------------------------------|---------------------------------------|
| OPERATING REVENUES | |
| Charges for services (interfund) | \$ 10,214 |
| TOTAL OPERATING REVENUES | <u>10,214</u> |
| OPERATING EXPENSES | |
| Current: | |
| Support services | <u>48,934</u> |
| TOTAL OPERATING EXPENSES | <u>48,934</u> |
| OPERATING INCOME / (LOSS) | <u>(38,720)</u> |
| CHANGE IN NET ASSETS | (38,720) |
| NET POSITION, July 1, 2019 | <u>95,254</u> |
| NET POSITION, June 30, 2020 | <u><u>\$ 56,534</u></u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020**

| | Internal Service Funds |
|--|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash from interfund services provided | \$ 14,204 |
| Cash paid for services | <u>(41,628)</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>(27,424)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (27,424) |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | <u>95,690</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u><u>\$ 68,266</u></u> |
| | |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING INCOME | |
| Operating income (loss) | \$ (38,720) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | |
| Change in assets and liabilities: | |
| Receivable | 3,990 |
| Accounts payable | <u>7,306</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u><u>\$ (27,424)</u></u> |

NOTES TO THE FINANCIAL STATEMENTS

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 1 - Summary of Significant Accounting Policies

The financial statements of Grants Pass School District No. 7 (the District), Oregon have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The Reporting Entity

The District was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected seven-member Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The 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 service 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.

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

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. Eliminations have been made to minimize the double counting of internal 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. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or others for tuition, fees, rentals, materials, supplies or services provided, (2) operating grants and contributions, and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Separate financial statements are presented for governmental funds and internal service funds.

Net Position is reported as restricted when constraints placed on asset use is either externally restricted, imposed by creditors (such as through 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. Separate statements for each fund category 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.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

The District reports the following major governmental funds:

General Fund – This fund is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund.

Federal Programs Fund – This fund, a special revenue fund, accounts for revenues and expenditures of grants restricted for specific educational purposes. Principal revenue sources are federal and state grants.

PERS Reserve Fund – This fund, a special revenue fund, provides resources to address the anticipated increase in mandated PERS contributions by the District. Principal revenue sources are property taxes and investment earnings.

Measure 98 Fund – This fund, a special revenue fund, will be used to implement measures to decrease the District's dropout rate and chronically absent rate; provide expanded opportunities for students in the area of Career and Technical Education; and provide support to students to expand their access to college level opportunities. This fund will provide resources to hire a Graduation Coach and an Attendance Support Coach. Principal revenue source is state grants.

Additionally, the District reports the following fund type:

Internal Service Funds – These funds are used to report activities that provide supplies and services on a cost reimbursement basis for the District's other programs and activities. The District currently has two internal service funds - the Unemployment Fund and the Insurance Reserve Fund. Internal activity is eliminated on the government-wide financial statements.

Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded 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 the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in 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, and 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.

GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 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 capital leases are reported as other financing sources.

Cash, Cash Equivalents and Investments

The District's cash and cash equivalents consist of cash on hand and demand deposits.

The District's investments, authorized under state statute, consist of the State of Oregon Treasurer's Local Government Investment Pool (LGIP). Changes in the fair value of investments are recorded as investment earnings.

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 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 the 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. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

Property Taxes Receivable

Ad valorem property taxes are levied on all taxable property as of January 1 preceding the beginning of the fiscal year. Property taxes become a lien on July 1 for personal property and real property. Property taxes are levied on July 1. Collection dates are November 15, February 15, and May 15. 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.

Accounts and Other Receivables

Accounts receivable and other receivables consist primarily of charges for services, claims for reimbursement of costs under various federal and state grant programs and refunds of prior year expenditures.

Inventories

Inventory consists of supplies held for use. In the government-wide financial statements, inventories are stated at cost using the first-in, first-out (FIFO) method. In the fund financial statements, inventory is reported using the purchase method where purchases are charged to expense when purchased.

GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Inventories (continued)

A portion of the inventory consists of donated United States Department of Agriculture (USDA) commodities. Commodities are recorded as expenditures when consumed and are stated at their fair market value based on guidelines provided by the USDA.

Beneficial Interest in Trust

The District recognizes its right to assets held by a trustee as beneficial interests in trusts when it has the unconditional right to receive all or a portion of the specified cash flows and the trustee does not have variance power.

The District recognizes its interests in this trust as a beneficial interest in trust and related deferred inflow measured at fair value. Subsequent adjustments to the assets' carrying value are reported as a change in the value of beneficial interest in trust and the related deferred inflow in the accompanying financial statements.

Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market 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 - 10 to 20 years
Machinery and equipment - 5 to 30 years

Self-Insurance

The Internal Service Funds (Unemployment Fund and the Insurance Reserve Fund) address the various types of risk faced by the District. The District provides currently for potential losses to be incurred from pending claims.

The District is self-insured for costs up to policy deductible limits as follows:

- Fire loss, property damage, all risk (theft, vandalism, etc.) - \$5,000 per occurrence
- Workers' compensation claims - 100% coverage, no deductible

Pension and Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (OPERS). Contributions to OPERS are made on a current basis as required by the plan and are charged as expenses/expenditures.

Additionally, the District offers eligible employees who elect early retirement a monthly stipend. Such costs are recorded as expense in the General Fund and funded as stipend benefits become due.

GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Post-Employment Health Care Benefits

The District's other post-employment benefit plan (OPEB) provides continued medical coverage to eligible retirees and their spouses and dependents until Medicare eligibility. The OPEB plan is an implicit rate subsidy for medical insurance.

Additionally, substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (OPERS) – Retirement Health Insurance Account (RHIA). Contributions to OPERS RHIA are made on a current basis as required by the plan and are charged as expenses.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

Deferred Outflows/Inflows of Resources

In addition to assets, the District will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two types of deferred outflows, which both arise only under the full accrual basis of accounting that qualifies for reporting in this category: deferred amounts related to pensions and deferred amounts related to OPEB. These amounts are reported in the government-wide Statement of Net Position.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition on net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has four types of deferred inflows, one which arises only under the modified accrual basis of accounting (unavailable revenues) and three that are reported under the full accrual basis of accounting (deferred amounts related to pensions, OPEB, and beneficial interest in trust). Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet, and deferred amounts related to pensions, OPEB, and beneficial interest in trust are reported in the government-wide Statement of Net Position.

Long-term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Position. Premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Debt is reported net of the applicable premium or discount.

In the fund financial statements premiums and discounts are recognized when incurred and 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 when incurred.

GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Net Position and Fund Balances

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – Consists of net position with constraints placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows or resources related to the restricted assets.

Unrestricted net position (deficit) – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

In the fund financial statements, governmental fund equity is classified in the following categories:

Non-Spendable – Includes items not immediately converted to cash, such as prepaid items and inventory.

Restricted – Includes items that are restricted by external creditors, grantors, or contributors, or restricted by legal constitutional provisions.

Committed – Includes items committed by the District's Board of Education, by formal board action.

Assigned – Includes items assigned for specific purposes, authorized by the District's Superintendent and/or Director of Business Services

Unassigned – This is the residual classification used for those balances not included in another category.

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when an expenditure is incurred for purposes for which both restricted and unrestricted net position are available.

Budget

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. This budgetary basis of accounting is different than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary and GAAP basis of accounting are that capital outlay and other long-term assets, and debt principal and other long-term liabilities, are included as budgeted expenditures 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 detailed 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 a supplemental budget and appropriation resolution.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 1 - Summary of Significant Accounting Policies (continued)

Budget (continued)

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget of 10% or more of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers within a fund between the levels of control (major function levels) with Board approval. During the year, the Board adopted one resolution for appropriation transfers. Appropriations lapse at the end of each fiscal year.

During the fiscal year ended June 30, 2020, the District was in compliance with Local Budget Law, except for expenditures in excess of appropriations as follows:

| <u>Fund</u> | <u>Appropriation</u> | <u>Expenditure</u> | <u>Variance</u> |
|------------------|----------------------|--------------------|-----------------|
| Measure 98 | | | |
| Instruction | 743,881 | 901,298 | 157,417 |
| Support services | 156,119 | 441,668 | 285,549 |
| Bus Replacement | | | |
| Support services | 500,000 | 1,682,509 | 1,182,509 |

Use of Estimates

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

Future GASB Pronouncements

The following GASB pronouncements have been issued, but are not effective as of June 30, 2020:

GASB Statement No. 84, Fiduciary Activities. Issued January 2017, this statement establishes criteria for identifying fiduciary activities of all state and local governments. GASB 84 will be effective for the District, fiscal year ending June 30, 2021.

GASB Statement No. 90, Majority Equity Interests. Issued August 2018, the primary objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization; and to improve the relevance of financial statement information for certain component units. GASB Statement No. 90 will be effective for the District for fiscal year ending June 30, 2021.

GASB Statement No. 87, Leases. This statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 will be effective for the District for fiscal year ending June 30, 2022.

GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Future GASB Pronouncements (continued)

GASB Statement No. 89, Accounting for Interest Costs Incurred Before the End of a Construction Period. This statement was issued June 2018 to establish accounting requirements for interest cost incurred before the end of a construction period. The objectives of the Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 will be effective for the District for fiscal year ending June 30, 2022.

GASB Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 will be effective for the District for fiscal year ending June 30, 2023.

The District will implement new GASB pronouncements no later than the required effective date. The District is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the District's financial statements.

Note 2 - Cash and Investments

Cash and investments are comprised of the following at June 30, 2020:

| | |
|------------------------------------|---------------------|
| Petty cash | \$ 10,050 |
| Carrying amount of demand deposits | 5,731,360 |
| Carrying amount of investments | <u>4,130,700</u> |
| Total cash and investments | <u>\$ 9,872,110</u> |

Deposits

The Governmental Accounting Standards Boards has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2020. If bank deposits at year end are not entirely insured or collateralized with securities held by the District or by its agent in the District's name, the District must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. For deposits in excess of federal depository insurance, Oregon Revised Statutes require depository institutions to be in compliance with ORS 295. For the fiscal year ended June 30, 2020, the carrying amounts of the District deposits in various financial institutions were \$5,731,360 and the bank balances were \$6,438,784. All deposits are held in the name of the District. Of the bank balance, \$6,188,784 is not covered by FDIC insurance. However, the balance is covered by the State of Oregon shared liability structure for participating bank depositories in Oregon, as identified by the State's Treasurer.

Effective July 1, 2008, House Bill 2901 created a shared liability structure for participating bank depositories in Oregon. Barring any exceptions, a qualifying bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of the quarter-end public fund deposits if they are adequately capitalized, or 110% of the quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public bank depositories is available to repay the deposits of public funds of governmental entities.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 2 - Cash and Investments (continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

Investments

The District has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2020. The Oregon Short-Term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon

Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an external investment pool managed by the State Treasurer's office, which allow governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB statement No. 40. LGIP is not rated.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and participants' equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the District's cash position.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 194.180. These funds are held in the District's name and are not subject to collateralization requirements or ORS 295.015. Investments are stated at amortized cost, which approximated fair value.

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool. At June 30, 2020, and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

Credit Risk

State Statutes authorize the District to invest primarily in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, banker's acceptances, certain commercial papers, and the State Treasurer's Investment Pool, among others. The District has no formal investment policy that further restricts its investment choices.

Concentration of Credit Risk

The District is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. All the District's investments are in an external investment pool.

Interest Rate Risk

The District has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 2 - Cash and Investments (continued)

Disclosures about Fair Value of Assets

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 - Unadjusted inputs using quoted prices in active markets for identical investments.

Level 2 - Other significant observable inputs other than level 1 prices, including, but are not limited to, quoted prices for similar investments, inputs other than quoted prices that are observable for investments (such as interest rates, prepayment speeds, credit risk, etc.) or other market corroborated inputs.

Level 3 - Significant inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

| Investments Measured at Fair Value: | Totals at June 30, 2020 | Level One | Level Two | Level Three | Amortized Cost Measurement Not Measured at Fair Value |
|---|----------------------------|-------------|-------------|-------------------|--|
| Local Government Investment Pool | \$ 4,130,700 | \$ - | \$ - | \$ - | \$ 4,130,700 |
| | <u>\$ 4,130,700</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,130,700</u> |
| Beneficial interest in trust: Beneficial interest in perpetual trust | \$ 255,477 | \$ - | \$ - | \$ 255,477 | \$ - |
| | <u>\$ 255,477</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 255,477</u> | <u>\$ -</u> |

Beneficial Interest in Perpetual Trusts

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs and the perpetual nature of the trust, the interest is classified within Level 3 of the hierarchy.

Level 3 Reconciliation

| | <u>Beneficial Interest in Perpetual Trust</u> |
|--|---|
| Balance at July 1, 2019 | \$ 242,945 |
| Distributions | (9,769) |
| Net change in value of perpetual trust | <u>22,301</u> |
| Balance at June 30, 2020 | <u>\$ 255,477</u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 3 - Receivables

Receivables are comprised of the following at June 30, 2020:

| | <u>Taxes</u> | <u>Intergovernmental</u> | <u>Other</u> | <u>Total</u> |
|-------------------------|---------------------|--------------------------|-------------------|---------------------|
| General Fund | \$ 1,293,703 | \$ 420,985 | \$ 227,041 | \$ 1,941,729 |
| Federal Programs Fund | - | 825,225 | - | 825,225 |
| Measure 98 Fund | - | 349,592 | - | 349,592 |
| Non-major Governmental: | | | | |
| Food Service Fund | - | 130,815 | 333 | 131,148 |
| Cool School Fund | - | - | 9,552 | 9,552 |
| Student Body Fund | - | - | 1,057 | 1,057 |
| Capital Projects Fund | 5,866 | 775,932 | 41,850 | 823,648 |
| Insurance Reserve Fund | - | 5,390 | - | 5,390 |
| | <u>\$ 1,299,569</u> | <u>\$ 2,507,939</u> | <u>\$ 279,833</u> | <u>\$ 4,087,341</u> |

Note 4 - Split-Interest Agreements

Beneficial Interest in Trust

The District is the beneficiary of a trust created by a donor, the assets of which are not in the possession of the District. The District has the legally enforceable rights or claims to such assets, including the right to income therefrom. The trust is perpetual whereby the District receives the income or a designated portion of the income into perpetuity.

Income earned on trust assets is distributed to the District for the purpose of supporting Grants Pass High School Girls and Boys Summer Basketball programs as provided in the agreement, and was \$9,769 during 2020. Consistent with accounting principles generally accepted in the United States of America, these funds and changes in their fair value are included in the accompanying financial statements. The fair value of the beneficial interest in trust at June 30, 2020 was \$255,477.

GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 5 - Capital Assets

The changes in capital assets for the year ended June 30, 2020, are as follows:

| | Balance June 30, 2019 | Additions | Disposals / Transfers | Balance June 30, 2020 |
|--|--------------------------|---------------------|--------------------------|--------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 2,373,073 | \$ - | \$ - | \$ 2,373,073 |
| Construction in progress | 3,256,743 | 1,011,534 | (3,192,211) | 1,076,066 |
| Total capital assets not being depreciated: | 5,629,816 | 1,011,534 | (3,192,211) | 3,449,139 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 72,019,736 | 1,505,023 | 3,192,211 | 76,716,970 |
| Vehicles | 5,240,924 | 1,350,564 | (391,569) | 6,199,919 |
| Machinery and Equipment | 1,451,450 | 124,835 | - | 1,576,285 |
| Total capital assets being depreciated | 78,712,110 | 2,980,422 | 2,800,642 | 84,493,174 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (30,097,459) | (1,633,558) | - | (31,731,017) |
| Vehicles | (3,974,572) | (313,108) | 391,569 | (3,896,111) |
| Machinery and equipment | (759,277) | (79,526) | - | (838,803) |
| Total accumulated depreciation | (34,831,308) | (2,026,192) | 391,569 | (36,465,931) |
| Total capital assets | | | | |
| Land | 2,373,073 | - | - | 2,373,073 |
| Construction in progress | 3,256,743 | 1,011,534 | (3,192,211) | 1,076,066 |
| Buildings and improvements | 41,922,277 | (128,535) | 3,192,211 | 44,985,953 |
| Vehicles | 1,266,352 | 1,037,456 | - | 2,303,808 |
| Machinery and equipment | 692,173 | 45,309 | - | 737,482 |
| Total capital assets, net | \$ 49,510,618 | \$ 1,965,764 | \$ - | \$ 51,476,382 |

Depreciation expense for the year ended June 30, 2020 was charged to the following programs:

| <u>Program</u> | |
|------------------------|---------------------|
| Instructional Services | \$ 1,301,964 |
| Support Services | 646,425 |
| Community Services | 77,803 |
| Total | \$ 2,026,192 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 6 - Interfund Transactions

Inter-fund transfers during the year ended June 30, 2020 were as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|------------------------|---------------------|----------------------|
| General Fund | \$ - | \$ 925,000 |
| Capital Projects Fund | 325,000 | - |
| Bus Replacement Fund | 600,000 | - |
| | <u>925,000</u> | <u>925,000</u> |
| Total transfers in/out | <u>\$ 925,000</u> | <u>\$ 925,000</u> |

The District made a transfer from the General Fund to the Capital Projects Fund for certain capital improvement/maintenance projects and to the Bus Replacement Fund for lease payments.

Due to/from other funds at June 30, 2020, were as follows:

| | <u>Due To</u> | <u>Due From</u> |
|-----------------------|---------------------|---------------------|
| General Fund | \$ 2,002,718 | \$ 4,367 |
| Federal Programs Fund | - | 845,008 |
| Student Body Fund | 1,312 | - |
| Food Service Fund | - | 131,348 |
| Measure 98 Fund | - | 349,592 |
| Capital Projects Fund | - | 675,270 |
| Bus Replacement Fund | 3,055 | - |
| Cool School Fund | - | 1,500 |
| | <u>2,007,085</u> | <u>2,007,085</u> |
| Total due to/from | <u>\$ 2,007,085</u> | <u>\$ 2,007,085</u> |

Substantially all current obligations and payments are recorded by the General Fund for the District, these obligations and payments are then accounted for as due to or from the various funds affected. Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under the modified accrual basis of accounting, the District transfers these funds within sixty days after year-end.

Note 7 - Unavailable/Unearned Revenues

Governmental funds, under the modified accrual basis of accounting, accrue deferred revenue for revenue amounts unearned or unavailable. Government-wide reporting, as well as in internal service funds, use full accrual accounting and report only unearned revenue. Unavailable revenue (deferred inflows) result in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Unearned revenue result in connection with resources that have been received, but not yet earned.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 7 - Unavailable/Unearned Revenues (continued)

At the end of the current fiscal year, the various components of unavailable (deferred inflow) and unearned revenue in the governmental funds were as follows:

| | <u>Unavailable</u> | <u>Unearned</u> | <u>Total</u> |
|------------------------|---------------------|-------------------|---------------------|
| General Fund: | | | |
| Property taxes | \$ 1,113,535 | \$ - | \$ 1,113,535 |
| Federal Programs Fund: | | | |
| Federal programs | - | 131,070 | 131,070 |
| Total | <u>\$ 1,113,535</u> | <u>\$ 131,070</u> | <u>\$ 1,244,605</u> |

The Federal Programs Fund includes programs funded by local, intermediate, state and federal resources.

Note 8 - Accrued Compensated Absences

The changes in accrued compensated absences for the year ended June 30, 2020 are as follows:

| | <u>Accrued June 30, 2019</u> | <u>Earned</u> | <u>Taken</u> | <u>Accrued June 30, 2020</u> |
|----------------------------|----------------------------------|-------------------|-------------------|----------------------------------|
| Governmental Activities | <u>\$ 110,295</u> | <u>\$ 281,745</u> | <u>\$ 259,562</u> | <u>\$ 132,478</u> |

Note 9 - Leases

Operating leases

The District has several operating leases associated with office equipment. Total expense for such leases was \$79,043 for the year ended June 30, 2020. The future minimum lease payments for these leases are as follows:

| <u>Year ending June 30,</u> | <u>Amount</u> |
|---------------------------------|-------------------|
| 2021 | \$ 68,984 |
| 2022 | 39,959 |
| 2023 | 33,483 |
| 2024 | 20,097 |
| 2025 | 1,936 |
| | <u>\$ 164,459</u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 9 – Leases (continued)

Capital Leases

On April 30, 2018 the District entered into a capital lease to finance the purchase of buses that matures on May 30, 2024. The lease is payable in seven annual payments of \$175,354, including implied interest at 3.68%. The cost of the buses was \$1,104,040, with accumulated depreciation of \$331,212 and a net book value of \$772,828 as of June 30, 2020.

On October 25, 2019 the District entered into a capital lease to finance the purchase of buses that matures on November 25, 2028. The lease is payable in ten annual payments of \$156,591, including implied interest at 3.38%. The cost of the buses was \$1,350,564, with accumulated depreciation of \$135,056 and a net book value of \$1,215,508 as of June 30, 2020.

The changes in the capital lease obligations for the year ended June 30, 2020 are as follows:

| | Balance June 30, 2019 | Additions | Reductions | Balance June 30, 2020 |
|----------------------------|--------------------------|--------------|------------|--------------------------|
| Governmental Activities | \$ 787,508 | \$ 1,350,564 | \$ 299,088 | \$ 1,838,984 |

The payment schedule of principal and interest for the capital leases are as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|-----------------------------------|--------------|------------|--------------|
| 2021 | \$ 267,864 | \$ 64,081 | \$ 331,945 |
| 2022 | 277,373 | 54,572 | 331,945 |
| 2023 | 287,220 | 44,725 | 331,945 |
| 2024 | 297,173 | 34,527 | 331,700 |
| 2025 | 132,615 | 23,976 | 156,591 |
| 2026-2029 | 576,739 | 49,540 | 626,279 |
| | \$ 1,838,984 | \$ 271,421 | \$ 2,110,405 |

Interest expense related to the leases for the current fiscal year was \$57,039.

Note 10 - Long Term Debt

On December 19, 2014, the District entered into a Full Faith and Credit Financing Agreement (the Agreement) and an associated Note with Evergreen Federal Bank (the Bank) for the purpose of financing the cost of constructing and equipping additional elementary school classrooms at existing elementary schools and to pay all costs incidental thereto. The obligation of the District to make the payments under the Agreement is a full faith and credit obligation of the District, and is not subject to annual appropriation. The Bank shall not have a lien or security interest on any property of the District, including the property financed with the proceeds of the Agreement. All or any portion of the outstanding balance may be prepaid without penalty on any business day. The Agreement contains a provision that in an event of default, the Bank may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration. The bank, at its election may declare that the principal amount of the Note then outstanding shall bear interest at the default rate.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 10 - Long Term Debt (continued)

On September 9, 2015, the District entered into an Amended and Restated Full Faith and Credit Financing Agreement and an associated Amended and Restated Note with the Bank. The Amended and Restated Finance Agreement increased the maximum aggregate principal borrowing amount to \$4,500,000.

On or before December 31, 2015, the District made the final draw under the Amended and Restated Finance Agreement and the Note. The District paid accrued interest through December 31, 2015 and started making principal and interest payments in February of 2016. The Bank prepared an amortization in alignment with the Note showing the outstanding balance amortized in 180 substantially equal monthly payments of principal and interest, commencing on February 1, 2016 with a final maturity date of January 1, 2031. The outstanding balance shall bear interest at 3.00 percent per annum.

The changes in the long term for the year ended June 30, 2020 are as follows:

| | Balance June 30, 2019 | Additions | Reductions | Balance June 30, 2020 | Due in One Year |
|--|--------------------------|-----------|------------|--------------------------|--------------------|
| Full Faith and Credit Obligation - direct borrowing | \$ 3,677,892 | - | \$ 269,616 | \$ 3,408,276 | \$ 277,817 |

The repayment schedule of principal and interest for the Note are as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|-----------------------------------|---------------------|-------------------|---------------------|
| 2021 | \$ 277,817 | \$ 98,449 | \$ 376,266 |
| 2022 | 286,267 | 89,999 | 376,266 |
| 2023 | 294,974 | 81,292 | 376,266 |
| 2024 | 303,946 | 72,320 | 376,266 |
| 2025 | 313,191 | 63,075 | 376,266 |
| 2026 - 2030 | 1,714,771 | 166,550 | 1,881,321 |
| 2031 | 217,310 | 2,100 | 219,410 |
| | <u>\$ 3,408,276</u> | <u>\$ 573,785</u> | <u>\$ 3,982,061</u> |

Interest paid on the above debt was \$106,650 and interest expense for the current fiscal year was \$105,728.

Note 11 – Defined Pension Benefit Plan

Tax Sheltered Annuity Plan

The District offers its employees a tax deferred annuity program established pursuant to Section 403(b) of the Internal Revenue Code (the Code), and deferred compensation program pursuant to Section 457 of the Internal Revenue Code. Contributions are made through salary reductions from participating employees up to the amounts specified in the Code. The District provides no matching component for employee contributions.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 11 – Defined Pension Benefit Plan (continued)

Early Retirement Stipend Benefit Plan

Plan Description

The District provides a single-employer defined benefit early retirement stipend pension plan for eligible Administrative, Licensed, Supervisory, and Confidential employees who retire with 15 years of service with the District, and Classified employees hired before July 1, 2006 who retire on or after age 55 with 20 years of District service. Generally, the program covers all who meet Oregon PERS retirement eligibility and are receiving benefits from Oregon PERS. For Tier 1 or Tier 2 members they may retire earlier of age 55, or any age with 30 years of service. OPSRP members must be age 55 or older with five years of service.

Administrative, Licensed, Supervisory, and Confidential employees are entitled to a monthly stipend equal to 1/84th of the employee's annual salary at retirement, which continues until (1) death, (2) reaching the age of 65, or (3) the receipt of 84 payments, whichever occurs first. Classified employees are entitled to a monthly stipend, based on a sliding scale rate depending on years of service, plus \$100 per month until (1) the employee becomes eligible for full Social Security benefits, (2) reaching the age of 65, or (3) the receipt of 60 months of payments, whichever occurs first.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the stipend benefit terms:

| | |
|--|-----|
| Inactive participants in the OPEB plan | 47 |
| Active plan members | 468 |
| | 515 |
| | 515 |

Total Stipend Pension Liability

The districts total stipend pension liability of \$6,850,188 was measured as of June 30, 2020, and was determined by an actuarial valuation date as of July 1, 2018.

Actuarial Assumptions and Other Inputs

The actuarial valuation used for the early retirement stipend pension plan is identical to the actuarial valuation details related to the single-employer post-retirement health care plan disclosed in *Note 12 - Post-Employment Benefits Other Than Pensions (OPEB)*.

Changes in the Stipend Pension Liability

| | | |
|--|----|-----------|
| Stipend Pension Liability at June 30, 2019 | \$ | 6,852,260 |
| Changes for the year: | | |
| Service cost | | 286,364 |
| Interest | | 240,594 |
| Benefit payments | | (529,030) |
| Stipend Pension Liability at June 30, 2020 | \$ | 6,850,188 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 11 – Defined Pension Benefit Plan (continued)

Stipend Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended June 30, 2020, the District recognized stipend pension expense of \$125,879. At June 30, 2020, the District reported the following deferred outflows and deferred inflows associated with its stipend pension plan:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ 504,838 | \$ - |
| Changes of assumptions | 134,923 | - |
| Total | \$ 639,761 | \$ - |

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, | Net Deferred Outflow/Inflow of Resources |
|------------------------|--|
| 2021 | \$ 127,951 |
| 2022 | 127,951 |
| 2023 | 127,951 |
| 2024 | 127,951 |
| 2025 | 127,957 |
| Total | \$ 639,761 |

Sensitivity of the Total Stipend Pension Liability to Changes in the Discount Rate

The following presents the total stipend pension liability of the District, as well as what the District's total pension stipend liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

| | 1% Decrease Rate 2.50% | Current Discount Rate 3.50% | 1% Increase Rate 4.50% |
|----------------------|---------------------------|--------------------------------|---------------------------|
| Total OPEB Liability | \$ 7,239,615 | \$ 6,850,188 | \$ 6,474,661 |

Changes in Assumptions

The changes in assumptions used for the early retirement stipend pension plan are identical to the changes in assumptions related to the single-employer post-retirement health care plan disclosed in *Note 12 – Post Employment Benefits Other Than Pensions (OPEB)*.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 11 – Defined Pension Benefit Plan (continued)

OPERS Plan

Plan Description

Employees are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan in accordance with Oregon Revised Statutes Chapter 238, Chapter 238A, and Internal Revenue Service Code Section 401(a).

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPSRP is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The ORS Chapter 238 Defined Benefit Plan was closed to new members hired on or after August 29, 2003. In 1995, the Oregon Legislature created a second tier of benefits for those who became OPERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.

Beginning January 1, 2004, PERS active Tier One or Tier Two members became members of the OPSRP IAP Program. OPERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. OPERS plan members retain their existing OPERS accounts; however, member contributions after January 1, 2004 are deposited in the member's IAP, not into the member's OPERS account.

Tier One/Tier Two Retirement Benefit (Chapter 238)

Pension Benefits

The OPERS 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 (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 a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit 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. General Service employees may retire after reaching age 55. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan was closed to new members hired on or after August 29, 2003.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 11 - Defined Pension Benefit Plan (continued)

Tier One/Tier Two Retirement Benefit (Chapter 238) (continued)

Death Benefits

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

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

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market 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.

OPSRP Pension Program (Chapter 238A)

Pension Benefits

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. 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:

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.

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.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 11 - Defined Pension Benefit Plan (continued)

OPSRP Pension Program (Chapter 238A) (continued)

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.

Benefit Changes After Retirement

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustment (COLA). The COLA is capped at 2.0 percent.

Funding Policy

OPERS 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.

Contributions

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

The District's employer contributions for the year ended June 30, 2020 were \$10,517,276, excluding amounts to fund employer specific liabilities. The contribution rates in effect for the the period July 1, 2019 through June 30, 2020 for each pension program were: Tier1/Tier 2 – 32.03%, and OPSRP General Service – 26.58%.

Oregon PERS Comprehensive Annual Financial Report (CAFR)

OPERS prepares their financial statements in accordance with GAAP as set forth in GASB pronouncements that apply to fiduciary funds and enterprise funds. The accrual basis of accounting is used for all funds. Revenues are recognized when earned. Contributions recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plans. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction in between market participants at the measurement date. OPERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Actuarial Valuation

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from their date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 11 - Defined Pension Benefit Plan (continued)

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

| | |
|--|--|
| Valuation date | December 31, 2017 |
| Measurement date | June 30, 2019 |
| Experience study | 2016, published July 26, 2017 |
| Actuarial cost method | Entry age normal |
| Actuarial assumptions: | |
| Inflation rate | 2.50 percent |
| Long-term expected rate of return ¹ | 7.20 percent |
| Discount rate | 7.20 percent |
| Projected salary increases | 3.50 percent |
| Cost of living adjustments (COLA) | Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service. |
| Mortality | <p><i>Healthy retirees and beneficiaries:</i> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><i>Active members:</i> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><i>Disabled retirees:</i> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p> |

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study, which reviewed experience for the four-year period ending on December 31, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 11 - Defined Pension Benefit Plan (continued)

Assumed Asset Allocation

| <u>Asset Class</u> | <u>Target Allocation</u> |
|-----------------------|--------------------------|
| Cash | 0.00% |
| Debt securities | 20.00% |
| Public equity | 37.50% |
| Private equity | 17.50% |
| Real estate | 12.50% |
| Alternative equity | 12.50% |
| Opportunity portfolio | 0.00% |
| Total | <u>100.00%</u> |

Investment Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the OPERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation. The OIC's description of each asset was used to map the target allocation to the asset classes shown below.

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Compounded Annual Return</u> |
|-----------------------------------|--------------------------|---------------------------------|
| Core fixed income | 8.00% | 3.49% |
| Short-term bonds | 8.00% | 3.38% |
| Bank/leveraged loans | 3.00% | 5.09% |
| High yield bonds | 1.00% | 6.45% |
| Large/Mid cap US equities | 15.75% | 6.30% |
| Small cap US equities | 1.31% | 6.69% |
| Micro cap US equities | 1.31% | 6.80% |
| Developed foreign equities | 13.13% | 6.71% |
| Emerging market equities | 4.12% | 7.45% |
| Non-US small cap equities | 1.88% | 7.01% |
| Private equities | 17.50% | 7.82% |
| Real estate (property) | 10.00% | 5.51% |
| Real estate (REITS) | 2.50% | 6.37% |
| Hedge fund of funds - diversified | 2.50% | 4.09% |
| Hedge fund - event-driven | 0.63% | 5.86% |
| Timber | 1.88% | 5.62% |
| Farmland | 1.88% | 6.15% |
| Infrastructure | 3.75% | 6.60% |
| Commodities | 1.86% | 3.84% |
| Total | <u>100.00%</u> | |
| Assumed inflation - mean | | 2.50% |

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 11 - Defined Pension Benefit Plan (continued)

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

At June 30, 2020, the District reported a liability of \$81,035,703 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The District's proportion of the net pension liability was based on the District's long-term contribution effort to the pension plan compared with the total projected long-term contribution effort of all participating employers, actuarially determined. At June 30, 2019 (measurement date), the District's proportion was approximately 0.46847932 percent.

For the year ended June 30, 2020, the District recognized pension expense of \$9,571,861. The \$9,571,861 was treated as an increase of payroll related expense in the Statement of Activities and allocated to Instruction, Support Services and Community Services using allocation percentages of 64%, 32%, and 4%, respectively.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ 4,468,880 | \$ - |
| Changes of assumptions | 10,993,418 | - |
| Net difference between projected and actual earning on investments | - | 2,297,280 |
| Changes in proportionate share | 520,126 | 3,410,323 |
| Differences between employer contributions and employers proportionate share of system contributions | 2,804,405 | 13,743 |
| Contributions subsequent to measurement date | 10,517,276 | - |
| Total | \$ 29,304,105 | \$ 5,721,346 |

The \$10,517,276 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to pensions will be recognized in pension expense or (expense reduction) as follows:

| Year Ended June 30, | Net Deferred Outflow/(Inflow) of Resources |
|------------------------|--|
| 2021 | \$ 7,265,678 |
| 2022 | 684,371 |
| 2023 | 2,665,600 |
| 2024 | 2,249,458 |
| 2025 | 200,376 |
| Total | \$ 13,065,483 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 11 - Defined Pension Benefit Plan (continued)

Sensitivity for the District's Proportionate Share of the Net Pension Liability to Changes in Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.20 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 (6.20 percent) or one percent higher (8.20 percent) than the current rate:

| District's Net Pension Asset/(Liability) | 1% Decrease (6.20%) | Current Discount Rate (7.20%) | 1% Increase (8.20%) |
|--|---------------------|-------------------------------|---------------------|
| Defined Benefit Pension | \$ (129,771,488) | \$ (81,035,703) | \$ (40,250,565) |

Changes in Assumptions and Methods

A summary of key changes implemented since the December 31, 2017 valuation are noted below. Additional detail and list of changes can be found in the 2018 Experience Study for the System, which can be found at: https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf

- Assumed administrative expenses were updated for both Tier 1/Tier 2 and OPSRP.
- Mortality assumptions were changed to reflect recently published base mortality tables and mortality improvement projection scales for all groups.
- Termination, disability and retirement rates were updated for some groups to more closely match observed experience.
- Assumptions for merit increases, unused sick leave, and vacation pay were updated.
- The assumed healthcare cost trend rates for RHIPA program as well as the participation assumptions for both RHIA and RHIPA were updated.
- Senate Bill 1049 was signed into law June 2019 and requires a one-time re-amortization of Tier 1/Tier 2 UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which will set actuarially determined contribution rates for the 2021-2023 biennium.
- The percentages used for allocating accrued liability for Tier 1/Tier 2 active members who have earned service with multiple PERS employers were updated

Defined Contribution Plan – Individual Account Program (IAP)

Pension Benefits

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. The IAP is an individual account-based pension program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. All covered employees are required by State statute to contribute 6% of their salary to the plan. 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 Individual Account Program (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.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 11 - Defined Pension Benefit Plan (continued)

Defined Contribution Plan – Individual Account Program (IAP) (continued)

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.

Note 12 - Postemployment Benefits Other Than Pensions (OPEB)

The District has two separate other post-employment benefits (OPEB) plans. The District provides a single employer defined benefit health care plan to staff that were hired before July 1, 2003 and the District contributes to the State of Oregon's PERS cost-sharing multiple employer defined benefit plan.

Single-Employer Post-Retirement Health Care Plan

Plan Description

The District maintains a single-employer post-retirement healthcare (OPEB) plan that provides implicit post-employment health care benefits to eligible employees and their spouses and dependents until Medicare eligibility.

Generally, the plan covers all who meet Oregon PERS retirement eligibility and are receiving benefits from Oregon PERS. For Tier 1 or Tier 2 members they may retire earlier of age 55, or any age with 30 years of service. OPSRP members must be age 55 or older with five years of service. All classes of employees are eligible to continue medical coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

The District's OPEB plan was established in accordance with Oregon Revised Statutes (ORS) 243.303, which requires that all eligible retirees are allowed to continue receiving health insurance benefits, at their cost, until Medicare eligibility for the retiree (or until dependent children become ineligible). ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. Their requirement to make available to retirees (at the retirees own cost) access in to the healthcare plan has an implicit cost to the District.

Funding Policy

The benefits from the single-employer defined benefit OPEB plan are paid by the District based on bargaining agreement language and contributions by employees are also required. The plan is not accounted for in a pension trust fund; therefore, designated funds are not legally restricted to pay future benefits. The benefits from the healthcare plan established in accordance with ORS 243.303 are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 12 - Postemployment Benefits Other Than Pensions (OPEB) (continued)

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the implicit benefit terms:

| | |
|--|-----|
| Inactive participants in the OPEB plan | 36 |
| Active plan members | 676 |
| | 712 |
| | 712 |

Total OPEB Liability

The District's total OPEB liability of \$3,669,537 was measured as of June 30, 2020, and was determined by an actuarial valuation date as of July 1, 2018.

Actuarial Assumptions and Other Inputs

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

| Input | Assumption |
|--|--|
| Actuarial Cost Method | Entry age normal, level percent of salary |
| Interest Rate Utilized for Discounting | 3.50% per year, based on all years discounted at municipal bond rate |
| General Inflation | 2.5% per year |
| Salary Scale | 3.5% per year |
| Salary Merit Scale | Total payroll increase is overall payroll growth plus a merit table |
| Annual Premium Increase Rate | Between 5.0% and 6.6% annually |
| Mortality Rates | Basic table: RP 2014, Employee/Healthy Annuitant, sex distinct, generational |
| Turnover Rates | As developed for the valuation of benefits under Oregon PERS, depending on YOS |
| Disability Rates | As developed for the valuation of benefits under Oregon PERS, age dependent |
| Retirement Rates | As developed for the valuation of benefits under Oregon PERS |
| Plan Enrollment | Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled if any |
| Marital Status | 70% of future retirees electing coverage are assumed to cover a spouse as well |
| Coverage of Eligible Children | The actuary assumed no impact of dependent children on the implicit subsidy |

Changes in the OPEB Liability

| | |
|---------------------------------|--------------|
| OPEB Liability at June 30, 2019 | \$ 3,436,308 |
| Changes for the year: | |
| Service cost | 214,738 |
| Interest | 161,089 |
| Benefit payments | (142,598) |
| OPEB Liability at June 30, 2020 | \$ 3,669,537 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 12 - Postemployment Benefits Other Than Pensions (OPEB) (continued)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended June 30, 2020, the District recognized an increase of OPEB expense of \$103,005. At June 30, 2020, the District reported the following deferred outflows or inflows associated with its OPEB plan:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ - | \$ 417,027 |
| Changes of assumptions | - | 234,097 |
| Total | \$ - | \$ 651,124 |

Amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement contributions) related to OPEBs will be recognized in OPEB expense as follows:

| Year Ended June 30, | Net Deferred Outflow/(Inflow) of Resources |
|------------------------|--|
| 2021 | \$ (130,224) |
| 2022 | (130,224) |
| 2023 | (130,224) |
| 2024 | (130,224) |
| 2025 | (130,228) |
| Total | \$ (651,124) |

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 the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

| | 1% Decrease (2.50%) | Current Discount (3.50%) | 1% Increase (4.50%) |
|----------------------|------------------------|-----------------------------|------------------------|
| Total OPEB Liability | \$ 3,883,612 | \$ 3,669,537 | \$ 3,348,799 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 12 - Postemployment Benefits Other Than Pensions (OPEB) (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

| | 1% Decrease | Current Trend Rate 7.0% | 1% Increase |
|----------------------|---------------------------|----------------------------------|---------------------------|
| | 6.0% Graded Down to 4% | Graded Down to 5% Trend Rates | 8.0% Graded Down to 6% |
| Total OPEB Liability | \$ 3,183,861 | \$ 3,669,537 | \$ 4,078,822 |

Changes in Assumptions and Methods

A summary of key changes implemented since the July 1, 2016 valuation are noted below:

- The interest rate for discounting future liabilities was changed to reflect current municipal bond rates.
- The payroll growth assumption was increased slightly to match the assumption used in the valuation of Oregon PERS.
- Premium increase rates were modified to reflect anticipated experience and current Oregon law.
- Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.
- The lapse in coverage assumption was introduced to better reflect observed and anticipated experience.

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 post-employment 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 hired on or after August 29, 2003.

OPEB Benefits

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.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 12 - Postemployment Benefits Other Than Pensions (OPEB) (continued)

OPEB Benefits (continued)

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The District contributed \$43,217 for the year ended June 30, 2020. The contribution rates in effect for the period July 1, 2019 through June 30, 2020 for the OPEB program were: Tier1/Tier 2 – 0.06%, and OPSRP general service – 0.00%.

Oregon PERS Comprehensive Annual Financial Report (CAFR)

Oregon PERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Actuarial Valuation

The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in *Note 11 – Defined Benefit Pension Plan* except the table listed below:

Actuarial assumptions:

| | |
|----------------------------------|---|
| Retiree healthcare participation | Healthy retirees: 35%; Disabled retirees: 20% |
| Healthcare cost trend rate | Not applicable |

The actuarial valuation details are the Actuarial Methods and Assumptions, Discount Rate, Assumed Asset Allocation, Investment Rate of Return, and Mortality Tables.

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

At June 30, 2020, the District reported \$661,899 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017. The District's proportion of the net OPEB asset was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019 (measurement date) the District's proportion was approximately 0.34253407 percent.

For the year ended June 30, 2020, the District recognized a reduction of OPEB expense related to RHIA of \$131,298. The \$131,298 was treated as a reduction of payroll related expense in the Statement of Activities and allocated to Instruction, Support Services and Community Services using allocation percentages of 64%, 32%, and 4%, respectively.

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 12 - Postemployment Benefits Other Than Pensions (OPEB) (continued)

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

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ - | \$ 87,285 |
| Changes of assumptions | - | 686 |
| Net difference between projected and actual earning on investments | - | 40,855 |
| Changes in proportionate share | - | 2,648 |
| Contributions subsequent to measurement date | 43,217 | - |
| Total | \$ 43,217 | \$ 131,474 |

The \$43,217 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to OPEB will be recognized in pension expense as follows:

| Year Ended June 30, | Deferred Outflow/(Inflow) of Resources |
|------------------------|--|
| 2021 | \$ (67,875) |
| 2022 | (60,172) |
| 2023 | (7,635) |
| 2024 | 4,208 |
| Total | \$ (131,474) |

Sensitivity for the District's Proportionate Share of the Net OPEB Asset to Changes in Discount Rate

The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (6.20 percent) or 1-percentage point higher (8.20 percent) than the current rate:

| District's Net OPEB Asset/(Liability) | 1% Decrease (6.20%) | Current Discount Rate (7.20%) | 1% Increase (8.20%) |
|--|------------------------|----------------------------------|------------------------|
| Retirement Health Insurance Account | \$ 513,143 | \$ 661,899 | \$ 788,651 |

The RHIA OPEB is unaffected by healthcare cost trends due to the benefit being limited to \$60 monthly payments toward Medicare companion insurance premiums.

GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 12 - Postemployment Benefits Other Than Pensions (OPEB) (continued)

Changes in Assumptions

The changes in assumptions used for RHIA are identical to the changes in assumptions related to the OPERS Plan disclosed in *Note 11 – Defined Benefit Pension Plan*.

Note 13 - Commitments

The District has construction obligations for seismic upgrades at North Middle School. The original commitment of the contract is \$2,364,855 with \$1,519,455 remaining on the contract at June 30, 2020. These upgrades will be paid for with Seismic Rehabilitation Grants.

Note 14 - Contingencies

Amounts received or receivable from grantor agencies are subject to compliance audits by grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Note 15 - Current Vulnerability Due to Certain Concentrations

The District's operations are concentrated within Josephine County. In addition, substantially all the District's revenues for continuing operations are from federal, state, and local government agencies. In the normal course of operations, the District receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Note 16 - 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 for which the District carries commercial insurance. Worker's compensation insurance is also provided through a commercial carrier. There has been no significant reduction in insurance coverage from the prior year and the District has not been required to pay any settlements in excess of insurance coverage during the past five fiscal years ending June 30, 2020.

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.

Note 17 - Uncertainties

On March 13, 2020, the President of the United States declared a State of Emergency associated with the COVID-19 global pandemic. As of the date of these financial statements management has determined the impact to the District will be short term in nature and it believes adequate liquidity exists for the District to endure the upstream and downstream impact that will develop as a result of the slowdown in economic activity. The impact of the State of Emergency and full ramifications to the economy and the District is not determinable at this time.

GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 18 - Tax Abatements

At June 30, 2020, Josephine County provides tax abatements through the Enterprise Zone Program.

Enterprise Zone (ORS 285C.175):

The Oregon Enterprise Zone Program is a State of Oregon economic development program, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating entities are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone Program provides qualified entities that will be making a substantial new capital investment within the defined enterprise zone, a waiver of 100% of the amount of real property taxes attributable to the new investment for a period of five years following completion of the new investment. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

For the fiscal year ended June 30, 2020, the District's abated property taxes totaled \$87,500 under the Enterprise Zone Program.

Note 19 - Subsequent Events

Management of the District has evaluated events and transactions occurring after June 30, 2020 through December 31, 2020, the date of the financial statements were available for issuance, for recognition and/or disclosure in the financial statements.

On October 23, 2020 the District entered into a Master Tax-Exempt Installment Purchase Agreement with U.S. Bancorp Government Leasing and Finance, Inc. of \$15,458,977 for certain capital improvements. The obligation carries an annual interest rate of 1.96 percent and matures on October 23, 2036. Semi-annual principal and interest payments of \$608,871 are due beginning April 2022.

REQUIRED SUPPLEMENTARY INFORMATION

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION
ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Grants Pass School District No. 7 Proportionate Share of Net Pension Asset / (Liability) at the measurement date

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------|
| District proportion of the net pension asset/(liability) | 46.3014580% | 46.3014580% | 0.4751985% | 0.5195660% | 0.5828479% | 0.5866120% | 0.5866120% |
| District's proportion of the net pension asset/(liability) | \$ (81,035,703) | \$ (70,140,610) | \$ (64,056,941) | \$ (77,998,913) | \$ (33,463,988) | \$ 13,296,833 | \$ (29,935,697) |
| District's covered-employee payroll | \$ 38,427,443 | \$ 35,280,575 | \$ 33,870,417 | \$ 28,555,340 | \$ 28,555,340 | \$ 28,555,340 | \$ 27,521,163 |
| District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll | -210.88% | -198.81% | -189.12% | -273.15% | -117.19% | 46.57% | -108.77% |
| Plan fiduciary net position as a percentage of the total pension liability | 80.20% | 82.07% | 83.12% | 80.53% | 91.88% | 103.59% | 91.97% |

Grants Pass School District No. 7 Contributions

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually required contributions | \$ 10,517,276 | \$ 8,757,601 | \$ 8,102,379 | \$ 6,652,748 | \$ 6,316,699 | \$ 6,252,389 | \$ 5,766,747 |
| Contribution in relation to the contractually required | <u>(10,517,276)</u> | <u>(8,757,601)</u> | <u>(8,102,379)</u> | <u>(6,652,748)</u> | <u>(6,316,699)</u> | <u>(6,252,389)</u> | <u>(5,766,747)</u> |
| Contributions deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered - employee payroll | \$ 38,455,983 | \$ 38,427,443 | \$ 35,280,575 | \$ 33,870,417 | \$ 28,555,340 | \$ 28,555,340 | \$ 28,555,340 |
| Contributions as a percentage of covered-employee payroll | 27.35% | 22.79% | 22.97% | 19.64% | 22.12% | 21.90% | 20.19% |

Note 1 - Changes of Benefit Terms and Assumptions -

Significant Methods and Assumptions:

A summary of assumption changes implemented since the December 31, 2017 valuation are outlined briefly in Note 11 in the notes to the basic financial statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the system, which was published on July 24, 2019, and can be found at: https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf

Other Information:

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 68 during fiscal 2014, as a result, only seven years of information is presented.

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB ASSET/(LIABILITY)
AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
OPERS RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)

Grants Pass School District No. 7 Proportionate Share of Net Pension Asset / (Liability) at the measurement date

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|---------------|---------------|---------------|
| District proportion of the net OPEB asset/(liability) | 0.34253407% | 0.33961446% | 0.33202907% |
| District's proportion of the net OPEB asset/(liability) | \$ 661,899 | \$ 379,102 | \$ 138,569 |
| District's covered-employee payroll | \$ 38,427,443 | \$ 35,280,575 | \$ 33,870,417 |
| District's proportionate share of the net OPEB asset/(liability) as a percentage of its covered-employee payroll | 1.72% | 1.07% | 0.41% |
| Plan fiduciary net position as a percentage of the total pension liability | 144.40% | 123.99% | 108.88% |

Grants Pass School District No. 7 Contributions

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|-----------------|------------------|------------------|
| Contractually required contributions | \$ 43,217 | \$ 169,767 | \$ 164,442 |
| Contribution in relation to the contractually required | <u>(43,217)</u> | <u>(169,767)</u> | <u>(164,442)</u> |
| Contributions deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered - employee payroll | \$ 38,455,983 | \$ 38,427,443 | \$ 35,280,575 |
| Contributions as a percentage of covered-employee payroll | 0.11% | 0.44% | 0.47% |

Note 1 - Changes of Benefit Terms and Assumptions -

Significant Methods and Assumptions:

A summary of assumption changes implemented since the December 31, 2017 valuation are outlined briefly in *Note 12* in the notes to the basic financial statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the system, which was published on July 24, 2019, and can be found at:
https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf

Other Information:

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 75 during fiscal 2018, as a result, only three years of information is presented.

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL PENSION LIABILITY
AND RELATED RATIOS

| Total Pension Liability (Stipend): | 2020 | 2019 | 2018 | 2017 |
|---|---------------------|---------------------|---------------------|---------------------|
| Service cost | \$ 286,364 | \$ 237,510 | \$ 230,592 | \$ 230,592 |
| Interest | 240,594 | 223,956 | 219,485 | 218,657 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experience | - | 706,772 | - | - |
| Changes of assumptions of other inputs | - | 188,890 | - | - |
| Benefit payments | (529,030) | (479,018) | (427,123) | (427,242) |
| Net change in total pension liability (stipend) | (2,072) | 878,110 | 22,954 | 22,007 |
| Total Pension Liability (Stipend) - beginning | \$ 6,852,260 | \$ 5,974,150 | \$ 5,951,196 | \$ 5,929,189 |
| Total Pension liability (Stipend) - ending | <u>\$ 6,850,188</u> | <u>\$ 6,852,260</u> | <u>\$ 5,974,150</u> | <u>\$ 5,951,196</u> |
| Estimated Covered - employee payroll | \$ 30,604,447 | \$ 29,569,514 | \$ 29,442,482 | \$ 28,584,934 |
| Total pension liability (Stipend) as a percentage of estimated covered - employee payroll | 22.38% | 23.17% | 20.29% | 20.82% |

Notes to Schedule:

Significant methods and assumptions used in calculating the actuarially determined contributions:

Significant methods and assumptions used in calculating the actuarially determined contributions are described in Note 11 to the financial statements. No assets are accumulated in a trust to pay related benefits.

Changes in benefit terms:

None noted.

Other information:

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 73 during fiscal 2017, as a result, only four years of information is presented.

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS

| Total OPEB Liability: | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|---------------------|---------------------|---------------------|---------------------|
| Service cost | \$ 214,738 | \$ 210,018 | \$ 203,901 | \$ 203,901 |
| Interest | 161,089 | 159,246 | 147,632 | 140,764 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experience | - | (583,837) | - | - |
| Changes of assumptions of other inputs | - | (327,735) | - | - |
| Benefit payments | <u>(142,598)</u> | <u>(115,834)</u> | <u>(183,949)</u> | <u>(139,087)</u> |
| Net change in total OPEB liability | 233,229 | (658,142) | 167,584 | 205,578 |
| Total OPEB liability - beginning | <u>\$ 3,436,308</u> | <u>\$ 4,094,450</u> | <u>\$ 3,926,866</u> | <u>\$ 3,721,288</u> |
| Total OPEB liability - ending | <u>\$ 3,669,537</u> | <u>\$ 3,436,308</u> | <u>\$ 4,094,450</u> | <u>\$ 3,926,866</u> |
| Estimated Covered - employee payroll | \$ 35,212,115 | \$ 34,021,367 | \$ 32,659,879 | \$ 31,708,620 |
| Total OPEB liability as a percentage of estimated covered - employee payroll | 10.42% | 10.10% | 12.54% | 12.38% |

Notes to Schedule:

Significant methods and assumptions used in calculating the actuarially determined contributions:

Significant methods and assumptions used in calculating the actuarially determined contributions are described in Note 12 to the financial statements. No assets are accumulated in a trust to pay related benefits.

Changes in benefit terms:

None noted.

Other information:

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 75 during fiscal 2017, as a result, only four years of information is presented.

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2020

| | <u>Budget</u> | | <u>2020</u> | <u>Variance with</u> |
|--|---------------------|---------------------|---------------------|---|
| | <u>Adopted</u> | <u>Final</u> | <u>Actual</u> | <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u> |
| REVENUES | | | | |
| Local sources: | | | | |
| Property taxes | \$ 14,815,000 | \$ 14,815,000 | \$ 14,926,807 | \$ 111,807 |
| Charges for services | 744,086 | 744,086 | 495,921 | (248,165) |
| Donations | 531,005 | 531,005 | 119,799 | (411,206) |
| Interest on investments | 185,100 | 185,100 | 226,932 | 41,832 |
| Miscellaneous | 1,340,860 | 1,340,860 | 292,164 | (1,048,696) |
| Intermediate sources: | | | | |
| Intergovernmental | 1,664,470 | 1,664,470 | 1,676,388 | 11,918 |
| State sources: | | | | |
| Basic school support | 46,259,713 | 46,259,713 | 46,565,138 | 305,425 |
| Intergovernmental | 579,556 | 579,556 | 550,013 | (29,543) |
| Federal sources: | | | | |
| Intergovernmental | 100,000 | 100,000 | 187,437 | 87,437 |
| TOTAL REVENUES | <u>66,219,790</u> | <u>66,219,790</u> | <u>65,040,599</u> | <u>(1,179,191)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 43,819,126 | 43,819,126 | 42,062,324 | 1,756,802 |
| Support services | 21,965,634 | 22,322,634 | 21,920,638 | 401,996 |
| Contingency | 1,350,000 | 993,000 | - | 993,000 |
| TOTAL EXPENDITURES | <u>67,134,760</u> | <u>67,134,760</u> | <u>63,982,962</u> | <u>3,151,798</u> |
| EXCESS (DEFICIENCY) OF | | | | |
| REVENUES OVER EXPENDITURES | <u>(914,970)</u> | <u>(914,970)</u> | <u>1,057,637</u> | <u>1,972,607</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from the sale of capital assets | - | - | 19,423 | 19,423 |
| Transfers in | 650,000 | 650,000 | - | (650,000) |
| Transfers out | (925,000) | (925,000) | (925,000) | - |
| TOTAL OTHER FINANCING | | | | |
| SOURCES (USES) | <u>(275,000)</u> | <u>(275,000)</u> | <u>(905,577)</u> | <u>(630,577)</u> |
| NET CHANGE IN FUND BALANCE | <u>(1,189,970)</u> | <u>(1,189,970)</u> | <u>152,060</u> | <u>1,342,030</u> |
| FUND BALANCE, July 1, 2019 | <u>4,518,535</u> | <u>4,518,535</u> | <u>3,875,022</u> | <u>(643,513)</u> |
| FUND BALANCE, June 30, 2020 | <u>\$ 3,328,565</u> | <u>\$ 3,328,565</u> | <u>\$ 4,027,082</u> | <u>\$ 698,517</u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2020**

| | <u>Budget</u> | | <u>2020 Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|------------------|------------------|------------------------|---|
| | <u>Adopted</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Local sources: | | | | |
| Donations | \$ 275,000 | \$ 275,000 | \$ 102,975 | \$ (172,025) |
| Miscellaneous | - | - | 6,510 | 6,510 |
| Intermediate sources: | | | | |
| Intergovernmental | 143,703 | 143,703 | 6,977 | (136,726) |
| State sources: | | | | |
| Intergovernmental | 950,000 | 950,000 | 176,717 | (773,283) |
| Federal sources: | | | | |
| Intergovernmental | <u>7,406,489</u> | <u>7,406,489</u> | <u>3,514,232</u> | <u>(3,892,257)</u> |
| TOTAL REVENUES | <u>8,775,192</u> | <u>8,775,192</u> | <u>3,807,411</u> | <u>(4,967,781)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 7,018,904 | 7,018,904 | 3,109,751 | 3,909,153 |
| Support services | 1,453,288 | 1,453,288 | 562,178 | 891,110 |
| Enterprise and community services | <u>303,000</u> | <u>303,000</u> | <u>135,482</u> | <u>167,518</u> |
| TOTAL EXPENDITURES | <u>8,775,192</u> | <u>8,775,192</u> | <u>3,807,411</u> | <u>4,967,781</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE, July 1, 2019 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE, June 30, 2020 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PERS RESERVE FUND
YEAR ENDED JUNE 30, 2020**

| | <u>Budget</u> | | <u>2020 Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--------------------|--------------------|------------------------|---|
| | <u>Adopted</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Local sources: | | | | |
| Interest on investments | \$ 75,000 | \$ 75,000 | \$ 71,231 | \$ (3,769) |
| TOTAL REVENUES | <u>75,000</u> | <u>75,000</u> | <u>71,231</u> | <u>(3,769)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 1,236,366 | 1,236,366 | - | 1,236,366 |
| Support services | 1,003,101 | 1,003,101 | - | 1,003,101 |
| Enterprise and community services | 13,477 | 13,477 | - | 13,477 |
| TOTAL EXPENDITURES | <u>2,252,944</u> | <u>2,252,944</u> | <u>-</u> | <u>2,252,944</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(2,177,944)</u> | <u>(2,177,944)</u> | <u>71,231</u> | <u>2,249,175</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (650,000) | (650,000) | - | 650,000 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(650,000)</u> | <u>(650,000)</u> | <u>-</u> | <u>650,000</u> |
| NET CHANGE IN FUND BALANCE | <u>(2,827,944)</u> | <u>(2,827,944)</u> | <u>71,231</u> | <u>2,899,175</u> |
| FUND BALANCE, July 1, 2019 | <u>3,251,103</u> | <u>3,251,103</u> | <u>3,231,990</u> | <u>(19,113)</u> |
| FUND BALANCE, June 30, 2020 | <u>\$ 423,159</u> | <u>\$ 423,159</u> | <u>\$ 3,303,221</u> | <u>\$ 2,880,062</u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MEASURE 98 FUND
YEAR ENDED JUNE 30, 2020**

| | <u>Budget</u> | | <u>2020 Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-----------------|-----------------|------------------------|---|
| | <u>Adopted</u> | <u>Final</u> | | |
| REVENUES | | | | |
| State sources: | | | | |
| Intergovernmental | \$ 850,000 | \$ 850,000 | \$ 1,342,966 | \$ 492,966 |
| TOTAL REVENUES | <u>850,000</u> | <u>850,000</u> | <u>1,342,966</u> | <u>492,966</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 743,881 | 743,881 | 901,298 | (157,417) |
| Support services | <u>156,119</u> | <u>156,119</u> | <u>441,668</u> | <u>(285,549)</u> |
| TOTAL EXPENDITURES | <u>900,000</u> | <u>900,000</u> | <u>1,342,966</u> | <u>(442,966)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(50,000)</u> | <u>(50,000)</u> | <u>-</u> | <u>50,000</u> |
| FUND BALANCE, July 1, 2019 | <u>50,000</u> | <u>50,000</u> | <u>-</u> | <u>(50,000)</u> |
| FUND BALANCE, June 30, 2020 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

OTHER SUPPLEMENTARY INFORMATION

**GRANTS PASS SCHOOL DISTRICT NO. 7
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

| | Student Body | Food Services | Cool School | Bus Replacement | Capital Projects | Total |
|--|-------------------|-------------------|-------------------|--------------------|---------------------|---------------------|
| ASSETS | | | | | | |
| Equity in pooled cash and investments | \$ 437,445 | \$ 200 | \$ 384,362 | \$ - | \$ 4,813 | \$ 826,820 |
| Receivables | 1,057 | 131,148 | 9,552 | - | 823,648 | 965,405 |
| Interfund receivable | 1,312 | - | - | 3,055 | - | 4,367 |
| TOTAL ASSETS | \$ 439,814 | \$ 131,348 | \$ 393,914 | \$ 3,055 | \$ 828,461 | \$ 1,796,592 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ 25,942 | \$ 25,942 |
| Interfund payable | - | 131,348 | 1,500 | - | 675,270 | 808,118 |
| TOTAL LIABILITIES | - | 131,348 | 1,500 | - | 701,212 | 834,060 |
| Fund Balances: | | | | | | |
| Restricted | 439,814 | - | 392,414 | - | - | 832,228 |
| Committed | - | - | - | 3,055 | 127,249 | 130,304 |
| TOTAL FUND BALANCES | 439,814 | - | 392,414 | 3,055 | 127,249 | 962,532 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 439,814 | \$ 131,348 | \$ 393,914 | \$ 3,055 | \$ 828,461 | \$ 1,796,592 |

GRANTS PASS SCHOOL DISTRICT NO. 7
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

| | Student Body | Food Services | Cool School | Bus Replacement | Capital Projects | Total |
|--|-------------------|------------------|-------------------|--------------------|---------------------|--------------------|
| REVENUES | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ 266,655 | \$ 266,655 |
| Intergovernmental | - | 2,441,449 | - | 10,000 | 2,213,664 | 4,665,113 |
| Charges for services | 279,549 | 24,200 | - | - | 3,320 | 307,069 |
| Donations | 394,204 | - | - | - | 54,787 | 448,991 |
| Interest on investments | - | - | - | - | 2,349 | 2,349 |
| Miscellaneous | 24,411 | 2,431 | 132,950 | - | 18,742 | 178,534 |
| TOTAL REVENUES | 698,164 | 2,468,080 | 132,950 | 10,000 | 2,559,517 | 5,868,711 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Instruction | 676,982 | - | - | - | - | 676,982 |
| Support services | 13,198 | - | - | 1,682,509 | 434,968 | 2,130,675 |
| Community services | - | 2,666,601 | - | - | - | 2,666,601 |
| Facilities and acquisition | - | - | 7,983 | - | 2,358,755 | 2,366,738 |
| Debt Service | - | - | - | - | 376,266 | 376,266 |
| TOTAL EXPENDITURES | 690,180 | 2,666,601 | 7,983 | 1,682,509 | 3,169,989 | 8,217,262 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 7,984 | (198,521) | 124,967 | (1,672,509) | (610,472) | (2,348,551) |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from capital lease | - | - | - | 1,350,564 | - | 1,350,564 |
| Transfers | - | - | - | 325,000 | 600,000 | 925,000 |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | 1,675,564 | 600,000 | 2,275,564 |
| NET CHANGE IN FUND BALANCE | 7,984 | (198,521) | 124,967 | 3,055 | (10,472) | (72,987) |
| FUND BALANCE, July 1, 2019 | 431,830 | 198,521 | 267,447 | - | 137,721 | 1,035,519 |
| FUND BALANCE, June 30, 2020 | \$ 439,814 | \$ - | \$ 392,414 | \$ 3,055 | \$ 127,249 | \$ 962,532 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STUDENT BODY FUND
YEAR ENDED JUNE 30, 2020**

| | <u>Budget</u> | | <u>2020 Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|------------------|------------------|------------------------|---|
| | <u>Adopted</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Local sources: | | | | |
| Charges for services | \$ 843,058 | \$ 843,058 | \$ 279,549 | \$ (563,509) |
| Donations | 1,142,692 | 1,142,692 | 394,204 | (748,488) |
| Miscellaneous | 101,050 | 101,050 | 24,411 | (76,639) |
| TOTAL REVENUES | <u>2,086,800</u> | <u>2,086,800</u> | <u>698,164</u> | <u>(1,388,636)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 2,491,100 | 2,491,100 | 676,982 | 1,814,118 |
| Support services | 40,215 | 40,215 | 13,198 | 27,017 |
| TOTAL EXPENDITURES | <u>2,531,315</u> | <u>2,531,315</u> | <u>690,180</u> | <u>1,841,135</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(444,515)</u> | <u>(444,515)</u> | <u>7,984</u> | <u>452,499</u> |
| FUND BALANCE, July 1, 2019 | <u>444,515</u> | <u>444,515</u> | <u>431,830</u> | <u>(12,685)</u> |
| FUND BALANCE, June 30, 2020 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 439,814</u> | <u>\$ 439,814</u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2020**

| | <u>Budget</u> | | <u>2020 Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|------------------|------------------|------------------------|---|
| | <u>Adopted</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Local sources: | | | | |
| Charges for services | \$ 184,745 | \$ 184,745 | \$ 24,200 | \$ (160,545) |
| Miscellaneous | 15,000 | 15,000 | 2,431 | (12,569) |
| State sources: | | | | |
| Intergovernmental | 36,000 | 36,000 | 43,914 | 7,914 |
| Federal sources: | | | | |
| Intergovernmental | 3,960,000 | 3,960,000 | 2,397,535 | (1,562,465) |
| TOTAL REVENUES | <u>4,195,745</u> | <u>4,195,745</u> | <u>2,468,080</u> | <u>(1,727,665)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Enterprise and community services | 3,707,332 | 3,707,332 | 2,666,601 | 1,040,731 |
| Contingency | 488,413 | 488,413 | - | 488,413 |
| TOTAL EXPENDITURES | <u>4,195,745</u> | <u>4,195,745</u> | <u>2,666,601</u> | <u>1,529,144</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>-</u> | <u>-</u> | <u>(198,521)</u> | <u>(198,521)</u> |
| FUND BALANCE, July 1, 2019 | <u>-</u> | <u>-</u> | <u>198,521</u> | <u>198,521</u> |
| FUND BALANCE, June 30, 2020 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COOL SCHOOL FUND
YEAR ENDED JUNE 30, 2020**

| | <u>Budget</u> | | <u>2020 Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|------------------|------------------|------------------------|---|
| | <u>Adopted</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Local sources: | | | | |
| Miscellaneous | \$ 150,000 | \$ 150,000 | \$ 132,950 | \$ (17,050) |
| TOTAL REVENUES | <u>150,000</u> | <u>150,000</u> | <u>132,950</u> | <u>(17,050)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Support services | 90,000 | 90,000 | - | 90,000 |
| Facilities acquisition and construction | <u>335,000</u> | <u>335,000</u> | <u>7,983</u> | <u>327,017</u> |
| TOTAL EXPENDITURES | <u>425,000</u> | <u>425,000</u> | <u>7,983</u> | <u>417,017</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(275,000)</u> | <u>(275,000)</u> | <u>124,967</u> | <u>399,967</u> |
| FUND BALANCE, July 1, 2019 | <u>275,000</u> | <u>275,000</u> | <u>267,447</u> | <u>(7,553)</u> |
| FUND BALANCE, June 30, 2020 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 392,414</u> | <u>\$ 392,414</u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
BUS REPLACEMENT FUND
YEAR ENDED JUNE 30, 2020**

| | <u>Budget</u> | | <u>2020 Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|------------------|------------------|------------------------|---|
| | <u>Adopted</u> | <u>Final</u> | | |
| REVENUES | | | | |
| State sources | | | | |
| Intergovernmental | \$ 175,000 | \$ 175,000 | \$ 10,000 | \$ (165,000) |
| TOTAL REVENUES | <u>175,000</u> | <u>175,000</u> | <u>10,000</u> | <u>(165,000)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Support services | 500,000 | 500,000 | 1,682,509 | (1,182,509) |
| TOTAL EXPENDITURES | <u>500,000</u> | <u>500,000</u> | <u>1,682,509</u> | <u>(1,182,509)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(325,000)</u> | <u>(325,000)</u> | <u>(1,672,509)</u> | <u>(1,347,509)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from capital lease | - | - | 1,350,564 | 1,350,564 |
| Transfers in | 325,000 | 325,000 | 325,000 | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>325,000</u> | <u>325,000</u> | <u>1,675,564</u> | <u>1,350,564</u> |
| NET CHANGE IN FUND BALANCE | - | - | 3,055 | 3,055 |
| FUND BALANCE, July 1, 2019 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE, June 30, 2020 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,055</u> | <u>\$ 3,055</u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2020**

| | <u>Budget</u> | | <u>2020 Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|------------------|------------------|------------------------|---|
| | <u>Adopted</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Local sources: | | | | |
| Construction excise taxes | \$ 300,000 | \$ 300,000 | \$ 266,655 | \$ (33,345) |
| Charges for services | - | - | 3,320 | 3,320 |
| Donations | 750,000 | 750,000 | 54,787 | (695,213) |
| Interest on investments | 30,000 | 30,000 | 2,349 | (27,651) |
| Miscellaneous | - | - | 18,742 | 18,742 |
| State sources: | | | | |
| Intergovernmental | 4,000,000 | 4,000,000 | 2,213,664 | (1,786,336) |
| TOTAL REVENUES | <u>5,080,000</u> | <u>5,080,000</u> | <u>2,559,517</u> | <u>(2,520,483)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Support services | 845,000 | 845,000 | 434,968 | 410,032 |
| Facilities acquisition and construction | 4,805,000 | 4,805,000 | 2,358,755 | 2,446,245 |
| Debt service | 380,000 | 380,000 | 376,266 | 3,734 |
| TOTAL EXPENDITURES | <u>6,030,000</u> | <u>6,030,000</u> | <u>3,169,989</u> | <u>2,860,011</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(950,000)</u> | <u>(950,000)</u> | <u>(610,472)</u> | <u>339,528</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 600,000 | 600,000 | 600,000 | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>600,000</u> | <u>600,000</u> | <u>600,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (350,000) | (350,000) | (10,472) | 339,528 |
| FUND BALANCE, July 1, 2019 | <u>350,000</u> | <u>350,000</u> | <u>137,721</u> | <u>(212,279)</u> |
| FUND BALANCE, June 30, 2020 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 127,249</u> | <u>\$ 127,249</u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2020**

| | Unemployment | Insurance Reserve | Total |
|---------------------------------------|--------------------------|------------------------------|------------------|
| ASSETS | | | |
| Equity in pooled cash and investments | \$ 14,856 | \$ 53,410 | \$ 68,266 |
| Accounts Receivable | - | 5,390 | 5,390 |
| | TOTAL ASSETS | \$ 58,800 | \$ 73,656 |
| LIABILITIES | | | |
| Accounts payable | \$ 14,856 | \$ 2,266 | \$ 17,122 |
| | TOTAL LIABILITIES | 2,266 | 17,122 |
| NET POSITION | | | |
| Fund Balances: | | | |
| Unrestricted | - | 56,534 | 56,534 |
| | NET POSITION | \$ 56,534 | \$ 56,534 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2020**

| | <u>Unemployment</u> | <u>Insurance Reserve</u> | <u>Total</u> |
|------------------------------------|---------------------|------------------------------|------------------|
| REVENUES | | | |
| Charges for services (interfund) | \$ - | \$ 10,214 | \$ 10,214 |
| TOTAL REVENUES | <u>-</u> | <u>10,214</u> | <u>10,214</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Support services | <u>27,452</u> | <u>21,482</u> | <u>48,934</u> |
| TOTAL EXPENDITURES | <u>27,452</u> | <u>21,482</u> | <u>48,934</u> |
| CHANGE IN NET POSITION | (27,452) | (11,268) | (38,720) |
| NET POSITION, July 1, 2019 | <u>27,452</u> | <u>67,802</u> | <u>95,254</u> |
| NET POSITION, June 30, 2020 | <u>\$ -</u> | <u>\$ 56,534</u> | <u>\$ 56,534</u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
COMBINING SCHEDULE OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020**

| | Unemployment | Insurance Reserve | Total |
|---|---------------------|------------------------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash from interfund services provided | \$ - | \$ 14,204 | \$ 14,204 |
| Cash paid for services | (14,053) | (27,575) | (41,628) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | (14,053) | (13,371) | (27,424) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (14,053) | (13,371) | (27,424) |
| CASH AND CASH EQUIVALENTS BEGINNING OF YEAR | 28,909 | 66,781 | 95,690 |
| END OF YEAR | \$ 14,856 | \$ 53,410 | \$ 68,266 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING INCOME | | | |
| Operating income (loss) | \$ (27,452) | \$ (11,268) | \$ (38,720) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | | | |
| Change in assets and liabilities: | | | |
| Intergovernmental receivable | - | 3,990 | 3,990 |
| Accounts payable | 13,399 | (6,093) | 7,306 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ (14,053) | \$ (13,371) | \$ (27,424) |

**GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
UNEMPLOYMENT FUND
YEAR ENDED JUNE 30, 2020**

| | <u>Budget</u> | | <u>2020 Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|------------------------------------|----------------|---------------|------------------------|---|
| | <u>Adopted</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Local sources: | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ - |
| TOTAL REVENUES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Support services | 30,000 | 30,000 | 27,452 | 2,548 |
| TOTAL EXPENDITURES | <u>30,000</u> | <u>30,000</u> | <u>27,452</u> | <u>2,548</u> |
| CHANGE IN NET POSITION | (30,000) | (30,000) | (27,452) | 2,548 |
| NET POSITION, July 1, 2019 | <u>30,000</u> | <u>30,000</u> | <u>27,452</u> | <u>(2,548)</u> |
| NET POSITION, June 30, 2020 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
INSURANCE RESERVE FUND
YEAR ENDED JUNE 30, 2020**

| | <u>Budget</u> | | <u>2020 Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------|----------------|----------------|------------------------|---|
| | <u>Adopted</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Local sources: | | | | |
| Charges for services (interfund) | \$ 145,000 | \$ 145,000 | \$ 10,214 | \$ (134,786) |
| Miscellaneous | 10,000 | 10,000 | - | (10,000) |
| TOTAL REVENUES | <u>155,000</u> | <u>155,000</u> | <u>10,214</u> | <u>(144,786)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 34,496 | 34,496 | - | 34,496 |
| Support services | 195,504 | 195,504 | 21,482 | 174,022 |
| TOTAL EXPENDITURES | <u>230,000</u> | <u>230,000</u> | <u>21,482</u> | <u>208,518</u> |
| CHANGE IN NET POSITION | (75,000) | (75,000) | (11,268) | 63,732 |
| NET POSITION, July 1, 2019 | <u>75,000</u> | <u>75,000</u> | <u>67,802</u> | <u>(7,198)</u> |
| NET POSITON, June 30, 2020 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 56,534</u> | <u>\$ 56,534</u> |

OTHER FINANCIAL SCHEDULES

SCHOOL DISTRICT FINANCIAL
ACCOUNTING SUMMARIES

**GRANTS PASS SCHOOL DISTRICT NO. 7
2019-2020 ALL FUND REVENUE SUMMARY**

| | Fund 100 | Fund 200 | Fund 300 | Fund 400 | Fund 500 | Fund 600 | Fund 700 | Total |
|--|-------------------|-------------------|----------|------------------|----------|----------------|----------|-------------------|
| Revenue from Local Sources | | | | | | | | |
| 1110 Ad Valorem Taxes Levied by District | 14,926,709 | - | - | - | - | - | - | 14,926,709 |
| 1120 Local Option Ad Valorem Taxes Levied by District | 98 | - | - | - | - | - | - | 98 |
| 1130 Construction Excise Tax | - | - | - | 266,655 | - | - | - | 266,655 |
| 1190 Penalties and Interest on Taxes | - | - | - | - | - | - | - | - |
| 1200 Revenue from Local Gov't Units Other Than Districts | - | - | - | - | - | - | - | - |
| 1310 Regular Day School Tuition | - | - | - | - | - | - | - | - |
| 1320 Adult/Continuing Education Tuition | - | - | - | - | - | - | - | - |
| 1330 Summer School Tuition | - | - | - | - | - | - | - | - |
| 1400 Transportation Fees | - | - | - | - | - | - | - | - |
| 1500 Earnings on Investments | 226,932 | 71,231 | - | 2,349 | - | - | - | 300,512 |
| 1600 Food Service | - | 14,785 | - | - | - | - | - | 14,785 |
| 1700 Extracurricular Activities | 366,926 | 660,645 | - | - | - | - | - | 1,027,571 |
| 1800 Community Services Activities | - | - | - | - | - | - | - | - |
| 1910 Rentals | 10,950 | - | - | 3,320 | - | - | - | 14,270 |
| 1920 Contributions and Donations From Private Sources | 94,031 | 125,498 | - | 54,787 | - | - | - | 274,316 |
| 1930 Rental or Lease Payments From Private Contractors | 1,560 | - | - | - | - | - | - | 1,560 |
| 1940 Services Provided Other Local Education Agencies | - | - | - | - | - | - | - | - |
| 1950 Textbook Sales and Rentals | - | - | - | - | - | - | - | - |
| 1960 Recovery of Prior Years' Expenditure | - | - | - | - | - | - | - | - |
| 1970 Services Provided Other Funds | - | - | - | - | - | 10,214 | - | 10,214 |
| 1980 Fees Charged to Grants | 142,253 | - | - | - | - | - | - | 142,253 |
| 1990 Miscellaneous | 292,164 | 166,302 | - | 18,742 | - | - | - | 477,208 |
| Total Revenue from Local Sources | 16,061,623 | 1,038,461 | - | 345,853 | - | 10,214 | - | 17,456,151 |
| Revenue from Intermediate Sources | | | | | | | | |
| 2101 County School Funds | - | - | - | - | - | - | - | - |
| 2102 Education Service District Apportionment | 1,676,388 | - | - | - | - | - | - | 1,676,388 |
| 2105 Natural Gas, Oil, and Mineral Receipts | - | - | - | - | - | - | - | - |
| 2199 Other Intermediate Sources | - | - | - | - | - | - | - | - |
| 2200 Restricted Revenue | - | 6,977 | - | - | - | - | - | 6,977 |
| 2800 Revenue in Lieu of Taxes | - | - | - | - | - | - | - | - |
| 2900 Revenue for/on Behalf of the District | - | - | - | - | - | - | - | - |
| Total Revenue from Intermediate Sources | 1,676,388 | 6,977 | - | - | - | - | - | 1,683,365 |
| Revenue from State Sources | | | | | | | | |
| 3101 State School Fund - General Support | 46,565,138 | 10,000 | - | - | - | - | - | 46,575,138 |
| 3102 State School Fund - School Lunch Match | - | 32,638 | - | - | - | - | - | 32,638 |
| 3103 Common School Fund | 550,013 | - | - | - | - | - | - | 550,013 |
| 3104 State Managed County Timber | - | - | - | - | - | - | - | - |
| 3199 Other Unrestricted Grants-in-Aid | - | 202 | - | 2,158,950 | - | - | - | 2,159,152 |
| 3204 Driver Education | - | - | - | - | - | - | - | - |
| 3211 Restricted - Family Friends | - | - | - | - | - | - | - | - |
| 3222 State School Fund (SSF) Transportation Equipment | - | - | - | - | - | - | - | - |
| 3299 Other Restricted Grants-in-Aid | - | 1,530,757 | - | 54,714 | - | - | - | 1,585,471 |
| 3800 Revenue in Lieu of Taxes | - | - | - | - | - | - | - | - |
| 3900 Revenue for/on Behalf of the District | - | - | - | - | - | - | - | - |
| Total Revenue from State Sources | 47,115,151 | 1,573,597 | - | 2,213,664 | - | - | - | 50,902,412 |
| Revenue from Federal Sources | | | | | | | | |
| 4100 Unrestricted Revenue Direct From the Federal Gov't | - | - | - | - | - | - | - | - |
| 4200 Unrest Rev From the Federal Gov't Through the State | - | - | - | - | - | - | - | - |
| 4300 Restricted Revenue From the Federal Government | - | - | - | - | - | - | - | - |
| 4500 Restricted Rev From the Fed Gov't Through the State | 54,489 | 2,572,221 | - | - | - | - | - | 2,626,710 |
| 4501 R/GIA ESEA Ch1, & PL 89-313 | - | - | - | - | - | - | - | - |
| 4505 School Nutrition | - | 2,222,507 | - | - | - | - | - | 2,222,507 |
| 4508 R/GIA PL 94-142 Handicapped | - | 877,063 | - | - | - | - | - | 877,063 |
| 4590 USDA Commodity Distribution | - | 239,976 | - | - | - | - | - | 239,976 |
| 4700 Grants-In-Aid From the Fed Gov't Through Intermediate | - | - | - | - | - | - | - | - |
| 4701 Federal Funds through Intermediate Agency | - | - | - | - | - | - | - | - |
| 4801 Federal Forest Fees | 132,948 | - | - | - | - | - | - | 132,948 |
| 4802 Impact Aid to School Districts for Operation (PL 874) | - | - | - | - | - | - | - | - |
| 4803 Coos Bay Wagon Road Funds | - | - | - | - | - | - | - | - |
| 4899 Other Revenue in Lieu of Taxes | - | - | - | - | - | - | - | - |
| 4900 Revenue for/on Behalf of the District | - | - | - | - | - | - | - | - |
| Total Revenue from Federal Sources | 187,437 | 5,911,767 | - | - | - | - | - | 6,099,204 |
| Revenue from Other Sources | | | | | | | | |
| 5100 Long Term Debt Financing Sources | - | 1,350,564 | - | - | - | - | - | 1,350,564 |
| 5200 Interfund Transfers | - | 325,000 | - | 600,000 | - | - | - | 925,000 |
| 5300 Sale of or Compensation for Loss of Fixed Assets | 19,423 | - | - | - | - | - | - | 19,423 |
| 5400 Resources - Beginning Fund Balance | 3,875,022 | 4,129,788 | - | 137,721 | - | 95,254 | - | 8,237,785 |
| Total Revenue from Other Sources | 3,894,445 | 5,805,352 | - | 737,721 | - | 95,254 | - | 10,532,772 |
| Grand Totals | 68,935,043 | 14,336,154 | - | 3,297,238 | - | 105,468 | - | 86,673,903 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
2019-2020 AUDIT EXPENDITURES SUMMARY
GENERAL FUND**

| Function Description | 100 | 200 | 300 | 400 | 500 | 600 | 700 | Total |
|--|-------------------|-------------------|------------------|------------------|---------------|----------------|----------------|-------------------|
| 1111 Elementary | 9,393,470 | 5,128,653 | 224,765 | 505,120 | - | - | - | 15,252,008 |
| 1112 Elementary | - | 9,506 | - | - | - | - | - | 9,506 |
| 1113 Elementary Extracurricular | 3,000 | 1,066 | 345 | 6,011 | - | - | - | 10,422 |
| 1121 Middle School Programs | 4,619,830 | 2,613,041 | 130,149 | 128,512 | - | 1,255 | - | 7,492,787 |
| 1122 Middle School Extracurricular | 201,324 | 63,670 | 19,085 | 29,378 | - | 1,232 | - | 314,689 |
| 1131 High School Programs | 5,721,849 | 3,167,034 | 194,191 | 281,915 | - | 625 | - | 9,365,614 |
| 1132 High School Extracurricular | 404,635 | 113,616 | 94,494 | 54,100 | - | 4,140 | - | 670,985 |
| 1210 Talented and Gifted | 13,335 | 3,768 | 8,174 | 7,432 | - | 1,000 | - | 33,709 |
| 1220 Youth Transition Programs | - | - | - | - | - | - | - | - |
| 1250 Less Restricted Prog Students w/Disabilities | 4,201,414 | 2,672,171 | 99,354 | 54,605 | - | - | - | 7,027,544 |
| 1272 Title I | 1,229 | 405 | - | - | - | - | - | 1,634 |
| 1280 Alternative Education | 874,448 | 480,321 | 50,504 | 55,283 | - | 394 | - | 1,460,950 |
| 1291 English as a Second Language | 254,605 | 153,298 | 12,283 | 1,288 | - | - | - | 421,474 |
| 1294 Youth Corrections Education | - | - | - | 906 | - | - | - | 906 |
| 1400 Summer School Programs | - | 96 | - | - | - | - | - | 96 |
| Total Instruction | 25,689,139 | 14,406,645 | 833,344 | 1,124,550 | - | 8,646 | - | 42,062,324 |
| 2110 Attendance & Social Work Services | 213,866 | 137,942 | 159,359 | 49 | - | - | - | 511,216 |
| 2120 Guidance Services | 855,529 | 493,532 | - | 1,650 | - | - | - | 1,350,711 |
| 2130 Health Services | 85,339 | 49,117 | 126,815 | 694 | - | 140 | - | 262,105 |
| 2140 Psychological Services | 188,310 | 90,546 | 1,634 | 6,931 | - | - | - | 287,421 |
| 2150 Speech Pathology & Audiology | 309,724 | 125,215 | 115,846 | 5,112 | - | - | - | 555,897 |
| 2190 Service Direction, Student Support | 226,091 | 130,154 | - | 1,306 | - | 864 | - | 358,415 |
| 2210 Improvement of Instruction | 354,298 | 180,566 | 159,954 | 65,918 | - | 1,249 | - | 761,985 |
| 2220 Educational Media Services | 389,960 | 284,434 | 485 | 77,861 | - | - | - | 752,740 |
| 2240 Instructional Staff Development | 42,378 | 15,711 | 23,575 | - | - | - | - | 75,614 |
| 2241 Site Council | 224 | 46 | 12,932 | 453 | - | - | - | 13,655 |
| 2310 Board of Education Services | - | 286 | 138,729 | 419 | - | 9,753 | - | 149,187 |
| 2320 Executive Administration Services | 217,069 | 133,136 | 43,374 | 15,312 | - | 2,158 | - | 411,049 |
| 2410 Office of the Principal Services | 2,572,881 | 1,511,385 | 92,701 | 66,034 | - | 15,305 | - | 4,258,306 |
| 2520 Fiscal Services | 394,545 | 263,377 | 28,732 | 42,970 | - | 372,049 | - | 1,101,673 |
| 2540 Operation & Maint of Plant Services | 1,835,987 | 1,253,354 | 1,342,551 | 297,047 | 76,146 | 3,756 | - | 4,808,841 |
| 2550 Student Transportation Services | 1,532,332 | 1,101,051 | 24,850 | 247,046 | - | 8,042 | - | 2,913,321 |
| 2570 Internal Services | 331,768 | 194,117 | 186,203 | 125,778 | - | - | - | 837,866 |
| 2630 Information Services | 19,250 | 5,365 | - | 4,735 | - | - | - | 29,350 |
| 2640 Staff Services | 234,506 | 145,837 | 31,010 | 27,022 | - | 1,245 | - | 439,620 |
| 2660 Technology Services | 518,229 | 319,613 | 174,629 | 418,030 | - | 595 | - | 1,431,096 |
| 2680 Interpretation Services | 2,007 | 635 | 15 | - | - | - | - | 2,657 |
| 2700 Supplemental Retirement Program | 558,565 | 49,348 | - | - | - | - | - | 607,913 |
| Total Support Services | 10,882,858 | 6,484,767 | 2,663,394 | 1,404,367 | 76,146 | 415,156 | - | 21,920,638 |
| 3100 Food Services | - | - | - | - | - | - | - | - |
| 3200 Other Enterprise Services | - | - | - | - | - | - | - | - |
| 3300 Community Services | - | - | - | - | - | - | - | - |
| 3500 Custody & Care of Children Services | - | - | - | - | - | - | - | - |
| Total Enterprise and Community Service | - | - | - | - | - | - | - | - |
| 4110 Service Area Direction | - | - | - | - | - | - | - | - |
| 4120 Site Acquisition and Improvement | - | - | - | - | - | - | - | - |
| 4150 Building Purchases & Improvements | - | - | - | - | - | - | - | - |
| 4190 Other Facilities & Construction Services | - | - | - | - | - | - | - | - |
| Total Facilities Acquisition and Construction | - | - | - | - | - | - | - | - |
| 5100 Debt Service | - | - | - | - | - | - | - | - |
| 5200 Transfer of Funds | - | - | - | - | - | - | 925,000 | 925,000 |
| 5300 ESD Apportionment | - | - | - | - | - | - | - | - |
| 6000 Contingency | - | - | - | - | - | - | - | - |
| Total Other Requirements | - | - | - | - | - | - | 925,000 | 925,000 |
| Total Requirements and Balances | 36,571,997 | 20,891,412 | 3,496,738 | 2,528,917 | 76,146 | 423,802 | 925,000 | 64,907,962 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
2019-2020 AUDIT EXPENDITURES SUMMARY
FEDERAL PROGRAMS FUNDS**

| Function | Description | 100 | 200 | 300 | 400 | 500 | 600 | 700 | Total |
|--------------|--|------------------|------------------|----------------|----------------|----------|----------------|----------|------------------|
| 1111 | Elementary | 4,430 | 1,381 | - | - | - | - | - | 5,811 |
| 1113 | Elementary Extracurricular | - | - | - | - | - | - | - | - |
| 1121 | Middle School Programs | 4,580 | 1,582 | 166 | - | - | - | - | 6,328 |
| 1122 | Middle School Extracurricular | - | - | - | - | - | - | - | - |
| 1131 | High School Programs | - | - | 1,032 | 32,132 | - | - | - | 33,164 |
| 1132 | High School Extracurricular | - | - | - | - | - | - | - | - |
| 1140 | Pre-Kindergarten Programs | - | - | 3,707 | - | - | - | - | 3,707 |
| 1210 | Talented and Gifted | - | - | - | - | - | - | - | - |
| 1220 | Youth Transition Programs | - | - | - | - | - | - | - | - |
| 1250 | Less Restricted Prog Students w/Disabilities | 504,954 | 372,109 | 3,000 | 1,952 | - | - | - | 882,015 |
| 1272 | Title I | 1,161,830 | 629,438 | 131,289 | 56,537 | - | 78,274 | - | 2,057,368 |
| 1280 | Alternative Education | - | - | - | - | - | - | - | - |
| 1291 | English as a Second Language | 5,456 | 1,885 | 6,127 | 605 | - | - | - | 14,073 |
| 1294 | Youth Corrections | 64,084 | 34,763 | 8,282 | 156 | - | - | - | 107,285 |
| 1299 | Other Programs | - | - | - | - | - | - | - | - |
| 1400 | Summer School Programs | - | - | - | - | - | - | - | - |
| | Instruction | 1,745,334 | 1,041,158 | 153,603 | 91,382 | - | 78,274 | - | 3,109,751 |
| 2110 | Attendance & Social Work Services | - | - | 50,000 | - | - | - | - | 50,000 |
| 2120 | Guidance Services | - | - | - | - | - | - | - | - |
| 2130 | Health Services | - | - | 30,450 | - | - | - | - | 30,450 |
| 2140 | Psychological Services | - | - | - | - | - | - | - | - |
| 2150 | Speech Pathology & Audiology | - | - | - | - | - | - | - | - |
| 2190 | Service Direction, Student Support | - | - | - | - | - | - | - | - |
| 2210 | Improvement of Instruction | - | - | 66,204 | - | - | - | - | 66,204 |
| 2220 | Educational Media Services | - | - | - | - | - | - | - | - |
| 2240 | Instructional Staff Development | 145,102 | 85,463 | 78,087 | 67,759 | - | 25,499 | - | 398,960 |
| 2241 | Site Council | - | - | - | - | - | - | - | - |
| 2310 | Board of Education Services | - | - | - | - | - | - | - | - |
| 2320 | Executive Administration Services | - | - | - | - | - | - | - | - |
| 2410 | Office of the Principal Services | - | - | - | - | - | - | - | - |
| 2520 | Fiscal Services | - | - | - | - | - | - | - | - |
| 2540 | Operation & Maint of Plant Services | - | - | - | - | - | - | - | - |
| 2550 | Student Transportation Services | - | - | 16,564 | - | - | - | - | 16,564 |
| 2570 | Internal Services | - | - | - | - | - | - | - | - |
| 2640 | Staff Services | - | - | - | - | - | - | - | - |
| 2660 | Technology Services | - | - | - | - | - | - | - | - |
| 2700 | Supplemental Retirement Program | - | - | - | - | - | - | - | - |
| | Support Services | 145,102 | 85,463 | 241,305 | 67,759 | - | 25,499 | - | 562,178 |
| 3100 | Food Services | 3,242 | - | - | 92,790 | - | - | - | 96,032 |
| 3200 | Other Enterprise Services | - | - | - | - | - | - | - | - |
| 3300 | Community Services | 21,833 | 7,474 | 1,756 | 8,387 | - | - | - | 39,450 |
| 3500 | Custody & Care of Children Services | - | - | - | - | - | - | - | - |
| | Enterprise and Community Service | 25,075 | 7,474 | 1,756 | 101,177 | - | - | - | 135,482 |
| 4110 | Service Area Direction | - | - | - | - | - | - | - | - |
| 4120 | Site Acquisition and Improvement | - | - | - | - | - | - | - | - |
| 4150 | Building Purchases & Improvements | - | - | - | - | - | - | - | - |
| 4190 | Other Facilities & Construction Services | - | - | - | - | - | - | - | - |
| | Total Facilities Acquisition and Construction | - | - | - | - | - | - | - | - |
| 5100 | Debt Service | - | - | - | - | - | - | - | - |
| 5200 | Transfer of Funds | - | - | - | - | - | - | - | - |
| 5300 | ESD Apportionment | - | - | - | - | - | - | - | - |
| 6000 | Contingency | - | - | - | - | - | - | - | - |
| | Total Other Requirements | - | - | - | - | - | - | - | - |
| Total | Requirements and Balances | 1,915,511 | 1,134,095 | 396,664 | 260,318 | - | 103,773 | - | 3,807,411 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
2019-2020 AUDIT EXPENDITURES SUMMARY
STUDENT BODY FUND**

| Function Description | 100 | 200 | 300 | 400 | 500 | 600 | 700 | Total |
|--|---------------|--------------|----------------|----------------|----------|---------------|----------|----------------|
| 1111 Elementary | - | - | 7,654 | 13,032 | - | - | - | 20,686 |
| 1112 Elementary | - | - | - | - | - | - | - | - |
| 1113 Elementary Extracurricular | - | - | - | - | - | - | - | - |
| 1121 Middle School Programs | - | - | 4,972 | 11,088 | - | - | - | 16,060 |
| 1122 Middle School Extracurricular | - | - | 6,943 | 12,810 | - | 2,648 | - | 22,401 |
| 1131 High School Programs | - | - | - | 3,820 | - | 130 | - | 3,950 |
| 1132 High School Extracurricular | 21,998 | 3,789 | 306,677 | 271,746 | - | 9,675 | - | 613,885 |
| 1210 Talented and Gifted | - | - | - | - | - | - | - | - |
| 1220 Youth Transition Programs | - | - | - | - | - | - | - | - |
| 1250 Less Restricted Prog Students w/Disabilities | - | - | - | - | - | - | - | - |
| 1280 Alternative Education | - | - | - | - | - | - | - | - |
| 1291 English as a Second Language | - | - | - | - | - | - | - | - |
| 1400 Summer School Programs | - | - | - | - | - | - | - | - |
| Total Instruction | 21,998 | 3,789 | 326,246 | 312,496 | - | 12,453 | - | 676,982 |
| 2110 Attendance & Social Work Services | - | - | - | - | - | - | - | - |
| 2120 Guidance Services | - | - | - | - | - | - | - | - |
| 2130 Health Services | - | - | - | - | - | - | - | - |
| 2140 Psychological Services | - | - | - | - | - | - | - | - |
| 2150 Speech Pathology & Audiology | - | - | - | - | - | - | - | - |
| 2190 Service Direction, Student Support | - | - | - | - | - | - | - | - |
| 2210 Improvement of Instruction | - | - | - | - | - | - | - | - |
| 2220 Educational Media Services | - | - | - | - | - | - | - | - |
| 2240 Instructional Staff Development | - | - | - | - | - | - | - | - |
| 2241 Site Council | - | - | - | - | - | - | - | - |
| 2310 Board of Education Services | - | - | - | - | - | - | - | - |
| 2320 Executive Administration Services | - | - | - | - | - | - | - | - |
| 2410 Office of the Principal Services | - | - | - | 13,142 | - | - | - | 13,142 |
| 2520 Fiscal Services | - | - | - | - | - | 56 | - | 56 |
| 2540 Operation & Maint of Plant Services | - | - | - | - | - | - | - | - |
| 2550 Student Transportation Services | - | - | - | - | - | - | - | - |
| 2570 Internal Services | - | - | - | - | - | - | - | - |
| 2640 Staff Services | - | - | - | - | - | - | - | - |
| 2660 Technology Services | - | - | - | - | - | - | - | - |
| 2700 Supplemental Retirement Program | - | - | - | - | - | - | - | - |
| Total Support Services | - | - | - | 13,142 | - | 56 | - | 13,198 |
| 3100 Food Services | - | - | - | - | - | - | - | - |
| 3200 Other Enterprise Services | - | - | - | - | - | - | - | - |
| 3300 Community Services | - | - | - | - | - | - | - | - |
| 3500 Custody & Care of Children Services | - | - | - | - | - | - | - | - |
| Total Enterprise and Community Service | - | - | - | - | - | - | - | - |
| 4110 Service Area Direction | - | - | - | - | - | - | - | - |
| 4120 Site Acquisition and Improvement | - | - | - | - | - | - | - | - |
| 4150 Building Purchases & Improvements | - | - | - | - | - | - | - | - |
| 4190 Other Facilities & Construction Services | - | - | - | - | - | - | - | - |
| Total Facilities Acquisition and Construction | - | - | - | - | - | - | - | - |
| 5100 Debt Service | - | - | - | - | - | - | - | - |
| 5200 Transfer of Funds | - | - | - | - | - | - | - | - |
| 5300 ESD Apportionment | - | - | - | - | - | - | - | - |
| 6000 Contingency | - | - | - | - | - | - | - | - |
| Total Other Requirements | - | - | - | - | - | - | - | - |
| Total Requirements and Balances | 21,998 | 3,789 | 326,246 | 325,638 | - | 12,509 | - | 690,180 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
2019-2020 AUDIT EXPENDITURES SUMMARY
FOOD SERVICE FUND**

| Function Description | 100 | 200 | 300 | 400 | 500 | 600 | 700 | Total |
|--|---------|---------|--------|-----------|-----|--------|-----|-----------|
| 1111 Elementary | - | - | - | - | - | - | - | - |
| 1112 Elementary | - | - | - | - | - | - | - | - |
| 1113 Elementary Extracurricular | - | - | - | - | - | - | - | - |
| 1121 Middle School Programs | - | - | - | - | - | - | - | - |
| 1122 Middle School Extracurricular | - | - | - | - | - | - | - | - |
| 1131 High School Programs | - | - | - | - | - | - | - | - |
| 1132 High School Extracurricular | - | - | - | - | - | - | - | - |
| 1210 Talented and Gifted | - | - | - | - | - | - | - | - |
| 1220 Youth Transition Programs | - | - | - | - | - | - | - | - |
| 1250 Less Restricted Prog Students w/Disabilities | - | - | - | - | - | - | - | - |
| 1280 Alternative Education | - | - | - | - | - | - | - | - |
| 1291 English as a Second Language | - | - | - | - | - | - | - | - |
| 1400 Summer School Programs | - | - | - | - | - | - | - | - |
| Total Instruction | - | - | - | - | - | - | - | - |
| 2110 Attendance & Social Work Services | - | - | - | - | - | - | - | - |
| 2120 Guidance Services | - | - | - | - | - | - | - | - |
| 2130 Health Services | - | - | - | - | - | - | - | - |
| 2140 Psychological Services | - | - | - | - | - | - | - | - |
| 2150 Speech Pathology & Audiology | - | - | - | - | - | - | - | - |
| 2190 Service Direction, Student Support | - | - | - | - | - | - | - | - |
| 2210 Improvement of Instruction | - | - | - | - | - | - | - | - |
| 2220 Educational Media Services | - | - | - | - | - | - | - | - |
| 2240 Instructional Staff Development | - | - | - | - | - | - | - | - |
| 2241 Site Council | - | - | - | - | - | - | - | - |
| 2310 Board of Education Services | - | - | - | - | - | - | - | - |
| 2320 Executive Administration Services | - | - | - | - | - | - | - | - |
| 2410 Office of the Principal Services | - | - | - | - | - | - | - | - |
| 2520 Fiscal Services | - | - | - | - | - | - | - | - |
| 2540 Operation & Maint of Plant Services | - | - | - | - | - | - | - | - |
| 2550 Student Transportation Services | - | - | - | - | - | - | - | - |
| 2570 Internal Services | - | - | - | - | - | - | - | - |
| 2640 Staff Services | - | - | - | - | - | - | - | - |
| 2660 Technology Services | - | - | - | - | - | - | - | - |
| 2700 Supplemental Retirement Program | - | - | - | - | - | - | - | - |
| Total Support Services | - | - | - | - | - | - | - | - |
| 3100 Food Services | 892,726 | 631,401 | 18,932 | 1,097,528 | - | 17,018 | - | 2,657,605 |
| 3200 Other Enterprise Services | - | - | - | 8,996 | - | - | - | 8,996 |
| 3300 Community Services | - | - | - | - | - | - | - | - |
| 3500 Custody & Care of Children Services | - | - | - | - | - | - | - | - |
| Total Enterprise and Community Service | 892,726 | 631,401 | 18,932 | 1,106,524 | - | 17,018 | - | 2,666,601 |
| 4110 Service Area Direction | - | - | - | - | - | - | - | - |
| 4120 Site Acquisition and Improvement | - | - | - | - | - | - | - | - |
| 4150 Building Purchases & Improvements | - | - | - | - | - | - | - | - |
| 4190 Other Facilities & Construction Services | - | - | - | - | - | - | - | - |
| Total Facilities Acquisition and Construction | - | - | - | - | - | - | - | - |
| 5100 Debt Service | - | - | - | - | - | - | - | - |
| 5200 Transfer of Funds | - | - | - | - | - | - | - | - |
| 5300 ESD Apportionment | - | - | - | - | - | - | - | - |
| 6000 Contingency | - | - | - | - | - | - | - | - |
| Total Other Requirements | - | - | - | - | - | - | - | - |
| Total Requirements and Balances | 892,726 | 631,401 | 18,932 | 1,106,524 | - | 17,018 | - | 2,666,601 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
2019-2020 AUDIT EXPENDITURES SUMMARY
COOL SCHOOLS FUND**

| Function Description | 100 | 200 | 300 | 400 | 500 | 600 | 700 | Total |
|--|-----|-----|-----|-----|-------|-----|-----|-------|
| 1111 Elementary | - | - | - | - | - | - | - | - |
| 1112 Elementary | - | - | - | - | - | - | - | - |
| 1113 Elementary Extracurricular | - | - | - | - | - | - | - | - |
| 1121 Middle School Programs | - | - | - | - | - | - | - | - |
| 1122 Middle School Extracurricular | - | - | - | - | - | - | - | - |
| 1131 High School Programs | - | - | - | - | - | - | - | - |
| 1132 High School Extracurricular | - | - | - | - | - | - | - | - |
| 1210 Talented and Gifted | - | - | - | - | - | - | - | - |
| 1220 Youth Transition Programs | - | - | - | - | - | - | - | - |
| 1250 Less Restricted Prog Students w/Disabilities | - | - | - | - | - | - | - | - |
| 1280 Alternative Education | - | - | - | - | - | - | - | - |
| 1291 English as a Second Language | - | - | - | - | - | - | - | - |
| 1400 Summer School Programs | - | - | - | - | - | - | - | - |
| Total Instruction | - | - | - | - | - | - | - | - |
| 2110 Attendance & Social Work Services | - | - | - | - | - | - | - | - |
| 2120 Guidance Services | - | - | - | - | - | - | - | - |
| 2130 Health Services | - | - | - | - | - | - | - | - |
| 2140 Psychological Services | - | - | - | - | - | - | - | - |
| 2150 Speech Pathology & Audiology | - | - | - | - | - | - | - | - |
| 2190 Service Direction, Student Support | - | - | - | - | - | - | - | - |
| 2210 Improvement of Instruction | - | - | - | - | - | - | - | - |
| 2220 Educational Media Services | - | - | - | - | - | - | - | - |
| 2240 Instructional Staff Development | - | - | - | - | - | - | - | - |
| 2241 Site Council | - | - | - | - | - | - | - | - |
| 2310 Board of Education Services | - | - | - | - | - | - | - | - |
| 2320 Executive Administration Services | - | - | - | - | - | - | - | - |
| 2410 Office of the Principal Services | - | - | - | - | - | - | - | - |
| 2520 Fiscal Services | - | - | - | - | - | - | - | - |
| 2540 Operation & Maint of Plant Services | - | - | - | - | - | - | - | - |
| 2550 Student Transportation Services | - | - | - | - | - | - | - | - |
| 2570 Internal Services | - | - | - | - | - | - | - | - |
| 2640 Staff Services | - | - | - | - | - | - | - | - |
| 2660 Technology Services | - | - | - | - | - | - | - | - |
| 2700 Supplemental Retirement Program | - | - | - | - | - | - | - | - |
| Total Support Services | - | - | - | - | - | - | - | - |
| 3100 Food Services | - | - | - | - | - | - | - | - |
| 3200 Other Enterprise Services | - | - | - | - | - | - | - | - |
| 3300 Community Services | - | - | - | - | - | - | - | - |
| 3500 Custody & Care of Children Services | - | - | - | - | - | - | - | - |
| Total Enterprise and Community Service | - | - | - | - | - | - | - | - |
| 4110 Service Area Direction | - | - | - | - | - | - | - | - |
| 4120 Site Acquisition and Improvement | - | - | - | - | - | - | - | - |
| 4150 Building Purchases & Improvements | - | - | - | - | 7,983 | - | - | 7,983 |
| 4190 Other Facilities & Construction Services | - | - | - | - | - | - | - | - |
| Total Facilities Acquisition and Construction | - | - | - | - | 7,983 | - | - | 7,983 |
| 5100 Debt Service | - | - | - | - | - | - | - | - |
| 5200 Transfer of Funds | - | - | - | - | - | - | - | - |
| 5300 ESD Apportionment | - | - | - | - | - | - | - | - |
| 6000 Contingency | - | - | - | - | - | - | - | - |
| Total Other Requirements | - | - | - | - | - | - | - | - |
| Total Requirements and Balances | - | - | - | - | 7,983 | - | - | 7,983 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
2019-2020 AUDIT EXPENDITURES SUMMARY
BUS REPLACEMENT FUND**

| Function Description | 100 | 200 | 300 | 400 | 500 | 600 | 700 | Total |
|--|-----|-----|-----|-----|------------------|----------------|-----|------------------|
| 1111 Elementary | - | - | - | - | - | - | - | - |
| 1112 Elementary | - | - | - | - | - | - | - | - |
| 1113 Elementary Extracurricular | - | - | - | - | - | - | - | - |
| 1121 Middle School Programs | - | - | - | - | - | - | - | - |
| 1122 Middle School Extracurricular | - | - | - | - | - | - | - | - |
| 1131 High School Programs | - | - | - | - | - | - | - | - |
| 1132 High School Extracurricular | - | - | - | - | - | - | - | - |
| 1210 Talented and Gifted | - | - | - | - | - | - | - | - |
| 1220 Youth Transition Programs | - | - | - | - | - | - | - | - |
| 1250 Less Restricted Prog Students w/Disabilities | - | - | - | - | - | - | - | - |
| 1280 Alternative Education | - | - | - | - | - | - | - | - |
| 1291 English as a Second Language | - | - | - | - | - | - | - | - |
| 1400 Summer School Programs | - | - | - | - | - | - | - | - |
| Total Instruction | - | - | - | - | - | - | - | - |
| 2110 Attendance & Social Work Services | - | - | - | - | - | - | - | - |
| 2120 Guidance Services | - | - | - | - | - | - | - | - |
| 2130 Health Services | - | - | - | - | - | - | - | - |
| 2140 Psychological Services | - | - | - | - | - | - | - | - |
| 2150 Speech Pathology & Audiology | - | - | - | - | - | - | - | - |
| 2190 Service Direction, Student Support | - | - | - | - | - | - | - | - |
| 2210 Improvement of Instruction | - | - | - | - | - | - | - | - |
| 2220 Educational Media Services | - | - | - | - | - | - | - | - |
| 2240 Instructional Staff Development | - | - | - | - | - | - | - | - |
| 2241 Site Council | - | - | - | - | - | - | - | - |
| 2310 Board of Education Services | - | - | - | - | - | - | - | - |
| 2320 Executive Administration Services | - | - | - | - | - | - | - | - |
| 2410 Office of the Principal Services | - | - | - | - | - | - | - | - |
| 2520 Fiscal Services | - | - | - | - | - | - | - | - |
| 2540 Operation & Maint of Plant Services | - | - | - | - | - | - | - | - |
| 2550 Student Transportation Services | - | - | - | - | 1,350,564 | 331,945 | - | 1,682,509 |
| 2570 Internal Services | - | - | - | - | - | - | - | - |
| 2640 Staff Services | - | - | - | - | - | - | - | - |
| 2660 Technology Services | - | - | - | - | - | - | - | - |
| 2700 Supplemental Retirement Program | - | - | - | - | - | - | - | - |
| Total Support Services | - | - | - | - | 1,350,564 | 331,945 | - | 1,682,509 |
| 3100 Food Services | - | - | - | - | - | - | - | - |
| 3200 Other Enterprise Services | - | - | - | - | - | - | - | - |
| 3300 Community Services | - | - | - | - | - | - | - | - |
| 3500 Custody & Care of Children Services | - | - | - | - | - | - | - | - |
| Total Enterprise and Community Service | - | - | - | - | - | - | - | - |
| 4110 Service Area Direction | - | - | - | - | - | - | - | - |
| 4120 Site Acquisition and Improvement | - | - | - | - | - | - | - | - |
| 4150 Building Purchases & Improvements | - | - | - | - | - | - | - | - |
| 4190 Other Facilities & Construction Services | - | - | - | - | - | - | - | - |
| Total Facilities Acquisition and Construction | - | - | - | - | - | - | - | - |
| 5100 Debt Service | - | - | - | - | - | - | - | - |
| 5200 Transfer of Funds | - | - | - | - | - | - | - | - |
| 5300 ESD Apportionment | - | - | - | - | - | - | - | - |
| 6000 Contingency | - | - | - | - | - | - | - | - |
| Total Other Requirements | - | - | - | - | - | - | - | - |
| Total Requirements and Balances | - | - | - | - | 1,350,564 | 331,945 | - | 1,682,509 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
2019-2020 AUDIT EXPENDITURES SUMMARY
MEASURE 98 FUND**

| Function Description | 100 | 200 | 300 | 400 | 500 | 600 | 700 | Total |
|--|----------------|----------------|----------------|---------------|----------|---------------|----------|------------------|
| 1111 Elementary | - | - | - | - | - | - | - | - |
| 1112 Elementary | - | - | - | - | - | - | - | - |
| 1113 Elementary Extracurricular | - | - | - | - | - | - | - | - |
| 1121 Middle School Programs | 1,867 | 638 | 8,673 | 12,624 | - | - | - | 23,802 |
| 1122 Middle School Extracurricular | - | - | - | - | - | - | - | - |
| 1131 High School Programs | 312,250 | 158,692 | 112,615 | 66,124 | - | 57,576 | - | 707,257 |
| 1132 High School Extracurricular | 1,995 | 790 | - | - | - | - | - | 2,785 |
| 1210 Talented and Gifted | - | - | - | - | - | - | - | - |
| 1220 Youth Transition Programs | - | - | - | - | - | - | - | - |
| 1250 Less Restricted Prog Students w/Disabilities | - | - | - | - | - | - | - | - |
| 1280 Alternative Education | 87,719 | 50,345 | 11,396 | 1,113 | - | - | - | 150,573 |
| 1291 English as a Second Language | 11,774 | 5,107 | - | - | - | - | - | 16,881 |
| 1400 Summer School Programs | - | - | - | - | - | - | - | - |
| Total Instruction | 415,605 | 215,572 | 132,684 | 79,861 | - | 57,576 | - | 901,298 |
| 2110 Attendance & Social Work Services | - | - | - | - | - | - | - | - |
| 2120 Guidance Services | 245,979 | 119,681 | - | - | - | - | - | 365,660 |
| 2130 Health Services | - | - | - | - | - | - | - | - |
| 2140 Psychological Services | - | - | - | - | - | - | - | - |
| 2150 Speech Pathology & Audiology | - | - | - | - | - | - | - | - |
| 2190 Service Direction, Student Support | - | - | - | - | - | - | - | - |
| 2210 Improvement of Instruction | - | - | 27,457 | - | - | - | - | 27,457 |
| 2220 Educational Media Services | - | - | - | - | - | - | - | - |
| 2240 Instructional Staff Development | 25,438 | 14,541 | 4,008 | - | - | - | - | 43,987 |
| 2241 Site Council | - | - | - | - | - | - | - | - |
| 2310 Board of Education Services | - | - | - | - | - | - | - | - |
| 2320 Executive Administration Services | - | - | - | - | - | - | - | - |
| 2410 Office of the Principal Services | - | - | - | - | - | - | - | - |
| 2520 Fiscal Services | - | - | - | - | - | - | - | - |
| 2540 Operation & Maint of Plant Services | - | - | - | - | - | - | - | - |
| 2550 Student Transportation Services | - | - | - | - | - | - | - | - |
| 2570 Internal Services | - | - | - | - | - | - | - | - |
| 2640 Staff Services | - | - | - | - | - | - | - | - |
| 2660 Technology Services | 2,888 | 1,676 | - | - | - | - | - | 4,564 |
| 2700 Supplemental Retirement Program | - | - | - | - | - | - | - | - |
| Total Support Services | 274,305 | 135,898 | 31,465 | - | - | - | - | 441,668 |
| 3100 Food Services | - | - | - | - | - | - | - | - |
| 3200 Other Enterprise Services | - | - | - | - | - | - | - | - |
| 3300 Community Services | - | - | - | - | - | - | - | - |
| 3500 Custody & Care of Children Services | - | - | - | - | - | - | - | - |
| Total Enterprise and Community Service | - | - | - | - | - | - | - | - |
| 4110 Service Area Direction | - | - | - | - | - | - | - | - |
| 4120 Site Acquisition and Improvement | - | - | - | - | - | - | - | - |
| 4150 Building Purchases & Improvements | - | - | - | - | - | - | - | - |
| 4190 Other Facilities & Construction Services | - | - | - | - | - | - | - | - |
| Total Facilities Acquisition and Construction | - | - | - | - | - | - | - | - |
| 5100 Debt Service | - | - | - | - | - | - | - | - |
| 5200 Transfer of Funds | - | - | - | - | - | - | - | - |
| 5300 ESD Apportionment | - | - | - | - | - | - | - | - |
| 6000 Contingency | - | - | - | - | - | - | - | - |
| Total Other Requirements | - | - | - | - | - | - | - | - |
| Total Requirements and Balances | 689,910 | 351,470 | 164,149 | 79,861 | - | 57,576 | - | 1,342,966 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
2019-2020 AUDIT EXPENDITURES SUMMARY
PERS RESERVE FUND**

| Function Description | 100 | 200 | 300 | 400 | 500 | 600 | 700 | Total |
|--|-----|-----|-----|-----|-----|-----|-----|-------|
| 1111 Elementary | - | - | - | - | - | - | - | - |
| 1112 Elementary | - | - | - | - | - | - | - | - |
| 1113 Elementary Extracurricular | - | - | - | - | - | - | - | - |
| 1121 Middle School Programs | - | - | - | - | - | - | - | - |
| 1122 Middle School Extracurricular | - | - | - | - | - | - | - | - |
| 1131 High School Programs | - | - | - | - | - | - | - | - |
| 1132 High School Extracurricular | - | - | - | - | - | - | - | - |
| 1210 Talented and Gifted | - | - | - | - | - | - | - | - |
| 1220 Youth Transition Programs | - | - | - | - | - | - | - | - |
| 1250 Less Restricted Prog Students w/Disabilities | - | - | - | - | - | - | - | - |
| 1280 Alternative Education | - | - | - | - | - | - | - | - |
| 1291 English as a Second Language | - | - | - | - | - | - | - | - |
| 1400 Summer School Programs | - | - | - | - | - | - | - | - |
| Total Instruction | - | - | - | - | - | - | - | - |
| 2110 Attendance & Social Work Services | - | - | - | - | - | - | - | - |
| 2120 Guidance Services | - | - | - | - | - | - | - | - |
| 2130 Health Services | - | - | - | - | - | - | - | - |
| 2140 Psychological Services | - | - | - | - | - | - | - | - |
| 2150 Speech Pathology & Audiology | - | - | - | - | - | - | - | - |
| 2190 Service Direction, Student Support | - | - | - | - | - | - | - | - |
| 2210 Improvement of Instruction | - | - | - | - | - | - | - | - |
| 2220 Educational Media Services | - | - | - | - | - | - | - | - |
| 2240 Instructional Staff Development | - | - | - | - | - | - | - | - |
| 2241 Site Council | - | - | - | - | - | - | - | - |
| 2310 Board of Education Services | - | - | - | - | - | - | - | - |
| 2320 Executive Administration Services | - | - | - | - | - | - | - | - |
| 2410 Office of the Principal Services | - | - | - | - | - | - | - | - |
| 2520 Fiscal Services | - | - | - | - | - | - | - | - |
| 2540 Operation & Maint of Plant Services | - | - | - | - | - | - | - | - |
| 2550 Student Transportation Services | - | - | - | - | - | - | - | - |
| 2570 Internal Services | - | - | - | - | - | - | - | - |
| 2640 Staff Services | - | - | - | - | - | - | - | - |
| 2660 Technology Services | - | - | - | - | - | - | - | - |
| 2700 Supplemental Retirement Program | - | - | - | - | - | - | - | - |
| Total Support Services | - | - | - | - | - | - | - | - |
| 3100 Food Services | - | - | - | - | - | - | - | - |
| 3200 Other Enterprise Services | - | - | - | - | - | - | - | - |
| 3300 Community Services | - | - | - | - | - | - | - | - |
| 3500 Custody & Care of Children Services | - | - | - | - | - | - | - | - |
| Total Enterprise and Community Service | - | - | - | - | - | - | - | - |
| 4110 Service Area Direction | - | - | - | - | - | - | - | - |
| 4120 Site Acquisition and Improvement | - | - | - | - | - | - | - | - |
| 4150 Building Purchases & Improvements | - | - | - | - | - | - | - | - |
| 4190 Other Facilities & Construction Services | - | - | - | - | - | - | - | - |
| Total Facilities Acquisition and Construction | - | - | - | - | - | - | - | - |
| 5100 Debt Service | - | - | - | - | - | - | - | - |
| 5200 Transfer of Funds | - | - | - | - | - | - | - | - |
| 5300 ESD Apportionment | - | - | - | - | - | - | - | - |
| 6000 Contingency | - | - | - | - | - | - | - | - |
| Total Other Requirements | - | - | - | - | - | - | - | - |
| Total Requirements and Balances | - | - | - | - | - | - | - | - |

**GRANTS PASS SCHOOL DISTRICT NO. 7
2019-2020 AUDIT EXPENDITURES SUMMARY
CAPITAL PROJECTS FUND**

| Function Description | 100 | 200 | 300 | 400 | 500 | 600 | 700 | Total |
|--|---------------|---------------|----------------|---------------|------------------|----------------|----------|------------------|
| 1111 Elementary | - | - | - | - | - | - | - | - |
| 1112 Elementary | - | - | - | - | - | - | - | - |
| 1113 Elementary Extracurricular | - | - | - | - | - | - | - | - |
| 1121 Middle School Programs | - | - | - | - | - | - | - | - |
| 1122 Middle School Extracurricular | - | - | - | - | - | - | - | - |
| 1131 High School Programs | - | - | - | - | - | - | - | - |
| 1132 High School Extracurricular | - | - | - | - | - | - | - | - |
| 1210 Talented and Gifted | - | - | - | - | - | - | - | - |
| 1220 Youth Transition Programs | - | - | - | - | - | - | - | - |
| 1250 Less Restricted Prog Students w/Disabilities | - | - | - | - | - | - | - | - |
| 1280 Alternative Education | - | - | - | - | - | - | - | - |
| 1291 English as a Second Language | - | - | - | - | - | - | - | - |
| 1400 Summer School Programs | - | - | - | - | - | - | - | - |
| Total Instruction | - | - | - | - | - | - | - | - |
| 2110 Attendance & Social Work Services | - | - | - | - | - | - | - | - |
| 2120 Guidance Services | - | - | - | - | - | - | - | - |
| 2130 Health Services | - | - | - | - | - | - | - | - |
| 2140 Psychological Services | - | - | - | - | - | - | - | - |
| 2150 Speech Pathology & Audiology | - | - | - | - | - | - | - | - |
| 2190 Service Direction, Student Support | - | - | - | - | - | - | - | - |
| 2210 Improvement of Instruction | - | - | - | - | - | - | - | - |
| 2220 Educational Media Services | - | - | - | - | - | - | - | - |
| 2240 Instructional Staff Development | - | - | - | - | - | - | - | - |
| 2241 Site Council | - | - | - | - | - | - | - | - |
| 2310 Board of Education Services | - | - | 19,495 | - | - | 1,574 | - | 21,069 |
| 2320 Executive Administration Services | - | - | - | - | - | - | - | - |
| 2410 Office of the Principal Services | - | - | - | - | - | - | - | - |
| 2520 Fiscal Services | 32,260 | 16,594 | 30,069 | - | - | 42 | - | 78,965 |
| 2540 Operation & Maint of Plant Services | 26,034 | 12,551 | 77,657 | 13,617 | 124,835 | - | - | 254,694 |
| 2550 Student Transportation Services | - | - | - | - | - | - | - | - |
| 2570 Internal Services | - | - | - | - | - | - | - | - |
| 2640 Staff Services | - | - | - | - | - | - | - | - |
| 2660 Technology Services | - | - | - | - | 80,240 | - | - | 80,240 |
| 2700 Supplemental Retirement Program | - | - | - | - | - | - | - | - |
| Total Support Services | 58,294 | 29,145 | 127,221 | 13,617 | 205,075 | 1,616 | - | 434,968 |
| 3100 Food Services | - | - | - | - | - | - | - | - |
| 3200 Other Enterprise Services | - | - | - | - | - | - | - | - |
| 3300 Community Services | - | - | - | - | - | - | - | - |
| 3500 Custody & Care of Children Services | - | - | - | - | - | - | - | - |
| Total Enterprise and Community Service | - | - | - | - | - | - | - | - |
| 4110 Service Area Direction | - | - | - | - | - | - | - | - |
| 4120 Site Acquisition and Improvement | - | - | - | - | 4,833 | 938 | - | 5,771 |
| 4150 Building Purchases & Improvements | - | - | 4,580 | - | 2,348,404 | - | - | 2,352,984 |
| 4190 Other Facilities & Construction Services | - | - | - | - | - | - | - | - |
| Total Facilities Acquisition and Construction | - | - | 4,580 | - | 2,353,237 | 938 | - | 2,358,755 |
| 5100 Debt Service | - | - | - | - | - | 376,266 | - | 376,266 |
| 5200 Transfer of Funds | - | - | - | - | - | - | - | - |
| 5300 ESD Apportionment | - | - | - | - | - | - | - | - |
| 6000 Contingency | - | - | - | - | - | - | - | - |
| Total Other Requirements | - | - | - | - | - | 376,266 | - | 376,266 |
| Total Requirements and Balances | 58,294 | 29,145 | 131,801 | 13,617 | 2,558,312 | 378,820 | - | 3,169,989 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
2019-2020 AUDIT EXPENDITURES SUMMARY
INTERNAL SERVICE FUNDS**

| Function Description | 100 | 200 | 300 | 400 | 500 | 600 | 700 | Total |
|--|-----|---------------|-----|-----|-----|-----------|-----|---------------|
| 1111 Elementary | - | - | - | - | - | - | - | - |
| 1112 Elementary | - | - | - | - | - | - | - | - |
| 1113 Elementary Extracurricular | - | - | - | - | - | - | - | - |
| 1121 Middle School Programs | - | - | - | - | - | - | - | - |
| 1122 Middle School Extracurricular | - | - | - | - | - | - | - | - |
| 1131 High School Programs | - | - | - | - | - | - | - | - |
| 1132 High School Extracurricular | - | - | - | - | - | - | - | - |
| 1210 Talented and Gifted | - | - | - | - | - | - | - | - |
| 1220 Youth Transition Programs | - | - | - | - | - | - | - | - |
| 1250 Less Restricted Prog Students w/Disabilities | - | - | - | - | - | - | - | - |
| 1280 Alternative Education | - | - | - | - | - | - | - | - |
| 1291 English as a Second Language | - | - | - | - | - | - | - | - |
| 1400 Summer School Programs | - | - | - | - | - | - | - | - |
| Total Instruction | - | - | - | - | - | - | - | - |
| 2110 Attendance & Social Work Services | - | - | - | - | - | - | - | - |
| 2120 Guidance Services | - | - | - | - | - | - | - | - |
| 2130 Health Services | - | - | - | - | - | - | - | - |
| 2140 Psychological Services | - | - | - | - | - | - | - | - |
| 2150 Speech Pathology & Audiology | - | - | - | - | - | - | - | - |
| 2190 Service Direction, Student Support | - | - | - | - | - | - | - | - |
| 2210 Improvement of Instruction | - | - | - | - | - | - | - | - |
| 2220 Educational Media Services | - | - | - | - | - | - | - | - |
| 2240 Instructional Staff Development | - | - | - | - | - | - | - | - |
| 2241 Site Council | - | - | - | - | - | - | - | - |
| 2310 Board of Education Services | - | - | - | - | - | - | - | - |
| 2320 Executive Administration Services | - | - | - | - | - | - | - | - |
| 2410 Office of the Principal Services | - | - | - | - | - | - | - | - |
| 2520 Fiscal Services | - | 48,892 | - | - | - | 42 | - | 48,934 |
| 2540 Operation & Maint of Plant Services | - | - | - | - | - | - | - | - |
| 2550 Student Transportation Services | - | - | - | - | - | - | - | - |
| 2570 Internal Services | - | - | - | - | - | - | - | - |
| 2640 Staff Services | - | - | - | - | - | - | - | - |
| 2660 Technology Services | - | - | - | - | - | - | - | - |
| 2700 Supplemental Retirement Program | - | - | - | - | - | - | - | - |
| Total Support Services | - | 48,892 | - | - | - | 42 | - | 48,934 |
| 3100 Food Services | - | - | - | - | - | - | - | - |
| 3200 Other Enterprise Services | - | - | - | - | - | - | - | - |
| 3300 Community Services | - | - | - | - | - | - | - | - |
| 3500 Custody & Care of Children Services | - | - | - | - | - | - | - | - |
| Total Enterprise and Community Service | - | - | - | - | - | - | - | - |
| 4110 Service Area Direction | - | - | - | - | - | - | - | - |
| 4120 Site Acquisition and Improvement | - | - | - | - | - | - | - | - |
| 4150 Building Purchases & Improvements | - | - | - | - | - | - | - | - |
| 4190 Other Facilities & Construction Services | - | - | - | - | - | - | - | - |
| Total Facilities Acquisition and Construction | - | - | - | - | - | - | - | - |
| 5100 Debt Service | - | - | - | - | - | - | - | - |
| 5200 Transfer of Funds | - | - | - | - | - | - | - | - |
| 5300 ESD Apportionment | - | - | - | - | - | - | - | - |
| 6000 Contingency | - | - | - | - | - | - | - | - |
| Total Other Requirements | - | - | - | - | - | - | - | - |
| Total Requirements and Balances | - | 48,892 | - | - | - | 42 | - | 48,934 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
2019-20 SUPPLEMENTAL INFORMATION**

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.

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

A. Energy Bill for Heating - All Funds:

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

| | |
|---------------|---|
| | Objects 325 & 326 & *327 |
| Function 2540 | \$1,006,347 |
| Function 2550 | \$0.00 |

B. Replacement of Equipment – General Fund:

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

Exclude these functions:

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

| |
|--------|
| \$0.00 |
|--------|

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

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Education
Grants Pass School District No. 7
Grants Pass, Oregon 97526

We have audited the basic financial statements of Grants Pass School District No. 7 (the District) as of and for the year ended June 30, 2020, and have issued our report thereon dated December 31, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-320 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 statement amounts. However, providing an opinion on compliance with those provisions was not the 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 but were not limited to the following:

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

In connection with our audit, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as disclosed in *Note 1* of the financial statements.

OAR 162-010-0230 Internal Control

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

Restrictions on Use

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



Aria Bettinger, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
December 31, 2020

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

Board of Education
Grants Pass School District No. 7
Grants Pass, Oregon 97526

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, business-type activities, each major fund, and the aggregate remaining fund information of Grants Pass School District No. 7 (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 31, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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



Aria Bettinger, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
December 31, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of Education
Grants Pass School District No. 7
Grants Pass, Oregon 97526

Report on Compliance for Each Major Federal Program

We have audited Grants Pass School District No. 7's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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, we do not express an opinion on the effectiveness of the District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

A handwritten signature in black ink that reads "Aria Bettinger". The signature is written in a cursive, flowing style.

Aria Bettinger, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
December 31, 2020

**GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Grant/Contract Number | Federal Expenditures |
|---|---------------------------|--|-------------------------|
| U.S. Department of Education | | | |
| Passed through Oregon Department of Education: | | | |
| Title I Grants to Local Educational Agencies (ESSA) | 84.010 | 54301 | \$ 33,902 |
| Title I Grants to Local Educational Agencies (18-19) | 84.010 | 50394 | 63,314 |
| Title I Grants to Local Educational Agencies (19-20) | 84.010 | 53273 | 2,031,806 |
| Total CFDA 84.010 | | | <u>2,129,022</u> |
| Passed through Oregon Department of Education: | | | |
| Special Education- Grants to States (Extended Assessment) | 84.027 | 54729 | 609 |
| Special Education- Grants to States (IDEA Part B) | 84.027 | 53857 | 874,990 |
| Special Education- Grants to States (SPR&I) | 84.027 | 49517 | 1,464 |
| Total Special Education Cluster (IDEA) | | | <u>877,063</u> |
| Passed through Oregon Department of Education: | | | |
| English Language Acquisition State Grants (19-20) | 84.365 | 53421 | 7,161 |
| Total CFDA 84.365 | | | <u>7,161</u> |
| Passed through Oregon Department of Education: | | | |
| Supporting Effective Instruction State Grants (18-19) | 84.367 | 49312 | 4,014 |
| Supporting Effective Instruction State Grants (19-20) | 84.367 | 53535 | 229,376 |
| Total CFDA 84.367 | | | <u>233,390</u> |
| Passed through Oregon Department of Education: | | | |
| Student Support and Academic Enrichment Program (18-19) | 84.424 | 50728 | 4,211 |
| Student Support and Academic Enrichment Program (19-20) | 84.424 | 54525 | 198,437 |
| Total CFDA 84.424 | | | <u>202,648</u> |
| Passed through Oregon Department of Education: | | | |
| Elementary and Secondary School Emergency Relief Fund | 84.425D | N/A | 54,489 |
| Total CFDA 84.425D | | | <u>54,489</u> |
| | | Total U.S. Department of Education | \$ 3,503,773 |
| U.S. Department of Agriculture | | | |
| Passed through Oregon Department of Education: | | | |
| School Breakfast Program (SBP) | 10.553 | N/A | \$ 371,831 |
| National School Lunch Program (NSLP) | 10.555 | N/A | 1,043,695 |
| Commodities NSLP | 10.555 | N/A | 239,635 |
| Commodities SFSP | 10.555 | N/A | 341 |
| Summer Food Service Program for Children (SFSPC) | 10.559 | N/A | 741,770 |
| Total Child Nutrition Cluster | | | <u>2,397,272</u> |
| Passed through Oregon Department of Education: | | | |
| Child and Adult Food Care Program | 10.558 | N/A | 263 |
| Total CFDA 10.558 | | | <u>263</u> |
| Passed through Oregon Department of Education: | | | |
| Fresh Fruit and Vegetable Program (18-19) | 10.582 | 54813, 54885, 54886 | 64,948 |
| Total CFDA 10.582 | | | <u>64,948</u> |
| Passed through Josephine County Treasurer: | | | |
| Schools and Roads - Grants to States | 10.665 | N/A | 132,948 |
| Total Forest Service Schools and Roads Cluster | | | <u>132,948</u> |
| | | Total U.S. Department of Agriculture | \$ 2,595,431 |
| | | Total Expenditures of Federal Awards | \$ 6,099,204 |

**GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

NOTE A – BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

NOTE C – INDIRECT COST RATE:

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE D – FOOD DISTRIBUTION:

Non-monetary assistance is reported in the Schedule at fair market value of the commodities received and disbursed. For the year ended June 30, 2020, the District received food commodities totaling \$239,976.

NOTE E – SUBRECIPIENTS:

The District did not have any federal awards that were passed through to subrecipients for the year ended June 30, 2020.

NOTE F – SCHOOLS AND ROADS - GRANTS TO STATES:

The District includes federal forest fees in the schedule due to requirements of the Oregon Department of Education. These expenditures are not subject to the Uniform Guidance audit due to treatment based on guidance provided by both the Oregon Department of Education and United States Department of Agriculture.

**GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

1. The auditor’s report expresses an unmodified opinion on whether the basic financial statements of the District were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the basic financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

Federal Awards

4. One significant deficiency and no material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance for the major federal award programs for the District expressed an unmodified opinion.
6. There was one audit finding that is required to be reported in accordance with the Uniform Guidance reported in this schedule.
7. The programs tested as major were:

| | |
|---|---------------------------------|
| U.S. Department of Agriculture: Child Nutrition Cluster | CFDA: #10.553, 10.555, & 10.559 |
| U.S. Department of Education: Special Education Cluster (IDEA) | CFDA: #84.027 |
8. The threshold for distinguishing Types A and B Programs was \$750,000.
9. The district qualified as a low-risk auditee under the criteria specified in the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None

**GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020 (CONTINUED)**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. Department of Education

Special Education Cluster (IDEA) - CFDA # 84.027

2020-001 – Significant Deficiency – Allowable Activities

Criteria: 2 CFR 200.303(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Statement of Condition: The District was not in compliance with Uniform Guidance as it was noted that approved time and effort documentation was not available for all employees with payroll expenditures charged to the Federal program.

Cause: The District's process to approve periodic time and effort certification was not effective for the year ended June 30, 2020.

Context: We selected payroll costs associated with thirteen employees who had wages charged to IDEA. Of the thirteen employees selected for testing, one employee did not have approved time and effort documentation to support the payroll expense that was charged to the Federal program. In this instance, we performed additional audit procedures that primarily consisted of review of alternative documents, to gain reasonable assurance that the employee was engaged in an eligible activity.

Effect or Potential Effect: The lack of internal controls over time and effort documentation could result in unallowable activities being charged to the program.

Known and Questioned Costs: None.

Recommendations: We recommend the District review their processes and procedures to strengthen controls and improve procedures. We recommend the District complete all required time and effort certifications in a timely manner.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding and recommendation and plans to implement a system of completing necessary time and effort documentation for all employees who work on multiple cost objectives.

**GRANTS PASS SCHOOL DISTRICT NO. 7
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENT FINDINGS

2019-001: Financial Reporting and Cash Reconciliation – Significant Deficiency

Condition – The general checking account reconciliation was not accurate. Checks that cleared after year-end showed as having cleared on the bank reconciliation. Additionally, some checks that had cleared the bank prior to year-end showed as still outstanding on the bank reconciliation.

Recommendation – Management should ensure that personnel performing the reconciliations receive adequate training, and the reconciliations be properly reviewed for accuracy and completeness on a timely basis by an appropriate level of management. Internal controls should also be implemented over the IT system so that checks can only be issued in the correct sequence without duplications in the sequence.

Current Status – The recommendation was adopted in January 2020 and approved by the board in March 2020. No similar findings were noted in the 2020 audit.