

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

**FINANCIAL STATEMENT AND SUPPLEMENTARY  
INFORMATION**

**YEAR ENDED JUNE 30, 2021  
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, 2021**

**BOARD OF EDUCATION FISCAL 2021**

Scott Nelson (Position #1) Grants Pass, Oregon 97526	Chairman
Cliff Kuhlman (Position #2) Grants Pass, Oregon 97526	Director
Gary Richardson (Position #3) Grants Pass, Oregon 97528	Director
Debbie Brownell (Position #4) Grants Pass, Oregon 97526	Director
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, 2021**

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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, 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, 2021, 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, each major fund, and the aggregate remaining fund information of Grants Pass School District No. 7 as of June 30, 2021, 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 the 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 as listed in the Table of Contents and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2021 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 27, 2021 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.

A handwritten signature in cursive script that reads "Aria Bettinger".

Aria Bettinger, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 27, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**GRANTS PASS SCHOOL DISTRICT NO. 7  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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, 2021. 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 \$126.2 million at June 30, 2021 consisting of \$59.7 million in capital assets, \$24.7 million in cash and investments, \$4.9 million in receivables, \$1.8 million in other assets, and \$35.1 million in deferred outflows related to pension and other post-employment benefits (OPEB). The District's assets and deferred outflows increased approximately \$29.5 million, or 30.5 percent from the prior year.
- In the **government-wide statements**, the District's liabilities and deferred inflows totaled approximately \$142.9 million at June 30, 2021 consisting of \$9.5 million in accounts payable and other liabilities, \$3.9 million in other post-employment benefits, \$20.3 million in debt, \$101.9 million in pension liabilities and \$7.3 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 \$16.7 million at June 30, 2021, of which \$39.4 million was net investment in capital assets, \$10.2 million restricted for special purposes, and a negative balance of \$66.3 million was considered unrestricted. In the prior year, net position had a negative balance of \$11.6 million. The decrease of \$5.1 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 \$19.9 million, an increase of \$11.6 million in comparison to the prior year. Approximately \$6.1 million of this amount is unassigned and available for spending at the District's discretion. Approximately \$13.7 million is restricted and committed to specific and intended purposes through separate funds. Of the \$13.7 million of restricted and committed funds, \$9.3 million is restricted for capital projects and \$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 \$6.1 million, up approximately \$2.1 million from the prior year, an increase of approximately 52.2 percent. Unassigned fund balance in the General Fund represented about 9.0 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, five 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, the Measure 98 Fund, and the Capital Projects Fund, all of which are considered to be major funds. Data from the other four 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 \$5.1 million from prior year. The District's liabilities/deferred inflows exceeded assets/deferred outflows by \$16.7 million at June 30, 2021.

Capital assets, which consist of the District's land, buildings, building improvements, site improvements, vehicles, and equipment, represent 47 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 53 percent of total assets/deferred outflows.

Long term liabilities related to pensions and OPEB obligations represent approximately 74 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 decreased by about \$6.9 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
	Governmental Activities		June 29, 2020
	June 30, 2021	June 29, 2020	
Assets:			
Current and other assets	31,437	\$ 15,137	\$ 16,300
Capital assets	59,668	51,476	8,192
Total assets	91,105	66,613	24,492
Deferred outflows	35,063	29,987	5,076
Total assets and deferred outflows	126,169	96,600	29,569
Liabilities:			
Current liabilities	9,491	5,207	4,284
Long-term liabilities	126,098	96,257	29,841
Total liabilities	135,589	101,464	34,125
Deferred inflows	7,299	6,760	539
Total liabilities and deferred inflows	142,888	108,224	34,664
Net position:			
Net investment in capital assets	39,382	46,229	(6,847)
Restricted	10,236	832	9,404
Unrestricted	(66,337)	(58,684)	(7,653)
Total net position	\$ (16,719)	\$ (11,623)	\$ (5,096)

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

**Statement of Activities.** During the current fiscal year, the District's net position decreased by approximately \$5.1 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).

	<b>Governmental Activities</b>		<b>Increase (Decrease) From</b>
	<b>June 30, 2021</b>	<b>June 29, 2020</b>	<b>June 29, 2020</b>
Revenues:			
Program revenues:			
Charges for service	\$ 319	\$ 813	\$ (494)
Operating grants and contributions	11,872	8,263	3,609
Capital grants and contributions	1,494	2,159	(665)
General revenues:			
Property taxes	15,666	14,913	753
State school fund - general support	49,471	46,575	(46,251)
Construction excise tax	324	267	49,204
Other federal, state and local sources	2,270	2,226	44
Federal forest fees	114	133	(19)
Earnings on investments	109	301	(192)
Gain/(loss) on sale of capital assets	16	19	(3)
Miscellaneous	580	477	103
Total revenues	<u>82,234</u>	<u>76,146</u>	<u>6,088</u>
Expenses:			
Instruction	54,832	54,225	607
Support services	29,199	26,946	2,253
Enterprise and community services	2,881	3,240	(359)
Facilities acquisition and construction	47	-	47
Interest on long-term debt	372	130	242
Total expenses	<u>87,330</u>	<u>84,541</u>	<u>2,790</u>
Change in Net Position	<u>\$ (5,096)</u>	<u>\$ (8,395)</u>	<u>\$ 3,298</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, 2021, the District's governmental funds reported combined ending fund balances of approximately \$19.9 million, an increase of about \$11.6 million in comparison with prior year. The following is a breakdown of the fund balances:

<b>Fund</b>	<b>Ending Fund Balance</b>	<b>% to Total</b>
General Fund Total	\$ 6,130,912	30.9%
Federal Programs	-	0.0%
Student Body	418,501	2.1%
Food Service	8,182	0.0%
Cool Schools	516,270	2.6%
PERS Reserve	3,329,522	16.8%
Measure 98	-	0.0%
Bus Replacement	147,204	0.7%
Capital Projects	9,300,964	46.9%
Total Governmental Fund Balances	\$ 19,851,555	100.0%

*General Fund.* The General Fund is the chief operating fund of the District. As of June 30, 2021, total unassigned fund balance was \$6.1 million, up from \$4.0 million in the prior year. Total expenditures for the year ended June 30, 2021 approximated \$68.2 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents about 8.9 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, 2021, the revenues in this fund were \$26 thousand with no expenditures. At June 30, 2021, the fund balance approximated \$3.3 million.

## GENERAL FUND BUDGETARY HIGHLIGHTS

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

## 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, 2021, the District had invested over \$59.7 million in capital assets, net of depreciation. In the prior year, capital assets, net of depreciation, was about \$51.5 million. The major capital asset events for the year were construction associated with seismic rehabilitation projects, LED and HVAC improvements, 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 \$20.3 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, LED and HVAC improvements, 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

Last year I shared that the effect of the global COVID pandemic on ADMw was yet to be determined. Districts all over the State were hopeful that once schools were able to open fully, the majority of the loss we saw in the 2020.2021 would be recovered in the 2021.2022 school year. Unfortunately, that has not been the case. Grants Pass School District No. 7, as well as most other districts in the State, did not see those students coming back to public education. As of today, District 7 is seeing a loss of over 500 students. For the 2021.2022 school year, this equates to nearly a \$4 million reduction in the funding the District receives from the State School Fund. Projecting forward into 2022.2023 with roll up costs for staff wage increases that were negotiated prior to the known effects of the Pandemic – and to maintain the 5% ending fund balance target, we are looking at over a \$5 million budget shortfall. That is a combined two year loss of revenue of over \$9 million. There are discussions at the legislative level about the dilemma school districts are finding themselves in due to the loss of ADMw. It is yet to be seen if anything will come of these discussions. Districts are now in the process of looking at how they can use ESSER funding to backfill budget shortfalls – I anticipate the next several years will be challenging for districts all over the state.

The most significant level of funding continues to be the State School Fund with over 70% of our General Fund revenue coming from the State. Income taxes are 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. There was fear that the Pandemic would have a catastrophic effect on the State economy. However, one bright spot in all of this is that the State economy is flourishing. This also provides some hope that the legislature will see fit to provide some additional relief to school districts.

Approximately 21% of the total State School Fund Formula revenue comes from Property Taxes. Additional funding provided through the Student Success Act is providing the means for districts to enhance existing programs and create new ones. This additional funding stream will also help districts as they navigate through the funding challenges caused by the COVID 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 is paying in 2021.2022 and 2022.2023 is actually a reduction compared to 2020.2021. However, it is projected that in the 2023.2025 biennium, these rates will increase in the 3% to 4% range. The District will need to be mindful of that when budgeting for the 2023.2024 school year. This will equate to a projected increase in cost to the District of over \$1.5 million. The District does still maintain a PERS Reserve fund that can help offset some of the increase.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)**

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 again saw a reduction in funding of federally funded Title I programs in 2021.2022, however, the District did receive a small increase in IDEA funding. As always, we will monitor this as we plan for the 2022.2023 school year and make budgetary adjustments as needed depending on funding levels.

The global pandemic of 2020 continues to have a dramatic effect on schools everywhere. The District continues 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 all of 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, 2021**

	Governmental Activities
<b>ASSETS:</b>	
Cash and investments	\$ 11,088,406
Cash restricted under purchase agreement	13,578,977
Receivables	4,953,426
Inventories	295,490
Other post-employment benefits asset - RHIA	1,233,097
Beneficial interest in trust	288,109
Capital assets, net	
Land	2,373,073
Construction in progress	8,457,443
Buildings and improvements	45,552,658
Vehicles	2,144,007
Machinery and equipment	1,140,845
<b>TOTAL ASSETS</b>	<b>91,105,531</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred outflows related to pensions (OPERS)	33,874,687
Deferred outflows related to pensions (early retirement stipend benefit plan)	959,361
Deferred outflows related to other post-employment benefits (single-employer medical benefit plan)	82,271
Deferred outflows related to other post-employment benefits (RHIA)	146,654
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES:</b>	<b>35,062,973</b>
<b>LIABILITIES:</b>	
Accounts payable	5,180,651
Accrued payroll liabilities	3,484,750
Accrued interest payable	241,106
Unearned revenue	392,643
Accrued compensated absences payable	191,764
Net pension liability	94,496,213
Other post-employment benefit obligation	3,932,383
Early retirement stipend pension plan obligation	7,384,099
Noncurrent liabilities due within one year	
Capital lease	307,455
Notes payable	440,530
Noncurrent liabilities due in more than one year	
Capital lease	1,388,731
Notes payable	18,148,906
<b>TOTAL LIABILITIES</b>	<b>135,589,231</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred inflows related to beneficial interest in trust	288,109
Deferred inflows related to pensions (OPERS)	6,021,130
Deferred inflows related to other post-employment benefits (single-employer medical benefit plan)	529,289
Deferred inflows related to other post-employment benefits (RHIA)	460,384
<b>TOTAL DEFERRED INFLOWS OF RESOURCES:</b>	<b>7,298,912</b>
<b>NET POSITION:</b>	
Net investment in capital assets	39,382,404
Restricted: Capital Projects	9,300,964
Restricted: Cool Schools	516,270
Restricted: Student Body Funds	418,501
Unrestricted (deficit)	(66,337,778)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (16,719,639)</b>

See notes to basic financial statements

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 54,832,235	\$ 218,581	\$ 6,458,172	\$ -	\$ (48,155,482)
Supporting services	29,198,918	97,325	2,897,824	-	(26,203,769)
Community services	2,880,690	2,640	2,515,288	-	(362,762)
Facilities acquisition and construction	46,793	-	-	1,493,613	1,446,820
Interest and fees on long-term debt	371,946	-	-	-	(371,946)
 Total governmental activities	 \$ 87,330,582	 \$ 318,546	 \$ 11,871,284	 \$ 1,493,613	 (73,647,139)
General revenues:					
Property taxes levied for general purposes					15,665,760
Construction excise tax					324,437
State school fund - general support					49,471,205
Common school fund					587,664
Federal forest fees					113,793
Unrestricted state and local sources					1,681,953
Earnings on investments					109,421
Gain (loss) on sale of fixed assets					16,209
Miscellaneous					579,904
Total general revenues					68,550,346
<b>CHANGE IN NET POSITION</b>					<u>(5,096,793)</u>
<b>Net Position - July 1, 2020</b>					<u>(11,622,846)</u>
<b>Net position - June 30, 2021</b>					<u>\$ (16,719,639)</u>

## **FUND FINANCIAL STATEMENTS**

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	General Fund	Federal Programs Fund	PERS Reserve Fund	Measure 98 Fund	Capital Projects Fund	Non-major Governmental Funds	Total
<b>ASSETS</b>							
Equity in pooled cash and investments	\$ 5,642,414	\$ 969,843	\$ 3,329,522	\$ -	\$ 15,424	\$ 1,082,454	\$ 11,039,657
Cash restricted under purchase agreement	-	-	-	-	13,578,977	-	13,578,977
Receivables	2,380,440	690,735	-	530,717	1,113,057	237,715	4,952,664
Interfund receivable	3,076,492	10,128	-	-	-	10,000	3,096,620
<b>TOTAL ASSETS</b>	<u>\$ 11,099,346</u>	<u>\$ 1,670,706</u>	<u>\$ 3,329,522</u>	<u>\$ 530,717</u>	<u>\$ 14,707,458</u>	<u>\$ 1,330,169</u>	<u>\$ 32,667,918</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 761,769	\$ -	\$ -	\$ -	\$ 4,416,004	\$ -	\$ 5,177,773
Interfund payable	57,338	1,278,063	-	530,717	990,490	240,012	3,096,620
Accrued payroll liabilities	3,484,750	-	-	-	-	-	3,484,750
Unearned revenue	-	392,643	-	-	-	-	392,643
<b>TOTAL LIABILITIES</b>	<u>4,303,857</u>	<u>1,670,706</u>	<u>-</u>	<u>530,717</u>	<u>5,406,494</u>	<u>240,012</u>	<u>12,151,786</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	664,577	-	-	-	-	-	664,577
<b>TOTAL DEFERRED INFLOWS</b>	<u>664,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>664,577</u>
Fund Balances:							
Restricted							
Capital Projects	-	-	-	-	9,300,964	-	9,300,964
Cool Schools - energy efficiency	-	-	-	-	-	516,270	516,270
Student Body Funds	-	-	-	-	-	418,501	418,501
Committed							
PERS Reserve	-	-	3,329,522	-	-	-	3,329,522
Food Service	-	-	-	-	-	8,182	8,182
Bus Replacement	-	-	-	-	-	147,204	147,204
Unassigned	6,130,912	-	-	-	-	-	6,130,912
<b>TOTAL FUND BALANCES</b>	<u>6,130,912</u>	<u>-</u>	<u>3,329,522</u>	<u>-</u>	<u>9,300,964</u>	<u>1,090,157</u>	<u>19,851,555</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 11,099,346</u>	<u>\$ 1,670,706</u>	<u>\$ 3,329,522</u>	<u>\$ 530,717</u>	<u>\$ 14,707,458</u>	<u>\$ 1,330,169</u>	<u>\$ 32,667,918</u>

**GRANTS PASS SCHOOL DISTRICT NO. 7  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2021**

<b>TOTAL FUND BALANCES</b>		\$ 19,851,555
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 97,981,352	
Accumulated depreciation	<u>(38,313,326)</u>	
		59,668,026
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.		664,577
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.		46,633
The asset associated with the District's pension (RHIA) is not recorded in the governmental funds as it is not available currently.		1,233,097
In the governmental funds, inventory is accounted for under the purchase method and the current value is not reported in the fund balance sheet.		295,490
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		(191,764)
Long term debt		(18,589,436)
Capital lease		(1,696,186)
Interest accrual		(241,106)
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.		28,052,170
The liability associated with the District's pension (OPERS) is not recorded in the governmental funds as it is not payable currently.		(94,496,213)
The early retirement stipend pension plan obligation is not reported with the governmental funds.		(7,384,099)
The other post employment benefit liability obligation is not reported with the governmental funds.		<u>(3,932,383)</u>
<b>TOTAL NET POSITION</b>		<u><u>\$ (16,719,639)</u></u>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	General Fund	Federal Programs Fund	PERS Reserve Fund	Measure 98 Fund	Capital Projects Fund	Non-major Governmental Funds	Total
<b>REVENUES</b>							
Property taxes and other taxes	\$ 16,114,718	\$ -	\$ -	\$ -	\$ 324,437	\$ -	\$ 16,439,155
Intergovernmental	54,599,187	4,868,718	-	1,734,401	1,513,613	2,390,874	65,106,793
Charges for services	242,225	-	-	-	-	41,942	284,167
Local grants and contributions	38,159	-	-	-	-	74,560	112,719
Investment earnings	82,356	-	26,301	-	764	-	109,421
Miscellaneous	312,332	-	-	-	149,292	150,699	612,323
<b>TOTAL REVENUES</b>	<b>71,388,977</b>	<b>4,868,718</b>	<b>26,301</b>	<b>1,734,401</b>	<b>1,988,106</b>	<b>2,658,075</b>	<b>82,664,578</b>
<b>EXPENDITURES</b>							
Current							
Instruction	43,195,349	3,374,643	-	1,013,407	-	160,527	47,743,926
Support services	23,534,067	1,372,799	-	720,994	568,287	159,688	26,355,835
Enterprise and community services	20,835	121,276	-	-	-	2,375,772	2,517,883
Facilities and acquisition	1,451,105	-	-	-	7,928,815	-	9,379,920
Debt service	-	-	-	-	376,266	365,254	741,520
<b>TOTAL EXPENDITURES</b>	<b>68,201,356</b>	<b>4,868,718</b>	<b>-</b>	<b>1,734,401</b>	<b>8,873,368</b>	<b>3,061,241</b>	<b>86,739,084</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,187,621</b>	<b>-</b>	<b>26,301</b>	<b>-</b>	<b>(6,885,262)</b>	<b>(403,166)</b>	<b>(4,074,506)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from the issuance of debt	-	-	-	-	15,458,977	-	15,458,977
Proceeds from capital lease	-	-	-	-	-	158,040	158,040
Proceeds from sale of capital assets	16,209	-	-	-	-	-	16,209
Transfers	(1,100,000)	-	-	-	600,000	500,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,083,791)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,058,977</b>	<b>658,040</b>	<b>15,633,226</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,103,830</b>	<b>-</b>	<b>26,301</b>	<b>-</b>	<b>9,173,715</b>	<b>254,874</b>	<b>11,558,720</b>
<b>FUND BALANCE, July 1, 2020</b>	<b>4,027,082</b>	<b>-</b>	<b>3,303,221</b>	<b>-</b>	<b>127,249</b>	<b>835,283</b>	<b>8,292,835</b>
<b>FUND BALANCE, June 30, 2021</b>	<b>\$ 6,130,912</b>	<b>\$ -</b>	<b>\$ 3,329,522</b>	<b>\$ -</b>	<b>\$ 9,300,964</b>	<b>\$ 1,090,157</b>	<b>\$ 19,851,555</b>



**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, 2021**

**NET CHANGE IN FUND BALANCE** \$ 11,558,720

Amounts reported for governmental activities in the Statement of Activities are different because:

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.

Expenditures for capital assets	\$ 10,262,042	
Less current year depreciation	<u>(2,070,398)</u>	
		8,191,644

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.

35,469

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.

(448,958)

Repayment of debt principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position

Debt proceeds	(15,458,977)	
Debt principal repaid	<u>277,817</u>	
		(15,181,160)

Repayment of capital lease principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position

Capital lease proceeds	\$ (158,040)	
Capital lease principal repaid	<u>300,838</u>	
		142,798

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.

Interest paid	\$ 162,865	
Interest expense	<u>(371,946)</u>	
		(209,081)

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.

(9,901)

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).

(9,404,023)

The change in the total post employment benefit obligation (OPEB) is not recognized in the governmental funds (including deferred outflows and inflows).

(58,740)

The change in the total post employment benefit asset (OPEB) RHIA is not recognized in the governmental funds (including deferred outflows and inflows).

345,725

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.

(59,286)

**CHANGE IN NET POSITION** \$ (5,096,793)

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2021**

	Internal Service Funds
<b>ASSETS</b>	
Cash and investments	\$ 48,749
Accounts receivable	<u>762</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 49,511</u></u>
<b>LIABILITIES AND NET POSITION</b>	
Accounts payable	<u>\$ 2,878</u>
<b>TOTAL LIABILITIES</b>	<u>2,878</u>
<b>NET POSITION</b>	
Unrestricted	<u>46,633</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 46,633</u></u>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Internal Service Funds
	<hr/>
<b>OPERATING REVENUES</b>	
Charges for services (interfund)	\$ 1,960
	<hr/>
<b>TOTAL OPERATING REVENUES</b>	1,960
	<hr/>
<b>OPERATING EXPENSES</b>	
Current:	
Support services	11,861
	<hr/>
<b>TOTAL OPERATING EXPENSES</b>	11,861
	<hr/>
<b>OPERATING INCOME / (LOSS)</b>	(9,901)
	<hr/>
<b>CHANGE IN NET POSITION</b>	(9,901)
	<hr/>
<b>NET POSITION, July 1, 2020</b>	56,534
	<hr/>
<b>NET POSITION, June 30, 2021</b>	\$ 46,633
	<hr/> <hr/>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash from interfund services provided	\$ 6,588
Cash paid for services	<u>(26,105)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(19,517)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(19,517)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>68,266</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 48,749</u></u>
 <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING INCOME</b>	
Operating income (loss)	\$ (9,901)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Change in assets and liabilities:	
Receivable	4,628
Accounts payable	<u>(14,244)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ (19,517)</u></u>

## **NOTES TO THE FINANCIAL STATEMENTS**

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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, 2021**

**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 investment earnings.

Measure 98 Fund – This fund, a special revenue fund, is 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. Principal revenue source is state grants.

Capital Projects Fund – This fund accounts for activities related to the acquisition, construction, equipping and furnishing of facilities. Principal revenue sources are proceeds from purchase agreements, interest earnings, and capital grant funds.

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, 2021**

**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 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).

**Assets Restricted under Purchase Agreement**

On October 23, 2020, the District entered into a Master Tax-Exempt Installment Purchase Agreement with U.S. Bancorp Government Leasing and Financing, Inc. Under the Purchase agreement, proceeds of \$15,458,977 are deposited in an escrow account until the purchase is submitted and approved by the District and the Seller. As of June 30, 2021 draw downs of \$1,088,000 were approved and disbursed, and the balance of the escrow account was \$13,578,977.

**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.



**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**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.

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

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**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.

**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 statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position 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.

Additionally, the District has one type of deferred inflows which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet.

**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.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Long-term Debt (continued)**

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.

**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.

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

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**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.

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 supplemental budget, and one resolution for appropriation transfers. Appropriations lapse at the end of each fiscal year.

During the fiscal year ended June 30, 2021, the District was in compliance with Local Budget Law, except for the following:

- The District improperly transferred appropriation authority within the General Fund from Contingency to Enterprise and Community Services, an appropriation category which did not already exist as required by ORS 294.463 (OAR 150-294-0540).
- Expenditures in excess of appropriations as follows:

<u>Fund</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
Measure 98			
Instruction	\$ 812,728	\$ 1,013,407	\$(200,679)
Support Services	653,507	720,994	(67,487)
Bus Replacement			
Debt service	-	365,254	(365,254)

**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.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Future GASB Pronouncements**

The following GASB pronouncements have been issued, but are not effective as of 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.

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, 2021:

Petty cash	\$ 10,050
Carrying amount of demand deposits	6,050,479
Carrying amount of investments	5,027,877
Restricted purchase agreement	13,578,977
	<hr/>
Total cash and investments	\$ 24,667,383
	<hr/>

Cash and investments are shown on the basic financial statements as:

Statement of Net Position	
Cash and investments	\$ 11,088,406
Cash restricted under purchase agreement	13,578,977
	<hr/>
Total Cash and Investments	\$ 24,667,383
	<hr/>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 2 - Cash and Investments (continued)**

***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, 2021. 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, 2021, the carrying amounts of the District deposits in various financial institutions were \$24,657,333 and the bank balances were \$21,220,299. All deposits are held in the name of the District. Of the bank balance, \$20,721,923 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.

***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 2021. 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.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 2 - Cash and Investments (continued)**

***Investments (continued)***

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, 2021, 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.

***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.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 2 - Cash and Investments (continued)**

***Disclosures about Fair Value of Assets***

Investments Measured at Fair Value:	Totals at June 30, 2021	Level One	Level Two	Level Three	Amortized Cost Measurement Not Measured at Fair Value
Local Government Investment Pool	\$ 5,027,877	\$ -	\$ -	\$ -	\$ 5,027,877
	<u>\$ 5,027,877</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,027,877</u>
Beneficial interest in trust:					
Beneficial interest in perpetual trust	\$ 288,109	\$ -	\$ -	\$ 288,109	\$ -
	<u>\$ 288,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,109</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***

	Beneficial Interest in Perpetual Trust
Balance at July 1, 2020	\$ 255,477
Distributions	(12,415)
Net change in value of perpetual trust	<u>45,047</u>
Balance at June 30, 2021	<u>\$ 288,109</u>

**Note 3 - Receivables**

Receivables are comprised of the following at June 30, 2021:

	Taxes	Intergovernmental	Other	Total
General Fund	\$ 862,480	\$ 1,296,196	\$ 221,764	\$ 2,380,440
Federal Programs Fund	-	690,735	-	690,735
Measure 98 Fund	-	530,717	-	530,717
Capital Projects Fund	27,614	939,661	145,782	1,113,057
Non-major Governmental:				
Food Service Fund	-	227,116	292	227,408
Cool Schools Fund	-	-	10,307	10,307
Insurance Reserve Fund	-	762	-	762
	<u>\$ 890,094</u>	<u>\$ 3,685,187</u>	<u>\$ 378,145</u>	<u>\$ 4,953,426</u>



**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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 \$12,415 during 2021. 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, 2021 was \$288,109.

**Note 5 - Capital Assets**

The changes in capital assets for the year ended June 30, 2021, are as follows:

	Balance June 30, 2020	Additions	Disposals / Transfers	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 2,373,073	\$ -	\$ -	\$ 2,373,073
Construction in progress	1,076,066	7,472,334	(90,957)	8,457,443
Total capital assets not being depreciated:	3,449,139	7,472,334	(90,957)	10,830,516
Capital assets being depreciated:				
Buildings and improvements	76,716,970	2,167,450	10,717	78,895,137
Vehicles	6,199,919	170,340	(223,003)	6,147,256
Machinery and Equipment	1,576,285	451,918	80,240	2,108,443
Total capital assets being depreciated	84,493,174	2,789,708	(132,046)	87,150,836
Less accumulated depreciation for:				
Buildings and improvements	(31,731,017)	(1,611,462)	-	(33,342,479)
Vehicles	(3,896,111)	(330,141)	223,003	(4,003,249)
Machinery and equipment	(838,803)	(128,795)	-	(967,598)
Total accumulated depreciation	(36,465,931)	(2,070,398)	223,003	(38,313,326)
Total capital assets				
Land	2,373,073	-	-	2,373,073
Construction in progress	1,076,066	7,472,334	(90,957)	8,457,443
Buildings and improvements	44,985,953	555,988	10,717	45,552,658
Vehicles	2,303,808	(159,801)	-	2,144,007
Machinery and equipment	737,482	323,123	80,240	1,140,845
Total capital assets, net	\$ 51,476,382	\$ 8,191,644	\$ -	\$ 59,668,026

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 5 - Capital Assets (continued)**

Depreciation expense for the year ended June 30, 2021 was charged to the following programs:

<u>Program</u>	
Instructional Services	\$ 1,306,204
Support Services	695,571
Community Services	68,623
Total	<u>\$ 2,070,398</u>

**Note 6 - Interfund Transactions**

Inter-fund transfers during the year ended June 30, 2021 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 1,100,000
Capital Projects Fund	600,000	-
Bus Replacement Fund	500,000	-
Total transfers in/out	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</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, 2021, were as follows:

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 3,076,492	\$ 57,338
Federal Programs Fund	10,128	1,278,063
Student Body Fund	-	20,501
Food Service Fund	-	219,511
Measure 98 Fund	-	530,717
Capital Projects Fund	-	990,490
Bus Replacement Fund	10,000	-
Total due to/from	<u>\$ 3,096,620</u>	<u>\$ 3,096,620</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, 2021**

**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	\$ 664,577	\$ -	\$ 664,577
Federal Programs Fund:			
Federal programs	-	392,643	392,643
Total	<u>\$ 664,577</u>	<u>\$ 392,643</u>	<u>\$ 1,057,220</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, 2021 are as follows:

	<u>Accrued June 30, 2020</u>	<u>Earned</u>	<u>Taken</u>	<u>Accrued June 30, 2021</u>
Governmental Activities	<u>\$ 132,478</u>	<u>\$ 310,815</u>	<u>\$ 251,529</u>	<u>\$ 191,764</u>

**Note 9 - Leases**

**Operating leases**

The District has several operating leases associated with office equipment. Total expense for such leases was \$69,019 for the year ended June 30, 2021. The future minimum lease payments for these leases are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 40,099
2023	33,623
2024	20,237
2025	2,076
2026	105
	<u>\$ 96,140</u>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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 \$441,616 and a net book value of \$662,424 as of June 30, 2021.

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 \$270,113 and a net book value of \$1,080,451 as of June 30, 2021.

On September 29, 2020 the District entered into a capital lease to finance the purchase of buses that matures on October 15, 2024. The lease is payable in five annual payments of \$33,309, including implied interest at 2.58%. The cost of the buses was \$158,040, with accumulated depreciation of \$15,804 and a net book value of \$142,236 as of June 30, 2021.

The changes in the capital lease obligations for the year ended June 30, 2021 are as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Governmental Activities	\$ 1,838,984	\$ 158,040	\$ 300,838	\$ 1,696,186

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 307,455	\$ 57,799	\$ 365,254
2023	318,078	47,176	365,254
2024	328,828	36,181	365,009
2025	165,086	24,814	189,900
2026	137,097	19,494	156,591
2027-2029	439,642	30,046	469,688
	<u>\$ 1,696,186</u>	<u>\$ 215,510</u>	<u>\$ 1,911,696</u>

Interest expense related to the leases for the current fiscal year was \$64,253.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 10 - Long Term Debt**

**Full Faith and Credit Financing Agreement**

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.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	322,717	53,549	376,266
2027 - 2031	1,609,364	115,107	1,724,471
	\$ 3,130,459	\$ 475,342	\$ 3,605,801

Interest paid on the above debt was \$98,449 and interest expense for the current fiscal year was \$97,809.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 10 - Long Term Debt (continued)**

**Tax-Exempt Installment Purchase Agreement**

On October 23, 2020, the District (Purchaser) entered into a purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. (Seller) in the amount of \$15,458,977. The purchase agreement carries an interest rate of 1.96%. The proceeds are for certain energy saving equipment, and the purchase agreement is secured by the equipment. The agreement contains a provision that in the event of default, the Seller may exercise any remedy available at law or in equity, including declaring all installment payments due. The District's semi-annual payments of principal and interest will be due beginning April 23, 2022. The loan matures on October 23, 2036.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 154,283	\$ 454,588	\$ 608,871
2023	922,206	295,536	1,217,742
2024	940,374	277,369	1,217,743
2025	958,900	258,843	1,217,743
2026	977,789	239,952	1,217,741
2027-2031	5,185,588	903,125	6,088,713
2032-2036	5,716,896	371,814	6,088,710
2037	602,941	5,913	608,854
	\$ 15,458,977	\$ 2,807,140	\$ 18,266,117

No interest was paid and interest expense for the current fiscal year was \$209,884.

The changes in the long term for the year ended June 30, 2021 are as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due in One Year
Full Faith and Credit					
Obligation - direct borrowing	\$ 3,408,276	\$ -	\$ 277,817	\$ 3,130,459	\$ 286,267
Tax-Exempt Installment					
Purchase - direct borrowing	-	15,458,977	-	15,458,977	154,283
	\$ 3,408,276	\$ 15,458,977	\$ 277,817	\$ 18,589,436	\$ 440,550

**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, 2021**

**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, 2021, the following employees were covered by the stipend benefit terms:

Inactive participants	48
Active participants	460
	<u>508</u>

***Total Stipend Pension Liability***

The districts total stipend pension liability of \$7,384,099 was measured as of June 30, 2021, and was determined by an actuarial valuation date as of July 1, 2020.

***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, 2020	\$ 6,850,188
Changes for the year:	
Service cost	296,387
Interest	240,933
Differences between expected and actual	194,045
Changes in assumptions	328,097
Benefit payments	<u>(525,551)</u>
Stipend Pension Liability at June 30, 2021	<u>\$ 7,384,099</u>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 11 – Defined Pension Benefit Plan (continued)**

**Early Retirement Stipend Benefit Plan (continued)**

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

For the year ended June 30, 2021, the District recognized stipend pension expense of \$214,311. The \$214,311 was treated as an increase of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 64%, 32% and 4%, respectively.

At June 30, 2021, 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	\$ 570,195	\$ -
Changes of assumptions	389,166	-
Total	<u>\$ 959,361</u>	<u>\$ -</u>

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
2022	\$ 202,543
2023	202,543
2024	202,543
2025	202,549
2026	74,592
Thereafter	<u>74,591</u>
Total	<u>\$ 959,361</u>

***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 1.25%	Current Discount Rate 2.25%	1% Increase Rate 3.25%
Total Pension Liability	\$ 7,797,016	\$ 7,384,099	\$ 6,984,306



**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 11 – Defined Pension Benefit Plan (continued)**

**Early Retirement Stipend Benefit Plan (continued)**

***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)*.

**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.

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 11 - Defined Pension Benefit Plan (continued)**

**OPERS Plan (continued)**

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.

***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.

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020.

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.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 11 - Defined Pension Benefit Plan (continued)**

**OPERS Plan (continued)**

***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.

***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.

***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.

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

This funding policy applies to the OPERS Defined Benefit Plan. Employer contributions during the period July 1, 2020 through June 30, 2021, were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. For this period, employer contribution rates were 32.03% for Tier 1/Tier 2 employees and 26.58% for OPSRP General Employees. Employer contributions for the year ended June 30, 2021 were \$11,178,529.

***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>

**GRANTS PASS SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 11 - Defined Pension Benefit Plan (continued)**

**OPERS Plan (continued)**

***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 the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

***Actuarial Methods and Assumptions Used in Developing Total Pension Liability***

Valuation date	December 31, 2018
Measurement date	June 30, 2020
Experience study	2018, published July 24, 2019
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return <sup>1</sup>	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	<b><i>Healthy retirees and beneficiaries:</i></b> Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <b><i>Active members:</i></b> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <b><i>Disabled retirees:</i></b> Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of 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 2018 Experience Study, which reviewed experience for the four-year period ending on December 31, 2018.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 11 - Defined Pension Benefit Plan (continued)**

**OPERS Plan (continued)**

***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.

***Assumed Asset Allocation***

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.00%
Debt securities	20.00%
Public equity	32.50%
Private equity	17.50%
Real estate	12.50%
Alternatives portfolio	15.00%
Risk parity	2.50%
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 May 2019 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.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 11 - Defined Pension Benefit Plan (continued)**

**OPERS Plan (continued)**

***Investment Rate of Return (continued) –***

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>20-Year Annualized Geometric Mean</u>
Core fixed income	9.60%	4.07%
Short-term bonds	9.60%	3.68%
Bank/leveraged loans	3.60%	5.19%
High yield bonds	1.20%	5.74%
Large/Mid cap US equities	16.16%	6.30%
Small cap US equities	1.35%	6.68%
Micro cap US equities	1.35%	6.79%
Developed foreign equities	13.48%	6.91%
Emerging market equities	4.23%	7.69%
Non-US small cap equities	1.93%	7.25%
Private equities	17.50%	8.33%
Real estate (property)	10.00%	5.55%
Real estate (REITS)	2.50%	6.69%
Hedge fund of funds - diversified	1.50%	4.06%
Hedge fund - event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.11%	3.79%
<b>Total</b>	<b>100.00%</b>	
<b>Assumed inflation - mean</b>		<b>2.50%</b>

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

At June 30, 2021, the District reported a liability of \$94,496,213 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. 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, 2020 (measurement date), the District's proportion was approximately 0.43300330 percent.

For the year ended June 30, 2021, the District recognized pension expense of \$9,189,712. The \$9,189,712 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.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 11 - Defined Pension Benefit Plan (continued)**

**OPERS Plan (continued)**

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

At June 30, 2021, 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	\$ 4,158,977	\$ -
Changes of assumptions	5,071,313	177,688
Net difference between projected and actual earning on investments	11,111,527	-
Changes in proportionate share	396,286	5,843,442
Differences between employer contributions and employers proportionate share of system contributions	1,958,055	-
Contributions subsequent to measurement date	11,178,529	-
Total	<u>\$ 33,874,687</u>	<u>\$ 6,021,130</u>

The \$11,178,529 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, 2022.

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
2022	\$ 3,488,248
2023	5,349,642
2024	4,968,213
2025	3,056,379
2026	(187,454)
Total	<u>\$ 16,675,028</u>

***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	\$ (140,319,073)	\$ (94,496,213)	\$ (56,071,622)

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 11 - Defined Pension Benefit Plan (continued)**

**OPERS Plan (continued)**

***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](https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf).

- Update the explicit assumptions regarding administrative expenses for Tier 1/Tier 2 and OPSRP.
- Update the assumed RHIPA cost subsidy trend rates.
- Adjust mortality assumptions to use the new "Pub-2010" base tables and a standard update to the mortality improvement scale, which is based on 60-year unisex average Social Security experience.
- Adjust retirement rates for certain member categories and service bands to more closely align with recent and expected future experience; reduce percentage of future retirees assumed to elect a partial lump sum; increase percentage of members assumed to purchase credited service at retirement.
- Increase the merit component of the salary increase assumption for two member categories based on observations of the last eight years of experience.
- Update pre-retirement termination of employment assumptions for two member categories.
- Lower assumed rates of ordinary (non-duty) disability and general service duty disability to more closely match recent experience.
- Increase the Tier 1 unused vacation cash out assumption for most member categories, reflecting recent experience.
- Adjust the Tier 1/Tier 2 unused sick leave assumption for five member categories to more closely reflect recently observed experience.
- Decrease the healthy participation assumption for the RHIA retiree healthcare program, reflecting recent experience.
- Decrease the RHIPA participation assumption for most service bands, reflecting recent experience.
- Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier 1/Tier 2 UAL in the calculation of actuarially determined contribution rates for the 2021-2023 biennium. No additional changes are recommended for most actuarial methods, including the actuarial cost method, amortization method, and rate collar.
- When allocating accrued liability for Tier 1/Tier 2 active members who have earned service with multiple PERS employers, base 90% of the allocation on length of service with each employer (100% for police & fire members) and base the rest on the member account balance associated with each employer. The percentage allocation for general service has increased 5% since the prior experience study. This movement illustrates the continued migration of projected future Tier 1/Tier 2 retirement benefits away from the Money Match calculation, which is based on account balances, toward the ongoing Full Formula approach, which is based on final average salary.



**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 11 - Defined Pension Benefit Plan (continued)**

**OPERS Plan (continued)**

**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 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.

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

***Contributions*** – Starting July 1, 2020, Senate Bill 1049 required member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 a month, 0.75% for OPSRP members and 2.5% for Tier One and Tier Two members' salaries that were previously contributed to the member's IAP began funding the new Employee Pension Stability Accounts to help fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. OPERS estimates that approximately \$125 million in member contributions will be redirected in fiscal year 2020-21.

**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.

***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.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**Single-Employer Post-Retirement Health Care Plan (continued)**

***Plan Description***

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.

***Employees Covered by Benefit Terms***

At June 30, 2021, the following employees were covered by the implicit benefit terms:

Inactive participants	40
Active participants	679
	<u>719</u>

***Total OPEB Liability***

The District's total OPEB liability of \$3,932,383 was measured as of June 30, 2021, and was determined by an actuarial valuation date as of July 1, 2020.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**Single-Employer Post-Retirement Health Care Plan (continued)**

***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	2.25% per year, based on all years discounted at municipal bond rate
General Inflation	2.0% per year
Salary Scale	3.0% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus a merit table
Annual Premium Increase Rate	Between 3.5% and 6.0% annually
Mortality Rates	Basic table: Pub-2010 Teachers table, Employee/Healthy Annuitant, sex distinct, generational, no setback
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 Total OPEB Liability***

Total OPEB Liability at June 30, 2020	\$ 3,669,537
Changes for the year:	
Service cost	222,254
Interest	133,116
Differences between expected and actual	94,024
Changes in assumptions	(9,588)
Benefit payments	(176,960)
Total OPEB Liability at June 30, 2021	<u>\$ 3,932,383</u>

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

For the year ended June 30, 2021, the District recognized an increase of OPEB expense of \$58,740. The \$58,740 was treated as an increase of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 64%, 32% and 4%, respectively.

At June 30, 2021, 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	\$ 82,271	\$ 333,622
Changes of assumptions	-	195,667
Total	<u>\$ 82,271</u>	<u>\$ 529,289</u>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

***OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)***

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
2022	\$ (119,670)
2023	(119,670)
2024	(119,670)
2025	(119,674)
2026	10,554
Thereafter	21,112
Total	<u>\$ (447,018)</u>

***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 1.25%	Current Discount 2.25%	1% Increase 3.25%
Total OPEB Liability	\$ 4,223,011	\$ 3,932,383	\$ 3,659,676

***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 2.5%, trending up to 5.0%, then back down to 3.5%	Current Trend Rate 3.5%, trending up to 6.0%, then back down to 4.5%	1% Increase 4.5%, trending up to 7.0%, then back down to 5.5%
Total OPEB Liability	\$ 3,497,493	\$ 3,932,383	\$ 4,444,026

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

***Changes in Assumptions and Methods***

A summary of key changes implemented since the July 1, 2018 valuation are noted below:

- The interest rate for discounting future liabilities was changed to reflect current municipal bond rates.
- 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.

**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.

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 \$9,524 for the year ended June 30, 2021. The contribution rates in effect for the period July 1, 2019 through June 30, 2021 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>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**Retirement Health Insurance Account (RHIA) (continued)**

***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, 2021, the District reported \$1,233,097 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018. 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, 2020 (measurement date) the District's proportion was approximately 0.60517054 percent.

For the year ended June 30, 2021, the District recognized a reduction of OPEB expense related to RHIA of \$345,725. The \$345,725 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.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 126,058
Changes of assumptions	-	65,545
Net difference between projected and actual earning on investments	137,130	-
Changes in proportionate share	-	268,781
Contributions subsequent to measurement date	9,524	-
Total	<u>\$ 146,654</u>	<u>\$ 460,384</u>

The \$9,524 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.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**Retirement Health Insurance Account (RHIA) (continued)**

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

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
2022	\$ (264,812)
2023	(152,390)
2024	50,691
2025	43,257
Total	<u>\$ (323,254)</u>

***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	\$ 995,518	\$ 1,233,097	\$ 1,436,236

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

***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 HVAC upgrades at various locations. The original commitment of the contract is \$15,431,997 with \$9,237,213 remaining on the contract at June 30, 2021. These upgrades will be paid for with a Tax-Exempt Installment Purchase Agreement.

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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, 2021.

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. The impact of the State of Emergency and full ramifications to the economy and the District is not determinable at this time.

**Note 18 - Tax Abatements**

At June 30, 2021, 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, 2021, the District's abated property taxes totaled \$87,100 under the Enterprise Zone Program.



**GRANTS PASS SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 19 - Subsequent Events**

Management of the District has evaluated events and transactions occurring after June 30, 2021 through December 27, 2021, the date of the financial statements were available for issuance, for recognition and/or disclosure in the financial statements.

**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**

	2021	2020	2019	2018	2017	2016	2015	2014
District proportion of the net pension asset/(liability)	0.4330033%	0.4630146%	0.4630146%	0.4751985%	0.5195660%	0.5828479%	0.5866120%	0.5866120%
District's proportion of the net pension asset/(liability)	\$ (94,496,213)	\$ (81,035,703)	\$ (70,140,610)	\$ (64,056,941)	\$ (77,998,913)	\$ (33,463,988)	\$ 13,296,833	\$ (29,935,697)
Covered payroll	\$ 38,455,983	\$ 38,427,443	\$ 35,280,575	\$ 33,870,417	\$ 28,555,340	\$ 28,555,340	\$ 28,555,340	\$ 27,521,163
Proportionate share of the pension asset/(liability) as a percentage of its covered payroll	245.73%	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	75.79%	80.20%	82.07%	83.12%	80.53%	91.88%	103.59%	91.97%

**Grants Pass School District No. 7 Contributions**

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 11,178,529	\$ 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	(11,178,529)	(10,517,276)	(8,757,601)	(8,102,379)	(6,652,748)	(6,316,699)	(6,252,389)	(5,766,747)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 38,968,842	\$ 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 payroll	28.69%	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](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 eight 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**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
District proportion of the net OPEB asset/(liability)	0.60517054%	0.34253407%	0.33961446%	0.33202907%
District's proportion of the net OPEB asset/(liability)	\$ 1,233,097	\$ 661,899	\$ 379,102	\$ 138,569
District's covered-employee payroll	\$ 38,455,983	\$ 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	3.21%	1.72%	1.07%	0.41%
Plan fiduciary net position as a percentage of the total pension liability	150.10%	144.40%	123.99%	108.88%

**Grants Pass School District No. 7 Contributions**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contributions	\$ 9,524	\$ 43,217	\$ 169,767	\$ 164,442
Contribution in relation to the contractually required	(9,524)	(43,217)	(169,767)	(164,442)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	\$ 38,968,842	\$ 38,455,983	\$ 38,427,443	\$ 35,280,575
Contributions as a percentage of covered-employee payroll	0.02%	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](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 four years of information is presented.

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

<b>Total Pension Liability (Stipend):</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service cost	\$ 296,387	\$ 286,364	\$ 237,510	\$ 230,592	\$ 230,592
Interest	240,933	240,594	223,956	219,485	218,657
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	194,045	-	706,772	-	-
Changes of assumptions of other inputs	328,097	-	188,890	-	-
Benefit payments	(525,551)	(529,030)	(479,018)	(427,123)	(427,242)
<b>Net change in total pension liability (stipend)</b>	533,911	(2,072)	878,110	22,954	22,007
Total Pension Liability (Stipend) - beginning	\$ 6,850,188	\$ 6,852,260	\$ 5,974,150	\$ 5,951,196	\$ 5,929,189
Total Pension liability (Stipend) - ending	<u>\$ 7,384,099</u>	<u>\$ 6,850,188</u>	<u>\$ 6,852,260</u>	<u>\$ 5,974,150</u>	<u>\$ 5,951,196</u>
Estimated Covered - employee payroll	\$ 31,106,330	\$ 30,604,447	\$ 29,569,514	\$ 29,442,482	\$ 28,584,934
Total pension liability (Stipend) as a percentage of estimated covered - employee payroll	23.74%	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 five years of information is presented.

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

<b>Total OPEB Liability:</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service cost	\$ 222,254	\$ 214,738	\$ 210,018	\$ 203,901	\$ 203,901
Interest	133,116	161,089	159,246	147,632	140,764
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	94,024	-	(583,837)	-	-
Changes of assumptions of other inputs	(9,588)	-	(327,735)	-	-
Benefit payments	<u>(176,960)</u>	<u>(142,598)</u>	<u>(115,834)</u>	<u>(183,949)</u>	<u>(139,087)</u>
<b>Net change in total OPEB liability</b>	262,846	233,229	(658,142)	167,584	205,578
Total OPEB liability - beginning	<u>\$ 3,669,537</u>	<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><u>\$ 3,932,383</u></u>	<u><u>\$ 3,669,537</u></u>	<u><u>\$ 3,436,308</u></u>	<u><u>\$ 4,094,450</u></u>	<u><u>\$ 3,926,866</u></u>
Estimated Covered - employee payroll	\$ 36,053,438	\$ 35,212,115	\$ 34,021,367	\$ 32,659,879	\$ 31,708,620
Total OPEB liability as a percentage of estimated covered - employee payroll	10.91%	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 five 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, 2021**

	<b>Budget</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Adopted</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 15,515,000	\$ 15,515,000	\$ 16,114,718	\$ 599,718
Charges for services	771,450	771,450	242,225	(529,225)
Donations	547,550	547,550	38,159	(509,391)
Interest on investments	250,100	250,100	82,356	(167,744)
Miscellaneous	1,335,880	1,335,880	312,332	(1,023,548)
Intermediate sources:				
Intergovernmental	1,691,618	1,691,618	1,764,945	73,327
State sources:				
Basic school support	53,025,517	53,025,517	49,461,205	(3,564,312)
Intergovernmental	597,040	597,040	832,768	235,728
Federal sources:				
Intergovernmental	546,789	546,789	2,540,269	1,993,480
<b>TOTAL REVENUES</b>	<b>74,280,944</b>	<b>74,280,944</b>	<b>71,388,977</b>	<b>(2,891,967)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	47,369,854	47,369,854	43,195,349	4,174,505
Support services	25,136,870	25,136,870	23,534,067	1,602,803
Enterprise and community services	-	29,400	20,835	8,565
Facilities acquisition and construction	1,400,000	2,900,000	1,451,105	1,448,895
Contingency	2,300,000	770,600	-	770,600
<b>TOTAL EXPENDITURES</b>	<b>76,206,724</b>	<b>76,206,724</b>	<b>68,201,356</b>	<b>8,005,368</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,925,780)</b>	<b>(1,925,780)</b>	<b>3,187,621</b>	<b>5,113,401</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from the sale of capital assets	-	-	16,209	16,209
Transfers in	225,000	225,000	-	(225,000)
Transfers out	(1,100,000)	(1,100,000)	(1,100,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(875,000)</b>	<b>(875,000)</b>	<b>(1,083,791)</b>	<b>(208,791)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,800,780)</b>	<b>(2,800,780)</b>	<b>2,103,830</b>	<b>4,904,610</b>
<b>FUND BALANCE, July 1, 2020</b>	<b>6,473,749</b>	<b>6,473,749</b>	<b>4,027,082</b>	<b>(2,446,667)</b>
<b>FUND BALANCE, June 30, 2021</b>	<b>\$ 3,672,969</b>	<b>\$ 3,672,969</b>	<b>\$ 6,130,912</b>	<b>\$ 2,457,943</b>

**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, 2021**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Adopted</b>	<b>Final</b>		
<b>REVENUES</b>				
Local sources:				
Donations	\$ 232,000	\$ 232,000	\$ -	\$ (232,000)
Intermediate sources:				
Intergovernmental	135,000	135,000	-	(135,000)
State sources:				
Intergovernmental	-	-	1,579,042	1,579,042
Federal sources:				
Intergovernmental	8,718,883	8,718,883	3,289,676	(5,429,207)
<b>TOTAL REVENUES</b>	<b>9,085,883</b>	<b>9,085,883</b>	<b>4,868,718</b>	<b>(4,217,165)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	7,209,188	7,209,188	3,374,643	3,834,545
Support services	1,573,695	1,573,695	1,372,799	200,896
Enterprise and community services	303,000	303,000	121,276	181,724
<b>TOTAL EXPENDITURES</b>	<b>9,085,883</b>	<b>9,085,883</b>	<b>4,868,718</b>	<b>4,217,165</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, July 1, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, June 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**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, 2021**

	<b>Budget</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Adopted</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Local sources:				
Interest on investments	\$ 75,000	\$ 75,000	\$ 26,301	\$ (48,699)
<b>TOTAL REVENUES</b>	<u>75,000</u>	<u>75,000</u>	<u>26,301</u>	<u>(48,699)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	1,866,702	1,866,702	-	1,866,702
Support services	1,152,709	1,152,709	-	1,152,709
Enterprise and community services	14,083	14,083	-	14,083
<b>TOTAL EXPENDITURES</b>	<u>3,033,494</u>	<u>3,033,494</u>	<u>-</u>	<u>3,033,494</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(2,958,494)</u>	<u>(2,958,494)</u>	<u>26,301</u>	<u>2,984,795</u>
<b>FUND BALANCE, July 1, 2020</b>	<u>3,295,549</u>	<u>3,295,549</u>	<u>3,303,221</u>	<u>7,672</u>
<b>FUND BALANCE, June 30, 2021</b>	<u>\$ 337,055</u>	<u>\$ 337,055</u>	<u>\$ 3,329,522</u>	<u>\$ 2,992,467</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, 2021**

	<b>Budget</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Adopted</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
State sources:				
Intergovernmental	\$ 1,514,951	\$ 1,514,951	\$ 1,734,401	\$ 219,450
<b>TOTAL REVENUES</b>	<u>1,514,951</u>	<u>1,514,951</u>	<u>1,734,401</u>	<u>219,450</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	812,728	812,728	1,013,407	(200,679)
Support services	653,507	653,507	720,994	(67,487)
Contingency	48,716	48,716	-	48,716
<b>TOTAL EXPENDITURES</b>	<u>1,514,951</u>	<u>1,514,951</u>	<u>1,734,401</u>	<u>(219,450)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, July 1, 2020</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30, 2021</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **OTHER SUPPLEMENTARY INFORMATION**

**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, 2021**

	<b>Budget</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Adopted</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Local sources:				
Construction excise taxes	\$ 250,000	\$ 250,000	\$ 324,437	\$ 74,437
Donations	750,000	750,000	-	(750,000)
Interest on investments	30,000	30,000	764	(29,236)
Miscellaneous	-	-	149,292	149,292
State sources:				
Intergovernmental	2,375,000	2,375,000	1,513,613	(861,387)
<b>TOTAL REVENUES</b>	<b>3,405,000</b>	<b>3,405,000</b>	<b>1,988,106</b>	<b>(1,416,894)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	5,600	5,600	-	5,600
Support services	569,400	569,400	568,287	1,113
Facilities acquisition and construction	3,050,000	18,508,977	7,928,815	10,580,162
Debt service	380,000	380,000	376,266	3,734
<b>TOTAL EXPENDITURES</b>	<b>4,005,000</b>	<b>19,463,977</b>	<b>8,873,368</b>	<b>10,590,609</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(600,000)</b>	<b>(16,058,977)</b>	<b>(6,885,262)</b>	<b>9,173,715</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from the issuance of debt	-	15,458,977	15,458,977	-
Transfers in	600,000	600,000	600,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>600,000</b>	<b>16,058,977</b>	<b>16,058,977</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>9,173,715</b>	<b>9,173,715</b>
<b>FUND BALANCE, July 1, 2020</b>	<b>-</b>	<b>-</b>	<b>127,249</b>	<b>127,249</b>
<b>FUND BALANCE, June 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,300,964</b>	<b>\$ 9,300,964</b>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	<b>Student Body</b>	<b>Food Service</b>	<b>Cool Schools</b>	<b>Bus Replacement</b>	<b>Total</b>
<b>ASSETS</b>					
Equity in pooled cash and investments	\$ 439,002	\$ 285	\$ 505,963	\$ 137,204	\$ 1,082,454
Receivables	-	227,408	10,307	-	237,715
Interfund receivable	-	-	-	10,000	10,000
<b>TOTAL ASSETS</b>	<u>\$ 439,002</u>	<u>\$ 227,693</u>	<u>\$ 516,270</u>	<u>\$ 147,204</u>	<u>\$ 1,330,169</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Interfund payable	\$ 20,501	\$ 219,511	\$ -	\$ -	\$ 240,012
<b>TOTAL LIABILITIES</b>	<u>20,501</u>	<u>219,511</u>	<u>-</u>	<u>-</u>	<u>240,012</u>
Fund Balances:					
Restricted	418,501	-	516,270	-	934,771
Committed	-	8,182	-	147,204	155,386
<b>TOTAL FUND BALANCES</b>	<u>418,501</u>	<u>8,182</u>	<u>516,270</u>	<u>147,204</u>	<u>1,090,157</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 439,002</u>	<u>\$ 227,693</u>	<u>\$ 516,270</u>	<u>\$ 147,204</u>	<u>\$ 1,330,169</u>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	<u>Student Body</u>	<u>Food Service</u>	<u>Cool Schools</u>	<u>Bus Replacement</u>	<u>Total</u>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 2,380,874	\$ -	\$ 10,000	\$ 2,390,874
Charges for services	40,388	1,554	-	-	41,942
Donations	74,560	-	-	-	74,560
Miscellaneous	25,275	1,526	123,898	-	150,699
<b>TOTAL REVENUES</b>	<u>140,223</u>	<u>2,383,954</u>	<u>123,898</u>	<u>10,000</u>	<u>2,658,075</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	160,527	-	-	-	160,527
Support services	1,009	-	42	158,637	159,688
Community services	-	2,375,772	-	-	2,375,772
Debt Service	-	-	-	365,254	365,254
<b>TOTAL EXPENDITURES</b>	<u>161,536</u>	<u>2,375,772</u>	<u>42</u>	<u>523,891</u>	<u>3,061,241</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(21,313)</u>	<u>8,182</u>	<u>123,856</u>	<u>(513,891)</u>	<u>(403,166)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from capital lease	-	-	-	158,040	158,040
Transfers	-	-	-	500,000	500,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>658,040</u>	<u>658,040</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(21,313)</u>	<u>8,182</u>	<u>123,856</u>	<u>144,149</u>	<u>254,874</u>
<b>FUND BALANCE, July 1, 2020</b>	<u>439,814</u>	<u>-</u>	<u>392,414</u>	<u>3,055</u>	<u>835,283</u>
<b>FUND BALANCE, June 30, 2021</b>	<u>\$ 418,501</u>	<u>\$ 8,182</u>	<u>\$ 516,270</u>	<u>\$ 147,204</u>	<u>\$ 1,090,157</u>

**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, 2021**

	<b>Budget</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Adopted</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Local sources:				
Charges for services	\$ 584,475	\$ 584,475	\$ 40,388	\$ (544,087)
Donations	892,015	892,015	74,560	(817,455)
Miscellaneous	114,150	114,150	25,275	(88,875)
<b>TOTAL REVENUES</b>	<b>1,590,640</b>	<b>1,590,640</b>	<b>140,223</b>	<b>(1,450,417)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	1,995,666	1,995,666	160,527	1,835,139
Support services	34,228	34,228	1,009	33,219
<b>TOTAL EXPENDITURES</b>	<b>2,029,894</b>	<b>2,029,894</b>	<b>161,536</b>	<b>1,868,358</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(439,254)</b>	<b>(439,254)</b>	<b>(21,313)</b>	<b>417,941</b>
<b>FUND BALANCE, July 1, 2020</b>	<b>439,254</b>	<b>439,254</b>	<b>439,814</b>	<b>560</b>
<b>FUND BALANCE, June 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 418,501</b>	<b>\$ 418,501</b>

**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, 2021**

	<b>Budget</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Adopted</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Local sources:				
Charges for services	\$ 184,745	\$ 184,745	\$ 1,554	\$ (183,191)
Miscellaneous	15,000	15,000	1,526	(13,474)
State sources:				
Intergovernmental	36,000	36,000	47,507	11,507
Federal sources:				
Intergovernmental	3,973,907	3,973,907	2,333,367	(1,640,540)
<b>TOTAL REVENUES</b>	<b>4,209,652</b>	<b>4,209,652</b>	<b>2,383,954</b>	<b>(1,825,698)</b>
<b>EXPENDITURES</b>				
Current:				
Enterprise and community services	3,853,886	3,853,886	2,375,772	1,478,114
Contingency	355,766	355,766	-	355,766
<b>TOTAL EXPENDITURES</b>	<b>4,209,652</b>	<b>4,209,652</b>	<b>2,375,772</b>	<b>1,833,880</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>8,182</b>	<b>8,182</b>
<b>FUND BALANCE, July 1, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, June 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,182</b>	<b>\$ 8,182</b>



**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**COOL SCHOOLS FUND**  
**YEAR ENDED JUNE 30, 2021**

	<b>Budget</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Adopted</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Local sources:				
Miscellaneous	\$ 150,000	\$ 150,000	\$ 123,898	\$ (26,102)
<b>TOTAL REVENUES</b>	<u>150,000</u>	<u>150,000</u>	<u>123,898</u>	<u>(26,102)</u>
<b>EXPENDITURES</b>				
Current:				
Support services	115,000	115,000	42	114,958
Facilities acquisition and construction	<u>398,843</u>	<u>398,843</u>	<u>-</u>	<u>398,843</u>
<b>TOTAL EXPENDITURES</b>	<u>513,843</u>	<u>513,843</u>	<u>42</u>	<u>513,801</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(363,843)</u>	<u>(363,843)</u>	<u>123,856</u>	<u>487,699</u>
<b>FUND BALANCE, July 1, 2020</b>	<u>363,843</u>	<u>363,843</u>	<u>392,414</u>	<u>28,571</u>
<b>FUND BALANCE, June 30, 2021</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 516,270</u></u>	<u><u>\$ 516,270</u></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, 2021**

	<b>Budget</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Adopted</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
State sources				
Intergovernmental	\$ -	\$ -	\$ 10,000	\$ 10,000
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
<b>EXPENDITURES</b>				
Current:				
Support services	675,000	833,040	158,637	674,403
Debt service	-	-	365,254	(365,254)
<b>TOTAL EXPENDITURES</b>	<u>675,000</u>	<u>833,040</u>	<u>523,891</u>	<u>309,149</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(675,000)</u>	<u>(833,040)</u>	<u>(513,891)</u>	<u>319,149</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from capital lease	-	158,040	158,040	-
Transfers in	500,000	500,000	500,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>500,000</u>	<u>658,040</u>	<u>658,040</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(175,000)</u>	<u>(175,000)</u>	<u>144,149</u>	<u>319,149</u>
<b>FUND BALANCE, July 1, 2020</b>	<u>175,000</u>	<u>175,000</u>	<u>3,055</u>	<u>(171,945)</u>
<b>FUND BALANCE, June 30, 2021</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,204</u>	<u>\$ 147,204</u>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2021**

	<u>Unemployment</u>	<u>Insurance Reserve</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 48,749	\$ 48,749
Accounts Receivable	-	762	762
	<u>-</u>	<u>762</u>	<u>762</u>
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 49,511</u>	<u>\$ 49,511</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 2,878	\$ 2,878
	<u>-</u>	<u>2,878</u>	<u>2,878</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>2,878</u>	<u>2,878</u>
<b>NET POSITION</b>			
Fund Balances:			
Unrestricted	-	46,633	46,633
	<u>-</u>	<u>46,633</u>	<u>46,633</u>
<b>NET POSITION</b>	<u>\$ -</u>	<u>\$ 46,633</u>	<u>\$ 46,633</u>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	<u>Unemployment</u>	<u>Insurance Reserve</u>	<u>Total</u>
<b>REVENUES</b>			
Charges for services (interfund)	\$ -	\$ 1,960	\$ 1,960
<b>TOTAL REVENUES</b>	<u>-</u>	<u>1,960</u>	<u>1,960</u>
<b>EXPENDITURES</b>			
Current:			
Support services	<u>-</u>	<u>11,861</u>	<u>11,861</u>
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>11,861</u>	<u>11,861</u>
<b>CHANGE IN NET POSITION</b>	<u>-</u>	<u>(9,901)</u>	<u>(9,901)</u>
<b>NET POSITION, July 1, 2020</b>	<u>-</u>	<u>56,534</u>	<u>56,534</u>
<b>NET POSITION, June 30, 2021</b>	<u>\$ -</u>	<u>\$ 46,633</u>	<u>\$ 46,633</u>

**GRANTS PASS SCHOOL DISTRICT NO. 7  
COMBINING SCHEDULE OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2021**

	<u>Unemployment</u>	<u>Insurance Reserve</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash from interfund services provided	\$ -	\$ 6,588	\$ 6,588
Cash paid for services	<u>(14,856)</u>	<u>(11,249)</u>	<u>(26,105)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(14,856)</u>	<u>(4,661)</u>	<u>(19,517)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(14,856)	(4,661)	(19,517)
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR</b>	<u>14,856</u>	<u>53,410</u>	<u>68,266</u>
<b>END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 48,749</u></u>	<u><u>\$ 48,749</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING INCOME</b>			
Operating income (loss)	\$ -	\$ (9,901)	\$ (9,901)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Change in assets and liabilities:			
Intergovernmental receivable	-	4,628	4,628
Accounts payable	<u>(14,856)</u>	<u>612</u>	<u>(14,244)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ (14,856)</u></u>	<u><u>\$ (4,661)</u></u>	<u><u>\$ (19,517)</u></u>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN NET POSITION - BUDGET AND ACTUAL**  
**UNEMPLOYMENT FUND**  
**YEAR ENDED JUNE 30, 2021**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Adopted</b>	<b>Final</b>		
<b>REVENUES</b>				
Local sources:				
Charges for services	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
<b>TOTAL REVENUES</b>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
<b>EXPENDITURES</b>				
Current:				
Support services	<u>70,898</u>	<u>70,898</u>	<u>-</u>	<u>70,898</u>
<b>TOTAL EXPENDITURES</b>	<u>70,898</u>	<u>70,898</u>	<u>-</u>	<u>70,898</u>
<b>CHANGE IN NET POSITION</b>	(20,898)	(20,898)	-	20,898
<b>NET POSITION, July 1, 2020</b>	<u>20,898</u>	<u>20,898</u>	<u>-</u>	<u>(20,898)</u>
<b>NET POSITION, June 30, 2021</b>	<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, 2021**

	<b>Budget</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Adopted</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Local sources:				
Charges for services (interfund)	\$ 20,000	\$ 20,000	\$ 1,960	\$ (18,040)
Miscellaneous	15,000	15,000	-	(15,000)
<b>TOTAL REVENUES</b>	<b>35,000</b>	<b>35,000</b>	<b>1,960</b>	<b>(33,040)</b>
<b>EXPENDITURES</b>				
Current:				
Support services	89,000	89,000	11,861	77,139
<b>TOTAL EXPENDITURES</b>	<b>89,000</b>	<b>89,000</b>	<b>11,861</b>	<b>77,139</b>
<b>CHANGE IN NET POSITION</b>	<b>(54,000)</b>	<b>(54,000)</b>	<b>(9,901)</b>	<b>44,099</b>
<b>NET POSITION, July 1, 2020</b>	<b>54,000</b>	<b>54,000</b>	<b>56,534</b>	<b>2,534</b>
<b>NET POSITON, June 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 46,633</b>	<b>\$ 46,633</b>

**SCHOOL DISTRICT FINANCIAL**  
**ACCOUNTING SUMMARIES**



# GRANTS PASS SCHOOL DISTRICT NO. 7 2020-2021 ALL FUND REVENUE SUMMARY

<b>Revenue from Local Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>	<b>Total</b>
1110 Ad Valorem Taxes Levied by District	16,109,140	-	-	-	-	-	-	16,109,140
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	324,437	-	-	-	324,437
1190 Penalties and Interest on Taxes	-	-	-	-	-	-	-	-
1200 Revenue from Local Gov't Units Other Than Districts	5,578	-	-	-	-	-	-	5,578
1310 Regular Day School Tuition	-	-	-	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	-	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-	-
1400 Transportation Fees	-	-	-	-	-	-	-	-
1500 Earnings on Investments	82,356	26,301	-	764	-	-	-	109,421
1600 Food Service	-	1,554	-	-	-	-	-	1,554
1700 Extracurricular Activities	48,264	77,962	-	-	-	-	-	126,226
1800 Community Services Activities	-	-	-	-	-	-	-	-
1910 Rentals	1,000	-	-	-	-	-	-	1,000
1920 Contributions and Donations From Private Sources	36,826	36,986	-	-	-	-	-	73,812
1930 Rental or Lease Payments From Private Contractors	3,150	-	-	-	-	-	-	3,150
1940 Services Provided Other Local Education Agencies	-	-	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	-	-	-	-	-	-	-	-
1970 Services Provided Other Funds	-	-	-	-	-	1,960	-	1,960
1980 Fees Charged to Grants	191,144	-	-	-	-	-	-	191,144
1990 Miscellaneous	312,332	150,699	-	149,292	-	-	-	612,323
<b>Total Revenue from Local Sources</b>	<b>16,789,790</b>	<b>293,502</b>	<b>-</b>	<b>474,493</b>	<b>-</b>	<b>1,960</b>	<b>-</b>	<b>17,559,745</b>
<b>Revenue from Intermediate Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>	<b>Total</b>
2101 County School Funds	81,675	-	-	-	-	-	-	81,675
2102 Education Service District Apportionment	-	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	1,681,953	-	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-	-	-
2200 Restricted Revenue	1,317	-	-	-	-	-	-	1,317
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
<b>Total Revenue from Intermediate Sources</b>	<b>1,764,945</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,764,945</b>
<b>Revenue from State Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>	<b>Total</b>
3101 State School Fund - General Support	49,461,205	10,000	-	-	-	-	-	49,471,205
3102 State School Fund - School Lunch Match	-	32,638	-	-	-	-	-	32,638
3103 Common School Fund	587,664	-	-	-	-	-	-	587,664
3104 State Managed County Timber	-	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	-	1,208	-	1,493,613	-	-	-	1,494,821
3204 Driver Education	-	-	-	-	-	-	-	-
3211 Restricted - Family Friends	-	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	-	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	245,104	3,327,104	-	20,000	-	-	-	3,592,208
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
<b>Total Revenue from State Sources</b>	<b>50,293,973</b>	<b>3,370,950</b>	<b>-</b>	<b>1,513,613</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,178,536</b>
<b>Revenue from Federal Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>	<b>Total</b>
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	2,426,476	2,399,828	-	-	-	-	-	4,826,304
4501 R/GIA ESEA Ch1, & PL 89-313	-	5,418	-	-	-	-	-	5,418
4505 School Nutrition	-	2,061,530	-	-	-	-	-	2,061,530
4508 R/GIA PL 94-142 Handicapped	-	884,430	-	-	-	-	-	884,430
4590 USDA Commodity Distribution	-	271,837	-	-	-	-	-	271,837
4700 Grants-In-Aid From the Fed Gov't Through Intermediate	-	-	-	-	-	-	-	-
4701 Federal Funds through Intermediate Agency	-	-	-	-	-	-	-	-
4801 Federal Forest Fees	113,793	-	-	-	-	-	-	113,793
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	-	-	-	-	-	-	-	-
<b>Total Revenue from Federal Sources</b>	<b>2,540,269</b>	<b>5,623,043</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,163,312</b>
<b>Revenue from Other Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>	<b>Total</b>
5100 Long Term Debt Financing Sources	-	158,040	-	15,458,977	-	-	-	15,617,017
5200 Interfund Transfers	-	500,000	-	600,000	-	-	-	1,100,000
5300 Sale of or Compensation for Loss of Fixed Assets	16,209	-	-	-	-	-	-	16,209
5400 Resources - Beginning Fund Balance	4,027,082	4,138,504	-	127,249	-	56,534	-	8,349,369
<b>Total Revenue from Other Sources</b>	<b>4,043,291</b>	<b>4,796,544</b>	<b>-</b>	<b>16,186,226</b>	<b>-</b>	<b>56,534</b>	<b>-</b>	<b>25,082,595</b>
<b>Grand Totals</b>	<b>75,432,268</b>	<b>14,084,039</b>	<b>-</b>	<b>18,174,332</b>	<b>-</b>	<b>58,494</b>	<b>-</b>	<b>107,749,133</b>

**GRANTS PASS SCHOOL DISTRICT NO. 7  
2020-2021 AUDIT EXPENDITURES SUMMARY  
GENERAL FUND**

Function Description	100	200	300	400	500	600	700	Total
1111 Elementary	9,508,149	5,309,556	275,732	598,068	9,200	-	-	15,700,705
1112 Elementary	-	8,450	-	-	-	-	-	8,450
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle School Programs	5,058,667	2,897,032	80,941	306,606	-	280	-	8,343,526
1122 Middle School Extracurricular	111,169	48,758	5,574	27,765	-	195	-	193,461
1131 High School Programs	5,682,006	3,209,226	163,842	412,227	37,555	779	-	9,505,635
1132 High School Extracurricular	579,338	231,292	40,132	30,467	5,379	4,459	-	891,067
1210 Talented and Gifted	5,594	430	6,372	5,833	-	-	-	18,229
1220 Youth Transition Programs	-	-	-	-	-	-	-	-
1250 Less Restricted Prog Students w/Disabilities	3,977,872	2,587,160	109,745	57,465	-	60	-	6,732,302
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	747,386	430,080	4,194	92,393	-	394	-	1,274,447
1291 English as a Second Language	243,169	154,642	2,618	655	-	-	-	401,084
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1400 Summer School Programs	12,099	4,481	101,347	8,516	-	-	-	126,443
<b>Total Instruction</b>	<b>25,925,449</b>	<b>14,881,107</b>	<b>790,497</b>	<b>1,539,995</b>	<b>52,134</b>	<b>6,167</b>	<b>-</b>	<b>43,195,349</b>
2110 Attendance & Social Work Services	228,405	164,935	162,459	581	-	-	-	556,380
2120 Guidance Services	806,753	455,640	-	3,471	-	-	-	1,265,864
2130 Health Services	89,304	52,939	18,521	19,622	-	279	-	180,665
2140 Psychological Services	184,080	94,326	734	3,602	-	-	-	282,742
2150 Speech Pathology & Audiology	191,723	98,012	246,722	4,145	-	-	-	540,602
2190 Service Direction, Student Support	259,704	146,537	-	1,405	-	1,062	-	408,708
2210 Improvement of Instruction	326,603	161,713	208,246	155,710	-	2,390	-	854,662
2220 Educational Media Services	414,798	302,487	397	72,155	-	-	-	789,837
2240 Instructional Staff Development	47,424	17,652	105	-	-	-	-	65,181
2241 Site Council	-	-	3,045	7,128	-	360	-	10,533
2310 Board of Education Services	-	254	164,436	2,659	13,975	143,815	-	325,139
2320 Executive Administration Services	242,493	146,861	14,502	5,072	-	2,098	-	411,026
2410 Office of the Principal Services	2,938,857	1,727,294	79,782	80,259	-	104,059	-	4,930,251
2520 Fiscal Services	371,870	332,717	76,636	90,448	-	19,130	-	890,801
2540 Operation & Maint of Plant Services	1,818,621	1,246,194	1,355,435	360,602	19,800	246,398	-	5,047,050
2550 Student Transportation Services	1,311,820	1,040,921	25,157	256,415	-	36,532	-	2,670,845
2570 Internal Services	271,888	158,116	162,931	216,318	7,783	-	-	817,036
2630 Information Services	71,252	37,020	-	4,047	-	280	-	112,599
2640 Staff Services	253,055	159,569	27,072	26,233	-	1,245	-	467,174
2660 Technology Services	534,229	316,308	193,015	1,285,937	-	595	-	2,330,084
2680 Interpretation Services	1,858	542	-	-	-	-	-	2,400
2700 Supplemental Retirement Program	522,812	51,676	-	-	-	-	-	574,488
<b>Total Support Services</b>	<b>10,887,549</b>	<b>6,711,713</b>	<b>2,739,195</b>	<b>2,595,809</b>	<b>41,558</b>	<b>558,243</b>	<b>-</b>	<b>23,534,067</b>
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	20,835	-	-	-	20,835
3500 Custody & Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Service</b>								20,835
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Improvement	-	-	-	-	-	-	-	-
4150 Building Purchases & Improvements	-	-	-	-	1,451,105	-	-	1,451,105
4190 Other Facilities & Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction</b>	-	-	-	-	<b>1,451,105</b>	-	-	<b>1,451,105</b>
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfer of Funds	-	-	-	-	-	-	1,100,000	1,100,000
5300 ESD Apportionment	-	-	-	-	-	-	-	-
6000 Contingency	-	-	-	-	-	-	-	-
<b>Total Other Requirements</b>	-	-	-	-	-	-	<b>1,100,000</b>	<b>1,100,000</b>
<b>Total Requirements and Balances</b>	<b>36,812,998</b>	<b>21,592,820</b>	<b>3,529,692</b>	<b>4,135,804</b>	<b>1,544,797</b>	<b>564,410</b>	<b>1,100,000</b>	<b>69,301,356</b>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**2020-2021 AUDIT EXPENDITURES SUMMARY**  
**FEDERAL PROGRAMS AND MEASURE 98 FUNDS**

Function	Description	100	200	300	400	500	600	700	Total
1111	Elementary	36,505	16,334	107	-	-	-	-	52,946
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle School Programs	7,378	3,613	99	2,130	-	-	-	13,220
1122	Middle School Extracurricular	39,070	-	-	-	-	-	-	39,070
1131	High School Programs	511,288	281,340	83,812	114,617	16,090	59,279	-	1,066,426
1132	High School Extracurricular	41,453	859	-	-	-	-	-	42,312
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Talented and Gifted	-	-	-	-	-	-	-	-
1220	Youth Transition Programs	-	-	-	-	-	-	-	-
1250	Less Restricted Prog Students w/Disabilities	508,630	374,847	2,811	-	-	-	-	886,288
1272	Title I	1,030,399	584,997	33,711	210,123	-	59,736	-	1,918,966
1280	Alternative Education	98,939	55,206	-	3,268	-	-	-	157,413
1291	English as a Second Language	12,371	8,288	2,130	2,870	-	-	-	25,659
1294	Youth Corrections	97,112	53,832	10,876	1,898	6,804	-	-	170,522
1299	Other Programs	-	-	745	14,483	-	-	-	15,228
1400	Summer School Programs	-	-	-	-	-	-	-	-
	<b>Instruction</b>	<b>2,383,145</b>	<b>1,379,316</b>	<b>134,291</b>	<b>349,389</b>	<b>22,894</b>	<b>119,015</b>	<b>-</b>	<b>4,388,050</b>
2110	Attendance & Social Work Services	-	-	33,333	-	-	-	-	33,333
2120	Guidance Services	257,923	147,507	-	-	-	-	-	405,430
2130	Health Services	50,034	28,092	5,722	-	-	-	-	83,848
2140	Psychological Services	346,694	183,052	82	11,734	-	-	-	541,562
2150	Speech Pathology & Audiology	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support	71,561	40,902	-	-	-	-	-	112,463
2210	Improvement of Instruction	42,304	21,035	88,403	-	-	58,474	-	210,216
2220	Educational Media Services	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	89,931	48,413	3,765	134,511	-	15,468	-	292,088
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	-	-	-	-	298,458	-	-	298,458
2550	Student Transportation Services	-	-	-	52,266	-	-	-	52,266
2570	Internal Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	50,623	13,506	-	-	-	-	-	64,129
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
	<b>Support Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,093,793</b>
3100	Food Services	3,331	-	-	83,503	-	-	-	86,834
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	18,534	6,350	1,701	7,857	-	-	-	34,442
3500	Custody & Care of Children Services	-	-	-	-	-	-	-	-
	<b>Enterprise and Community Service</b>	<b>21,865</b>	<b>6,350</b>	<b>1,701</b>	<b>91,360</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121,276</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Improvement	-	-	-	-	-	-	-	-
4150	Building Purchases & Improvements	-	-	-	-	-	-	-	-
4190	Other Facilities & Construction Services	-	-	-	-	-	-	-	-
	<b>Total Facilities Acquisition and Construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfer of Funds	-	-	-	-	-	-	-	-
5300	ESD Apportionment	-	-	-	-	-	-	-	-
6000	Contingency	-	-	-	-	-	-	-	-
	<b>Total Other Requirements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>Requirements and Balances</b>	<b>2,405,010</b>	<b>1,385,666</b>	<b>135,992</b>	<b>440,749</b>	<b>22,894</b>	<b>119,015</b>	<b>-</b>	<b>6,603,119</b>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**2020-2021 AUDIT EXPENDITURES SUMMARY**  
**STUDENT BODY FUND**

Function	Description	100	200	300	400	500	600	700	Total
1111	Elementary	-	-	-	-	-	-	-	-
1112	Elementary	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	1,867	-	-	-	1,867
1121	Middle School Programs	-	-	425	4,550	-	30	-	5,005
1122	Middle School Extracurricular	-	-	1,220	2,650	-	380	-	4,250
1131	High School Programs	-	-	-	466	-	-	-	466
1132	High School Extracurricular	27,789	4,663	19,958	95,560	-	969	-	148,939
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	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Instruction</b>	<b>27,789</b>	<b>4,663</b>	<b>21,603</b>	<b>105,093</b>	<b>-</b>	<b>1,379</b>	<b>-</b>	<b>160,527</b>
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	-	-	-	1,009	-	-	-	1,009
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	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Support Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,009</b>
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody & Care of Children Services	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Enterprise and Community Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Improvement	-	-	-	-	-	-	-	-
4150	Building Purchases & Improvements	-	-	-	-	-	-	-	-
4190	Other Facilities & Construction Services	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Facilities Acquisition and Construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfer of Funds	-	-	-	-	-	-	-	-
5300	ESD Apportionment	-	-	-	-	-	-	-	-
6000	Contingency	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Other Requirements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>Requirements and Balances</b>	<b>27,789</b>	<b>4,663</b>	<b>21,603</b>	<b>106,102</b>	<b>-</b>	<b>1,379</b>	<b>-</b>	<b>161,536</b>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**2020-2021 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	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Instruction</b>	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Support Services</b>	-	-	-	-	-	-	-	-
3100	Food Services	919,558	690,206	19,502	679,148	45,890	21,022	-	2,375,326
3200	Other Enterprise Services	-	-	-	353	-	-	-	353
3300	Community Services	-	-	-	93	-	-	-	93
3500	Custody & Care of Children Services	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Enterprise and Community Service</b>	919,558	690,206	19,502	679,594	45,890	21,022	-	2,375,772
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Improvement	-	-	-	-	-	-	-	-
4150	Building Purchases & Improvements	-	-	-	-	-	-	-	-
4190	Other Facilities & Construction Services	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Facilities Acquisition and Construction</b>	-	-	-	-	-	-	-	-
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfer of Funds	-	-	-	-	-	-	-	-
5300	ESD Apportionment	-	-	-	-	-	-	-	-
6000	Contingency	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Other Requirements</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Requirements and Balances</b>	919,558	690,206	19,502	679,594	45,890	21,022	-	2,375,772

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**2020-2021 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	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	-	-	-	-	-	-	-	-
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	-	-	-	-	-	42	-	42
2540 Operation & Maint of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services</b>	-	-	-	-	-	42	-	42
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody & Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Service</b>	-	-	-	-	-	-	-	-
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Improvement	-	-	-	-	-	-	-	-
4150 Building Purchases & Improvements	-	-	-	-	-	-	-	-
4190 Other Facilities & Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction</b>	-	-	-	-	-	-	-	-
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfer of Funds	-	-	-	-	-	-	-	-
5300 ESD Apportionment	-	-	-	-	-	-	-	-
6000 Contingency	-	-	-	-	-	-	-	-
<b>Total Other Requirements</b>	-	-	-	-	-	-	-	-
<b>Total Requirements and Balances</b>	-	-	-	-	-	42	-	42

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**2020-2021 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	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Instruction</b>	-	-	-	-	-	-	-	-
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	-	-	-	-	158,040	597	-	158,637
2570	Internal Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Support Services</b>	-	-	-	-	158,040	597	-	158,637
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody & Care of Children Services	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Enterprise and Community Service</b>	-	-	-	-	-	-	-	-
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Improvement	-	-	-	-	-	-	-	-
4150	Building Purchases & Improvements	-	-	-	-	-	-	-	-
4190	Other Facilities & Construction Services	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Facilities Acquisition and Construction</b>	-	-	-	-	-	-	-	-
5100	Debt Service	-	-	-	-	365,254	-	-	365,254
5200	Transfer of Funds	-	-	-	-	-	-	-	-
5300	ESD Apportionment	-	-	-	-	-	-	-	-
6000	Contingency	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Other Requirements</b>	-	-	-	-	365,254	-	-	365,254
<b>Total</b>	<b>Requirements and Balances</b>	-	-	-	-	523,294	597	-	523,891

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**2020-2021 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	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
<b>Total Support Services</b>	-	-	-	-	-	-	-	-
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody & Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Service</b>	-	-	-	-	-	-	-	-
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Improvement	-	-	-	-	-	-	-	-
4150 Building Purchases & Improvements	-	-	-	-	-	-	-	-
4190 Other Facilities & Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction</b>	-	-	-	-	-	-	-	-
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfer of Funds	-	-	-	-	-	-	-	-
5300 ESD Apportionment	-	-	-	-	-	-	-	-
6000 Contingency	-	-	-	-	-	-	-	-
<b>Total Other Requirements</b>	-	-	-	-	-	-	-	-
<b>Total Requirements and Balances</b>	-	-	-	-	-	-	-	-



**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**2020-2021 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	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Instruction</b>	-	-	-	-	-	-	-	-
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	-	-	72,959	-	-	-	-	72,959
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	33,315	17,523	-	-	-	-	-	50,838
2540	Operation & Maint of Plant Services	29,036	13,855	47,319	7,946	84,714	-	-	182,870
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	261,620	-	-	261,620
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Support Services</b>	<b>62,351</b>	<b>31,378</b>	<b>120,278</b>	<b>7,946</b>	<b>346,334</b>	-	-	<b>568,287</b>
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody & Care of Children Services	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Enterprise and Community Service</b>	-	-	-	-	-	-	-	-
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Improvement	-	-	-	-	5,150	-	-	5,150
4150	Building Purchases & Improvements	-	-	-	-	7,911,889	11,776	-	7,923,665
4190	Other Facilities & Construction Services	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Facilities Acquisition and Construction</b>	-	-	4,580	-	2,353,237	938	-	7,928,815
5100	Debt Service	-	-	-	-	-	376,266	-	376,266
5200	Transfer of Funds	-	-	-	-	-	-	-	-
5300	ESD Apportionment	-	-	-	-	-	-	-	-
6000	Contingency	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Other Requirements</b>	-	-	-	-	-	376,266	-	376,266
<b>Total</b>	<b>Requirements and Balances</b>	<b>62,351</b>	<b>31,378</b>	<b>124,858</b>	<b>7,946</b>	<b>2,699,571</b>	<b>377,204</b>	-	<b>8,873,368</b>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**2020-2021 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/Disabilitie	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English as a Second Language	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	-	-	-	-	-	-	-	-
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	-	11,861	-	-	-	-	-	11,861
2540 Operation & Maint of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services</b>	-	11,861	-	-	-	-	-	11,861
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody & Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Service</b>	-	-	-	-	-	-	-	-
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Improvement	-	-	-	-	-	-	-	-
4150 Building Purchases & Improvements	-	-	-	-	-	-	-	-
4190 Other Facilities & Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction</b>	-	-	-	-	-	-	-	-
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfer of Funds	-	-	-	-	-	-	-	-
5300 ESD Apportionment	-	-	-	-	-	-	-	-
6000 Contingency	-	-	-	-	-	-	-	-
<b>Total Other Requirements</b>	-	-	-	-	-	-	-	-
<b>Total Requirements and Balances</b>	-	11,861	-	-	-	-	-	11,861

**GRANTS PASS SCHOOL DISTRICT NO. 7  
2020-2021 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	\$988,971
Function 2550	\$0

**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

\$47,474
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*\*Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.*

## 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, 2021, and have issued our report thereon dated December 27, 2021. 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 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not 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.

We did identify a certain deficiency in internal control, noted 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* that we consider to be a significant deficiency.

### **Restrictions on Use**

This report is intended solely for the information and use of the District's 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.

A handwritten signature in black ink, reading "Aria Bettinger". The signature is fluid and cursive, with the first name "Aria" and last name "Bettinger" clearly distinguishable.

Aria Bettinger, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 27, 2021

**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, 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, 2021, 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 27, 2021.

***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, and therefore, material weaknesses or significant deficiencies may exist that are not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider a material weakness. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

***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*.

### **Management's Response to Findings**

The District's response to the finding identified in our audit are 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 the financial statements and, accordingly, we express no opinion on it.

### **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 27, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND REPORT 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, 2021. 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, 2021.



## 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, however, material weaknesses may exist that have not been identified.

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.



Aria Bettinger, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 27, 2021

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Grant/Contract Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Education</b>			
Passed through Oregon Department of Education:			
Title I Grants to Local Educational Agencies (ESSA)	84.010	54301	\$ 52,018
Title I Grants to Local Educational Agencies (18-19)	84.010	50394	85,184
Title I Grants to Local Educational Agencies (19-20)	84.010	53273	95,202
Title I Grants to Local Educational Agencies (20-21)	84.010	58269	1,771,197
Total AL 84.010			<u>2,003,601</u>
Passed through Oregon Department of Education:			
Special Education - Grants to States (IDEA Part B)	84.027	60662	884,430
Total Special Education Cluster (IDEA)			<u>884,430</u>
Passed through Oregon Department of Education:			
English Language Acquisition State Grants (18-19)	84.365	50247	5,418
English Language Acquisition State Grants (19-20)	84.365	53421	4,755
English Language Acquisition State Grants (20-21)	84.365	58472	13,663
Total AL 84.365			<u>23,836</u>
Passed through Oregon Department of Education:			
Supporting Effective Instruction State Grants (20-21)	84.367	58761	184,086
Total AL 84.367			<u>184,086</u>
Passed through Oregon Department of Education:			
Student Support and Academic Enrichment Program (19-20)	84.424	54525	107,708
Student Support and Academic Enrichment Program (20-21)	84.424	58579	37,668
Total AL 84.424			<u>145,376</u>
Passed through Oregon Department of Education:			
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	57816 / 64586	2,267,796
COVID-19 Governors Emergency Education Relief Fund	84.425C	60850 / 60946	94,230
Total AL 84.425			<u>2,362,026</u>
Passed through Oregon Department of Education:			
COVID-19 Coronavirus Relief Fund	21.019	60850	64,450
Total AL 21.019			<u>64,450</u>
<b>Total U.S. Department of Education</b>			<b>\$ 5,667,805</b>
<b>U.S. Department of Agriculture</b>			
Passed through Oregon Department of Education:			
National School Lunch Program (NSLP)	10.555	N/A	\$ 14,100
Commodities NSLP	10.555	N/A	271,837
COVID-19 Emergency SNP	10.555	N/A	53,966
Summer Food Service Program for Children (SFSPC)	10.559	N/A	1,904,089
COVID-19 Summer Food Service Program for Children	10.559	N/A	89,375
Total Child Nutrition Cluster			<u>2,333,367</u>
Passed through Oregon Department of Education:			
Fresh Fruit and Vegetable Program	10.582	61219 / 61297 / 61298	48,347
Total AL 10.582			<u>48,347</u>
Passed through Josephine County Treasurer:			
Schools and Roads - Grants to States	10.665	N/A	113,793
Total Forest Service Schools and Roads Cluster			<u>113,793</u>
<b>Total U.S. Department of Agriculture</b>			<b>\$ 2,495,507</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 8,163,312</b>

**GRANTS PASS SCHOOL DISTRICT NO. 7**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

**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, 2021. 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, 2021, the District received food commodities totaling \$271,837.

**NOTE E – SUBRECIPIENTS:**

The District did not have any federal awards that were passed through to subrecipients for the year ended June 30, 2021.

**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, 2021**

**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. One significant deficiency and no 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. No significant deficiencies 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 Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance.
5. The Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance for the major federal award programs for the District expressed an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The program tested as major was:  

U.S. Department of Education:  
Education Stabilization Fund

AL: #84.425
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.

**GRANTS PASS SCHOOL DISTRICT NO. 7  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021 (CONTINUED)**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

2021-001: Financial Reporting: Audit Adjustments – Significant Deficiency

*Criteria* – Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly recording assets and liabilities and the associated revenue and expense is a key component of effective internal control over financial reporting.

*Condition* – Cash, accounts receivable and related revenue and expense, and liabilities were not properly recorded at June 30, 2021.

*Cause* – Internal controls in place did not ensure that cash, accounts receivable and associated revenue, and accrued liabilities and associated expenses were calculated and reported accurately.

*Effect or potential effect* – Prior to adjustments, various asset, liability, revenue and expense accounts were not properly recorded at year end by material amounts.

*Recommendations* – We highly recommend that the District enhance internal controls to ensure that all accounts are reconciled timely and all necessary year end calculations are completed, and that work is reviewed on a regular basis.

*Views of Responsible Officials and Planned Corrective Actions* – Management agrees with this finding. Management will properly apply internal controls to the financial statement close process to ensure the District's financial statements are correctly reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**GRANTS PASS SCHOOL DISTRICT NO. 7  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2021**

**FEDERAL AWARD FINDINGS**

2020-001 – Significant Deficiency – Allowable Activities

*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.

*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.

*Current Status:* The recommendation was adopted and implemented in January 2021.