

sorren CPAs, PC

Financial Statements

Grants Pass School District No. 7

Grants Pass, Oregon

Includes Supplemental Information

Year Ended June 30, 2025

GRANTS PASS SCHOOL DISTRICT NO. 7
GRANTS PASS, OREGON
YEAR ENDED JUNE 30, 2025

BOARD OF EDUCATION FISCAL 2025

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All board members receive mail at the address listed below

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

ADMINISTRATIVE STAFF

Tim Sweeney	Superintendent
Sam Stegemiller	Director of Finance

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YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

sorren CPAs P.C.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in *Note 1* to the basic financial statements, during the year ended June 30, 2025, the District implemented Government Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

The general fund and major special revenue fund budgetary comparison information 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 major special revenue fund budgetary comparison information 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 and other financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the Table of Contents and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, and 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 22, 2025 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 *Oregon State Regulations*

In accordance with Oregon State Regulations, we have also issued our report dated December 22, 2025 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 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Aria Bettinger, CPA, Shareholder
Sorren CPA's, P.C.
Medford, Oregon
December 22, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

GRANTS PASS SCHOOL DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

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, 2025. 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 $140.8 million at June 30, 2025 consisting of $68.7 million in capital assets, $29.6 million in cash and investments, $4.5 million in receivables, $2.0 million in other assets, and $36.0 million in deferred outflows related to pensions and other post-employment benefits (OPEB). The District's assets and deferred outflows increased approximately $7.9 million, or 6.0 percent from the prior year, resulting from increases in pension and OPEB related deferred outflows of $9.0 million or 33.4 percent. The District implemented GASB Statement No. 101, *Compensated Absences*, during the current year. This resulted in a reduction to beginning net position of $4.6 million.

- In the **government-wide statements**, the District's liabilities and deferred inflows totaled approximately $144.8 million at June 30, 2025 consisting of $7.1 million in accounts payable and other liabilities, $5.4 million in compensated absences payable, $30.4 million in leases payable and long-term debt, $87.1 million in pension liabilities, $3.3 million in other post-employment benefits, and $11.5 million in deferred inflows related to pensions and OPEBs.

- In the **government-wide statements**, the District's net position (assets/deferred outflows minus liabilities/deferred inflows) had a deficit balance of $4.0 million at June 30, 2025, of which $38.3 million was net investment in capital assets, $12.0 million restricted for special purposes, and a deficit balance of $54.3 million was considered unrestricted. In the prior year, net position had a deficit balance of $135 thousand, of which $35.6 million was net investment in capital assets, $14.1 million was restricted for special purposes, and a deficit balance of $49.8 million was considered unrestricted.

- At the end of the fiscal year, the fund balance for all **governmental funds** was approximately $26.0 million, a decrease of $2.8 million in comparison to the prior year. Approximately $10.5 million of this amount is unassigned and available for spending at the District's discretion. Approximately $15.6 million is restricted and committed to specific and intended purposes through separate funds. Of the $15.6 million of restricted and committed funds, $10.7 million is restricted for capital projects, food service, cool school energy efficiency, and student body funds, and $4.9 million is committed for the District's future OPERS expenditures, bus replacement, and debt service.

- At the end of the fiscal year, unassigned fund balance for the **General Fund** was approximately $10.5 million, down approximately $1.2 million from the prior year, a decrease of approximately 9.9 percent. Unassigned fund balance in the General Fund represented about 13.3 percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Government-wide financial statements.

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

Statement of Net Position. The *statement of net position* includes all assets and deferred outflows of resources (including infrastructure) as well as all liabilities and deferred inflows of resources (including long-term debt) of the District. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, 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 an internal service fund.

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*.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The District maintains 12 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 and Other Grants Fund, the PERS Reserve Fund, the Debt Service Fund, and the Capital Projects Fund, all of which are considered to be major funds. Data from the six nonmajor 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.

Internal service fund. This fund type is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District maintains an internal service fund to account for claims and other risk management costs not otherwise covered through insurance. Because this service predominantly benefits the governmental rather than business-type functions, it has 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 fund 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 net position balance. Net position increased by $773 thousand from prior year after the restatement. The District's assets and deferred outflows of resources were exceeded by liabilities and deferred inflows of resources by $4.0 million at June 30, 2025.

Capital assets, which consist of the District's land, buildings, building improvements, site improvements, vehicles, and equipment, represent 48.8 percent of total assets and deferred outflows of resources. The remaining assets and deferred outflows consist mainly of investments, cash, property taxes receivable, and deferred outflows of resources related to pensions and OPEBs. Last year, capital assets represented approximately 50.7 percent of total assets/deferred outflows.

Long term liabilities related to pensions and OPEB obligations represent approximately 62.4 percent of total liabilities and deferred inflows of resources. The remaining liabilities and deferred inflows of resources consist mainly of accounts payable and other liabilities, long-term debt, and deferred inflows of resources related to pensions and OPEBs.

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 $2.7 million or 7.5 percent 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)

	Governmental Activities		Increase (Decrease) From
	June 30, 2025	June 30, 2024*	June 30, 2024
Assets:			
Current and other assets	36,122	38,575	$ (2,453)
Capital assets	68,684	67,336	1,348
Total assets	104,806	105,911	(1,105)
Deferred outflows	36,015	27,003	9,012
Total assets and deferred outflows	140,821	132,914	7,907
Liabilities:			
Current liabilities	7,058	6,692	366
Long-term liabilities	126,220	116,365	9,855
Total liabilities	133,278	123,057	10,221
Deferred inflows	11,539	9,993	1,546
Total liabilities and deferred inflows	144,817	133,050	11,767
Net position:			
Net investment in capital assets	38,291	35,622	2,669
Restricted	11,975	14,092	(2,117)
Unrestricted	(54,262)	(49,850)	(4,412)
Total net position	$ (3,996)	$ (136)	$ (3,860)

*Prior to restatement

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Statement of Activities. During the current fiscal year, the District's net position increased by approximately $773 thousand, after the restatement.

Changes in Net Position
(in thousands)

	Governmental Activities		Increase (Decrease) From
	June 30, 2025	June 30, 2024*	June 30, 2024
Revenues:			
Program revenues:			
Charges for service	$ 1,594	$ 1,695	$ (101)
Operating grants and contributions	21,567	21,399	168
Capital grants and contributions	2,881	411	2,470
General revenues:			
Property taxes	17,740	17,204	536
State school fund - general support	55,831	51,933	3,898
Construction excise tax	138	132	6
Other federal, state and local sources	2,056	2,279	(223)
Federal forest fees	36	125	(89)
Earnings on investments	1,101	1,242	(141)
Gain on sale of capital assets	2	19	(17)
Miscellaneous	807	705	102
Capital Contribution	42	-	42
Total revenues	103,795	97,144	6,651
Expenses:			
Instruction	61,640	58,377	3,263
Support services	35,510	33,893	1,617
Enterprise and community services	4,849	4,032	817
Facilities acquisition and construction	-	338	(338)
Interest on long-term debt	1,023	1,472	(449)
Total expenses	103,022	98,112	4,910
Change in Net Position	$ 773	$ (968)	$ 1,741

*Prior to restatement

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

At June 30, 2025, the District's governmental funds reported combined ending fund balances of approximately $26.0 million, a decrease of about $2.8 million in comparison with prior year. The following is a breakdown of the fund balances (in thousands):

Fund	Ending Fund Balance	% to Total
General Fund Total	$ 11,087	42.6%
Federal and Other Grants	877	3.4%
PERS Reserve	3,802	14.6%
Debt Service	712	2.7%
Capital Projects	7,917	30.4%
Student Body	409	1.6%
Food Service	738	2.8%
Cool Schools	131	0.5%
Bus Replacement	246	0.9%
Performing Arts Center Fund	115	0.4%
Total Governmental Fund Balances	$ 26,034	100.0%

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2025, total unassigned fund balance was $10.5 million, down $1.2 million from the prior year. Total expenditures for the year ended June 30, 2025 approximated $78.9 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 14.1 percent of total General Fund expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, all General Fund expenditures were within budget in accordance with final appropriations except for transfers out which exceeded appropriations of $1.6 million by $227 thousand.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings, building improvements, site improvements, vehicles, equipment, and right-of use assets. As of June 30, 2025, the District had invested approximately $68.7 million in capital assets, net of depreciation. In the prior year, capital assets, net of depreciation, approximated $67.3 million. The major capital asset events for the year were modulars and new bathrooms.

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 $30.2 million in outstanding leases payable and long-term debt. Current fiscal year long-term debt activity of the District consisted of making scheduled payments on existing debt.

Additional information on the District's leases payable and 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

Oregon's State School Fund remains the District's single largest source of funding. The State School Fund provides 65 percent of our General Fund resources. The funding level for the 2025-27 biennium was set at $11.3 billion which was an increase from the previous biennium. The District's share of that is primarily driven by our student membership (ADMw). We continue to closely monitor our student membership and adjust accordingly. The District has significantly reduced staff to bring the student to staff ratios in line with education standards. Administration is continuing to evaluate these "right sizing" strategies to ensure that they meet student needs within budget constraints.

An additional component of our local revenue sources is derived from Josephine County property taxes which currently make up about 19 percent of our General Fund.

The Student Success Act is another significant source of revenue for the District. In the most recent biennium, we have seen a decreases in funds allocated to the District. We are adjusting to the reduced funding but are still able to provide significant supports for students who are struggling with behaviors and increases to after school opportunities for students and much more.

Currently, we are keeping a close eye on what is happening at the Federal level as decision made their can have a significant impact on funding for Oregon Schools. In particular the reduction in Medicare funding to the state is troublesome. The state of Oregon is estimating the changes in funding to Medicare will cost the state $15 billion over the next 6 years. We are also monitoring closely potential funding cuts to Federal Title Programs.

The District has until the end of July to spend out our Full Faith and Credit bond. We have used the $18 million to retire previous debt and to do several upgrades to our facilities. The district continues to seek grants and other funding sources to maintain and upgrade our facilities.

There are many factors that make the economic outlook and planning challenging. The uncertainty of the overall economy and how it affects the state's budget from biennium to biennium is presenting challenges we have not had to deal with in the past decade.

As stated, the challenge of our student enrollment is a something we continually monitor. While some funding sources have increased, some are expiring. Inflation continues to affect utility, fuel, supply, and construction costs. Looming on the horizon is a significant PERS increase. .

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

The District is preparing for upcoming budgets to reflect all these challenges. Although the financial climate seems daunting, we have reasons to be cautiously optimistic that we will maneuver through these challenges successfully. We have some substantial reserves to draw on. We continue to monitor our enrollment and plan for staffing levels to meet our needs. Unlike some other districts across Oregon, our partnership with both our Classified and Certified Unions, allowed us to reach a collective bargaining agreement that allows us to maintain some of the highest salaries in the region while not financially crippling the district. We appreciate the great relationships we have with our union partners.

District 7 has always received a high level of support through our PTA's/PTO's and Booster Clubs. The District would not be as successful in its mission without the support of these groups. Their support continues to have a direct, positive impact on the students in the District.

District administration is extremely grateful for the continued support of our Board, parents, teachers, employees and the community at large.

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 Business Office 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, 2025

	Governmental Activities
ASSETS:	
Cash and investments	$ 29,032,858
Cash restricted under purchase agreement	609,304
Receivables	4,482,354
Inventories	415,269
Net OPEB asset (RHIA)	1,294,673
Beneficial interest in trust	287,790
Capital assets, net	
Land	2,373,073
Construction in progress	3,083,924
Buildings and improvements	58,838,375
Vehicles	2,995,576
Machinery and equipment	1,184,167
Right-of-use asset	208,964
TOTAL ASSETS	104,806,327
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows related to pensions (OPERS)	34,984,299
Deferred outflows related to pensions (early retirement stipend benefit plan)	727,799
Deferred outflows related to OPEB (RHIA)	186,904
Deferred outflows related to OPEB (single-employer medical benefit plan)	115,760
TOTAL DEFERRED OUTFLOWS OF RESOURCES:	36,014,762
LIABILITIES:	
Accounts payable	2,141,881
Accrued payroll liabilities	4,724,249
Accrued interest payable	105,882
Unearned revenue	85,747
Compensated absences payable	
Due within one year	1,334,055
Due in more than one year	4,115,768
Leases payable	
Due within one year	117,031
Due in more than one year	88,200
Long-term debt	
Due within one year: notes and loans payable	1,207,789
Due in more than one year: notes and loans payable	28,980,426
Pension liability (early retirement stipend benefit plan)	
Due within one year	825,542
Due in more than one year	6,068,188
OPEB liability (single-employer medical benefit plan)	
Due within one year	168,738
Due in more than one year	3,122,517
Net pension liability (OPERS)	80,191,453
TOTAL LIABILITIES	133,277,466
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows related to beneficial interest in trust	287,790
Deferred inflows related to pensions (OPERS)	9,532,212
Deferred inflows related to pensions (early retirement stipend benefit plan)	580,765
Deferred inflows related to OPEB (RHIA)	74,328
Deferred inflows related to OPEB (single-employer medical benefit plan)	1,064,298
TOTAL DEFERRED INFLOWS OF RESOURCES:	11,539,393
NET POSITION:	
Net investment in capital assets	38,290,633
Restricted: OPEB Asset (RHIA)	1,294,673
Restricted: Capital Projects	7,917,435
Restricted: Food Service	738,015
Restricted: Education - Grants	876,671
Restricted: Cool Schools	130,417
Restricted: Student Body Funds	409,266
Restricted: Debt Service	609,304
Unrestricted (deficit)	(54,262,184)
TOTAL NET POSITION (DEFICIT)	$ (3,995,770)

See notes to basic financial statements

GRANTS PASS SCHOOL DISTRICT NO. 7
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Governmental activities:					
Instruction	$ 61,640,165	$ 1,050,548	$ 13,110,198	$ -	$ (47,479,419)
Supporting services	35,510,363	500,624	4,200,870	-	(30,808,869)
Community services	4,848,667	43,125	4,255,321	-	(550,221)
Facilities acquisition and construction	-	-	-	2,881,358	2,881,358
Interest and fees on long-term debt	1,022,663	-	-	-	(1,022,663)
Total governmental activities	$ 103,021,858	$ 1,594,297	$ 21,566,389	$ 2,881,358	(76,979,814)
General revenues:					
Property taxes levied for general purposes					17,739,846
Construction excise tax					138,129
State school fund - general support					55,831,220
Common school fund					788,858
Federal forest fees					35,873
Unrestricted state and local sources					1,266,550
Earnings on investments					1,101,212
Gain on sale of fixed assets					1,783
Miscellaneous					807,361
Total general revenues					77,710,832
Capital contribution					42,000
CHANGE IN NET POSITION					773,018
Net Position - July 1, 2024, as restated					(4,768,788)
Net Position - June 30, 2025					$ (3,995,770)

FUND FINANCIAL STATEMENTS

GRANTS PASS SCHOOL DISTRICT NO. 7
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Federal and Other Grants Fund	PERS Reserve Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Total
ASSETS							
Equity in pooled cash and investments	$ 7,902,759	$ 4,343,425	$ 3,801,767	$ 712,254	$ 11,136,891	$ 1,086,275	$ 28,983,371
Restricted cash	609,304	-	-	-	-	-	609,304
Receivables	1,784,162	1,536,089	-	-	909,458	252,645	4,482,354
Interfund receivable	7,695,795	876,473	-	-	-	626,367	9,198,635
TOTAL ASSETS	$ 17,992,020	$ 6,755,987	$ 3,801,767	$ 712,254	$ 12,046,349	$ 1,965,287	$ 43,273,664
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 888,737	$ 174,538	$ -	$ -	$ 1,058,128	$ 19,189	$ 2,140,592
Interfund payable	205,137	5,610,577	-	-	3,070,786	305,978	9,192,478
Accrued payroll liabilities	4,714,587	8,454	-	-	-	1,208	4,724,249
Unearned revenue	-	85,747	-	-	-	-	85,747
TOTAL LIABILITIES	5,808,461	5,879,316	-	-	4,128,914	326,375	16,143,066
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	1,096,532	-	-	-	-	-	1,096,532
TOTAL DEFERRED INFLOWS	1,096,532	-	-	-	-	-	1,096,532
Fund Balances:							
Restricted							
Education - grants	-	876,671	-	-	-	-	876,671
Debt service	609,304	-	-	-	-	-	609,304
Capital projects	-	-	-	-	7,917,435	-	7,917,435
Food service	-	-	-	-	-	738,015	738,015
Cool Schools - energy efficiency	-	-	-	-	-	130,417	130,417
Student body funds	-	-	-	-	-	409,266	409,266
Committed							
PERS reserve	-	-	3,801,767	-	-	-	3,801,767
Bus replacement	-	-	-	-	-	361,214	361,214
Debt service	-	-	-	712,254	-	-	712,254
Unassigned	10,477,723	-	-	-	-	-	10,477,723
TOTAL FUND BALANCES	11,087,027	876,671	3,801,767	712,254	7,917,435	1,638,912	26,034,066
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 17,992,020	$ 6,755,987	$ 3,801,767	$ 712,254	$ 12,046,349	$ 1,965,287	$ 43,273,664

See notes to basic financial statements

GRANTS PASS SCHOOL DISTRICT NO. 7
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2025

TOTAL FUND BALANCES		$ 26,034,066
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	$ 117,864,399	
Accumulated depreciation and amortization	(49,180,320)	
		68,684,079
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		1,096,532
The combined net position of the internal service funds, is not part of the governmental fund balance, but is controlled by the District and therefore included on the government-wide Statement of Net Position.		42,041
In the governmental funds, inventory is accounted for under the purchase method and the current value is not reported in the governmental fund balance sheet.		415,269
Beneficial interests and related deferred inflows of resources are recognized on the Statement of Net Position but are not recognized in the governmental funds Balance Sheet. These make up the following:		
Beneficial interest in trust	$ 287,790	
Deferred inflows related to beneficial interest in trust	(287,790)	
		-
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:		
Long-term debt	$ (30,188,215)	
Leases payable	(205,231)	
Compensated absences payable	(5,449,823)	
Interest payable	(105,882)	
		(35,949,151)
Long-term assets and liabilities associated with the District's pension and OPEB plans are not recorded in the governmental funds as they do not provide or require current financial resources. These consist of:		
Net OPEB asset (RHIA)	$ 1,294,673	
Net pension liability (OPERS)	(80,191,453)	
Total pension liability (early retirement stipend benefit plan)	(6,893,730)	
Total OPEB liability (single-employer medical benefit plan)	(3,291,255)	
		(89,081,765)
Net deferred outflows/(inflows) of resources associated with the District's pension and OPEB plans are not recorded in the governmental funds as they do not provide or require current financial resources.		24,763,159
TOTAL NET POSITION		$ (3,995,770)

GRANTS PASS SCHOOL DISTRICT NO. 7
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General Fund	Federal and Other Grants Fund	PERS Reserve Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Total
REVENUES							
Property taxes and other taxes	$ 17,505,193	$ -	$ -	$ -	$ 138,129	$ -	$ 17,643,322
Intergovernmental	58,602,344	15,178,928	-	-	1,852,285	4,475,913	80,109,470
Charges for services	1,281,116	-	-	-	-	313,181	1,594,297
Local grants and contributions	795,867	790,674	-	-	5,000	453,573	2,045,114
Investment earnings	469,921	-	180,909	-	450,382	-	1,101,212
Miscellaneous	532,955	101,303	-	-	17,400	371,368	1,023,026
TOTAL REVENUES	79,187,396	16,070,905	180,909	-	2,463,196	5,614,035	103,516,441
	22.11%						
EXPENDITURES							
Current							
Instruction	47,728,967	11,295,328	-	-	298,370	718,145	60,040,810
Support services	30,973,984	3,454,794	-	-	285,000	292,745	35,006,523
Enterprise and community services	-	216,494	-	-	-	4,510,304	4,726,798
Facilities and acquisition	-	-	-	-	4,193,568	11,075	4,204,643
Debt service	162,275	-	-	2,197,161	-	-	2,359,436
TOTAL EXPENDITURES	78,865,226	14,966,616	-	2,197,161	4,776,938	5,532,269	106,338,210
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	322,170	1,104,289	180,909	(2,197,161)	(2,313,742)	81,766	(2,821,769)
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of assets	4,452	-	-	-	-	-	4,452
Proceeds from lease issuance	12,936	-	-	-	-	-	12,936
Transfers in	302,277	-	-	1,947,742	-	38	2,250,057
Transfers out	(1,797,742)	(302,315)	-	-	-	(150,000)	(2,250,057)
TOTAL OTHER FINANCING SOURCES (USES)	(1,478,077)	(302,315)	-	1,947,742	-	(149,962)	17,388
NET CHANGE IN FUND BALANCE	(1,155,907)	801,974	180,909	(249,419)	(2,313,742)	(68,196)	(2,804,381)
FUND BALANCE, July 1, 2024 (as reclassified)	12,242,934	74,697	3,620,858	961,673	10,231,177	1,707,108	28,838,447
FUND BALANCE, June 30, 2025	$ 11,087,027	$ 876,671	$ 3,801,767	$ 712,254	$ 7,917,435	$ 1,638,912	$ 26,034,066

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, 2025

NET CHANGE IN FUND BALANCE		$ (2,804,381)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		
Expenditures for capital assets	$ 4,711,227	
Less current year depreciation and amortization	(3,402,576)	
		1,308,651
Capital contributions to not provide current financial resources and are not presented as revenues in the governmental fund, but are reported in the Statement of Activities		42,000
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.		(92,472)
Governmental funds report proceeds from the sale of capital assets as revenue. However, only the net gain (loss) on the sale is reported in the Statement of Activities.		
Cost basis of assets sold	$ (13,890)	
Accumulated depreciation	11,221	
		(2,669)
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.		234,653
Repayment of debt and lease principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position. 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.		
Lease proceeds	$ (12,936)	
Long-term debt principal paid	1,178,899	
Leases principal paid	154,671	
		1,320,634
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	$ 1,027,050	
Interest expense	(1,022,663)	
		4,387
The change in net position from the activity in the internal service funds 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.		2,896
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These are the net effect of adjustments associated with the District's pension and OPEB plans.		
OPERS	$ 1,067,935	
Early Retirement Stipend Benefit Plan	95,211	
RHIA	105,825	
Single-Employer Medical Benefit Plan	84,553	
		1,353,524
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.		(594,205)
CHANGE IN NET POSITION		$ 773,018

GRANTS PASS SCHOOL DISTRICT NO. 7
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
JUNE 30, 2025

	Insurance Reserve Fund
ASSETS	
Cash and investments	$ 49,487
TOTAL ASSETS	$ 49,487
LIABILITIES	
Accounts payable	$ 1,289
Interfund payable	6,157
TOTAL LIABILITIES	7,446
NET POSITION	
Unrestricted	42,041
TOTAL NET POSITION	$ 42,041

GRANTS PASS SCHOOL DISTRICT NO. 7
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2025

	Insurance Reserve Fund
OPERATING REVENUES	
Charges for services (interfund)	$ 10,250
TOTAL OPERATING REVENUES	10,250
OPERATING EXPENSES	
Current:	
Support services	7,354
TOTAL OPERATING EXPENSES	7,354
OPERATING INCOME / (LOSS)	2,896
CHANGE IN NET POSITION	2,896
NET POSITION, July 1, 2024	39,145
NET POSITION, June 30, 2025	$ 42,041

GRANTS PASS SCHOOL DISTRICT NO. 7
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2025

	Insurance Reserve Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash from interfund services provided	$ 10,250
Cash paid for services	(4,954)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	5,296
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,296
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	44,191
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 49,487
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING INCOME	
Operating income (loss)	$ 2,896
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Change in assets and liabilities:	
Accounts payable	1,289
Interfund payable	1,111
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 5,296

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The Reporting Entity

Grants Pass School District No. 7 (the District), Oregon, 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

The financial statements of the District 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.

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 the internal service fund. The District's internal service fund is reported as a proprietary fund.

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 non-major governmental funds.

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 and Other Grants 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.

Debt Service fund – This fund provides for the payment of principal and interest on certain debt obligations of the District. Principal revenue sources are transfers from other funds.

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, investment earnings, capital grant funds, and issuance of debt.

Additionally, the District reports the following proprietary fund type:

Internal Service Fund – This fund is used to report activity that provides services on a cost reimbursement basis for the District's other programs and activities. As a result, this fund is reported as a governmental activity. The District currently has one internal service fund - 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when 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 leases are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies (continued)

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).

Cash Restricted for Debt

As of June 30, 2025, $609,304 of cash is restricted for the purpose of making the final payment on the Tax-Exempt Installment Purchase Agreement. The restricted cash was held in an escrow account with a balance of $609,304 at year end.

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.

Intergovernmental and Other Receivables

Intergovernmental 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. Due to the nature of the receivables and the likelihood of collection, no provision for uncollectible receivables has been made.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Grants

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

Beneficial Interest in Trust

The District recognizes its right to assets held by a trustee as beneficial interest in trust 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 interest 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 useful life in excess of one year. Right-of-use assets are depreciated over the duration of the lease term as outlined in the lease agreement. 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
Right-of-use - Depends on terms of lease

Self-Insurance

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

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

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

Pension and Retirement Plans

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

Post-Employment Health Care Benefits

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

Additionally, certain District 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 Payable

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All unused vacation pay is accrued when earned in the government-wide financial statements. The portion of sick pay estimated to be more likely than not to be paid to employees over their remaining term of employment is accrued in the government-wide financial statements. Unused sick pay is not paid on termination of employment.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net 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.

Leases

A lessee is required to recognize a lease payable and an intangible right-to-use lease asset. A lease payable is recognized at the net present value of future lease payments, and is adjusted over time by interest and payments. Future lease payments used to calculate the lease liability include only fixed payments. The right-to-use asset is initially recorded at the amount of the lease liability plus prepayments less any lease incentives received prior to lease commencement, and is subsequently amortized over the life of the lease.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease plus any options the District is reasonably certain that it will exercise. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the District is reasonably certain to exercise. The District has chosen not to implement GASB 87 for the budgetary basis of accounting. For both the budgetary basis of accounting and for leases that do not meet the criteria for valuation under GASB 87, the District will report inflows of cash for lessor leases and outflows of cash for lessee leases.

Note 1 - Summary of Significant Accounting Policies (continued)

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. Bond issuance costs are expensed as incurred.

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 of 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, as authorized by the Board of Education.

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.

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 fiscal year ended June 30, 2025, the District was in compliance with Local Budget Law, except as follows:

- A supplemental budget is required when transferring appropriation authority to an appropriation category that doesn't already exist in the adopted budget. During the year, a budget resolution passed for the Capital Projects Fund, which added Instruction as a new appropriation category; however, a supplemental budget was not performed.
- Form ED-1 was not in agreement with the FY25-26 Budget Resolution as adopted.
- Expenditures exceeded appropriations as follows:

Fund	Appropriation	Expenditure	Variance
General Fund			
Transfers out	$ 1,570,327	$ 1,797,742	$ (227,415)
Food Services			
Enterprise and community services	3,835,266	4,510,304	(675,038)

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Change in Fund Presentation

During the current fiscal year, the District began presenting the Performing Arts Center Fund and the Fork Project Fund separately. In prior years, these funds were reported within the Federal and Other Grants Fund. The change was made due to nature of these funds not receiving federal or state grant funding. Prior-year amounts have not been restated, and the change does not impact total governmental fund balances.

Adoption of New GASB Pronouncements

The District has adopted and implemented the following GASB Statements which have become effective for the fiscal year ended June 30, 2025:

GASB Statement No. 101, *Compensated Absences*. Issued in June 2022, this Statement updates recognition and measurement guidelines for compensated absences. The implementation of this Statement is reflected in compensated absences payable in the Statement of Net Position.

GASB Statement No. 102, *Certain Risk Disclosures*. Issued in December 2023, this Statement requires governments to provide essential information about risks related to vulnerabilities due to certain concentrations or constraints that may limit the ability to acquire resources or control spending. This Statement had no material impact on the District.

Restatement for Implementation of GASB Statement No. 101, *Compensated Absences*

As required by this Statement, leave which is attributable to services already rendered, accumulates, and is more likely than not to be used should be accrued as a compensated absence. The District provides sick leave benefits to employees which qualifies for accrual. Implementation resulted in the following changes in net position as of July 1, 2024:

	As Previously Reported	Restatement	As Restated
Net position - June 30, 2024	$ (135,462)	$ (4,633,326)	$ (4,768,788)

Future GASB Pronouncement

The following GASB pronouncements have been issued, but are not effective as of June 30, 2025:

GASB Statement No. 103, *Financial Reporting Model Improvements*. Issued in April 2024, this Statement updates key components of the financial reporting model to enhance the effectiveness of providing information essential for decision making and assessing accountability. This Statement will be effective for the District for the fiscal year ending June 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. Issued in September 2024, this Statement requires certain information regarding capital assets to be presented by major class. This Statement will be effective for the District for the fiscal year ending June 30, 2026.

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 on the District's financial statements.

Note 2 - Cash and Investments

Cash and investments are comprised of the following at June 30, 2025:

Petty cash	$ 10,050
Carrying amount of demand deposits	22,541,032
Carrying amount of investments	7,091,080
Total cash and investments	$ 29,642,162

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

Statement of Net Position	
Cash and investments	$ 29,032,858
Cash restricted under purchase agreement	609,304
Total Cash and investments	$ 29,642,162

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, 2025 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, 2025 the carrying amounts of the District deposits in various financial institutions were $22,541,058 and the bank balances were $23,477,751. All deposits are held in the name of the District. Of the bank balance, $22,977,751 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. As required by Oregon Revised Statutes, Chapter 295, deposits in excess of insurance limits were held at qualified depositories for public funds.

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. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the District has no exposure to custodial credit risk for deposits with financial institutions.

Note 2 - Cash and Investments (continued)

Investments

The District has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2025. 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 294. 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 approximates fair value.

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. At June 30, 2025, and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

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:

Note 2 - Cash and Investments (continued)

Disclosures about Fair Value of Assets (continued)

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

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

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

Investments Measured at Fair Value:	Totals at June 30, 2025	Level One	Level Two	Level Three	Amortized Cost Measurement Not Measured at Fair Value
Local Government Investment Pool	$ 7,091,080	$ -	$ -	$ -	$ 7,091,080
	$ 7,091,080	$ -	$ -	$ -	$ 7,091,080
Beneficial interest in trust:					
Beneficial interest in perpetual trust	$ 287,790	$ -	$ -	$ 287,790	$ -
	$ 287,790	$ -	$ -	$ 287,790	$ -

Beneficial Interest in Perpetual Trust

Due to the nature of the valuation inputs and the perpetual nature of the trust, the beneficial interest in perpetual trust is classified within Level 3 of the hierarchy.

Note 3 - Receivables

Receivables are comprised of the following at June 30, 2025:

	Taxes	Intergovernmental	Other	Total
General Fund	$ 1,347,628	$ 408,523	$ 28,011	$ 1,784,162
Federal and Other Grants Fund	-	1,300,222	235,867	1,536,089
Capital Projects Fund	2,085	830,682	76,691	909,458
Non-major Governmental:				
Food Service Fund	-	237,322	-	237,322
Cool Schools Fund	-	-	15,323	15,323
	$ 1,349,713	$ 2,776,749	$ 355,892	$ 4,482,354

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 in perpetuity.

Note 4 - Split-Interest Agreements (continued)

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 $13,393 during 2025. 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, 2025 was $287,790.

Note 5 - Capital Assets

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

	Balance June 30, 2024	Additions	Disposals	Transfers	Balance June 30, 2025
Capital assets not being depreciated or amortized:					
Land	$ 2,373,073	$ -	$ -	$ -	$ 2,373,073
Construction in progress	916,345	2,813,199	-	(645,620)	3,083,924
Total capital assets not being depreciated or amortized	3,289,418	2,813,199	-	(645,620)	5,456,997
Capital assets being depreciated or amortized:					
Buildings and improvements	99,705,554	1,614,482	-	645,620	101,965,656
Vehicles	6,811,398	230,889	(13,890)	-	7,028,397
Machinery and equipment	2,631,621	81,721	-	-	2,713,342
Right-of-use asset - equipment	778,348	12,936	(91,277)	-	700,007
Total capital assets being depreciated or amortized	109,926,921	1,940,028	(105,167)	645,620	112,407,402
Less accumulated depreciation or amortization for:					
Buildings and improvements	(40,608,247)	(2,519,034)	-	-	(43,127,281)
Vehicles	(3,460,449)	(583,593)	11,221	-	(4,032,821)
Machinery and equipment	(1,381,439)	(147,736)	-	-	(1,529,175)
Right-of-use asset - equipment	(430,107)	(152,213)	91,277	-	(491,043)
Total accumulated depreciation or amortization	(45,880,242)	(3,402,576)	102,498	-	(49,180,320)
Total capital assets:					
Land	2,373,073	-	-	-	2,373,073
Construction in progress	916,345	2,813,199	-	(645,620)	3,083,924
Buildings and improvements	59,097,307	(904,552)	-	645,620	58,838,375
Vehicles	3,350,949	(352,704)	(2,669)	-	2,995,576
Machinery and equipment	1,250,182	(66,015)	-	-	1,184,167
Right-of-use asset - equipment	348,241	(139,277)	-	-	208,964
Total capital assets, net	$ 67,336,097	$ 1,350,651	$ (2,669)	$ -	$ 68,684,079

Right-of-use assets

A lease is defined as a contract that conveys control of the right of use of another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The District is party to a variety of lease contracts as lessee for which this right-of-use (ROU) has been recognized as an asset on the Statement of Net Position. Further information on these transactions can be found in *Note 9*.

Depreciation and amortization expense for the year ended June 30, 2025 was charged to the following programs:

Program	
Instructional Services	$ 2,056,038
Support Services	1,184,808
Community Services	161,730
Total	$ 3,402,576

Note 6 - Interfund Transactions

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

	Transfers In	Transfers Out
General Fund	$ 302,277	$ 1,797,742
Federal and Other Grants Fund	-	302,315
Debt Service Fund	1,947,742	-
Nonmajor Governmental Funds	38	150,000
Total transfers in/out	$ 2,250,057	$ 2,250,057

The District made transfers from the General Fund to the Debt Service Fund for loan payments. Additionally, transfers were made from the Federal and Other Grants Fund and Cool Schools Fund (nonmajor governmental fund) to the Debt Service Fund for loan payments and to the General Fund to mitigate participation fees and class fees.

Due to/from other funds at June 30, 2025 were as follows:

	Due To	Due From
General Fund	$ 7,695,795	$ 205,137
Federal and Other Grants Fund	876,473	5,610,577
Capital Projects Fund	-	3,070,786
Nonmajor Governmental Funds	626,367	305,978
Internal Service Fund	-	6,157
Total due to/from	$ 9,198,635	$ 9,198,635

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 the internal service fund, 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.

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:

	Unavailable	Unearned	Total
General Fund:			
Property taxes	$ 1,096,532	$ -	$ 1,096,532
Federal and Other Grants Fund:			
Intergovernmental programs	-	85,747	85,747
Total	$ 1,096,532	$ 85,747	$ 1,182,279

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

Note 8 - Accrued Compensated Absences Payable

The changes in compensated absences payable for the year ended June 30, 2025 are as follows:

	Accrued June 30, 2024 (as restated)	Net Change	Accrued June 30, 2025	Due in One Year
Governmental Activities	$ 4,855,618	$ 594,205	$ 5,449,823	$ 1,334,055

Note 9 - Leases Payable

The District is the lessee under various non-cancellable lease agreements related to copiers which are qualified leases under GASB Statement No. 87 with periods covering various ranges and the latest expiring in January 2030. Monthly payments for the current year range from $103 to $6,595, with an interest rate of 3.28%.

During the year ended June 30, 2025, lease principal and interest payments of $153,182 and $8,619 were made, respectively. Future maturities of leases payable at June 30, 2025 consisted of the following:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 117,031	$ 4,286	$ 121,317
2027	40,078	2,111	42,189
2028	31,770	995	32,765
2029	14,447	162	14,609
2030	1,758	12	1,770
2031	147	-	147
	$ 205,231	$ 7,566	$ 212,797

During the year ended June 30, 2025, variable payments of the leases totaled $162,274.

Note 9 - Leases Payable (continued)

Changes in leases payable in the government-wide financial statements for the fiscal year ended June 30, 2025 are as follows:

	Balance 6/30/2024	Additions	Reductions	Balance 6/30/2025	Due in One Year
Governmental Activities	$ 346,966	$ 12,936	$ 154,671	$ 205,231	$ 117,031

Note 10 - Long-Term Debt

Notes Payable

Full Faith and Credit Financing Agreement, Series 2023

On July 20, 2023, the District entered into a Financing Agreement, Escrow Agreement and Purchase Agreement with U.S. Bank Trust Company National Association. The District entered into these agreements to provide for the issuance of $18,240,000 in Full Faith and Credit Refunding Obligations, Series 2023 (Obligations), which are being issued to finance facility improvements, construction, acquisitions, and costs of issuance. A portion of the proceeds from the sale of the Obligations will also be used to provide funds to refund obligations consisting of the Amended and Restated Full Faith and Credit Financing Agreement and Note, Series 2014, and certain lease purchase agreements with Santander Bank, N.A., the proceeds of which financed the costs of school buses of the District. The obligation of the District to make the payments under the Obligations is a full faith and credit obligation of the District, and is not subject to annual appropriation. The Escrow Agent shall not have a lien or security interest on any property of the District, including the property financed with the proceeds of the Obligations. The Obligations contain a provision that in an event of default, the Escrow Agent may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration. The Obligations have an early redemption provision allowing redemption at any time on or after June 1, 2028. The Obligations have interest rates ranging from 4.0 to 5.0 percent and mature on June 1, 2053.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 230,000	$ 748,419	$ 978,419
2027	245,000	736,919	981,919
2028	255,000	724,669	979,669
2029	270,000	711,919	981,919
2030	285,000	698,419	983,419
2031-2035	1,650,000	3,266,794	4,916,794
2036-2040	2,760,000	2,858,994	5,618,994
2041-2045	3,895,000	2,191,994	6,086,994
2046-2050	4,755,000	1,329,908	6,084,908
2051-2054	3,360,000	289,439	3,649,439
	$ 17,705,000	$ 13,557,472	$ 31,262,472

Interest paid on the above debt was $759,419 and interest expense for the current fiscal year was $758,533.

Note 10 - Long-Term Debt (continued)

Notes Payable (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 are due April 23 and October 23 each year. Prepayment is permitted in whole at any time by payment of the remaining payment schedule balance plus accrued and unpaid interest through the date of prepayment. 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
2026	$ 977,789	$ 239,953	$ 1,217,742
2027	997,052	220,690	1,217,742
2028	1,016,694	201,048	1,217,742
2029	1,036,723	181,019	1,217,742
2030	1,057,147	160,596	1,217,742
2031-2035	5,606,449	482,263	6,088,712
2036-2037	1,791,361	35,232	1,826,594
	$ 12,483,215	$ 1,520,803	$ 14,004,018

Interest paid on the above debt was $258,852 and interest expense for the current fiscal year was $255,350.

The changes in long-term debt for the year ended June 30, 2025 are as follows:

Long-Term Debt	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Due in One Year
Notes Payable					
2023 Full Faith and Credit Obligation	$ 17,925,000	$ -	$ 220,000	$ 17,705,000	$ 230,000
Tax-Exempt Installment Purchase - direct borrowing	13,442,114	-	958,899	12,483,215	977,789
	$ 31,367,114	$ -	$ 1,178,899	$ 30,188,215	$ 1,207,789

Note 11 - Defined Benefit Pension Plans

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.

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.

Funding Policy – The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. The District funds this benefit as it comes due and the amount estimated to be paid by the District for this benefit for the period ended June 30, 2025 was $825,542 There are no assets accumulated in a trust.

Employees Covered by Benefit Terms

At June 30, 2025 the following employees were covered by the stipend benefit terms:

Inactive participants	68
Active participants	369
	437

Total Stipend Pension Liability

The district's total stipend pension liability of $6,893,730 was measured as of June 30, 2025, and was determined by an actuarial valuation date as of July 1, 2024.

Note 11 - Defined Benefit Pension Plans (continued)

Early Retirement Stipend Benefit Plan (continued)

Actuarial Assumptions and Other Inputs

The total pension 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	5.25% per year, based on all years discounted at municipal bond rate
General Inflation	2.5% per year
Salary Scale	3.5% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus a merit table
Annual Premium Increase Rate	Between 4.0% and 6.0% annually
Mortality Rates	Active employees: PUB 2010 Employee Tables for Teachers, sex distinct, projected generationally
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	50% of future retirees electing coverage are assumed to cover a spouse as well
Coverage of Eiligible Children	The actuary assumed no impact of dependent children on the implicit subsidy

Changes in the Stipend Pension Liability

Stipend Pension Liability at June 30, 2024	$	6,958,209
Changes for the year:		
Service cost		303,485
Interest		256,835
Differences between expected and actual		631,025
Changes in assumptions		(430,282)
Benefit payments		(825,542)
Stipend Pension Liability at June 30, 2025	$	6,893,730

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

For the year ended June 30, 2025 the District recognized reduction in stipend pension expense of $95,211. The $95,211 was treated as an decrease of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 67%, 30% and 3%, respectively.

At June 30, 2025, 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	$	628,322	$	-
Changes of assumptions		99,477		580,765
Total	$	727,799	$	580,765

Note 11 - Defined Benefit Pension Plans (continued)

Early Retirement Stipend Benefit Plan (continued)

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

Year Ended June 30,	Net Deferred Outflow/(Inflow) of Resources
2026	$ 42,053
2027	42,052
2028	(32,541)
2029	38,113
2030	28,677
Thereafter	28,680
Total	$ 147,034

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 4.25%	Current Discount Rate 5.25%	1% Increase Rate 6.25%
Total Pension Asset/(Liability)	$ (7,263,594)	$ (6,893,730)	$ (6,540,539)

Changes in Assumptions

A summary of key changes implemented since the July 1, 2024 valuation are noted below:

- The interest rate for discounting future liabilities was changed to reflect current municipal bond rates.
- The general inflation rate and payroll growth rate were changed to better reflect current expectations for future inflation and payroll growth experience.
- Premium increase rates were modified to better reflect anticipated experience and current Oregon law.
- Aging Factors were revised to better align with prevalent actuarial practice.
- Health care claims costs were revised to reflect current OEBB demographics and total premiums.
- The percentage of future retirees covering a spouse on the plan was decreased to reflect anticipated experience.
- Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

Note 11 - Defined Benefit Pension Plans (continued)

OPERS Plan

Plan Description

Employees are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Service Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage the System.

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

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

Beginning January 1, 2004, OPERS active Tier One and Tier Two members became members of the Individual Account Program (IAP) or OPSRP. OPERS members retained their existing Regular or Variable (if applicable) accounts, but member contributions are now deposited into the member's IAP account. Accounts are credited with earnings and losses net of administrative expenses.

Tier One/Tier Two Retirement Benefit (Chapter 238)

Pension Benefits - The OPERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is most commonly based on years of service and final average salary. A percentage (2.0 percent for Police and Fire employees, 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. Monthly payments must be a minimum of $200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which they are entitled.

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

Note 11 - Defined Benefit Pension Plans (continued)

OPERS Plan (continued)

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they have contributions in each of five calendar years or have reached at least 50 years of age before ceasing employment with a participating employer (age 45 for Police and Fire members). General Service employees may retire after reaching age 55. Police and Fire members are eligible after reaching age 50. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and Fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The plans are closed to new members hired on or after August 29, 2003.

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 receives 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.

As of 2020, the Legislature introduced an Optional Spouse Death Benefit (OSDB) which may provide a higher survivor benefit than the standard per-retirement death benefit described above. To be eligible for the OSDB, the member must have died before retiring, named their spouse or other person who is constitutionally required to be treated in the same manner as the spouse as their pre-retirement beneficiary, and met the following conditions:

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

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

Note 11 - Defined Benefit Pension Plans (continued)

OPERS Plan (continued)

Disability Benefits – A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member 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 (55 for Police and Fire members) when determining the monthly benefit.

Benefit Changes After Retirement – Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0 percent.

OPSRP Pension Program (Chapter 238A)

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

> *Police and Fire* – 1.8 percent multiplied by the number of years of service and the final average salary. Normal retirement age for a Police and Fire members is age 60 or age 53 with 25 years of retirement credit. To retire under the Police and Fire classification, the individual's last 60 months of retirement credit preceding retirement eligibility must be classified as retirement credit for service as a police officer or a firefighter. Under House Bill (HB) 2283, passed during the 2023 legislative session and effective January 1, 2024, if a member has established retirement eligibility under the Police and Fire classification as indicated above, they retain that eligibility even if they perform service thereafter as other than Policy and Fire. Under HB 4045, passed during the 2024 legislative session and effective January 1, 2025, normal retirement age for Police and Fire members will be lowered to age 55 or age 53 with 25 years of retirement credit.
>
> *General Service* – 1.5 percent 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 2021. The limit was equal to $232,976 as of January 1, 2024, and is indexed with inflation every year.

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

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

Note 11 - Defined Benefit Pension Plans (continued)

OPERS Plan (continued)

Disability Benefits – A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred. Disability benefits continue until the member is no longer disabled or otherwise no longer qualifies for benefits, reaches normal retirement age, or dies.

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

Benefit Changes After Retirement – Under ORS 238.210, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitles to be received on August 1. The COLA is capped at 2.0 percent.

Contributions

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

Member Contributions – Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0% of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

Employer Contributions – OPERS' funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and OPEB plans.

The District's employer contributions during the period July 1, 2023 through June 30, 2025, were and are based on the December 31, 2022 actuarial valuation, which became effective July 1, 2024. For the period July 1, 2024 through June 30, 2025, net employer contribution rates were 27.87% for Tier 1/Tier 2 employees and 25.03% for OPSRP General Employees. Employer contributions for the year ended June 30, 2025 were $12,854,835

Oregon PERS Annual Comprehensive Financial Report (ACFR)

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. Contributions are 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 trasaction in between market participants at the measurement date.

OPERS produces an independently audited ACFR which includes the OPEB plans and can be found at:

https://www.oregon.gov/das/Financial/Acctng/Documents/2024_ACFR.pdf

Note 11 - Defined Benefit Pension Plans (continued)

OPERS Plan (continued)

Actuarial Valuation

The employer contribution rates effective July 1, 2023 through June 30, 2025, 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, 2022
Measurement date	June 30, 2024
Experience study	2022, published July 24, 2023
Actuarial assumptions:	
Actuarial cost method	Entry age normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service.
Mortality	***Healthy retirees and beneficiaries:*** Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Active members:*** Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Disabled retirees:*** Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Note 11 - Defined Benefit Pension Plans (continued)

OPERS Plan (continued)

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 2022 Experience Study, which reviewed experience for the four-year period ending on December 31, 2022.

Discount Rate

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

Assumed Asset Allocation

Asset Class	Target Allocation
Cash	0.0%
Debt securities	25.0%
Public equity	27.5%
Private equity	20.0%
Real estate	12.5%
Real assets	7.5%
Diversifying strategies	7.5%
Total	100.0%

Long-term Expected Rate of Return

In January 2023, the PERS Board sought to develop an analytical basis for selecting the long-term expected rate of return assumption. The 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; instead, they are based on a forward-looking capital market economic model.

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Note 11 - Defined Benefit Pension Plans (continued)

OPERS Plan (continued)

Long-term Expected 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:

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Global equity	27.50%	7.07%
Private equity	25.50%	8.83%
Core fixed income	25.00%	4.50%
Real estate	12.25%	5.83%
Master limited partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge funds of funds - multistrategy	1.25%	6.27%
Hedge fund equity - hedge	0.63%	6.48%
Hedge fund - macro	5.62%	4.83%
Total	100%	
Assumed inflation - mean		2.35%

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

At June 30, 2025, the District reported a liability of $80,191,453 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. 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, 2024 (measurement date), the District's proportion was approximately 0.36078003 percent.

For the year ended June 30, 2025, the District recognized a reduction to pension expense of $1,067,935. The $1,067,935 was treated as a decrease of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 67%, 30%, and 3%, respectively.

Note 11 - Defined Benefit Pension Plans (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, 2025 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	$ 4,750,602	$ 191,391
Changes of assumptions	8,062,475	10,329
Net difference between projected and actual earning on investments	5,094,400	-
Changes in proportionate share	-	6,932,947
Differences between employer contributions and employers proportionate share of system contributions	4,221,987	2,397,545
Contributions subsequent to measurement date	12,854,835	-
Total	$ 34,984,299	$ 9,532,212

The $12,854,835 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, 2026.

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
2026	$ (1,359,040)
2027	7,735,227
2028	3,824,137
2029	2,026,212
2030	370,716
Total	$ 12,597,252

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

District's Net Pension Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Defined Benefit Pension	$ (126,498,760)	$ (80,191,453)	$ (41,406,821)

Note 11 - Defined Benefit Pension Plans (continued)

OPERS Plan (continued)

Changes in Assumptions and Methods

A summary of key changes implemented since the December 31, 2022 valuation are noted below. Additional detail and list of changes can be found in the December 31, 2023 Actuarial Valuation, which can be found at:

https://www.oregon.gov/pers/Documents/Financials/Actuarial/2024/12312023-Actuarial-Valuation.pdf

Assumption Changes

- The retirement assumptions for OPSRP Police & Fire members were revised to estimate possible changes in retirement patters that could arise from the plan changes included in House Bill 4045.

Actuarial Method Changes

- There were no changes to actuarial methods since the December 31, 2022 actuarial valuation.

Plan Changes

House Bill 4045 from the 2024 legislative session lowered the normal retirement age for OPSRP Police & Fire from age 60 to 55, effective January 1, 2025. Members still qualify for earlier unreduced retirement if age 53 with 25 or more years of service. This plan change is reflected in the December 31, 2023 actuarial valuation.

House Bill 4045 also made the following changes which are not reflected in the December 31, 2023 actuarial valuation:

- Effective January 1, 2025, forensic scientists and elected District Attorneys are now included in the “Police & Fire” definition of membership.

- Effective January 1, 2030, a new hazardous position member classification was created for OPSRP members with benefit levels and retirement eligibilities that fall in between existing classifications for General Service and Police & Fire members. The hazardous position membership classification is statutorily limited to emergency telecommunicators employees at Oregon State Hospital with direct patient contract.

Defined Contribution Plan – Individual Account Program (IAP)

Benefit Terms - The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established. Employers have the option to make employer contributions for a member under ORS 238A.340. Contributions for these accounts are deposited into a separate employer-funded account. The member becomes vested in this optional employer-funded account on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 414(k).

Upon retirement, a member of the 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.

Note 11 - Defined Benefit Pension Plans (continued)

OPERS Plan (continued)

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

Contributions - Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member's gross pay in a month exceeds the monthly salary threshold, tied to the annual Consumer Price Index, 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to help fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

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 other postemployment benefit plan (RHIA).

Single-Employer Post-Retirement Health Care Plan (Medical Subsidy)

Plan Description – The District maintains a single-employer post-retirement healthcare (OPEB) plan that provides implicit post-employment health care benefits to eligible employees and their spouses and dependents until Medicare eligibility. Generally, the plan covers all who meet Oregon PERS retirement eligibility and are receiving benefits from Oregon PERS. For Tier 1 or Tier 2 members they may retire earlier of age 55, or any age with 30 years of service. OPSRP members must be age 55 or older with five years of service. All classes of employees are eligible to continue medical coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The District's post-retirement healthcare 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 age 65 or they become otherwise eligible for Medicare. 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. The 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.

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

Single-Employer Post-Retirement Health Care Plan (Medical Subsidy) (continued)

Employees Covered by Benefit Terms - As of June 30, 2025, the following employees were covered by the implicit benefit terms:

Inactive participants	29
Active participants	787
	816

Total OPEB Liability

The District's total OPEB liability of $3,291,255 was measured as of June 30, 2025, and was determined by an actuarial valuation date as of July 1, 2024.

Actuarial Assumptions and Other Inputs

The actuarial valuation used for the single-employer post-retirement health care plan is identical to the actuarial valuation details related to the early retirement stipend benefit plan disclosed in *Note 11 – Defined Pension Benefit Plans*.

Changes in the Total OPEB Liability

Total OPEB Liability at June 30, 2024	$	3,804,075
Changes for the year:		
Service cost		232,724
Interest		148,216
Differences between expected and actual		53,682
Changes in assumptions		(778,704)
Benefit payments		(168,738)
Total OPEB Liability at June 30, 2025	$	3,291,255

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

For the year ended June 30, 2025 the District recognized a decrease of OPEB expense of $84,553. The $84,553 was treated as a decrease of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 67%, 30% and 3%, respectively.

At June 30, 2025, 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	$ 115,760	$ -
Changes of assumptions or other input	-	1,064,298
Total	$ 115,760	$ 1,064,298

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

Single-Employer Post-Retirement Health Care Plan (Medical Subsidy) (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense (or expense reduction) as follows:

Year Ended June 30,	Net Deferred Outflow/(Inflow) of Resources
2026	$ (166,527)
2027	(166,527)
2028	(166,523)
2029	(177,079)
2030	(90,628)
Thereafter	($181,254)
Total	$ (948,538)

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 4.25%	Current Discount 5.25%	1% Increase 6.25%
Total OPEB Asset/(Liability)	$ (3,507,645)	$ (3,291,255)	$ (3,087,663)

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 3.0%, trending up to 5.0%, then back down to 3.5%	Current Trend Rate 4.0%, trending up to 6.0%, then back down to 4.5%	1% Increase 5.0%, trending up to 7.0%, then back down to 5.5%
Total OPEB Asset/(Liability)	$ (2,977,032)	$ (3,291,255)	$ (3,655,840)

Changes in Assumptions and Methods

A summary of key changes implemented since the prior valuation are noted in the Early Retirement Stipend Benefit Plan section of *Note 11 – Defined Benefit Pension Plans*.

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

Retirement Health Insurance Account (RHIA)

Plan Description

As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by OPERS. ORS 238.420 established the RHIA and authorizes a payment of up to $60 from RHIA toward the monthly cost of $60 from RHIA toward the monthly cost of health insurance for eligible OPERS members. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium costs, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a OPERS-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 OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions

Employer Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and OPEB plans. Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The contribution rates in effect for the year ended June 30, 2025 for the OPEB program were: Tier1/Tier 2 – 0.00%, and OPSRP general service – 0.00%. The District contributed $124 for the year ended June 30, 2025.

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 Plans* except the table listed below:

Actuarial assumptions:

Retiree healthcare participation	Healthy retirees: 25%; Disabled retirees: 15%
Healthcare cost trend rate	Not applicable
Cost-of-living adjustments (COLA)	Not applicable

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

At June 30, 2025, the District reported $1,294,673 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. 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, 2024 (measurement date) the District's proportion was approximately 0.320536110 percent.

For the year ended June 30, 2025, the District recognized a reduction of OPEB expense related to RHIA of $105,825. The $105,825 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 67%, 30%, and 3%, respectively.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 25,322
Changes of assumptions	-	16,376
Net difference between projected and actual earning on investments	36,555	-
Changes in proportionate share	150,225	32,630
Contributions subsequent to measurement date	124	-
Total	$ 186,904	$ 74,328

The $124 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, 2026.

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
2026	$ 30,551
2027	57,904
2028	19,777
2029	4,220
Total	$ 112,452

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

Retirement Health Insurance Account (RHIA) (continued)

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

District's Net OPEB Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Retirement Health Insurance Account	$ 1,198,473	$ 1,294,673	$ 1,377,503

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 Plans*.

Note 13 - 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 14 - 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 15 - 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, 2025, with exception of a settlement reached subsequent to year end on a legal matter originating in a prior year. This resulted in a liability accrual of $200,000 as of year-end.

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 16 - Tax Abatements

At June 30, 2025, 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, 2025 the District's abated property taxes totaled $3,800.

Note 17 – Construction and Other Commitments

The District has active construction projects as of June 30, 2025. The projects include various improvements to selected schools funded by the State of Oregon. At year end, the District's commitments with contractors are as follows:

Project	Contract Amount	Amount Paid	Remaining Commitment
Redwood Seismic	$ 2,496,100	$ 557,054	$ 1,939,046
Lincoln Seismic	2,498,280	1,231,589	1,266,691
Auto Program	750,000	172,898	577,102
Exterior / Interior Door Upgrades	350,000	82,620	267,380
Concrete Repairs	250,000	23,829	226,171
Paint Exterior ELM & MS	150,000	24,467	125,534
Replace Roof - Core Building	1,107,700	1,043,447	64,253
Total	$ 7,602,080	$ 3,135,904	$ 4,466,176

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)
LAST 10 FISCAL YEARS ENDING JUNE 30

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

	2025	2024	2023	2022	2021
District proportion of the net pension asset/(liability)	0.3607800%	0.3932915%	0.3976354%	0.4122898%	0.4330033%
District proportion of the net pension asset/(liability)	$ (80,191,453)	$ (73,666,191)	$ (60,885,959)	$ (49,336,578)	$ (94,496,213)
Covered payroll	$ 50,153,845	$ 45,826,080	$ 44,879,102	$ 38,968,842	$ 38,455,983
Proportionate share of the pension asset/(liability) as a percentage of its covered payroll	159.89%	160.75%	135.67%	126.61%	245.73%
Plan fiduciary net position as a percentage of the total pension liability	79.30%	81.70%	84.50%	87.60%	75.79%

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

	2021	2019	2018	2017	2016
District proportion of the net pension asset/(liability)	0.4630146%	0.4630146%	0.4751985%	0.5195660%	0.5828479%
District proportion of the net pension asset/(liability)	$ (81,035,703)	$ (70,140,610)	$ (64,056,941)	$ (77,998,913)	$ (33,463,988)
Covered payroll	$ 38,427,443	$ 35,280,575	$ 33,870,417	$ 28,555,340	$ 28,555,340
Proportionate share of the pension asset/(liability) as a percentage of its covered payroll	210.88%	198.81%	189.12%	273.15%	117.19%
Plan fiduciary net position as a percentage of the total pension liability	80.20%	82.07%	83.12%	80.53%	91.88%

Grants Pass School District No. 7 Contributions

	2025	2024	2023	2022	2021
Contractually required contributions	$ 12,854,835	$ 12,328,202	$ 11,085,613	$ 10,810,382	$ 11,178,529
Contribution in relation to the contractually required	(12,854,835)	(12,328,202)	(11,085,613)	(10,810,382)	(11,178,529)
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 52,044,380	$ 50,153,845	$ 45,826,080	$ 44,879,102	$ 38,968,842
Contributions as a percentage of covered payroll	24.70%	24.58%	24.19%	24.09%	28.69%

	2021	2019	2018	2017	2016
Contractually required contributions	$ 10,517,276	$ 8,757,601	$ 8,102,379	$ 6,652,748	$ 6,316,699
Contribution in relation to the contractually required	(10,517,276)	(8,757,601)	(8,102,379)	(6,652,748)	(6,316,699)
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 38,455,983	$ 38,427,443	$ 35,280,575	$ 33,870,417	$ 28,555,340
Contributions as a percentage of covered payroll	27.35%	22.79%	22.97%	19.64%	22.12%

Note 1 - Changes of Benefit Terms and Assumptions -

Significant Methods and Assumptions:
A summary of assumption changes implemented since the December 31, 2024 valuation are outlined briefly in *Note 11* in the notes to the basic financial statements.

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)
LAST 10 FISCAL YEARS ENDING JUNE 30 (FOR YEARS INFORMATION IS AVAILABLE)

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

	2025	2024	2023	2022
District proportion of the net OPEB asset/(liability)	0.32053611%	0.40153670%	0.32072117%	0.35594607%
District's proportion of the net OPEB asset/(liability)	$ 1,294,673	$ 1,470,290	$ 1,139,635	$ 1,222,321
District's covered-employee payroll	$ 50,153,845	$ 45,826,080	$ 44,879,102	$ 38,968,842
District's proportionate share of the net OPEB asset/(liability) as a percentage of its covered-employee payroll	2.58%	3.21%	2.54%	3.14%
Plan fiduciary net position as a percentage of the total pension liability	220.60%	201.60%	194.60%	183.90%

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

	2021	2020	2019	2018
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

	2025	2024	2023	2022
Contractually required contributions	$ 124	$ 3,237	$ 7,913	$ 7,905
Contribution in relation to the contractually required	(124)	(3,237)	(7,913)	(7,905)
Contributions deficiency (excess)	$ -	$ -	$ -	$ -
District's covered - employee payroll	$ 52,044,380	$ 50,153,845	$ 45,826,080	$ 44,879,102
Contributions as a percentage of covered-employee payroll	0.00%	0.01%	0.02%	0.02%

Grants Pass School District No. 7 Contributions

	2021	2020	2019	2018
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, 2024 valuation are outlined briefly in *Note 12* in the notes to the basic financial statements.

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

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL PENSION LIABILITY (STIPEND) AND RELATED RATIOS
LAST 10 FISCAL YEARS ENDING JUNE 30 (FOR YEARS INFORMATION IS AVAILABLE)

Total Pension Liability (Stipend):	**2025**	**2024**	**2023**	**2022**
Service cost	$ 303,485	$ 293,222	$ 280,875	$ 339,287
Interest	256,835	260,872	240,637	167,672
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	631,025	-	56,007	-
Changes of assumptions of other inputs	(430,282)	-	10,033	(494,552)
Benefit payments	(825,542)	(518,508)	(518,814)	(542,621)
Net change in total pension liability (stipend)	(64,479)	35,586	68,738	(530,214)
Total Pension Liability (Stipend) - beginning	$ 6,958,209	$ 6,922,623	$ 6,853,885	$ 7,384,099
Total Pension liability (Stipend) - ending	$ 6,893,730	$ 6,958,209	$ 6,922,623	$ 6,853,885
Estimated Covered - employee payroll	$ 33,196,008	$ 33,789,229	$ 32,646,598	$ 32,039,520
Total pension liability (Stipend) as a percentage of estimated covered - employee payroll	20.77%	20.59%	21.20%	21.39%

Total Pension Liability (Stipend):	**2021**	**2020**	**2019**	**2018**	**2017**
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)
Net change in total pension liability (stipend)	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	$ 7,384,099	$ 6,850,188	$ 6,852,260	$ 5,974,150	$ 5,951,196
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.

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY (MEDICAL BENEFIT) AND RELATED RATIOS
LAST 10 FISCAL YEARS ENDING JUNE 30 (FOR YEARS INFORMATION IS AVAILABLE)

Total OPEB Liability (Medical Benefit):	**2025**	**2024**	**2023**	**2022**
Service cost	$ 232,724	$ 224,854	$ 215,403	$ 257,021
Interest	148,216	140,807	135,459	92,113
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	53,682	-	58,678	-
Changes of assumptions of other inputs	(778,704)	-	(357,368)	(350,262)
Benefit payments	(168,738)	(183,167)	(170,881)	(190,965)
Net change in total OPEB liability	(512,820)	182,494	(118,709)	(192,093)
Total OPEB liability - beginning	$ 3,804,075	$ 3,621,581	$ 3,740,290	$ 3,932,383
Total OPEB liability - ending	$ 3,291,255	$ 3,804,075	$ 3,621,581	$ 3,740,290
Estimated Covered - employee payroll	$ 44,822,862	$ 42,282,357	$ 40,852,519	$ 37,135,041
Total OPEB liability as a percentage of estimated covered - employee payroll	7.34%	9.00%	8.87%	10.07%

Total OPEB Liability:	**2021**	**2020**	**2019**	**2018**	**2017**
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	(176,960)	(142,598)	(115,834)	(183,949)	(139,087)
Net change in total OPEB liability	262,846	233,229	(658,142)	167,584	205,578
Total OPEB liability - beginning	$ 3,669,537	$ 3,436,308	$ 4,094,450	$ 3,926,866	$ 3,721,288
Total OPEB liability - ending	$ 3,932,383	$ 3,669,537	$ 3,436,308	$ 4,094,450	$ 3,926,866
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.

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Local sources:				
Property taxes	$ 17,100,000	$ 17,100,000	$ 17,505,193	$ 405,193
Charges for services	1,195,340	1,195,340	1,281,116	85,776
Donations	616,840	616,840	795,867	179,027
Interest on investments	400,100	400,100	469,921	69,821
Miscellaneous	890,926	890,926	532,955	(357,971)
Intermediate sources:				
Intergovernmental	1,200,000	1,200,000	1,295,717	95,717
State sources:				
Basic school support	56,163,082	56,163,082	56,620,078	456,996
Intergovernmental	200	200	-	(200)
Federal sources:				
Intergovernmental	758,516	758,516	686,549	(71,967)
TOTAL REVENUES	78,325,004	78,325,004	79,187,396	862,392
EXPENDITURES				
Current:				
Instruction	49,803,723	49,818,723	47,728,967	2,089,756
Support services	34,240,244	34,225,244	31,123,323	3,101,921
Contingency	930,000	930,000	-	930,000
TOTAL EXPENDITURES	84,973,967	84,973,967	78,852,290	6,121,677
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,648,963)	(6,648,963)	335,106	6,984,069
OTHER FINANCING SOURCES (USES):				
Proceeds from the sale of capital assets	-	-	4,452	4,452
Transfers in	820,550	820,550	302,277	(518,273)
Transfers out	(1,797,742)	(1,570,327)	(1,797,742)	(227,415)
TOTAL OTHER FINANCING SOURCES (USES)	(977,192)	(749,777)	(1,491,013)	(741,236)
NET CHANGE IN FUND BALANCE	(7,626,155)	(7,398,740)	(1,155,907)	6,242,833
FUND BALANCE, July 1, 2024	12,976,300	12,976,300	12,242,934	(733,366)
FUND BALANCE, June 30, 2025	$ 5,350,145	$ 5,577,560	$ 11,087,027	$ 5,509,467

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL AND OTHER GRANTS FUND
YEAR ENDED JUNE 30, 2025

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Local sources:				
Donations	714,000	714,000	790,674	76,674
Miscellaneous	-	-	101,303	101,303
Intermediate sources:				
Intergovernmental	235,000	235,000	2,234,975	1,999,975
State sources:				
Intergovernmental	11,082,269	11,082,269	8,537,843	(2,544,426)
Federal sources:				
Intergovernmental	7,370,931	7,370,931	4,406,110	(2,964,821)
TOTAL REVENUES	19,402,200	19,402,200	16,070,905	(3,331,295)
EXPENDITURES				
Current:				
Instruction	12,477,162	12,477,162	11,295,328	1,181,834
Support services	5,922,038	5,922,038	3,454,794	2,467,244
Enterprise and community services	428,000	428,000	216,494	211,506
TOTAL EXPENDITURES	18,827,200	18,827,200	14,966,616	3,860,584
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	575,000	575,000	1,104,289	529,289
OTHER FINANCING SOURCES (USES):				
Transfers out	(575,000)	(575,000)	(302,315)	272,685
TOTAL OTHER FINANCING SOURCES (USES)	(575,000)	(575,000)	(302,315)	272,685
NET CHANGE IN FUND BALANCE	-	-	801,974	801,974
FUND BALANCE, July 1, 2024	-	-	74,697	74,697
FUND BALANCE, June 30, 2025	$ -	$ -	$ 876,671	$ 876,671

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, 2025

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Local sources:				
Interest on investments	$ 140,000	$ 140,000	$ 180,909	$ 40,909
TOTAL REVENUES	140,000	140,000	180,909	40,909
EXPENDITURES				
Current:				
Instruction	1,662,242	1,662,242	-	1,662,242
Support services	1,257,026	1,257,026	-	1,257,026
TOTAL EXPENDITURES	2,919,268	2,919,268	-	2,919,268
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,779,268)	(2,779,268)	180,909	2,960,177
OTHER FINANCING SOURCES (USES):				
Transfers out	(500,000)	(500,000)	-	500,000
TOTAL OTHER FINANCING SOURCES (USES)	(500,000)	(500,000)	-	500,000
NET CHANGE IN FUND BALANCE	(3,279,268)	(3,279,268)	180,909	3,460,177
FUND BALANCE, July 1, 2024	3,619,685	3,619,685	3,620,858	1,173
FUND BALANCE, June 30, 2025	$ 340,417	$ 340,417	$ 3,801,767	$ 3,461,350

OTHER SUPPLEMENTARY INFORMATION

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2025

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
EXPENDITURES				
Debt service	$ 2,197,161	$ 2,197,161	$ 2,197,161	$ -
TOTAL EXPENDITURES	2,197,161	2,197,161	2,197,161	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,197,161)	(2,197,161)	(2,197,161)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	2,197,742	2,197,742	1,947,742	(250,000)
TOTAL OTHER FINANCING SOURCES (USES)	2,197,742	2,197,742	1,947,742	(250,000)
NET CHANGE IN FUND BALANCE	581	581	(249,419)	(250,000)
FUND BALANCE, July 1, 2024	-	-	961,673	961,673
FUND BALANCE, June 30, 2025	$ 581	$ 581	$ 712,254	$ 711,673

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, 2025

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Local sources:				
Construction excise taxes	$ 200,000	$ 200,000	$ 138,129	$ (61,871)
Donations	100,000	100,000	5,000	(95,000)
Interest on investments	80,000	80,000	450,382	370,382
Miscellaneous	-	-	17,400	17,400
State sources:				
Intergovernmental	5,000,000	5,000,000	1,852,285	(3,147,715)
TOTAL REVENUES	5,380,000	5,380,000	2,463,196	(2,916,804)
EXPENDITURES				
Current:				
Instruction	-	600,000	298,370	301,630
Support services	285,000	285,000	285,000	-
Facilities acquisition and construction	11,000,000	11,000,000	4,193,568	6,806,432
Contingency	2,000,000	1,400,000	-	1,400,000
TOTAL EXPENDITURES	13,285,000	13,285,000	4,776,938	8,508,062
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,905,000)	(7,905,000)	(2,313,742)	5,591,258
OTHER FINANCING SOURCES (USES):				
Proceeds from the issuance of debt	9,000,000	9,000,000	-	(9,000,000)
TOTAL OTHER FINANCING SOURCES (USES)	9,000,000	9,000,000	-	(9,000,000)
NET CHANGE IN FUND BALANCE	1,095,000	1,095,000	(2,313,742)	(3,408,742)
FUND BALANCE, July 1, 2024	-	-	10,231,177	10,231,177
FUND BALANCE, June 30, 2025	$ 1,095,000	$ 1,095,000	$ 7,917,435	$ 6,822,435

GRANTS PASS SCHOOL DISTRICT NO. 7
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Student Body Fund	Food Service Fund	Cool Schools Fund	Bus Replacement Fund	Performing Arts Center Fund	Fork Project Fund	Total
ASSETS							
Equity in pooled cash and investments	$ 724,742	$ 200	$ 115,094	$ 246,239	$ -	$ -	$ 1,086,275
Receivables	-	237,322	15,323	-	-	-	252,645
Interfund receivable	-	511,392	-	-	114,975	-	626,367
TOTAL ASSETS	$ 724,742	$ 748,914	$ 130,417	$ 246,239	$ 114,975	$ -	$ 1,965,287
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 9,254	$ 9,935	$ -	$ -	$ -	$ -	$ 19,189
Accrued payroll liabilities	244	964	-	-	-	-	1,208
TOTAL LIABILITIES	315,476	10,899	-	-	-	-	326,375
Fund Balances:							
Restricted	409,266	738,015	130,417	-	-	-	1,277,698
Committed	-	-	-	246,239	114,975	-	361,214
TOTAL FUND BALANCES	409,266	738,015	130,417	246,239	114,975	-	1,638,912
TOTAL LIABILITIES AND FUND BALANCES	$ 724,742	$ 748,914	$ 130,417	$ 246,239	$ 114,975	$ -	$ 1,965,287

GRANTS PASS SCHOOL DISTRICT NO. 7
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	Student Body Fund	Food Service Fund	Cool Schools Fund	Bus Replacement Fund	Performing Arts Center Fund	Fork Project Fund	Total
REVENUES							
Intergovernmental	$ -	$ 4,025,913	$ -	$ 450,000	$ -	$ -	$ 4,475,913
Charges for services	269,398	43,783	-	-	-	-	313,181
Donations	431,453	-	-	-	22,120	-	453,573
Miscellaneous	36,862	43,933	214,073	-	76,500	-	371,368
TOTAL REVENUES	737,713	4,113,629	214,073	450,000	98,620	-	5,614,035
EXPENDITURES							
Current:							
Instruction	718,145	-	-	-	-	-	718,145
Support services	-	-	-	203,889	88,856	-	292,745
Community services	-	4,510,304	-	-	-	-	4,510,304
Facilities acquisition and construction	-	-	-	-	11,075	-	11,075
TOTAL EXPENDITURES	718,145	4,510,304	-	203,889	99,931	-	5,532,269
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,568	(396,675)	214,073	246,111	(1,311)	-	81,766
OTHER FINANCING SOURCES (USES):							
Transfers in	38	-	-	-	-	-	38
Transfers out	-	-	(150,000)	-	-	-	(150,000)
TOTAL OTHER FINANCING SOURCES (USES)	38	-	(150,000)	-	-	-	(149,962)
NET CHANGE IN FUND BALANCE	19,606	(396,675)	64,073	246,111	(1,311)	-	(68,196)
FUND BALANCE, July 1, 2024	389,660	1,134,690	66,344	128	116,286	-	1,707,108
FUND BALANCE, June 30, 2025	$ 409,266	$ 738,015	$ 130,417	$ 246,239	$ 114,975	$ -	$ 1,638,912

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STUDENT BODY FUND
YEAR ENDED JUNE 30, 2025

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Local sources:				
Charges for services	$ 852,335	$ 852,335	$ 269,398	$ (582,937)
Donations	1,279,821	1,279,821	431,453	(848,368)
Miscellaneous	227,900	227,900	36,862	(191,038)
TOTAL REVENUES	2,360,056	2,360,056	737,713	(1,622,343)
EXPENDITURES				
Current:				
Instruction	2,837,075	2,837,075	718,145	2,118,930
Support services	25,410	25,410	-	25,410
TOTAL EXPENDITURES	2,862,485	2,862,485	718,145	2,144,340
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(502,429)	(502,429)	19,568	521,997
OTHER FINANCING SOURCES (USES):				
Transfers in	4,450	4,450	38	(4,412)
TOTAL OTHER FINANCING SOURCES (USES)	4,450	4,450	38	(4,412)
NET CHANGE IN FUND BALANCE	(497,979)	(497,979)	19,606	517,585
FUND BALANCE, July 1, 2024	497,979	497,979	389,660	(108,319)
FUND BALANCE, June 30, 2025	$ -	$ -	$ 409,266	$ 409,266

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, 2025

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Local sources:				
Charges for services	$ 95,000	$ 95,000	$ 43,783	$ (51,217)
Miscellaneous	15,000	15,000	43,933	28,933
State sources:				
Intergovernmental	93,083	93,083	974,171	881,088
Federal sources:				
Intergovernmental	3,632,183	3,632,183	3,051,742	(580,441)
TOTAL REVENUES	3,835,266	3,835,266	4,113,629	278,363
EXPENDITURES				
Current:				
Enterprise and community services	3,835,266	3,835,266	4,510,304	(675,038)
TOTAL EXPENDITURES	3,835,266	3,835,266	4,510,304	(675,038)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(396,675)	(396,675)
NET CHANGE IN FUND BALANCE	-	-	(396,675)	(396,675)
FUND BALANCE, July 1, 2024	-	-	1,134,690	1,134,690
FUND BALANCE, June 30, 2025	$ -	$ -	$ 738,015	$ 738,015

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COOL SCHOOLS FUND
YEAR ENDED JUNE 30, 2025

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Local sources:				
Miscellaneous	$ 155,000	$ 155,000	$ 214,073	$ 59,073
TOTAL REVENUES	155,000	155,000	214,073	59,073
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	155,000	155,000	214,073	59,073
OTHER FINANCING SOURCES (USES):				
Transfers out	(150,000)	(150,000)	(150,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(150,000)	(150,000)	(150,000)	-
NET CHANGE IN FUND BALANCE	5,000	5,000	64,073	59,073
FUND BALANCE, July 1, 2024	25,820	25,820	66,344	40,524
FUND BALANCE, June 30, 2025	$ 30,820	$ 30,820	$ 130,417	$ 99,597

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUS REPLACEMENT FUND
YEAR ENDED JUNE 30, 2025

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
State sources				
Intergovernmental	$ 425,000	$ 425,000	$ 450,000	$ 25,000
TOTAL REVENUES	425,000	425,000	450,000	25,000
EXPENDITURES				
Current:				
Support services	498,500	498,500	203,889	294,611
TOTAL EXPENDITURES	498,500	498,500	203,889	294,611
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(73,500)	(73,500)	246,111	319,611
NET CHANGE IN FUND BALANCE	(73,500)	(73,500)	246,111	319,611
FUND BALANCE, July 1, 2024	100,000	100,000	128	(99,872)
FUND BALANCE, June 30, 2025	$ 26,500	$ 26,500	$ 246,239	$ 219,739

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PERFORMING ARTS CENTER FUND
YEAR ENDED JUNE 30, 2025

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Local sources:				
Donations	$ 500,000	$ 500,000	$ 22,120	$ (477,880)
Miscellaneous	-	-	76,500	76,500
TOTAL REVENUES	500,000	500,000	98,620	(401,380)
EXPENDITURES				
Current:				
Support services	150,000	150,000	88,856	61,144
Facilities acquisition and construction	350,000	350,000	11,075	338,925
TOTAL EXPENDITURES	500,000	500,000	99,931	400,069
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(1,311)	(1,311)
NET CHANGE IN FUND BALANCE	-	-	(1,311)	(1,311)
FUND BALANCE, July 1, 2024	-	-	116,286	116,286
FUND BALANCE, June 30, 2025	$ -	$ -	$ 114,975	$ 114,975

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FORK PROJECT FUND
YEAR ENDED JUNE 30, 2025

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Local sources:				
Donations	$ 9,500	$ 9,500	$ -	$ (9,500)
TOTAL REVENUES	9,500	9,500	-	(9,500)
EXPENDITURES				
Current:				
Instruction	9,500	9,500	-	9,500
TOTAL EXPENDITURES	9,500	9,500	-	9,500
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, July 1, 2024	-	-	-	-
FUND BALANCE, June 30, 2025	$ -	$ -	$ -	$ -

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, 2025

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Local sources:				
Charges for services (interfund)	$ -	$ -	$ 10,250	$ 10,250
TOTAL REVENUES	-	-	10,250	10,250
EXPENDITURES				
Current:				
Support services	15,000	15,000	7,354	7,646
TOTAL EXPENDITURES	15,000	15,000	7,354	7,646
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,000)	(15,000)	2,896	17,896
CHANGE IN NET POSITION	(15,000)	(15,000)	2,896	17,896
NET POSITION, July 1, 2024	31,000	31,000	39,145	8,145
NET POSITON, June 30, 2025	$ 16,000	$ 16,000	$ 42,041	$ 26,041

OTHER FINANCIAL SCHEDULE

GRANTS PASS SCHOOL DISTRICT NO. 7
2024-25 SUPPLEMENTAL INFORMATION

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.
Part A is needed for computing Oregon's full allocation for ESSA, Title I & other Federal Funds for Education.

A. Energy Bill for Heating - All Funds:
Please enter your expenditures for electricity, heating fuel, and water & sewage for these Functions & Objects.

	Objects 325 & 326 & ***327**
Function 2540	$ 1,994,315
Function 2550	$ 0.00

B. Replacement of Equipment – General Fund:
Include all General Fund expenditures in object 542, except for the following exclusions:

$ 0.00

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

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

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INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

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

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, 2025 and have issued our report thereon dated December 22, 2025. 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 grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 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 grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as disclosed in *Note 1* of the financial statements.

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OAR 162-010-0230 Internal Control

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 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

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

Restrictions on Use

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



Aria Bettinger, CPA, Shareholder
Sorren CPAs, P.C.
Medford, Oregon
December 22, 2025

ITEMS REQUIRED BY THE UNIFORM GUIDANCE

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CPAs P.C.

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

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 *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Grants Pass School District No. 7 (the District), as of and for the year ended June 30, 2025, 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 22, 2025.

Report on 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 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on 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 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*.

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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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Aria Bettinger, CPA, Shareholder
Sorren CPAs, P.C.
Medford, Oregon
December 22, 2025

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Grants Pass School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each at the District's major federal programs for the year ended June 30, 2025. 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.

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, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal controls 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, Shareholder
Sorren CPAs, P.C.
Medford, Oregon
December 22, 2025

GRANTS PASS SCHOOL DISTRICT NO. 7
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Grant/Contrct Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through Oregon Department of Education:			
School Breakfast Program (SBP)	10.553	N/A	$ 663,488
National School Lunch Program (NSLP)	10.555	N/A	1,835,956
NSLP Supply Chain Assistance	10.555	N/A	138,335
National School Lunch Program (NSLP) Commodities	10.555	N/A	261,016
Summer Food Service Program for Children (SFSP)	10.559	N/A	77,496
Fresh Fruit and Vegetable Program	10.582	N/A	18,958
Fresh Fruit and Vegetable Program	10.582	N/A	136,390
Total Child Nutrition Cluster			3,131,639
Child and Adult Care Food Program (CACFP)	10.558	N/A	75,089
Child and Adult Care Food Program (CACFP) Commodities	10.558	N/A	363
Total Assistance Listing Number 10.558			75,452
		Total U.S. Department of Agriculture	**$ 3,207,091**
U.S. Department of Education			
Passed through Oregon Department of Education:			
Title I Grants to Local Educational Agencies (22_23)	84.010	72518	$ 19,440
Title I Grants to Local Educational Agencies (23_24)	84.010	76483	185,522
Title I Grants to Local Educational Agencies (24_25)	84.010	82167	2,004,767
Total Assistance Listing Number 84.010			2,209,729
Title ID - Neglected and Delinqent 24_25 (New Bridge)	84.013	82077	120,612
Total Assistance Listing Number 84.013			120,612
Special Education Grants IDEA Part B (Section 611 23_24)	84.027	77973	102,894
Special Education Grants IDEA Part B (Section 611 24_25)	84.027	83360	1,097,140
Special Education Grants IDEA Part B (New Bridge High School)	84.027	32128	15,364
COVID-19 Special Education Grants IDEA Part B (Section 619 ARP)	84.173	74214	16,411
Total Special Education Cluster (IDEA)			1,231,809
Education for Homeless Children & Youth	84.196	79854	54,879
Total Assistance Listing Number 84.196			54,879
English Language Acquisition State Grants (23_24)	84.365	76680	4,632
English Language Acquisition State Grants (24_25)	84.365	82320	11,168
Total Assistance Listing Number 84.365			15,800
Supporting Effective Instruction Program (24_25)	84.367	82430	228,603
Total Assistance Listing Number 84.367			228,603
Student Support and Academic Enrichment Program (22_23)	84.424	72912	2,645
Student Support and Academic Enrichment Program (23_24)	84.424	77107	21,001
Student Support and Academic Enrichment Program (24_25)	84.424	82627	157,952
Total Assistance Listing Number 84.424			181,598
COVID-19 Education Stabilization Fund (ESSER III)	84.425U	64891	608,872
COVID-19 Education Stabilization Fund (ESSER III JDEP)	84.425U	64792	41,805
COVID-19 Education Stabilization Fund (ARP-HCY II)	84.425W	69349	27,187
COVID-19 Education Stabilization Fund (ESSER III YCEP)	84.425U	80947	122,798
Total Assistance Listing Number 84.425			800,662
		Total U.S. Department of Education	**$ 4,843,692**
U.S. Department of Health and Human Services			
Passed through Oregon Health Authority:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	182350	57,750
Total AL #93.959			57,750
		Total U.S. Department of Health and Human Services	**$ 57,750**
		Total Expenditures of Federal Awards	**$ 8,108,533**
U.S. Department of Agriculture			
Passed through Joesphine County Treasurer:			
Schools and Roads - Grants to State	10.665	2024_25	$ 35,873
Total Forest Service Schools and Road Cluster			$ 35,873

GRANTS PASS SCHOOL DISTRICT NO. 7
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

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, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of 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, 2025, the District received food commodities totaling $261,379.

NOTE E – SUBRECIPIENTS:

The District did not have any federal awards that were passed through to subrecipients for the year ended June 30, 2025.

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, 2025

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:		
• Material weakness(es) identified?	☐ Yes	☒ No
• Significant deficiency(ies) identified?	☐ Yes	☒ None Reported
Noncompliance material to financial statements noted?	☐ Yes	☒ No

Federal Awards

Internal control over major federal programs:		
• Material weakness(es) identified?	☐ Yes	☒ No
• Significant deficiency(ies) identified?	☐ Yes	☒ None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	☐ Yes	☒ No

Identification of major federal programs:

AL Number(s)	Name of Federal Program or Cluster
#10.553, #10.555, #10.559, and #10.582	Child Nutrition Cluster
#84.027 and #84.173	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as a low-risk auditee? ☐ Yes ☒ No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.