

**REEDSPORT SCHOOL DISTRICT NO. 105**

**REEDSPORT, OREGON**

**Annual Financial Report**

**June 30, 2025**

**Reedsport School District No. 105**

Reedsport, Oregon  
June 30, 2025

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**BOARD OF DIRECTORS**

Robert Morin	Board Chair
Carrie Oldright	Position 2
Jack Daily	Position 3
Carey Jones	Position 4, Vice Chair
Bonnie Booher	Position 5

**ADMINISTRATION**

Jon Zwemke, Superintendent  
Joshua Cook, Business Manager

Board members and Administration may be contacted at the address below:

100 Ranch Road  
Reedsport, Oregon 97467

**Reedsport School District No. 105**

Reedsport, Oregon  
June 30, 2025

**TABLE OF CONTENTS**

	<u>Schedule</u>	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT		1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)		4-7
<b>BASIC FINANCIAL STATEMENTS:</b>		
Government-wide Financial Statements:		
Statement of Net Position	A-1	8
Statement of Activities	A-2	9
Fund Financial Statements:		
Balance Sheet - Governmental Funds	B-1	10
Reconciliation of the Government Funds Balance Sheet to the Statement of Net Position	B-2	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-3	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	B-4	13
Statement of Net Position - Fiduciary Fund	B-5	14
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	B-6	15
Notes to Financial Statements		16-42
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>		
Budgetary Comparison Schedules		
Budgetary Comparison for the General Fund (Required Supplementary Information)	C-1	43
Budgetary Comparison of General Fund Expenditures	C-2	44-45
Schedule of the Proportionate Share of the Net Pension Liability	C-3	46
Schedule of Contributions - GASB 68	C-4	46
Schedule of the Proportionate Share of the Net Pension Liability- RHIA	C-5	47
Schedule of the Proportionate Share of the Net Pension Liability-OPEB	C-6	48
Budgetary Comparison for the Special Revenue Funds (Required Supplementary Information)	C-7	49
Budgetary Comparison for the Debt Service Funds (Required Supplementary Information)	C-8	50
Budgetary Comparison for the Capital Projects Funds(Required Supplementary Information)	C-9	51
<b>OTHER SUPPLEMENTARY INFORMATION:</b>		
Combining and Individual Fund Financial Statements and Schedules		
Special Revenue Funds:		
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds	D-2	52-53

**Reedsport School District No. 105**

Reedsport, Oregon  
June 30, 2025

---

**TABLE OF CONTENTS**

Schedule      Page

**OTHER SUPPLEMENTARY INFORMATION (Cont'd):**

Independent Auditor's Report Required by Oregon Regulations	54-55
Single Audit Requirements	56-62
Schedule of Federal Financial Assistance	63
Form 581-3211-C	64



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Reedsport School District No.105  
Reedsport, OR 97467

### ***Opinions***

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Reedsport SD as of and for the year ended June 30, 2025 , and the related notes to the financial statements, which collectively comprise the Reedsport SD 's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities each major fund, and the aggregate remaining fund information of Reedsport SD , as of June 30, 2025, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

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

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of 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 Reedsport SD 's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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

**Independent Auditor's Report**

aggregate, they would influence the judgment made by a reasonable user based on the financial statements in performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule for the General Fund, Schedule of Proportionate Share of the Net Pension Liability and the Schedule of Contributions for Oregon Public Employee's Retirement system and Retirement Health Insurance Account, 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 and the pension and OPEB schedules referred to above in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Reedsport SD's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part

Reedsport School District No. 105 2025  
**Independent Auditor's Report**

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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated December 30, 2025, on our consideration of the Reedsport SD'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 Reedsport SD'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 Reedsport SD's internal control over financial reporting and compliance.

***Other Reporting Required by Oregon Revised Statutes***

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 30, 2025, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon revised statements as specified in Oregon Administration rules. 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.

Neuner Davidson & Co.  
Certified Public Accountants

By:

  
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Kelsey M. Pardon, CPA  
Roseburg, Oregon  
December 30, 2025

## Management Discussion and Analysis

Reedsport School District No. 105  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

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As management of Reedsport School District No. 105 (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 \$21.2 million at June 30, 2025 consisting of \$14.9 million in capital assets, \$2.6 million in cash and investments, \$680 thousand in receivables and other assets, and \$2.8 million in deferred outflows related to pension and other post-employment benefits (OPEB). The District's assets and deferred outflows increased approximately \$1.9 million, or 10 percent from the prior year.

In the government-wide statements, the District's liabilities and deferred inflows totaled approximately \$14.9 million at June 30, 2025. Consisting of \$420 thousand in accounts payable and other liabilities, \$6.7 million in pension and other post-employment benefits, \$6.5 million in debt, and \$1.2 million in deferred inflows related to pension and OPEB.

In the government-wide statements, the District's net position (assets/deferred outflows minus liabilities/deferred inflows) was approximately \$6.3 million at June 30, 2025, of which \$14.9 million was net investment in capital assets, \$473 thousand was restricted for debt service, \$311 thousand was restricted for special purposes, and a negative balance of \$9.4 million was considered unrestricted. In the prior year, the District's net position had a balance of \$4.5 million, was approximately increased by 40 percent.

At the end of the fiscal year, the fund balance for all governmental funds was approximately \$2.7 million, an increase of \$1.3 million in comparison to the prior year. Approximately \$1.7 million of this amount is unassigned and available for spending at the District's discretion. Approximately \$970 thousand is committed or restricted to specific and intended purposes through separate funds.

At the end of the fiscal year, unassigned fund balance for the General Fund was approximately \$1.6 million, up approximately \$1.1 million from the prior year, an increase of approximately 270 percent. Unassigned fund balance in the General Fund represented about 20 percent of total General Fund expenditures.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are 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.

**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 are schedules A-1 and A-2 of the audit report and include:

- Statement of Net Assets – Modified Accrual

Reedsport School District No. 105  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

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- Statement of Activities – Modified Accrual
- In the government-wide financial statements, the District's activities are shown in one category.
- Governmental activities. Most 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.

**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. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending on particular programs. These statements are schedules B-1 to B-4 of this audit report and include:

- Governmental Funds, Balance Sheet
- Governmental Funds, Statement of Revenues, Expenditures, and Changes in Fund Balances
- Some funds are required by state law.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (such as federal grants).

The District has three types of funds: Governmental funds, Internal Service funds, and a Fiduciary fund.

**Governmental Funds** All of the District's basic services are included in the Governmental Funds. The District has the following governmental funds: Fund 100-General Fund; Funds 200-Special Revenue Funds, Funds 300-Debt Service Funds, and Funds 400-Capital Project Funds.

**Fiduciary Funds** The District is the trustee, or fiduciary, for assets that belong to others, such as a scholarship fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations. Reedsport School District currently has one fiduciary fund, the Scholarship fund.

### **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 positive net position balance. The District's assets/deferred outflows exceeded liabilities/deferred inflows by \$6.24 million at June 30, 2025.

Capital assets, which consist of the District's land, buildings, building improvements, site improvements, vehicles, and equipment, represent 70.6 percent of total assets/deferred outflows. The remaining assets/deferred outflows consist mainly of investments, cash, property taxes receivable, and deferred outflows related to pension. Last year, capital assets represented approximately 70.6 percent of total assets/deferred outflows.

At June 30, 2025, long-term liabilities consisted of \$6.5 million in the long-term portion of debt related to general obligation bonds and pension bonds and \$6.5 million in pension liabilities, together representing 79.8 percent of total liabilities/deferred inflows. The remaining liabilities/deferred inflows consist mainly of payroll and other liabilities, the short-term obligation related to the bonds payable, and deferred inflows related to pension and other post-employment benefits.

A large portion of the District's net position reflects its net investment in capital assets (e.g. land, buildings,

Reedsport School District No. 105  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

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building improvements, site improvements, vehicles and equipment). The District's net investment in capital assets remained stable at \$14.9 million. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending.

#### **Receipts by Source- Governmental Funds (All)**

<b>REVENUES</b>	<b>2023-24 Modified Accrual</b>	<b>2024-25 Modified Accrual</b>
Local	3,852,742	3,879,147
Intermediate	70,102	80,649
State	8,819,598	8,020,713
Federal	1,547,137	978,015
<b>Total Revenues</b>	<b>14,289,579</b>	12,958,525

#### **Analysis of Financial Positions & the Results of Operations**

The major operations of the District are conducted within the framework of the General Fund. 68% of the revenue to support the general operations of Reedsport School District in 2024-25 was received as State School Support. The district's State School Support receipts for fiscal 2024-25 decreased \$45,522 from 2023-24. During 2024-2025 property taxes contributed 10% of the total revenue.

#### **Disbursements - Governmental Funds (All Funds)**

<b>Disbursements</b>	<b>2023-24 Modified Accrual</b>	<b>2024-25 Modified Accrual</b>
Instruction	6,825,512	5,438,405
Support Services	5,077,881	4,083,223
Enterprise and Community	723,767	1,149,952
Debt Service	1,043,370	1,076,047
<b>Total Expenditures</b>	<b>15,372,753</b>	<b>11,747,627</b>

Total expenditures for all funds decreased by \$3,625,126 from the previous year. This is due largely to ESSER funds ending and Seismic funds nearing the deadline for expenditure.

#### **Analysis of Fund Balances & Transactions**

The General Fund balance at June 30, 2025 was \$1,552,670. This is a \$1,119,382 increase from June 30, 2024.

The Special Revenue Funds balance increased from \$217,112 at June 30, 2024 to \$398,790 at June 30, 2025, an increase of \$181,678.

Reedsport School District No. 105  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

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The Debt Service Funds balance decreased from \$675,800 at June 30, 2024 to \$473,325 at June 30, 2025, a decrease of \$202,475.

The Capital Projects Funds balance increased from \$74,384 at June 30, 2024 to \$185,687 at June 30, 2025, an increase of \$111,303.

**Budget Variance Analysis**

There was a budget resolution made in the General fund to reallocate the instruction expenditures to community services and capital expenditures.

**Long Term Debt Activity**

Reedsport School District has long term debt of \$6,533,000.

With the implementation of GASB 68 and GASB 75, additional long-term liabilities as deferred outflow of resources in the amount of \$2,755,208 is reflected on the Statement of Net Position.

Additional information on the District's long-term debt and GASB 68 can be found in the notes to the basic financial statements of this report.

**Contacting the District's Financial Management**

This financial report is designed to provide the district's citizens, taxpayers, customers, investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability. For answers to questions concerning any of the information provided or to request additional information, please contact the District Business Manager at 100 Ranch Road, Reedsport, OR 97467.

## Basic Financial Statements

Reedsport School District No. 105

## Statement of Net Position

June 30, 2025

	Governmental Activities
<b>ASSETS</b>	
Current Assets	
Cash and Investment	\$ 2,281,245
Property Tax Receivable	358,760
Other Receivables	597,838
Inventories	48,435
Other Post Employment benefits assets -RHIA	<u>123,610</u>
	<u>3,409,888</u>
Noncurrent Assets	
Capital Assets:	
Building and Improvements	24,153,229
Equipment	3,393,318
Land and Land Improvements	742,986
Less: Accumulated Depreciation	<u>(13,343,002)</u>
	<u>14,946,531</u>
	<b><u>18,356,419</u></b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>	
Deferred outflows related to pensions (OPERS)	2,740,476
Deferred outflows related to other post employment benefits	14,732
Deferred outflows related to the post- employment benefits (RHIA)	<u>3,490</u>
Total Deferred outflow of resources	<b><u>2,758,698</u></b>
<b>LIABILITIES</b>	
Accounts Payable	21,755
Payroll Liabilities	341,172
Accrued Interest Payable	19,302
Accrued Compensated Absences Payable	40,857
Net Pension Liability	6,531,933
Other post-employment benefit obligation	127,210
Bonds Payable	
Due within the year	917,000
Due in more than one year	<u>5,616,000</u>
<b><u>TOTAL LIABILITIES</u></b>	<b><u>13,615,229</u></b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Net Difference in RHIA Investment	16,223
Changes in Pension Proportion	1,074,849
Net Difference in Single Employer Medical Benefit Plan	<u>164,523</u>
<b><u>TOTAL DEFERRED INFLOWS OF RESOURCES:</u></b>	<b><u>1,255,595</u></b>
<b>NET POSITION</b>	
Investment in Capital Assets	14,946,531
Restricted	
Debt Services	473,325
Special Purpose	311,441
Unrestricted	<u>(9,487,004)</u>
	<b><u>\$ 6,244,294</u></b>

Reedsport School District No. 105

## Statement of Activities

For the Fiscal Year Ended June 30, 2025

Functions	(Expenditures)	Program Receipts		Net (Expenditures) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	
Instruction	\$ (5,437,114)	\$ 14,074	\$ 1,211,420	\$ (4,211,620)	
Support Services	(4,049,031)	-	681,929	(3,367,102)	
Enterprise and Community Services	(636,406)	-	613,551	(22,855)	
Facilities and Construction	13,603	-	477,152	490,755	
Debt Service	(227,047)	-	872,975	645,928	
Depreciation	(485,217)	-	-	(485,217)	
Total Governmental Activities	<u>\$ (10,821,212)</u>	<u>\$ 14,074</u>	<u>\$ 3,857,027</u>	<u>(6,950,111)</u>	

## General Revenues:

Local Sources		\$ 2,601,097
Property Taxes		130,559
Earnings on Investments		13,299
Extra Curricular Fees		219,202
Miscellaneous		2,238
General ESD		7,815
County School Fund		6,019,924
State School Support		78,203
Common School Support		(435,651)
GASB 68 Expense		27,749
GASB 75 Income		19,169
GASB 73 Expense		15,086
Federal Forest Fees		
Subtotal - General Revenues		<u>8,698,690</u>
Change in Net Position		1,748,580
Net Position, June 30, 2024		<u>4,495,713</u>
Net Position June 30, 2025		<u>\$ 6,244,294</u>

Reedsport School District No. 105

## Governmental Funds

## Balance Sheet

June 30, 2025

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total
<b>ASSETS</b>					
Cash	\$ 625,162	\$ 309,461	\$ 489,346	\$ 36,585	\$ 1,460,553
Investments - State Pool	665,584	-	3,164	151,944	820,692
Receivable - Property Taxes	282,756	-	76,004	-	358,760
Accounts Receivable- Other	293,258	304,580	-	-	597,838
Inventory	-	48,435	-	-	48,435
Due from Other Funds	287,566	-	-	-	287,566
<b>Total Assets</b>	<b>\$ 2,154,326</b>	<b>\$ 662,476</b>	<b>\$ 568,514</b>	<b>\$ 188,529</b>	<b>\$ 3,573,844</b>
<b>LIABILITIES:</b>					
Accounts Payable	\$ 14,581	\$ 8,174	\$ -	\$ -	\$ 22,755
Payroll Liabilities	341,172	-	-	-	341,172
Due to Other Funds	-	255,512	29,211	2,842	287,566
	<b>355,753</b>	<b>263,686</b>	<b>29,211</b>	<b>2,842</b>	<b>651,493</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred Property Tax	245,902	-	65,978	-	311,880
<b>Total Liabilities</b>	<b>601,655</b>	<b>263,686</b>	<b>65,978</b>	<b>2,842</b>	<b>963,373</b>
<b>FUND BALANCE:</b>					
Fund Balances:					
NonSpendable	-	48,435	-	-	48,435
Restricted	-	263,006	473,325	-	736,331
Assigned	-	-	-	185,687	185,687
Unassigned	1,552,670	87,349	-	-	1,640,019
<b>Total Fund Balance</b>	<b>1,552,670</b>	<b>398,790</b>	<b>473,325</b>	<b>185,687</b>	<b>2,610,472</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 2,154,326</b>	<b>\$ 662,476</b>	<b>\$ 568,514</b>	<b>\$ 188,529</b>	<b>\$ 3,573,844</b>

Reedsport School District No. 105Reconciliation of the Governmental Funds Balance Sheet  
To the Statement of Net Position

For the Fiscal Year Ended June 30, 2025

Total governmental fund balances	\$ 2,610,472
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Total Governmental Capital Assets net of Depreciation	14,946,531
Property taxes will not be available to pay for current-period expenditures and, therefore, are not reported in the funds.	311,880
Net pension asset (liability) is not a financial resource and therefore is not reported in governmental funds.	(6,531,933)
Net OPEB asset (liability) is not a financial resource and therefore is not reported in governmental funds.	(127,210)
Net Other Post Retirement Benefits (OPEB) asset (liability) is not a financial resource is not a financial resource and therefor is not reported in the governmental funds.	123,610
Current year PERS contributions are deferred outflows of resources that will be recognized expense in the subsequent period.	2,740,476
Current year Other Post Retirement Benefits (OPEB) Contributions are deferred outflows of resources that will be recognized expense in the subsequent period.	3,490
Current year Other Post Retirement Benefits (OPEB) Contributions are deferred outflows of resources that will be recognized expense in the subsequent period.	14,732
The District's PERS porportionate share of net differences between projected and actual earnings on investments that will be amortized over five years.	(1,074,849)
The District's OPEB proportionate share of net differences between projected and actual earnings on investments that will be amortized over five years.	(16,223)
The District's OPEB proportionate share of net differences between projected and actual earnings on investments that will be amortized over five years.	(164,523)
Long Term liabilities are not due and payable in the current period and therefor are not reported in the governmental funds:	
Compensated absences payable	(40,857)
Long Term Debt	(6,533,000)
Interest Accrual	(18,302)
Net Position of Governmental Activities	<u>\$ 6,244,294</u>

Reedsport School District No. 105  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds

June 30, 2025

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES:</b>					
Property Taxes	\$ 2,547,955	\$ -	\$ 872,975	\$ -	\$ 3,420,930
State Sources	6,354,908	1,158,456	-	507,349	8,020,713
Federal Sources	15,086	962,929	-	-	978,015
Earnings on Investments	130,559	98	-	-	130,657
Fees and Charges	13,299	-	-	-	13,299
Miscellaneous	299,255	95,059	597	-	394,911
<b>Total Revenues</b>	<b>9,361,061</b>	<b>2,216,542</b>	<b>873,572</b>	<b>507,349</b>	<b>12,958,525</b>
<b>EXPENDITURES:</b>					
Instruction	4,451,711	986,694	-	-	5,438,405
Supporting Services	3,374,713	676,010	-	32,500	4,083,223
Community Services	-	636,406	-	-	636,406
Facilities and Construction	-	-	-	513,546	513,546
Debt Service	-	-	1,076,047	-	1,076,047
<b>Total Expenditures</b>	<b>7,826,424</b>	<b>2,299,110</b>	<b>1,076,047</b>	<b>546,046</b>	<b>11,747,627</b>
<b>OTHER FINANCING SOURCES:</b>					
Gain (loss) on Sale of Asset	-	-	-	-	-
Operating Transfers In	-	250,000	-	150,000	400,000
Operating Transfers Out	(401,000)	-	-	-	(401,000)
<b>Total Other Sources</b>	<b>(401,000)</b>	<b>250,000</b>	<b>-</b>	<b>150,000</b>	<b>(1,000)</b>
Excess of Revenues Over (Under) Expenditures	1,133,637	167,432	(202,475)	111,303	1,209,898
<b>BEGINNING FUND BALANCE</b>	<b>433,278</b>	<b>217,112</b>	<b>675,800</b>	<b>74,384</b>	<b>1,400,574</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>(14,246)</b>	<b>14,246</b>			-
<b>BEGINNING FUND BALANCE, RESTATED</b>	<b>419,033</b>	<b>231,358</b>	<b>675,800</b>	<b>74,384</b>	<b>1,400,575</b>
<b>ENDING FUND BALANCE - BY CATEGORY</b>					
Restricted	-	263,006	473,325	185,687	922,018
Assigned	-	48,435	-	-	48,435.00
Unassigned	1,552,670	87,349	-	-	1,640,019
<b>FUND BALANCE, June, 30, 2025</b>	<b>\$ 1,552,670</b>	<b>\$ 398,790</b>	<b>\$ 473,325</b>	<b>\$ 185,687</b>	<b>\$ 2,610,472</b>

Schedule:

C-1

D-1

C-8

D-2

Reedsport School District No. 105

Reconciliation of the Government Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2025

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Net changes in fund balances - total governmental funds	\$ 1,209,898
Amounts reported for governmental activities in the Statement of Activities are different because:	
Interfund Transfers to the fiduciary funds not included in the governmental funds	1,000
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.	
Current Year Asset Additions	527,149
Current Year Depreciation	<u>(485,217)</u>
	41,932
Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue. However, these funds are recorded as revenue in the statement of activities.	53,142
Repayment of debt principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.	
Debt Principal Paid	849,000
Changes in Interest Payable, the related changes in deferred outflows	1,291
Changes in net pension liability, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in the government funds:	(435,651)
Changes in net RHIA liability, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in the government funds:	27,749
Changes in net OPEB liability, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in the government funds:	19,169
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	(18,950)
Change in Net Position - Governmental Activities	<u>\$ 1,748,580</u>

Reedsport School District No. 105Statement of Net Position  
Fiduciary Fund

For the Fiscal Year Ended June 30, 2025

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	Private Purpose Trusts
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 228,982
<b>Total Assets</b>	<u>\$ 228,982</u>
 <b>NET POSITION</b>	
Restricted for Scholarships	\$ 228,982
<b>Total Net Position</b>	<u>\$ 228,982</u>

Reedsport School District No. 105Statement of Changes in Fiduciary Net Position  
Fiduciary Fund

For the Fiscal Year Ended June 30, 2025

	<u>Actual</u>
<b>ADDITIONS:</b>	
Local Sources:	
Donations	<u>\$ 5,341</u>
Total Revenues	<u>5,341</u>
<b>DEDUCTIONS:</b>	
High School Programs	<u>14,458</u>
Total Instruction	<u>14,458</u>
Library Media Center	<u>-</u>
Total Support Services	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	<u>(8,117)</u>
<b>NET POSITION, June, 30, 2024</b>	<u>237,099</u>
<b>NET POSITION, June, 30, 2025</b>	<u><u>\$ 228,982</u></u>

Notes to Financial Statements

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Reedsport School District No. 105 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

### **A. The Reporting Entity**

Reedsport School District No. 105 (the District), Reedsport, 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 five-member Board of Directors (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. In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP). The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities.

### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of Net Position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program Revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program Revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, State and County aid, and other items not included among program revenues are reported instead as general Revenues.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Government-Wide Financial Statements - The government-wide financial statements are reported using the *economic resource measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all

REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)**

eligibility requirements imposed by the grantor or provider have been met. As a general rule the effect of inter-fund activity has been eliminated from the governmental-wide financial statements.

**Fund Financial Statements** - Governmental fund financial statements are reported using the *current financial resources measurement focus* and *modified accrual basis of accounting*. Under this method of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenue available if collected within 60 days after year end.

Expenditures are recorded when the related fund liability is incurred, except for expenditures for principal and interest on long-term debt which is recognized when due, certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources, and early retirement benefits which are recorded when paid.

The use of deferred inflows and outflows ensures that financial activity is matched with the appropriate accounting period, leading to more accurate reporting of District's financial position. Deferred outflows of resources represent a consumption of net position that applies to future reporting periods and will not be recognized as an outflow of resources until that time. Examples of items reported as deferred outflows include contributions to pension and other postemployment benefit (OPEB) plans made subsequent to the measurement date.

Deferred inflows of resources represent an acquisition of net position that applies to future reporting periods and will not be recognized as an inflow of resources (revenue) until that time. Examples of items reported as deferred inflows include unavailable revenues related to property taxes, grants, and other receivables not yet collected, as well as certain pension and OPEB-related items.

Legal claims which are not collected within 60 days of the fiscal year end, have been recorded as deferred revenue. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The major governmental funds reported by the District include:

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

**Special Revenue Fund** - This fund accounts for revenue sources that are restricted or committed to expenditure for specific purposes. This fund accounts for the revenues and expenditures related to Federal and State grants, as well as those related to student body activities.

**Debt Service Fund** - This fund accounts for and reports the payment of principal and interest on debt obligations of the District. Principal revenue sources are charges to other funds, property taxes, and interest.

**Capital Projects Fund** - This fund accounts for the acquisition, construction and maintenance of improvements within the District. The principal revenue source is state grants.

**D. Cash and Investments.**

The District's cash and investments include amounts in demand deposits, savings accounts and the State Pool. The District's cash management policies are governed by state statutes which authorize

the District to invest in bankers' acceptances, time certificates of deposit, re-purchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool. Cash and investments are stated at cost.

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **E. Property Taxes**

Uncollected property taxes receivable is shown as an asset and a reserve for property tax receivable. Accordingly, they have not been recorded as a revenue. Property taxes are considered to be fully collectible. All of the District's property taxes are collected by the county. Ad valorem property taxes are a lien on all taxable property as of January 1 for personal property and on July 1 for real property. Taxes are levied on November 15. The 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 after May 15 are considered delinquent.

### **F. Accounts and Other Receivables**

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants. Due to the nature of the receivables and the likelihood of collection, no provision for un-collectibles has been made.

### **G. Inventory**

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

### **H. Grants**

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

### **I. Interfund Transactions**

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. These advances (reported in "due from" asset accounts) are estimated in the Government-Wide Financial Statements.

### **J. Capital Assets**

A complete inventory was conducted in May 2001 of the District's land, buildings, and equipment. The capital assets are recorded at cost or estimated original cost. The District capitalizes all individual assets over \$5,000 and depreciates them over their estimated useful life using the straight-line method.

Estimated useful lives of:

Building and Improvements 10 to 50 years  
Vehicles and equipment 5 to 30 years

### **K. Long-term Debt**

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable is reported net of the applicable bond premium or discount. In the fund financial statements bond premiums and discounts are recognized when incurred and not deferred. The face amount of the debt issued, premiums and discounts received on debt issuances, and deferred charges 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.

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **L. Pensions**

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

### **M. Post-Employment Benefits**

The District's other post-employment benefit plan (OPEB) includes an implicit rate subsidy for medical insurance. GAAP requires biennial actuarial valuation of the District's OPEB. This valuation includes both eligible active employees and retirees. With each valuation, the net OPEB obligation or asset is determined, as well as an annual OPEB cost, which the District records in the government-wide financial statements. Additionally, substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (OPERS) – Retirement Health Insurance Account (RHIA). Contributions to OPERS RHIA are made on a current basis as required by the plan and are charged as expenses.

### **N. 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. The District currently has deferred outflows related to pension costs and OPEB costs reported on the Statement of Net Position. 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. The District currently has deferred inflows related to pension costs and OPEB costs reported on the Statement of Net Position. Deferred inflows related to pensions and other post-employment benefits arise under the full accrual basis of accounting that qualifies for reporting under this category. Accordingly, these items are reported in the government-wide financial statements.

In contrast, deferred inflows related to property taxes (unavailable revenue) arise under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

### **O. Long-term Debt**

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements bond premiums and discounts are recognized when incurred and not deferred. The face amount of the debt issued, premiums and discounts received on debt issuances, and deferred charges 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.

### **P. Accrued Compensated Absences and Sick Pay**

Accumulated vested vacation pay is accrued as it is earned on the government-wide financial statements. For governmental funds, no amount is reported and this represents a reconciling item between the fund-level and government-wide presentations.

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Q. Net Position and Fund Balances**

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

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

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

*Unrestricted net position* – All other remaining net position that does not meet the definition of “restricted” and is available for general use by the District.

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

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 Directors, by formal board action.

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

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

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

## **2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **Fund Accounting**

The District uses fund and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY(Cont'd)**

### **Fund Accounting (Cont'd)**

Governmental fund types are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Internal Service funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such are provided to other departments or agencies primarily within the government.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund or an expendable trust fund is used. The terms "assigned" and "unassigned" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

### **Budget**

The District budgets all funds as required by state law. The District appropriates the expenditures at the instruction, supporting services, enterprise and community service, interagency/fund transaction, debt service and contingency levels.

The appropriation resolution extends the legal authority for the administrative staff to make expenditures within these broad program categories. Oregon Local Budget Law permits appropriation transfers from one category to another with the approval of the Board of Directors. The detailed budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution.

A supplemental budget may require hearings before the public, publications in newspapers, and approval by the Board of Directors. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the Board of Directors. Appropriations lapse as of year-end. The District budgets for all funds on the cash basis as provided in ORS 294.305.

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY(Cont'd)**

### **Changes in Budget Appropriations**

Local Budget Law allows appropriation changes to be made to the originally adopted budget. The following budget changes were made for the fiscal year July 01, 2024 to June 30, 2025. This is due to appropriations that were not sufficient to cover actual expenditures in special revenue and general fund categories, but total appropriations were sufficient to allow an appropriation transfer:

	Original Budget	Change	Final Budget
General Fund			
Major Function 1000	5,052,154	(110,000)	4,942,154
	<u>5,052,154</u>	<u>(110,000)</u>	<u>4,942,154</u>
Special Revenue Fund			
Major Function 3000	666,555	60,000	726,555
	<u>666,555</u>	<u>60,000</u>	<u>726,555</u>
Capital Projects Fund			
Major Function 4000	500,000	50,000	550,000
	<u>500,000</u>	<u>50,000</u>	<u>550,000</u>

## **3. CASH AND INVESTMENTS**

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Investments."

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

Cash in Checking - Governmental Funds	\$ 1,469,507
Investment - State Pool	\$ 820,692
<b>Total Cash</b>	<b>\$ 2,290,199</b>

As required by Oregon Revised Statutes, Chapter 295, deposits in excess of insurance limits were held at qualified depositories for public funds. The "weighted average maturity in years" calculation assumes that all investments are held until maturity. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits investments to no more than 18 months.

Custodial credit risk, for deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As required by Oregon Revised Statutes, Chapter 295, deposits in excess of FDIC coverage were held at qualified depositories for public funds.

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

Custodial credit risk, for investments, is the risk that, in the event of the failure of the counter-party, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's total investments, the district has no custodial credit risk.

State of Oregon statutes restrict the types of investments in which the district may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool. The district has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2024-2025. Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **3. CASH AND INVESTMENTS(Cont'd)**

an external investment pool that is not a 2a- 7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board. Investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool.

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 294.035 and 294.810. These funds are held in the district's name and are not subject to collateralization requirements of ORS 295.015. Investments are stated at amortized cost, which approximates fair value. As of June 30, 2025 and for the year then ended, the district was in compliance with the aforementioned State of Oregon statutes.

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

**Concentration of Credit Risk.** The district is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The district has no such investments.

**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.

*Credit Risk.* The LGIP 's portfolio concentration of credit risk at June 30, 2025 included:

LGIP credit risk data:	
U.S. Government & Agency securities	19.06%
Municipal Government securities	2.27%
Non U.S. Government debt obligations	10.95%
Corporate securities	14.58%
Corporate obligations	29.64%
Asset-backed Securities	21.48%
Certificates of Deposits	0.85%
Cash in Banks	1.17%
	<hr/> <u>100.00%</u>

*Interest Rate Risk.* While the District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, it has historically invested only in the LGIP.

LGIP investments as of June 30, 2025:	
mature within 93 days	88.57%
mature within 94 days to one year	7.01%
mature one year and beyond	4.42%
	<hr/> <u>100.00%</u>

REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

**3. CASH AND INVESTMENTS(Cont'd)**

Disclosures about fair market value of assets. Fair market 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.

The fair market value and maturity of the investment were:

Investments Type	Concentration % of portfolio	Investments Maturities (in Months)	
		Fair Market Value	3-17
Fair Market Value			
Local Governmentnvestment Pool	100%	\$ 820,692	\$ 820,692
Total		\$ 820,692	\$ 820,692

**4. RECEIVABLES**

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

	Taxes	Intergovernmental	Total
General Fund	\$ 282,756	\$ -	\$ 282,756
Special Revenue Fund	-	633,870	633,870
Debt Service Fund	76,004	-	76,004
	<u>\$ 358,760</u>	<u>\$ 633,870</u>	<u>\$ 992,630</u>

**5. CAPITAL ASSETS**

A summary of capital asset activity for the fiscal year ended June 30, 2025 follows:

Governmental Activities	July 01, 2024	Additions	Deletions	June 30, 2025
Assets not Being Depreciated:				
Land	\$ 622,451	\$ -	\$ -	\$ 622,451
Assets Being Depreciated:				
Land Improvements	120,535	-	-	120,535
Buildings & Improvements	23,658,380	494,849	-	24,153,229
Equipment	3,361,018	32,300	-	3,393,318
Total Depreciable Assets	27,139,933	527,149	-	27,667,082
Less Accumulated Depreciation				
Land Improvements	(99,442)	(6,027)	-	(105,469)
Buildings & Improvements	(9,781,997)	(447,643)	-	(10,229,640)
Equipment	(2,976,345)	(31,548)	-	(3,007,893)
Total Accumulated Depreciation	(12,857,784)	(485,218)	-	(13,343,002)
Net Value of Capital Assets	-			-
Being Depreciated	\$ 14,282,149	\$ 41,931	\$ -	\$ 14,324,080
Total Governmental Activities				
Net Value of Capital Assets	<u>\$ 14,904,600</u>	<u>\$ 41,931</u>	<u>\$ -</u>	<u>\$ 14,946,531</u>

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **6. PENSION PLAN**

General Information about the Pension Plan

### **Plan Description**

Employees of the district are provided with pensions through the Oregon Public Employees Retirement System (OPERS), which is a hybrid plan with both a defined benefit portion (pension program) and a defined contribution (IAP) portion. The Pension Program, established by ORS Chapter 238A provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Annual Comprehensive Financial Report and Actuarial Valuation that can be obtained at

<http://www.oregon.gov/pers/Pages/section/financialreports/fmancials.aspx>.

### **Benefits Provided**

#### **1. Tier One/Tier Two Retirement Benefit ORS Chapter 238**

##### **Pension Benefits**

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

##### **Death Benefits**

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

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

##### **Disability Benefits**

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

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **6. PENSION PLAN (Cont'd)**

### **1. Tier One/Tier Two Retirement Benefit ORS Chapter 238 (Cont'd)**

#### **Benefit Changes**

After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

### **2. OPSRP Pension Program (OPSRP DB)**

#### **Pension Benefits**

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

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

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

#### **Death Benefits**

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

#### **Disability Benefits**

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

#### **Benefit Changes After Retirement**

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

#### **Pension Benefits**

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP 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.

REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

**6. PENSION PLAN (Cont'd)**

**2. OPSRP Pension Program (OPSRP DB) (Cont'd)**

**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.

**Recordkeeping**

OPERS contracts with VOYA Financial to maintain IAP participant records.

**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 the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2022 actuarial valuation as subsequently modified by 2024 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2015.

Employer contributions for the year ended June 30, 2025 were \$803,904, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2025 were 15.82 percent for Tier One/Tier Two General Service Member, 12.98 percent for OPSRP Pension Program General Service Members, and 6.00 percent for OPSRP Individual Account Program.

**Pension Liabilities, 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 \$6,531,933 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 rolled forward to June 30, 2024. The district's proportion of the net pension liability was based on a projection of the district's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, the district's proportion was 0.02670132 percent, which was decreased from its proportion of 0.03179003 measured as of June 30, 2023.

**REEDSPORT SCHOOL DISTRICT NO. 105**

Notes to  
Financial Statements

at

June 30, 2025

**6. PENSION PLAN (Cont'd)**

**2. OPSRP Pension Program (OPSRP DB) (Cont'd)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

For the year ended June 30, 2025, the district's recognized pension expense of \$ 803,904. 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 Resources
Differences between expected and actual experience	\$ 386,957	\$ 15,590
Changes of assumptions	656,723	841
Net difference between projected and actual earnings on investments	414,960	-
Changes in proportion	477,932	506,186
Difference between employer contributions and proportionate share of contributions	-	552,232
Total( prior to post-MD contributions)	1,936,572	1,074,849
Contributions subsequent to the MD	803,904	
<b>Total</b>	<b>\$ 2,740,476</b>	<b>\$ 1,074,849</b>

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Outflows	Deferred Inflows
Amortization Period	Amortization Period
FY2025 \$ -	FY2025 \$ 161,205
FY2026 548,038	FY2026 -
FY2027 234,227	FY2027 -
FY2028 184,133	FY2028 -
FY2029 56,529	FY2029 -
<b>\$ 1,022,927</b>	<b>\$ 161,205</b>

**Actuarial Assumptions**

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

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **6. PENSION PLAN (Cont'd)**

### **3. OPSRP Individual Account Program (OPSRP IAP) (Cont'd)**

benefit component, and (3) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumption:

Valuation Date, Measurement Date	December 31, 2022 rolled forward to June 30, 2024
Experience Study Report	2022, Published July 24, 2023
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.40%
Long Term Expected Rate of Return	6.90%
Investment Rate of Return	6.90%
Projected Salary Increases	3.4
Cost of living adjustments	Blend of 2.00%COLA and graded COLA in accordance with Moro
Mortality	<b>Healthy retirees and beneficiaries:</b> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <b>Active members:</b> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <b>Disabled retirees:</b> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Experience studies are performed as of December 31 of even-numbered years. The method and assumptions shown are based on the 2022 Experience Study which is reviewed for the four-year period ending December 31, 2023.

#### **Long-term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2022, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**REEDSPORT SCHOOL DISTRICT NO. 105**

Notes to  
Financial Statements

at

June 30, 2025

**6. PENSION PLAN (Cont'd)**

**3. OPSRP Individual Account Program (OPSRP IAP) (Cont'd)**

**Long-term Expected Rate of Return (Cont'd)**

<b>Asset Class/Strategy</b>	<b>Assumed Asset Allocation</b>		
	<b>Low Range</b>	<b>High Range</b>	<b>Target</b>
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	9.0%	16.5%	12.5%
Private Equity	17.5%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

**Depletion Date Projection**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Annual Arithmetic Return</b>	<b>20-Year Annualized Geometric Mean</b>	<b>Annual Standard Deviation</b>
Global Equity	27.50%	8.57%	7.07%	17.99%
Private Equities	25.50%	12.89%	8.83%	30.00%
Core Fix Income	25.00%	4.59%	4.50%	4.22%
Real Estate	12.25%	6.90%	5.83%	15.13%
Master Limited Partnerships	75.00%	9.41%	6.02%	27.04%
Infrastructure	1.50%	7.88%	6.51%	17.11%
Hedge Fund of Funds - Miltistrategy	1.25%	6.81%	6.27%	9.04%
Hedge Fund of Equity - Hedge	0.63%	7.39%	6.48%	12.04%
Hedge Fund - Macro	5.62%	5.44%	4.83%	7.49%
Total	<u>100%</u>			
Assumed Inflation - Mean			2.35%	1.41%

**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.

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

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **6. PENSION PLAN (Cont'd)**

### **3. OPSRP Individual Account Program (OPSRP IAP) (Cont'd)**

#### **Discount Rate (Cont'd)**

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 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
District's proportionate share of the net pension liability ( asset)	\$ 10,303,859	\$ 6,531,993	\$ 3,372,761

#### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

#### **Changes Subsequent to Measurement Date**

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

There are no changes subsequent to the June 30, 2024 Measurement Date that meet this requirement and thus would require a brief description under the GASB 68 statement.

#### **Deferred Compensation Plan**

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

#### **OPSRP Individual Account Program (OPSRP IAP)**

##### **Plan Description**

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

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **6. PENSION PLAN (Cont'd)**

### **3. OPSRP Individual Account Program (OPSRP IAP) (Cont'd)**

#### **Pension Benefits**

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

#### **Death Benefits**

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

## **7. OTHER POST EMPLOYMENT BENEFITS RHIA**

#### **Plan Description**

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

#### **Funding Policy**

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

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.50% of annual covered OPERF payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2020. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortized any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

**7. OTHER POST EMPLOYMENT BENEFITS RHIA (Cont'd)**

**Funding Policy (Cont'd)**

At June 30, 2025, the District reported a net OPEB liability/(asset) of (123,610) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2024, the District's proportion was 0.03060348 percent. OPEB expense for the year ended June 30, 2025 was \$27,954.

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/Income	\$(14,696)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share	(13,258)
-Differences between employer contributions and employer's proportionate share of system contributions	-
	<u><u>\$ (27,954)</u></u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,418
Changes of assumptions	-	1,564
earnings on investments	3,490	-
Changes in proportionate share	-	<u>12,241</u>
Total (prior to post-MD contributions)	3,490	16,223
Contributions subsequent to the MD	-	-
<b>Total</b>	<b><u>\$ 3,490</u></b>	<b><u>\$ 16,223</u></b>

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **7. OTHER POST EMPLOYMENT BENEFITS RHIA (Cont'd)**

### **Funding Policy (Cont'd)**

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2024:

Valuation Date, Measurement Date	December 31, 2022 rolled forward to June 30, 2024
Experience Study Report	2022, Published July 24, 2023
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.40%
Long Term Expected Rate of Return	6.90%
Investment Rate of Return	6.90%
Projected Salary Increases	3.4
Cost of living adjustments	Blend of 2.00%COLA and graded COLA in accordance with Moro
Mortality	<b>Healthy retirees and beneficiaries:</b> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <b>Active members:</b> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <b>Disabled retirees:</b> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

Year Ending June 30	
1st fiscal year	\$ (18,187)
2nd fiscal year	3,164
3rd fiscal year	1,888
4th fiscal year	403
Total	<u>\$ (12,733)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2023. That independently audited report was dated January 1, 2025.

### **Actuarial Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based in the 2024 Experience Study which is reviewed for the four-year period ending December 31, 2022.

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **7. OTHER POST EMPLOYMENT BENEFITS RHIA (Cont'd)**

### **Discount Rate**

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

payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

### **Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumption team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<b>Asset Class/Strategy</b>	<b>Low Range</b>	<b>High Range</b>	<b>Target</b>
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	9.0%	16.5%	12.5%
Private Equity	17.5%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

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

	<b>1% Decrease (5.90%)</b>	<b>Discount Rate (6.90%)</b>	<b>1% increase (7.90%)</b>
District's proportionate share of the			
Net RHIA liability ( asset)	\$ (114,425)	\$ (123,610)	\$ (131,518)

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **8. POST-EMPLOYMENT 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 and the District contributes to the State of Oregon's OPERS cost sharing multiple employer defined benefit plan.

### **Single-Employer Defined Benefit Health Care Plan**

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.

### **Employees Covered by Benefit Terms**

As of the valuation date of July 1, 2023, the following employees were covered by the implicit benefit terms:

Active Plan Members	93
Retired members receiving benefits	1
	<u>94</u>

### **Total OPEB Liability**

The District's total OPEB liability of \$127,210 was measured as of June 30, 2024, and was determined by an actuarial valuation date as of July 1, 2023.

### **Changes in the Total OPEB Liability:**

OPEB Liability at June 30, 2024	\$ 104,799
Changes for the year:	
Service Cost	32,015
Interest on total OPEB liability	4,775
Economic/Demographic Gain and Loss	-
Changes in assumptions	(2,290)
Benefit payments	(12,089)
OPEB Liability at June 30, 2025	<u>\$ 127,210</u>

**REEDSPORT SCHOOL DISTRICT NO. 105**

Notes to  
Financial Statements

at

June 30, 2025

**8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)**

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

Input	Assumptions
Actuarial Cost Method	Entry age normal, level percent of salary
Interest Rate Utilized for Discounting	3.65% for year ended 2023. Amounts reflect 20-year GO Bond Index
General Inflation	2.4% per year
Salary Scale	3.4% per year
Health Care Cost Trend	Between 3.0% and 5.0% annually
Dental and Vision Trend	4.0% per year
Annual Premium Increase Rate	No adjustment due to COVID-19 uncertainty
Mortality Rates	Pub-2010 Teacher Employee and Healthy Retiree tables, sex distinct
Withdrawal	Based upon OPERS assumption, annual rates are based on gender and duration of employment.
Retirement	Based upon OPERS assumption, annual rates are based on age, Tier / OPSRP, and duration of service.
Excluded Employees	Part-time employees not eligible to participate in OPERS or not eligible for health care benefits were generally excluded from valuation.
Past PERS service	PERS service as of the valuation date was generally estimated based upon information provided by the District.
Future PERS Service	Projected PERS service for retirement eligibility is generally assumed to accrue at a rate of 1.0 per year until retirement
Future Retiree Coverage	35% of active members were assumed to elect coverage upon retirement. 50% of male members and 35% of female members who elect coverage upon retirement are also assumed to elect spouse coverage
Lapse Rate	Retirees for whom the District will never pay any portion of the health care premiums are assumed to have a 5% probability of lapsing (dropping) coverage per year.
Spouse Age	Female spouses are assumed to be two years younger than male spouses. Male spouses were assumed to be two years older than their female spouses.

**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	Current Discount	1% Increase
Single Employer Defined Benefit	\$ 135,258	\$ 127,210	\$ 119,559
Health Care Plan OPEB Liability			

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

For the year ended June 30, 2025, the District recognized an expense related to OPEB of \$577. The \$577 was treated as an increase of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 66%, 29% and 5%, respectively.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ (103,916)	\$ -
Changes of assumptions	(60,607)	5,040
Benefit payments	-	9,692
<b>Total</b>	<b>\$ (164,523)</b>	<b>\$ 14,732</b>

**REEDSPORT SCHOOL DISTRICT NO. 105**

Notes to  
Financial Statements

at

June 30, 2025

**8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)**

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 or (expense reduction) as follows:

<u>Year Ended June 30</u>	<u>Net Deferred Outflow/(Inflow) of Resources</u>
2026	\$ (45,912)
2027	(36,911)
2028	(32,168)
2029	(21,360)
2030	(17,616)
Thereafter	(5,516)
<b>Total</b>	<b>\$ (159,482)</b>

**9. RECEIVABLES**

Receivables at June 30, 2025 consist of uncollected property taxes from the past 10 years tax levies, as estimated by the county tax collector. No allowance for un-collectibles is included in the financial statements. Other accounts receivable consists of common school fund and miscellaneous sources.

Accounts receivables at June 30, 2025 consist of the following:

	<u>Taxes</u>	<u>Intergovernmental</u>	<u>Total</u>
General Fund	\$ 282,756	\$ -	\$ 282,756
Special Revenue Fund	-	633,870	633,870
Debt Service Fund	76,004	-	76,004
	<b>\$ 358,760</b>	<b>\$ 633,870</b>	<b>\$ 992,630</b>

**10. ACCOUNTS PAYABLE**

Expenses incurred during the current fiscal year which were unpaid at the end of the year have been accrued and reflected as a liability in the combined balance sheet. The amounts are recorded as fund expenditures under the appropriate function and object expenditure category.

**11. COMPENSATED ABSENCES**

Unpaid vacation and accumulated sick pay are accrued as follows:

Vacation time for full time classified staff accrues from the first day of employment at the rate of 10 days per year for the first ten years of employment and 15 days per year after that. Vacation time is non-cumulative--it must be used within 12 months of the employees' anniversary date unless other exceptions are made by the board. Amount of vacation accrued at June 30, 2025 is \$40,857:

	<u>Accrued</u>	<u>Used/ Forfeited</u>	<u>Accrued</u>
	<u>June 30, 2024</u>		<u>June 30, 2025</u>
Governmental Activities	\$ 21,907	\$ 37,248	\$ (18,298)
			\$ 40,857

REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

**11. COMPENSATED ABSENCES(Cont'd)**

Teachers and classified staff earn one sick day for each month worked not to exceed 10 days per year for teachers. Teachers may accumulate sick pay without limitation as to the hours of accumulation. All sick pay benefits are terminated and forfeited upon termination of employment for any reason. However, accumulated sick leave may be utilized upon reaching legal retirement age per ORS 237.153. The amount of potential liability is unmeasurable so no accrual is made and all sick time is expensed when paid.

**12. CONTINGENT LIABILITIES**

The School District has elected, under the State Unemployment Act of July 1, 1974 to reimburse the State Employment Department for any claims paid. Reimbursements are made from the District's Unemployment Insurance Fund. The District is unable to determine at this time the amount of the contingent liability for potential unemployment insurance claims.

**13. RISK MANAGEMENT**

The school District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District pays annual insurance premiums to commercial insurance providers for coverage of the above risks in amounts it has determined is appropriate. Therefore, insurance coverage is the primary source of managing the District's risks. Settled claims resulting from insured risks have not exceeded their coverage in any of the past three fiscal years.

**14. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The following is a summary of Interfund payables and receivables are reported in the fund financial statements:

	Due From	Due To
General Fund	\$ 287,566	\$ -
Early Learning Fund		45,692
ESSA Grant	-	4,100
Title IA Fund		75,029
Title IIA Fund		4,346
Title VIB-RLIS Fund		11,747
State and Local Grant		13,109
High School Success Fund		32,834
Education Enrichment Fund		3,791
Outdoor School Fund		1,200
IDEA Fund		35,077
Food Service Fund		27,532
Student Body Fund		1,056
Debt Service Fund		29,211
Capital Project Fund		2,842
Total	<u><u>\$ 287,566</u></u>	<u><u>\$ 287,566</u></u>

The Interfund Payables were recorded as a result of the District's operational activities, reflecting routine transactions between funds for the purpose of supporting ongoing services and programs.

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **15. NOTE PAYABLE**

### **Reedsport School District Limited Tax Pension Bond, Series 2002**

On October 31, 2002, the District issued bonds as a part of the Oregon School Boards Association Limited Tax Pension Bond Pool. Certain Oregon school districts and education service districts issued limited tax obligations (Pension Obligation), the proceeds of which were used to finance a portion of the estimated unfunded actuarial liability of each issuer with the Oregon Public Employees Retirement System (PERS). The full faith and credit of the District was pledged for the punctual payment of the principal and interest on its Pension Obligation, and debt service on the Pension Obligation is not subject to annual appropriation. The Pension Obligation is further secured by an Intercept Agreement under which an amount equal to the debt service on each issuer's Pension Obligation will be diverted from State Education Revenues.

The 2002 Series Obligations were issued in the aggregate original principal amount of \$2,908,726. The bonds are payable annually through June 2028. The bonds consist of \$743,726 Serial Maturities, with interest accrued semiannually at yields ranging from 2.06% to 6.10% through June 2020, and \$2,165,000 Term Bonds ranging from 5.48% to 5.55%. The agreement contains a provision that in an event of default, the Trustee may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration. Interest expense for fiscal year 2025 was \$65,483.

#### Limited Tax Pension Bond

Fiscal Year  
Ending  
June 30, 2025

	Principal	Interest	Total	Interest Rate
2026	\$ 345,000	\$ 50,505	\$ 395,505	5.55%
2027	385,000	31,357	416,357	5.55%
2028	180,000	9,990	189,990	5.55%

### **Reedsport School District General Obligation Refunding Bond, Series 2019**

On March 6, 2008, the District issued \$10,300,000 General Obligation Series A (\$9,760,000 tax exempt) and Series B (\$540,000 taxable) bonds for the purpose of major capital improvements of the District's facilities. On April 9, 2019, the District entered into a Bond Purchase Agreement with JP Morgan Chase Bank to issue refunding bonds for the refunding of its outstanding General Obligation Bonds. The amount of the bond purchase was \$8,518,000 and bears interest at the rate of 2.66% per annum. Interest payments are due the 15th of June and December of each year with a principal payment due the 15th of June. The agreement contains a provision that in an event of default, the Bank may exercise any remedy available at law or in equity, to include increasing the interest rate of the bond by 1.50%; however, the payments are not subject to acceleration. Interest expense for 2025 was \$159,964.

The Series 2019 Bonds are guaranteed by the Oregon School Bond Guaranty. Payment of the principal and interest on the Bonds when due is guaranteed by the full faith and credit of the State under the provisions of the Oregon School Board Guaranty Act - Oregon Revised Statutes 328.321 to 328.356.

Fiscal Year  
Ending  
June 30, 2025

	Principal	Interest	Total	Interest Rate
2026	\$ 572,000	\$ 149,572	\$ 721,572	2.66%
2027	604,000	134,357	738,357	2.66%
2028-2031	2,801,000	366,681	3,167,681	2.66%
2032-2033	1,646,000	66,234	1,712,234	2.66%
	<u>\$ 5,623,000</u>	<u>\$ 716,844</u>	<u>\$ 6,339,844</u>	

**REEDSPORT SCHOOL DISTRICT NO. 105**

Notes to  
Financial Statements

at

June 30, 2025

**15. NOTE PAYABLE(Cont'd)**

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Due in one year
Pension Obligations					
Series 2002	\$ 1,220,000	\$ -	\$ (310,000)	\$ 910,000	\$ 310,000
General Obligation Bonds	6,162,000	-	(505,000)	5,657,000	539,000
Series 2019 (direct placement)			\$ (539,000)		
	\$ 8,167,000	\$ -	\$ (815,000)	\$ 6,567,000	\$ 849,000

**16. IMPLEMENTATION OF GASB STATEMENT NO. 54 – NEW FUND BALANCE**

The District chose to implement GASB Statement No. 54 for year ending June 30, 2025. GASB Statement 54 requires analysis and presentation of fund balance in five categories.

The new fund balance categories are:

- 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 uses, authorized by the District's Superintendent and/or Director of Finance Operations.
- Unassigned – This is the residual classification used for those balances not assigned to another company.

Below is a schedule of ending fund balance, based on GASB Statement No. 54 implementation:

**FUND BALANCE:**

Fund Balances:	General Fund	Special Revenue	Debt Service	Capital Projects	Total
NonSpendable					
Inventories	\$ -	\$ 38,435	\$ -	\$ -	\$ 38,435
Restricted					
Special Revenue Fund	-	263,006	-	-	263,006
Debt Service Fund	-	-	473,325	-	473,325
Assigned					
Capital Projects Fund	-	-	-	185,687	185,687
Unassigned					
Special Revenue Fund	-	87,349	-	-	87,349
General Fund	1,552,670	-	-	-	1,552,670
Total Fund Balance	\$ 1,552,670	\$ 388,790	\$ 473,325	\$ 185,687	\$ 2,600,472

GASB 54 implementation required Board approved action to authorize commitments of fund balance. There were no commitments made for the last fiscal year.

The Board of Education also authorized the Superintendent and the business manager to make assignments of ending fund balance. Assignments of fund balance can be done at any time, including after the fiscal year-end date.

# REEDSPORT SCHOOL DISTRICT NO. 105

Notes to  
Financial Statements

at

June 30, 2025

## **16. IMPLEMENTATION OF GASB STATEMENT NO. 54 – NEW FUND BALANCE(Cont'd)**

Finally, GASB 54 requires a spending policy, as it related to ending fund balance. The spending policy states in what order fund balance categories are spent. The Board of Education approved the following fund balance order of spending policy:

1. Restricted Fund Balance
2. Committed Fund Balance
3. Assigned Fund Balance
4. Unassigned Fund Balance

## **17. TAX ABATEMENT (GASB 77)**

Douglas County, Oregon has entered into tax abatement programs with businesses that operate and/or own property within the county. For the 24-25 year, Reedsport did not enter into any tax abatement programs with the county.

## **18. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)**

The District evaluated all technology-related contracts in accordance with GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Based on this evaluation, the District determined that it did not have any contracts that meet the definition of a SBITA as of June 30, 2025. Accordingly, no SBITA-related assets, liabilities, or associated disclosures are reported.

## **19. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

The District's operations are concentrated within Douglas 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.

## **20. SUBSEQUENT EVENTS**

Management of the District has evaluated events and transactions occurring after June 30, 2025 through the date the financial statements were available for issuance, for recognition auditor disclosure in the financial statements. As of December 30, 2025 there were no reportable subsequent events.

Required Supplementary Information

Reedsport School District No. 105Budgetary Comparison Schedule  
for the General Fund

For the Fiscal Year Ended June 30, 2025

	Actual	Original & Final Budget	Over (Under) Budget
<b>REVENUES:</b>			
Local Sources:			
Tax Levy-Current Year & Offsets	\$ 2,478,721	\$ 2,500,000	\$ (21,279)
Tax Levy-Prior Years	69,234	100,000	(30,766)
Tax Levy-Land Sales	-	5,000	(5,000)
Interest	130,559	100,000	30,559
Extra Curricular Fees	13,299	12,500	799
Rentals	2,077	1,000	-
Donations from Private Sources	1,500	2,500	(1,000)
Miscellaneous Local Sources & Refunds	215,625	125,000	90,625
Total Local Sources	<u>2,911,015</u>	<u>2,846,000</u>	<u>65,015</u>
Intermediate Sources:			
County School Fund Levy	7,815	12,000	(4,185)
General ESD Funds	2,238	2,500	(262)
Other Intermediate Sources	70,000	70,000	-
Total Intermediate Sources	<u>80,053</u>	<u>84,500</u>	<u>(4,447)</u>
State Sources:			
Basic School Support	6,019,924	6,286,389	(266,465)
Common School Fund	78,203	82,000	(3,797)
State Managed County Timber	-	7,500	(7,500)
Small Improvement Grant	256,781	2,500.00	254,281
Total State Sources	<u>6,354,908</u>	<u>6,378,389</u>	<u>(23,481)</u>
Federal Sources:			
Restricted Federal Revenue	6,612		6,612
Federal Forest Fees	8,474	60,000	(51,526)
Total Federal Sources	<u>15,086</u>	<u>60,000</u>	<u>(44,914)</u>
Total Revenues	<u>9,361,062</u>	<u>9,368,889</u>	<u>(7,827)</u>
<b>EXPENDITURES: Schedule C-2</b>			
	<u>7,826,424</u>	<u>8,967,889</u>	<u>(1,141,465)</u>
<b>OTHER FINANCING SOURCES:</b>			
Operating Transfers Out	<u>(401,000)</u>	<u>(401,000)</u>	<u>-</u>
Total Other Sources	<u>(401,000)</u>	<u>(401,000)</u>	<u>-</u>
Excess of Revenues and Other Sources			
Over (Under) Expenditures	<u>1,133,638</u>	<u>0</u>	<u>1,133,638</u>
FUND BALANCE, June, 30, 2024	<u>433,278</u>	<u>500,000</u>	<u>(66,722)</u>
PRIOR PERIOD ADJUSTMENT	<u>(14,246)</u>	<u>-</u>	<u>(14,246)</u>
FUND BALANCE RESTATED, June, 30, 2024	<u>419,032</u>	<u>500,000</u>	<u>(80,968)</u>
FUND BALANCE, June, 30, 2025	<u>\$ 1,552,670</u>	<u>\$ 500,000</u>	<u>\$ 1,052,670</u>

Reedsport School District No. 105

Budgetary Comparison Schedule  
for the General Fund Expenditures

For the Fiscal Year Ended June 30, 2025

	Salaries	Employees Benefits	Purchased Services
<b>INSTRUCTION:</b>			
Regular Programs:			
Primary, K-3	\$ 997,935	\$ 541,724	\$ 54,362
Middle/Junior High Programs	228,919	136,079	-
High School Programs	711,263	393,886	48,600
Extracurricular	139,021	36,684	31,398
Special Programs:			
Restrictive Programs for Students with Disabilities	-	-	513,254
Resource Rooms	287,990	204,174	41,075
Alternative Education	-	-	5,446
English Language Learner	4,061	2,282	-
Total Instruction	<u>2,369,189</u>	<u>1,314,829</u>	<u>694,135</u>
<b>SUPPORTING SERVICES:</b>			
Students:			
Guidance Services	50,377	51,515	-
Health Services	-	-	-
Speech Pathology and Audiology Services	-	-	174,663
Service Direction	51,000	24,356	-
Instructional Staff:			
Improvement of Instructional Serv.	-	14,361	-
Educational Media Services	-	-	-
General Administration:			
Board of Education Services	27,608	21,782	38,376
Office of the Superintendent Serv.	165,872	100,073	85,480
School Administration:			
Office of the Principal Services	325,556	199,778	4,905
Business:			
Fiscal Services	24,386	20,395	130,544
Care and Upkeep of Building	261,050	168,265	462,776
Maintenance	-	-	-
Student Transportation Services	15,450	8,710	485,746
Printing, Publishing, and Duplicating Services	-	-	33,070
Central Activities:			
Systems Analysis Services	43,957	14,948	6,975
Total Supporting Services	<u>965,256</u>	<u>624,183</u>	<u>1,422,535</u>
<b>OPERATING CONTINGENCY</b>			
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,334,445</b>	<b>\$ 1,939,010</b>	<b>\$ 2,116,669</b>

Supplies and Materials	Capital Outlay	Other	Total Disbursements	Original Budget	Final Budget	Over (Under) Budget
\$ 9,248	\$ -	\$ -	\$ 1,603,269			
1,407	-	-	366,405			
15,699	-	2,799	1,172,247			
22,394	-	10,111	239,608			
44	-	-	513,298			
11,856	-	-	545,095			
-	-	-	5,446			
-	-	-	6,343			
<b>60,648</b>	<b>-</b>	<b>12,910</b>	<b>4,451,711</b>	<b>\$ 5,052,154</b>	<b>\$ 4,942,154</b>	<b>\$ (490,443)</b>
-	-	-	101,892			
812	-	-	812			
-	-	-	174,663			
-	-	-	75,356			
-	-	-	14,361			
2,109	-	1,050	3,159			
555	-	11,126	99,446			
5,276	-	5,088	361,789			
1,303	-	1,150	532,692			
3,222		6,999	185,546			
67,619	20,950	154,282	1,134,942			
-	-	-	-			
-	-	-	509,906			
-	-	-	33,070			
80,594	-	605	147,079			
<b>161,490</b>	<b>20,950</b>	<b>180,300</b>	<b>3,374,713</b>	<b>\$ 3,565,735</b>	<b>\$ 3,565,735</b>	<b>(191,022)</b>
-	-	-	-	<b>350,000</b>	<b>350,000</b>	<b>(350,000)</b>
<b>\$ 222,134</b>	<b>\$ 20,950</b>	<b>\$ 193,210</b>	<b>\$ 7,826,424</b>	<b>\$ 8,967,889</b>	<b>\$ 8,857,889</b>	<b>\$ (1,031,465)</b>

Reedsport School District No. 105  
 Required Supplementary Information

For the Fiscal Year Ended June 30, 2025

PERS

Schedule C-3

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL) %	(b) Employer's proportionate share the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll %
2025	0.0293871 %	\$ (6,531,933)	\$ 4,421,493	(147.7) %
2024	0.0267013	(5,001,340)	4,767,191	(104.9)
2023	0.0317900	(4,867,691)	4,521,698	(107.7)
2022	0.0306127	(3,663,259)	4,206,167	(87.1)
2021	0.0311723	(6,802,866)	3,862,724	(176.1)
2020	0.0260674	(4,509,029)	4,013,035	(112.4)
2019	0.0305402	(4,626,430)	3,918,941	(118.1)
2018	0.0204303	(2,754,018)	2,885,816	(95.4)
2017	0.0240316	(3,607,698)	2,535,629	(142.3)
2016	0.0282670	(995,726)	2,706,135	(36.8)
2015	0.0282670	645,869	2,522,147	25.6

The amounts presented for each fiscal year where actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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

SCHEDULE OF CONTRIBUTIONS

Schedule C-4

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll
2025	\$ 803,904	\$ 803,904		\$ 4,421,493
2024	870,514	870,514	-	4,767,191
2023	796,713	796,713	-	4,521,698
2022	521,827	521,827	-	4,206,167
2021	506,939	506,939	-	3,862,724
2020	453,398	453,398	-	4,013,035
2019	235,701	235,701	-	2,220,552
2018	203,442	203,442	-	2,155,414
2017	64,475	64,475	-	2,134,921
2016	82,688	82,688	-	2,071,070
2015	251,506	251,506	-	1,927,552

The amounts presented for each fiscal year where actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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

Reedsport School District No. 105  
Required Supplementary Information

For the Fiscal Year Ended June 30, 2025

RHIA

Schedule C-5

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share the net pension liability (asset)(NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll
2025	0.0306035 %	\$ 123,610	\$ 4,421,493	2.8 %
2024	0.0243058	88,999	4,767,191	1.9
2023	0.0229146	81,423	4,521,698	1.8
2022	0.0214004	53,075	4,206,167	1.3
2021	0.0424169	86,429	3,862,724	2.2
2020	0.0312034	60,296	4,013,035	1.5
2019	0.0298084	33,274	3,918,941	0.8
2018	0.0270905	11,306	2,885,816	0.4

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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

Reedsport School District No. 105  
Required Supplementary Information

For the Fiscal Year Ended June 30, 2025

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OPEB

Schedule C-6

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(b) Employer's proportionate share the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll
2025	(127,210)	4,421,493	(2.9) %
2024	(104,799)	4,767,191	(2.2)
2023	(204,708)	4,521,698	(4.5)
2022	(198,041)	4,206,167	(4.7)
2021	(271,198)	3,862,724	(7.0)
2020	(252,335)	4,013,035	(6.3)
2019	(356,464)	3,918,941	(9.1)
2018	(375,215)	2,885,816	(13.0)

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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

Reedsport School District No. 105Budgetary Comparison Schedule  
for the Special Revenue Funds

For the Fiscal Year Ended June 30, 2025

	Actual	Original & Final Budget	Over (Under) Budget
<b>REVENUES:</b>			
Local Sources:			
Interest on Investments	\$ 98		
Daily Sales	6,967		
Admissions	7,107		
Contributions and Donations from Private Sources	10,440		
Miscellaneous Sources	70,545		
Total Local Sources	<u>95,157</u>	<u>355,500</u>	<u>(260,343)</u>
Intermediate Sources:			
Other Intermediate Sources	-		
Restricted Revenue	-		
Total Intermediate Sources	<u>-</u>	<u>8,000</u>	<u>(8,000)</u>
State Sources:			
State School Fund- School Lunch Match	3,119		
State Grants	1,155,337	-	
Total State Sources	<u>1,158,456</u>	<u>1,027,281</u>	<u>131,175</u>
Federal Sources:			
Federal Revenue through State	59,912		
Title IA	320,077		
School Nutrition	413,301		
Federal Revenue through State	11,747		
IDEA	104,325		
Commodities	5,665		
Total Federal Sources	<u>962,929</u>	<u>1,209,170</u>	<u>-</u>
Total Revenues	<u>2,216,542</u>	<u>2,599,951</u>	<u>(383,409)</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction	986,694	1,612,345	
Support Services	676,010	852,391	
Enterprise and community services	<u>636,406</u>	<u>666,555</u>	
	<u>2,299,110</u>	<u>3,131,291</u>	<u>(892,181)</u>
<b>OTHER FINANCING SOURCES:</b>			
Operating Transfers In	250,000	250,000	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Sources	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	167,432	(281,340)	508,772
FUND BALANCE, June, 30, 2024	<u>217,112</u>	<u>757,540</u>	<u>(540,428)</u>
PRIOR PERIOD ADJUSTMENT	<u>14,246</u>	<u>-</u>	<u>14,246</u>
FUND BALANCE RESTATED, June, 30, 2024	<u>231,358</u>	<u>757,540</u>	<u>(526,182)</u>
FUND BALANCE, June, 30, 2025	<u>\$ 398,790</u>	<u>\$ 476,200</u>	<u>\$ (31,656)</u>

Reedsport School District No. 105Budgetary Comparison Schedule  
for the Debt Service Fund

For the Fiscal Year Ended June 30, 2025

	Actual	Original & Final Budget	Over (Under) Budget
<b>REVENUES:</b>			
Local Sources:			
Property Taxes	\$ 654,475	\$ 700,000	\$ (45,525)
Interest on Investments	19,180	20,000	(820)
Services Provided Other Funds	197,870	244,296	(46,426)
Interest on Investments	1,450	-	1,450
Total Local Sources	872,975	964,296	(91,321)
Intermediate Sources:			
HERT Tax	597	-	597
Total Intermediate Sources	597	-	597
<b>Total Revenues</b>	<b>873,572</b>	<b>964,296</b>	<b>(90,724)</b>
<b>EXPENDITURES:</b>			
Current:			
Redemption of Principal	849,000	850,000	(1,000)
Interest	225,447	227,710	(2,263)
Dues and Fees	1,600	2,000	(400)
	<b>1,076,047</b>	<b>1,079,710</b>	<b>(3,663)</b>
Excess of Revenues and Other Sources Over (Under) Expenditures	(202,475)	(115,414)	(87,061)
<b>FUND BALANCE, June, 30, 2024</b>	<b>675,800</b>	<b>670,000</b>	<b>5,800</b>
<b>FUND BALANCE, June, 30, 2025</b>	<b>\$ 473,325</b>	<b>\$ 554,586</b>	<b>\$ (81,261)</b>

Reedsport School District No. 105Budgetary Comparison Schedule  
for the Capital Projects Fund

For the Fiscal Year Ended June 30, 2025

	Purchased Services	Capital	Actual	Original & Final Budget	Over (Under) Budget
<b>REVENUES:</b>					
State Sources:					
State Sources				\$ 507,349	\$ 550,000
Total State Sources				507,349	550,000
Total Revenues				507,349	550,000
<b>EXPENDITURES:</b>					
Support Services					
Care or Upkeep of Building Services	\$ 32,500	\$ -	32,500	150,000	(117,500)
Facilities Acquisition and Construction					
Building Acquisition and Improvement Services	-	513,546	513,546	550,000	(36,454)
Total Expenditures	\$ 32,500	\$ 513,546	546,046	700,000	(103,954)
<b>OTHER FINANCING SOURCES:</b>					
Operating Transfers In				150,000	150,000
Total Other Sources				150,000	150,000
Excess of Revenues and Other Sources					
Over (Under) Expenditures				111,303	-
FUND BALANCE, June, 30, 2024				74,384	-
FUND BALANCE, June, 30, 2025				\$ 185,687	\$ -

## Other Supplemental Schedules

## Reedsport School District No. 105

Special Revenue Funds  
Budgetary Comparison Schedules-

For the Fiscal Year Ended June 30, 2025

	Athletic Fund	Early Learning Fund	ESSA Grant Fund	Title IA Fund	RTI Fund	Carl Perkins Fund	Flow Through South Coast ESD Fund	Rural School Fund	McKinney Vento Grant Fund	Title IIA Fund	Title VIB-RLIS Fund	Youth Transition Fund	State and Local Grants	School Investment Fund
<b>REVENUES:</b>														
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State Sources	-	48,843	-	-	-	-	-	-	-	-	-	17,531	101,032	719,700
Federal Sources	-	-	43,420	320,077	-	10,119	5,665	-	6,372	16,744	11,747	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>48,843</b>	<b>43,420</b>	<b>320,077</b>	<b>-</b>	<b>10,119</b>	<b>5,665</b>	<b>-</b>	<b>6,372</b>	<b>16,744</b>	<b>11,747</b>	<b>17,531</b>	<b>101,032</b>	<b>719,700</b>
<b>EXPENDITURES:</b>														
Instruction	-	58,077	-	320,077	-	10,119	5,665	-	-	16,594	11,747	17,531	99,080	84,894
Supporting Services	-	5,012	43,420	-	-	-	-	-	-	-	-	-	1,932	542,684
Enterprise and Community Services	-	-	-	-	-	-	-	-	6,372	-	-	-	-	92,121
<b>Total Expenditures</b>	<b>-</b>	<b>63,089</b>	<b>43,420</b>	<b>320,077</b>	<b>-</b>	<b>10,119</b>	<b>5,665</b>	<b>-</b>	<b>6,372</b>	<b>16,594</b>	<b>11,747</b>	<b>17,531</b>	<b>101,012</b>	<b>719,699</b>
<b>OTHER FINANCING SOURCES:</b>														
Operating Transfers In (Out)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	(14,246)	-	-	-	-	(0)	-	-	150	-	-	20	-
<b>FUND BALANCES, June 30, 2024</b>														
	4,000	3,151	-	-	3,173	-	-	6,656	-	-	-	-	-	-
<b>PRIOR PERIOD ADJUSTMENT</b>														
		14,246												
<b>FUND BALANCES, June 30, 2024</b>														
	4,000	17,397	-	-	3,173	-	-	6,656	-	-	-	-	-	-
<b>FUND BALANCES, June 30, 2025</b>														
	\$ 4,000	\$ 3,151	\$ -	\$ -	\$ 3,173	\$ -	\$ (0)	\$ 6,656	\$ -	150	\$ -	\$ -	\$ 20	\$ -
Fund:	201	209	214	216	219	220	222	224	232	233	234	237	250	251

High School Success Fund	Outdoor School Fund	Pacific Auditorium Fund	Education Enrichment Fund	IDEA Fund	Technology Replacement Fund	Instructional Materials Fund	Vehicle Replacement Fund	Food Service Fund	Student Body Fund	Totals	Original Budget	Final Budget	Over (Under) Budget
\$ -	\$ -	\$ -	\$ 10,440	\$ -	\$ 7,107	\$ -	\$ -	\$ 18,318	\$ 59,291	\$ 95,157	\$ 355,500	\$ 355,500	\$ (260,343)
-	-	-	-	-	-	-	-	-	-	-	8,000	8,000	(8,000)
131,238	64,779	-	-	-	-	-	-	58,590	-	1,158,457	1,027,281	1,027,281	131,176
-	-	-	-	104,325	-	-	-	461,203	-	962,928	1,209,170	1,209,170	(246,242)
131,238	64,779	-	10,440	104,325	7,107	-	-	538,111	59,291	2,216,542	2,599,951	2,599,951	(383,409)
131,238	29,003	-	10,832	104,076	-	38,210	-	-	49,551	986,694	1,612,345	1,612,345	(625,651)
-	915	-	9,395	249	60,493	-	11,350	-	560	676,010	852,391	852,391	(176,381)
-	-	-	-	-	-	-	-	537,913	-	636,406	666,555	726,555	(90,149)
131,238	29,918	-	20,227	104,325	60,493	38,210	11,350	537,913	50,111	2,299,110	3,131,291	3,191,291	(892,181)
-	-	-	-	-	50,000	50,000	-	150,000	-	250,000	250,000	250,000	-
-	34,861	-	(9,787)	-	(3,386)	11,790	(11,350)	150,198	9,180	167,432	(281,340)	(341,340)	508,772
-	-	153	9,787	-	22,525	85,971	70,862	(97,730)	108,565	217,112	757,540	757,540	(540,428)
-	-	-	-	-	-	-	-	-	-	14,246	-	-	14,246
-	-	153	9,787	-	22,525	85,971	70,862	(97,730)	108,565	231,358	757,540	757,540	(526,182)
\$ -	\$ 34,861	\$ 153	\$ 0	\$ -	\$ 19,139	\$ 97,761	\$ 59,512	\$ 52,468	\$ 117,745	\$ 398,790	\$ 476,200	\$ 416,200	\$ (17,410)
252	258	261	272	278	289	291	292	298	299				

Auditor's Comments and Disclosures  
Required by State Law



**INDEPENDENT AUDITOR'S REPORT**  
**REQUIRED BY OREGON STATE REGULATIONS**

Board of Directors  
Reedsport School District No.105  
100 Ranch Road  
Reedsport, OR 97467

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the basic financial statements of Reedsport School District No.105 as of and for the year ended June 30, 2025, and have issued our report thereon dated December 30, 2025.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

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

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

## OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Deficiencies in internal control, if any, were communicated separately.

### Restriction on Use

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

Neuner Davidson & Co.  
Certified Public Accountants



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Kelsey M. Pardon, CPA  
Roseburg, Oregon  
December 30, 2025

## Single Audit Act Requirements



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 Directors  
Reedsport School District No.105  
100 Ranch Road  
Reedsport, OR 97467

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Reedsport School District No.105 as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Reedsport School District No.105's basic financial statements, and have issued our report thereon dated December 30, 2025.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Reedsport School District No. 105's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Reedsport School District No. 105's internal control. Accordingly, we do not express an opinion on the effectiveness of the Reedsport School District No. 105'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 considered to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Reedsport School District No.105'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. financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



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Neuner Davidson & Co.  
Roseburg, Oregon  
December 30, 2025



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

Reedsport School District No.105  
Board of Directors  
Reedsport, OR

### Report on Compliance for Each Major Federal Program

#### ***Opinion on Each Major Federal Program***

We have audited Reedsport School District No.105 's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Reedsport School District No.105 's major federal programs for the year ended June 30, 2025. Reedsport School District No.105'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, Reedsport School District No.105 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

#### ***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of Reedsport School District No.105 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 Reedsport School District No.105'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 Reedsport School District No.105's federal programs.

#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Reedsport School District No.105'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 intention. 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 intention 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 Reedsport School District No.105 '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 Reedsport School 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 Reedsport School District No.105'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 Reedsport School 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.

#### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Reedsport School District No.105's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Reedsport School District No.105's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### ***Report on Internal Control over Compliance***

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 overcompliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



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Neuner Davidson & Co  
Roseburg, Oregon  
December 30, 2025

Reedsport School District No. 105  
Schedule of Findings and Questioned Costs  
June 30, 2025

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**Summary of the Auditor's Results**

The audit report issued December 30, 2025, on the general-purpose financial statements of Reedsport SD No.105 as of and for the year ended June 30, 2025, was an unqualified opinion. The audit did not disclose any reportable conditions in internal control for either major or nonmajor programs, nor did the audit disclose any noncompliance which may be material to the financial statements. The audit report on compliance for major programs was an unqualified opinion. There was no audit findings required to be reported in accordance with 2 CFR section 200.216(a).

The major programs identified by Reedsport SD No.105 were:

NATIONAL SCHOOL FOOD PROGRAM – CLUSTER 10.553,10.555

The threshold used to distinguish between Type A and Type B programs was \$750,000. The District did qualify as a low-risk auditee under *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Findings required to be reported in accordance with generally accepted government auditing standards (GAGAS):**

No Findings.

**Findings and questioned costs for Federal awards:**

Current Year:

No Findings or Questioned Costs.

Summary Schedule of Prior Audit Findings:

No Findings or Questioned Costs

Summary Schedule of Prior Audit Findings:

No Findings or Questioned Costs

Note 1. **Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Reedsport SD No.105 and is presented on the accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. **Sub-recipients**

Of the federal expenditures presented in the schedule, Reedsport SD No.105 provided no federal awards to sub-recipients.

Douglas County School District No. 105

Schedule of Federal Financial Assistance

For the Fiscal Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Period Beginning	Grant Period Ending	Grant #	Grant Amount	2024-25 Revenues	2024-25 Expenditures
<b>CHILD NUTRITION CLUSTER</b>							
<u>U.S. Department of Agriculture</u>							
Passed through State Department of Education:							
National School Breakfast Program	10.553	7/1/2024	6/30/2025		\$ 135,893	\$ 135,893	\$ 135,893
National School Lunch Program	10.555	7/1/2024	6/30/2025		258,944	258,944	258,944
National School Lunch Program-Supply Chain	10.555	7/1/2024	6/30/2025		18,464	18,464	18,464
Commodities	10.555	7/1/2024	6/30/2025		47,902	47,902	47,902
				Total Child Nutrition Cluster	461,203	461,203	461,203
<b>SPECIAL EDUCATION CLUSTER</b>							
<u>U.S. Department of Education</u>							
Passed through Oregon Department							
IDEA Part B Special Education	84.027	7/1/2024	9/30/2026	83438	185,559	98,691	98,691
IDEA Section 619 23-24	84.027	7/1/2023	9/30/2025	77864	3,867	3,867	3,867
IDEA Section 619 24-25	84.173	7/1/2024	9/30/2025	83628	1,768	1,768	1,768
				Total Special Education Cluster	191,194	104,326	104,326
<b>OTHER PROGRAMS</b>							
<u>U.S. Department of Agriculture</u>							
Passed Through Douglas County:							
Federal Forest Fees	10.665	7/1/2024	6/30/2025		8,474	8,474	8,474
Passed Through Douglas ESD:							
Perkins	84.048	7/1/2024	6/30/2025		10,120	10,120	10,120
<u>U.S. Department of Military</u>							
Passed through Oregon Office of Emergency Management							
FEMA	97.036	3/28/2020	Continuing		6,612	6,612	6,612
<u>U.S. Department of Education</u>							
Passed Through State Department of Education:							
Rural and Low Income Schools	84.358	7/1/2021	9/30/2022	82096	23,982	11,747	11,747
Federal School Improvement Funds	84.010	7/1/2024	9/30/2025	79404	43,420	43,420	43,420
Title I Grants to Local Education Agencies	84.010	7/1/2023	9/30/2024	76566	382,895	44,403	44,403
Title I Grants to Local Education Agencies	84.010	7/1/2024	9/30/2025	82250	435,524	197,091	197,091
Title IV Student Support and Academic Enrichment	84.424	7/1/2024	9/30/2025	82710	30,883	30,883	30,883
Title IIA	83.367	7/1/2024	9/30/2025	82513	47,700	47,700	47,700
ESSER ARP Homeless Children	84.425	7/1/2023	9/30/2024	76780	23,170	6,371	6,371
Passed Through South Coast ESD	84.425						
SIA-Stipend Grant	84.010	7/1/2024	9/30/2025			5,665	5,665
				Total U.S. Department of Education	987,574	387,280	387,280
				Total Other Programs	987,574	405,874	405,874
				TOTAL FEDERAL ASSISTANCE	\$ 1,646,583	\$ 978,015	\$ 978,015

Form 581-3211-C

SUPPLEMENTAL INFORMATION, 2024-25

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 ESEA, Title I & other Federal Funds for Education.

A. Energy Bill for Heating - **All Funds**:

Please enter your expenditures for electricity & heating fuel for these Functions & Objects.

Objects 325 & 326 & *327	
Function 2540	\$ 298,792
Function 2550	\$ 0

B. Replacement of Equipment – **General Fund**:

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

\$ 0

Exclude these functions:

1113, 1122 & 1132	Co-curricular Activities
1140	Pre-Kindergarten
1300	Continuing Education
1400	Summer School

Exclude these functions:

4150	Construction
2550	Pupil Transportation
3100	Food Service
3300	Community Services

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