

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For Fiscal Year Ended June 30th, 2025**



**Administrative School District No. 1  
(Bend - La Pine Schools)  
Deschutes County, Oregon**

**520 NW Wall Street  
Bend, OR 97703**



**ADMINISTRATIVE SCHOOL DISTRICT NO. 1  
(BEND – LA PINE SCHOOLS)  
DESCHUTES COUNTY, OREGON**

520 NW Wall Street  
Bend, OR 97703



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

FOR FISCAL YEAR ENDED JUNE 30, 2025

Prepared by the Business Office  
Dan Emerson – Chief Financial Officer  
Nick Shein – Assistant Director of Finance – Budget  
Matt Gayman – Assistant Director of Finance – Accounting

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 Deschutes County, Oregon  
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# INTRODUCTORY SECTION



***“Education is our passport to the future, for tomorrow belongs to the people who prepare for it today.”***

***-Malcolm X***







Business Office  
Education Center  
520 NW Wall Street  
Bend, OR 97703

December 12, 2025

To the Board of Directors and citizens of Deschutes County Administrative School District No. 1 (Bend-La Pine Schools):

We are pleased to submit the Annual Comprehensive Financial Report of Administrative School District No. 1, Deschutes County, Oregon (Bend-La Pine Schools or the District), as of and for the year ended June 30, 2025. Oregon Revised Statutes 297.425 requires the accounts and fiscal affairs of the district be audited and reviewed at least once each fiscal year. This report is published to accomplish that requirement.

Audits and reviews required by Oregon Revised Statutes 297.425 shall inquire into:

- The principles of accounting and methods followed by Bend-La Pine Schools in recording, summarizing and reporting its financial transactions and financial condition;
- The accuracy and legality of the transactions, accounts, records, files and financial reports of the officers and employees of Bend-La Pine Schools as they relate to its fiscal affairs; and
- Compliance with requirements, orders and regulations of other public officials which pertain to the financial condition or financial operations of Bend-La Pine Schools.

The management of Bend-La Pine Schools assumes full responsibility for the completeness and reliability of the information contained in this report. The District maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that financial records can be relied upon to produce financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed benefits likely to be derived.

Sensiba issued an unmodified (“clean”) opinion on Bend-La Pine Schools’ financial statements for the year ended June 30, 2025. Sensiba’s audit opinion report is located at the front of the financial section of this report.

In addition to meeting the requirements set forth above, the independent audit also was designed to meet the special needs of federal grantor agencies as provided for in the Federal Single Audit Act and the Office of Management and Budget’s (OMB) Uniform Guidance. These standards require the independent auditor not only report on the fair presentation of the basic financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on the administration of federal awards. The results of the independent audit for the fiscal year ended June 30, 2025 can be found in the Audit Comments and Disclosures Section of this report.

Management’s discussion and analysis (MD&A) immediately follows Sensiba’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### Bend-La Pine Schools Profile

Bend-La Pine Schools is the fifth largest school district in the State of Oregon. Constituted by 33 schools

and 2 charter schools across our 1,700 square miles across the communities of Bend, La Pine, and Sunriver. The District was formed in 1961 as the result of an election that consolidated five school districts.

Bend-La Pine Schools serves approximately 16,600 students in kindergarten through grade twelve and currently operates nineteen elementary schools, seven middle schools, and seven high schools. There are also two district-sponsored charter schools.

The District is governed by a seven-member board elected to four-year terms, five members by zones based on voter precincts and two at-large members. The Board is the governing body, and as such is exclusively responsible for its decisions and is accountable for the decisions it makes. The Board is focused on policies that elevate student achievement and create world class schools. The latitude afforded under state law allows the School Board to significantly influence operations. This authority includes, but is not limited to, adoption and appropriation of the budget, control over all assets, negotiating collective bargaining agreements, short-term borrowing, and contracting and developing the programs of the District. The Board of Directors together with seven appointed community members, comprises the fourteen-member Budget Committee. In addition, community members take an active role in the District's schools through volunteer programs, site committees and parent groups.

We are the second largest employer in Central Oregon, with 85% of our \$247million operating budget focused on people. We celebrate an award-winning staff of over 2000, including Teachers of the Year, numerous Presidential Math and Science honorees, James Madison Fellowship winners, and School Nurses of the Year.

### Visioning

Bend-La Pine Schools' strategic plan is built on a simple, but profound promise: every student in Bend-La Pine Schools is known by name, strengths, and needs, and graduates ready for college, career, community engagement and life.

At Bend-La Pine Schools we value the work of our teachers and staff, who help enrich our students' school experiences. Our schools are home to state and national award-winning activities, including journalism, band, speech and debate, robotics, DECA, Future Farmers of America, Future Business Leaders of America, and more. With over 33 career technical education programs and 60 courses available for both high school and college credit in our 7 high schools, we provide comprehensive and highly enriching opportunities for our students to access their passions and pathways to a successful future.

Each year, Bend-La Pine works to build upon our successes in order to deliver the best teaching and learning environment in Oregon. 1387 Bend-La Pine Schools students flipped their tassels in 2025, accepting high school diplomas and preparing for studies at prestigious universities and colleges around the world, or beginning post-high school training at hundreds of institutions. 490 of these students earned honors diplomas and 128 earned the Seal of Biliteracy.

The Board of Directors, in partnership with district leadership, has provided clear direction and focus towards this promise through the development of the Board's Goals:

1. Students are engaged and develop a **strong academic foundation**.
2. Students have a **passion, purpose, and plan** for their future.
3. Students, families, and staff **experience wellness, inclusion, and belonging** in our schools.
4. Operational systems align and support an academically effective and sustainable organization

These goals are also informed by the 2019-20 Excellence and Equity Review, where we engaged with

the community to identify focal points in how we deliver upon the goals identified above:

1. Empower student, family, and community voice.
2. Create safer, healthier, more equitable school environments for students and families.
3. Review and redesign curriculum to include anti-racist resources and diverse perspectives.
4. Focus on core curricula, instruction, and assessment practices that elevate learning for all students.
5. Diversify staff in all classifications.

At Bend-La Pine Schools we strive to connect students with meaningful experiences beyond academics. Through community service efforts and an emphasis on kindness, empathy and social emotional learning in the classroom, we are helping all of our students thrive on their respective paths toward limitless futures.

### Local and State Economy

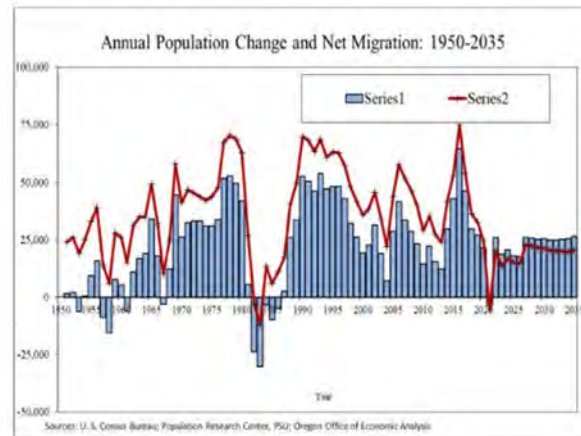
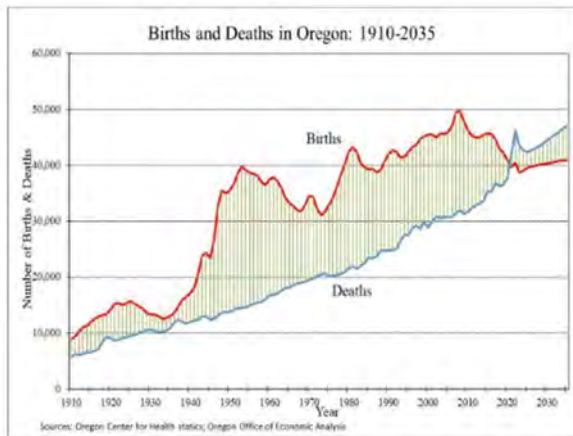
Bend-La Pine Schools is located entirely within Deschutes County. Deschutes County is the most populous county in the eastern part of Oregon with a 2025 population of approximately 211,500 people. With its varied topography, tourism is one of Deschutes County largest economic sectors. The Mount Bachelor ski resort and nearby Cascade Lakes are large draws for tourists. Recreational activities include downhill and cross-country skiing, hiking, biking, rafting, golfing, camping, fishing, picnicking, rock climbing, and general sightseeing. Oregon State University - Cascades (OSU-Cascades) is located in Bend and is the first public university to open in Oregon in more than 50 years. Bend is also home to the Deschutes Brewery, the 12th largest craft brewery in the nation in 2023 according to the Brewers Association, and the largest of over a thirty microbreweries in the city.

In FY2024-25, the taxable assessed value of property in Deschutes County increased by approximately 4.8 percent. The area's economic base has diversified significantly since 1980, when the region was known for its wood products. The top employers in the area are St. Charles Medical Center, a regional health service organization; Bend-La Pine Schools; Deschutes County; Mt. Bachelor, a ski resort; Sunriver Resort, a luxury resort community; Redmond School District; Central Oregon Community College; Safeway, a national grocery store chain; City of Bend; and Summit Medical Group, a regional health care organization. Due to its strong and healthy local economy, Bend-La Pine Schools has maintained a credit rating of Aa2 from Moody's Investor Service, the Aa2 rating is a little stronger than the US school districts median of Aa3. The key credit factors include an extensive tax base with a healthy wealth and income profile, a solid financial position, and mid-ranged debt and pension burdens.

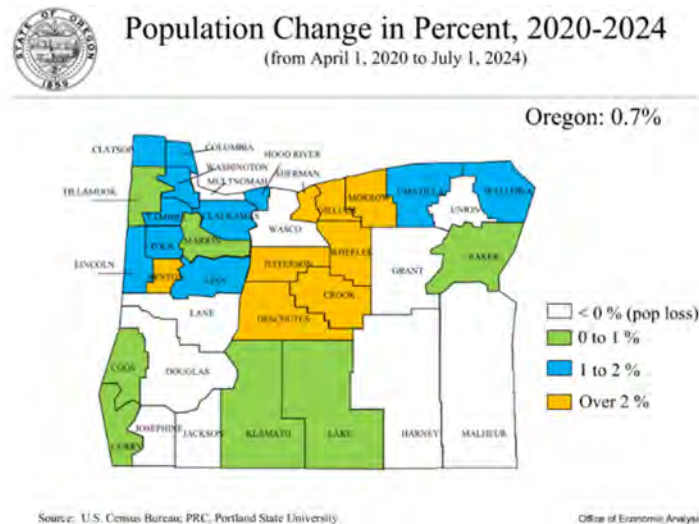
According to the May 2025 Oregon Economic and Revenue Forecast, Oregon's economy continues to show resilience, even as growth momentum has slowed modestly compared to prior years. While overall growth is more moderate, the state's economic indicators remain broadly positive, and the forecast notes the potential for stabilizing conditions rather than a recession.

Although inflation has eased substantially from its 2022–2023 peak, price pressures persist. For example, inflation in the Pacific region, which includes Oregon, rose 2.7 percent over the year ending May 2025, with the largest increases in food, medical care, services, and housing. The challenge remains balancing economic growth and inflation. Policy efforts must be prudent enough to temper inflation without stifling economic activity.

Population and demographic trends continue to influence Oregon's long-term economic outlook. The 2025 demographic update from OEA and its associated analyses indicate that Oregon's natural population growth remains constrained: the state continues to experience more deaths than births. As a result, net in-migration remains the key driver of population growth and workforce replenishment.



At the local level, Bend-La Pine Schools remains positioned to navigate these statewide trends. Population and enrollment dynamics in Deschutes County continue to reflect growth relative to statewide patterns: recent estimates show Deschutes County as one of the faster-growing counties in the state.



These economic and demographic conditions underscore both challenges and opportunities for the District. On one hand, state revenues tied to population growth may be constrained if statewide natural population decline persists without offsetting in-migration. On the other hand, the continued strength of the local economy — combined with modest district-level growth — supports ongoing long-term planning for facilities, staffing, and educational services.

The District has made substantial investments in school facilities to keep pace with historical growth. While some facilities are 100 years old, over 95 percent of the net book value of buildings are related to assets placed in service since the beginning of the 21<sup>st</sup> century.

The FY2025-26 enrollment for Bend-La Pine Schools is 16,520 as of October 1, 2025. This represents a slight reduction in enrollment year over year, with the projected enrollment well below the pre-pandemic measurement of 18,672 students on October 1, 2019.

Due to declining enrolment, in it's direct relationship with state funding, the District is partnering with Flo Analytics for a comprehensive demographic and enrolment analysis to inform our future year's financial projections and sites and facilities assessment.



## State Support for Oregon Public Schools

Generally, Oregon public schools receive funding from two primary sources, local property taxes and a state school support grant, with the latter predominately from income taxes. The state's school support formula recognizes local property taxes as an offset to the payment due from the state.

Public schools, together with education service districts and community colleges, have had an aggregate maximum property tax rate for operations of \$5.00 per \$1,000 of real market valuation since the passage of Ballot Measure 5 in 1990. On May 20, 1997, Oregon voters approved Ballot Measure 50, which limited the annual increase in taxable property values. Under Measure 50, the legislature is required to continue to fund revenue lost by schools due to property tax limitations and established a permanent tax rate of \$4.7641 per \$1,000 of assessed value on property for our district.

Since Ballot Measure 5 passed in 1990, school districts across Oregon rely upon the state for the majority of their financing. Even though districts collect revenue locally through the property tax, school funding is essentially equalized through the allocations under the state school fund, which accounts for more than 50% of the District's general fund revenue. The State of Oregon is more dependent upon a single revenue source, state income tax, than any other state in the country. Accordingly, the financial outlook for the District is tied closely to the condition of the Oregon economy. The second most important source of revenue for the District, and the source of funds to pay its capital bonds, is local property taxes. Real estate values and associated assessed values of real property are the most important factor in the strength of this revenue source.

The 2023-25 Oregon's legislatively adopted budget included \$10.2 billion for the State School Fund (SSF) which makes up the state portion of the amount distributed to School Districts and Education Service Districts (ESDs) through the school funding formula. The 2023-25 budget represents an increase of almost \$900 million, or 9.68%, over the 2021-23 funding level. Funding from the SSF was split 49/51 between the two school years of the biennium. Overall, general purpose funding for School Districts and ESDs depends on both the state contribution through the SSF and the contributions of local revenue including property taxes, timber revenue, and distributions from the Common School Fund.

The FY2024-25 ending fund balance in the General Fund Operations subfund is \$28.33 million, which is approximately \$12.4 million more than the budgeted \$15.9 million.

## Major Initiatives

In November 2022, voters approved a general obligation bond issue in the amount of \$247.9 million. \$100 million in bonds were sold in March 2023 to fund the first phase. Nearly 100 individual projects are planned that will increase student and staff safety, improve access to school sites and upgrade technology. The primary construction project will be the renovation of the Bend High School campus.



### Long-term Financial Planning

We forecast revenues, expenditures and fund balance in a five-year rolling plan. Revenue forecasts consider historical increases in formula revenue from the State with adjustments for current information, as well as increases tied to the consumer price index for other types of revenues. Forecasts for salary expenditures consider contracts with employee associations while forecasts for non-salary items consider the increase in the consumer prices index as well as other external factors. The long-term impact of adding or closing schools is also considered.

Because approximately one-half of operational funding is derived from state income tax, the Board of Directors instituted an executive limit that prohibits management from proposing an ending fund balance less than five percent of total revenue in the general fund operations. The FY2024-25 adopted budget included an ending fund balance for general fund operations set at 5 percent of resources, in accordance with the executive limitation. The actual FY2024-25 ending fund balance for the General Fund Operations subfund is \$28.33 million.

### Relevant Financial Policies and Information

Bend-La Pine Schools has adopted a comprehensive set of financial policies. District management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP) and statutory requirements. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

#### *Single Audit*

As a recipient of federal financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

#### *Budgetary Control*

Bend-La Pine Schools maintains numerous budgetary controls. The objective of these budgetary controls is to ensure compliance with the requirements of Local Budget Law as outlined in the Oregon Revised Statutes 294.305 through 294.565, inclusive. The Board of Directors adopts the annual budget, makes appropriations, and levies taxes after the public hearing and before the beginning of the year for which

the budget has been prepared. After adoption, the budget may be revised through procedures specified in State statute and Board policy.

The legal level of budgetary control is set at the major fund and major function level. At this level district and school administrators have discretion to reassign resources within major function levels.

The District also maintains an encumbrance accounting system to account for commitments for goods and services, which have not yet been provided or rendered. Encumbrances outstanding at year-end are not reported as expenditures in the financial statements for GAAP purposes.

#### *Accounting Policies*

Detailed descriptions of the District's accounting policies are contained in the Notes to Basic Financial Statements on pages 28-70, and they are an integral part of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for inventories and investments, and other significant accounting information. Please note that totals may not precisely add up due to rounding. We consider the differences to be immaterial.

#### *Charter Schools*

Oregon statute provides state funding for charter schools that flows through the district for schools that local boards of education have granted a charter. The District sponsors two charter schools; Bend International School and Desert Sky Montessori. The charter schools are not considered a component unit of the District under GASB 61.

#### *Debt Administration*

We have been very active in managing our debt over the last 30 years. Many general obligation issues have been "refunded" (refinanced), saving millions for taxpayers by locking in lower interest rates and shortening the maturity of the bonds. In November 2021, the District closed on a refunding of our 2013 Bonded debt. While savings from refunding do not directly impact the district's financial statements, the taxpayers will save approximately \$7.5 million dollars through 2031.

In November 2002, the district joined a state-wide consortium to issue \$40.9 million of taxable pension bonds to finance a portion of the estimated 2001 unfunded actuarial liability with the Oregon Public Employees Retirement System (PERS). In April 2003, the District participated in the second state-wide effort to issue \$25.3 million of taxable pension bonds to apply to the estimated unfunded actuarial liability with the PERS. In February 2004, the District participated in the third state-wide effort to issue \$5.9 million of taxable pension bonds to apply to the unfunded actuarial liability. As a result of these pension bond issuances the PERS employer rates will be lower than the rates assessed for the school district pool for the foreseeable future.

The statutory debt limit is established by Oregon law, specifically ORS 328.245(1) and (2), at 7.95 percent of the real market value of property within the taxing district's boundary. At June 30, 2025 our net bonded debt is approximately \$4.39 billion less than the statutory debt limit.

#### *Independent Audit*

The provisions of Oregon law, specifically ORS 297.425 through 297.555, require that an independent audit be made of all public school district funds within six months following the close of each fiscal year. The auditors, selected by the Board of Directors, have completed their audit of our financial statements and their opinion is included in the Financial Section of this report.

This report also includes Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules. In addition, the District is required to have an audit of its Federal Assistance Programs in accordance with the Single Audit Act, Office of Management and Budget (OMB) Compliance Supplement and the provisions of

Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to the financial and compliance audits. A report on the District's compliance with applicable Federal laws and regulations related to the Single Audit Act, OMB Compliance Supplement is included with this report beginning on page 146.

### Awards

#### *ASBO Certificate of Excellence in Financial Reporting*

The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to the District for our Annual Comprehensive Financial Report for the year ended June 30, 2024. Receiving this award is recognition that we have met the highest standards of excellence in school financial reporting as adopted by the Association of School Business Officials International. We have received a Certificate of Excellence for the last 40 years. We believe our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO for review.

#### *GFOA Certificate of Achievement of Excellence*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for our Annual Comprehensive Financial Report for the year ended June 30, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We have received a Certificate of Achievement for the last 40 years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for review.

### Acknowledgments

We wish to express our appreciation to the entire Business Office staff and members of other District departments who assisted in the preparation of this Annual Comprehensive Financial Report. We also wish to extend our appreciation to the members of the Board of Directors for their expectations of excellence, and their dedication to our financial operations.

Respectfully submitted,



Daniel Emerson  
Chief Financial Officer





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Administrative School District #1,  
Deschutes County**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2024.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte  
President**

A handwritten signature in black ink, reading 'James M. Rowan'.

**James M. Rowan, CAE, SFO  
CEO/Executive Director**



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Administrative School District No. 1  
(Bend - La Pine Schools)  
Deschutes County, Oregon**

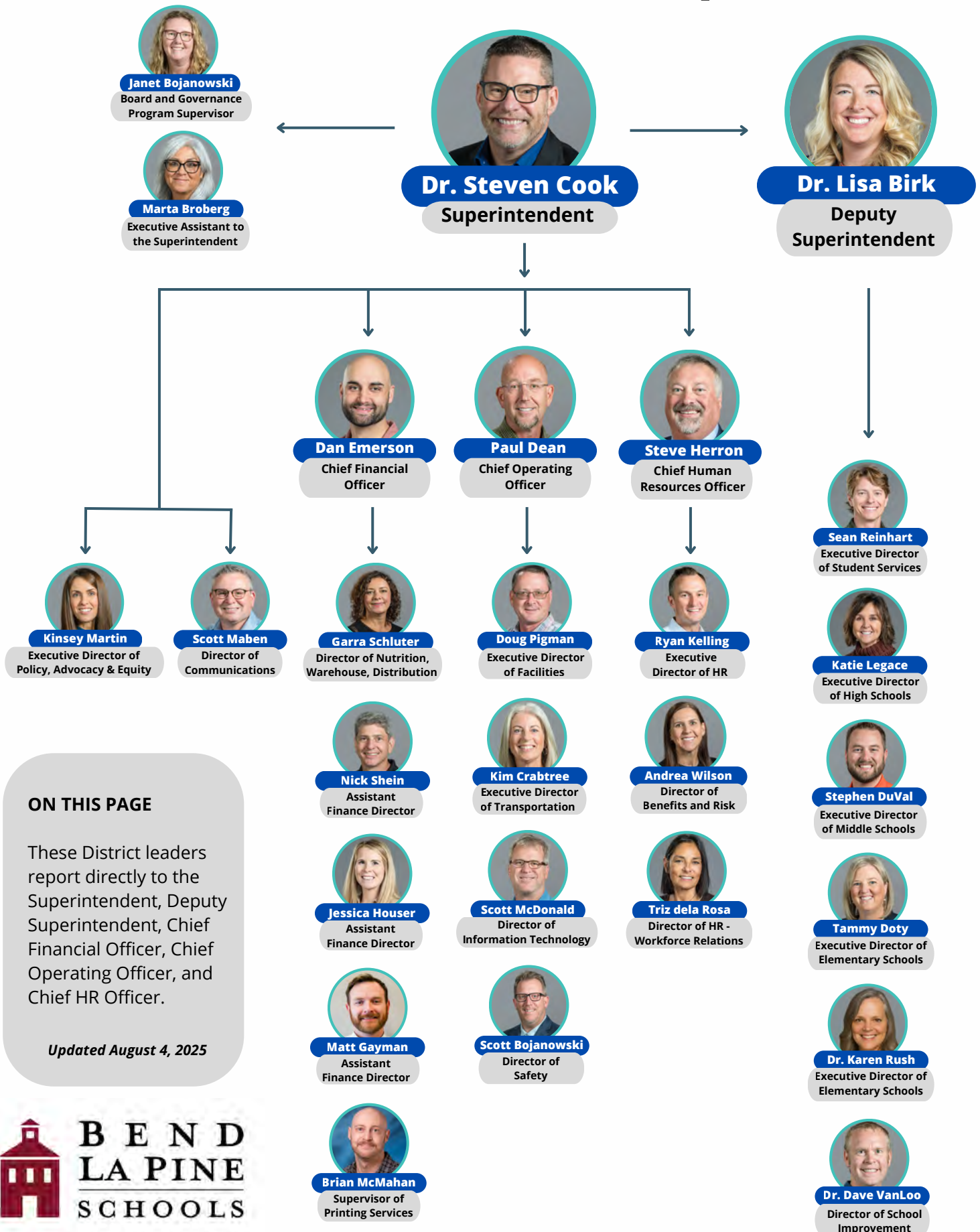
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

# District Leadership



# Board of Directors



**Marcus LeGrand**

Board Chair  
Zone 2



**Amy Tatom**

Board Vice Chair  
Zone 5



**Jenn Lynch**

Zone 1



**Dr. Cameron Fischer**

Zone 3



**Dr. Shirley Olson**

Zone 4



**Dr. Ross Tomlin**

Zone 6 (at large)



**Kina Chadwick**

Zone 7 (at large)



**Dr. Steven Cook**

Superintendent

Voters elect the seven members of the Board of Directors. The Board hires the Superintendent, identifies the vision and goals for the District, and provides an annual evaluation of the Superintendent.



**BEND  
LA PINE  
SCHOOLS**



# FINANCIAL SECTION



*“The function of education is to teach one to think intensively and to think critically. Intelligence plus character – that is the goal of true education.”*

*- Dr. Martin Luther King, Jr.*





## *Independent Auditor's Report*

To the Board of Directors  
Bend-La Pine Schools  
Deschutes County, Oregon

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of Bend-La Pine Schools (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Bend-La Pine Schools, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of a Matter***

As discussed in Note P to the financial statements, the District implemented Government Accounting Standards Board Statement No. 101 – *Compensated Absences* during the year ended June 30, 2025. This implementation required a change in accounting principle related to the recognition and measurement of compensated absences. As a result, the beginning net position of governmental activities as of July 1, 2024 has been restated to reflect the cumulative effect of applying the new standard. Our opinion is not modified with respect to this matter.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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



### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of net pension liability and contributions – PERS, schedule of the proportionate share of net OPEB liability and contributions – Retiree Health Insurance Account, schedule of changes in total OPEB liability and related ratios – medical benefit, and the schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special revenue funds 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, schedule of the proportionate share of net pension liability and contributions – PERS, schedule of the proportionate share of net OPEB liability and contributions – RHIA, and the schedule of changes in total OPEB liability and related ratios – medical benefit, 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 schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special revenue funds have 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 schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special funds are 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 District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory sections as identified in the table of contents; combining schedule of assets, liabilities and fund balance – general fund sub funds; combining schedule of revenue, expenditures and changes in fund balance general fund sub funds; budgetary schedules for the general fund sub funds, the debt service, capital project, and the private purpose trust funds; the combining schedules of detailed revenues and expenditures – budgetary basis; schedules required by Oregon Department of Education as identified in the table of contents; and the statistical section as identified in the table of contents, but does not include the basic financial statements and our auditor’s 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 12, 2025 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District’s internal control over financial reporting and compliance.

### **Other Reporting Required by Oregon Minimum Standards for Audits of Oregon Municipal Corporations**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 12, 2025 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Sensiba LLP  
Bend, Oregon

December 12, 2025

# **Management's Discussion and Analysis**

## Management's Discussion and Analysis

The management of Bend-La Pine Schools (District) presents this narrative overview to facilitate both a short and long-term analysis of the financial activities of the District for the fiscal year ended June 30, 2025. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report. We encourage readers to consider the information presented here in conjunction with additional information provided in the Transmittal Letter found on pages iv – xi of this report.

## Financial Highlights

Key financial highlights for FY2024-25 are as follows:

- The District's net position of governmental activities increased by \$19.7 million, which represents a 14.7 percent increase from FY2023-24.
- For governmental activities, general revenues accounted for \$271.1 million, 81.6 percent of total revenues of \$332.4 million. Program specific revenues in the form of charges for services, grants, and contributions accounted for \$61.3 million, 18.4 percent of total revenues.
- The District had \$312.7 million in expenses related to governmental activities; only \$61.3 million was offset by program specific charges for services, grants or contributions. General revenues of \$271.1 million were adequate to provide for the governmental activities of the District.
- The District's net proportionate share of the Oregon PERS pension liability increased by \$24.6 million.
- Capital assets under construction increased from \$21.1 million to \$58.8 million, reflecting continued progress on several major construction and modernization projects during the fiscal year
- At the end of FY2023-24, the District's governmental funds reported a combined fund balance of \$121.9 million, a decrease of \$38.2 million from FY2023-24, the result of a reduction in cash and investments within the Capital Project Fund due to construction activity.

## Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the District's basic financial statements and other required supplementary information. The District's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

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

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position.

The Statement of Activities presents information showing how the District's net position changed during FY2024-25. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period. Examples of such items include earned, but uncollected, property taxes and earned, but unused, compensated absences.

The governmental activities of the District include the following:

- Instruction
  - Regular instruction
  - Special programs including summer school
- Support Services
  - Students
  - Instructional staff
  - General administration
  - School administration
  - Business, transportation and maintenance
  - Central activities
- Enterprise and Community Services
  - Food services
  - Other enterprise and community services

The government-wide financial statements can be found on pages 20 and 21 in the basic financial statements.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to demonstrate transparency and ensure compliance with finance-related legal requirements.

Governmental funds. Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be



found on pages 23 and 25 in the basic financial statements.

The District maintains four governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The four governmental funds are:

- General
- Special Revenue
- Debt Service
- Capital Projects

Fiduciary fund. The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on page 26. These activities are excluded from the District's other financial statements because the assets cannot legally be utilized by the District to finance its operation.

The District adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and the Special Revenue Fund on pages 77 and 78. Budgetary comparisons for the Debt Service Fund and Capital Projects Fund funds have been provided as supplementary information on pages 97 and 98. The District was fully compliant with Oregon Budget Law in FY2024-25.

The governmental fund financial statements can be found on pages 22 and 24 in the basic financial statements.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

Supplementary information. The combining schedules of the General Fund subfunds and budgetary comparisons follow the required supplementary information in this report.

### Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial health. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$153.7 million at the close of the fiscal year ending June 30, 2025, an increase of \$19.7 million.

A majority of the District's net position reflects its investment in capital assets (e. g. land, buildings, vehicles and equipment) less depreciation, amortization and any outstanding related debt used to acquire those assets. At June 30, 2025 this portion of the net position is positive

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which indicates the District has \$306.7 million more in capital assets, net of depreciation and amortization, than associated debt. The District uses capital assets to provide services to students and other district residents, consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources required to pay the debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Capital assets, which consist of land, buildings, land improvements, construction in progress, vehicles, and equipment, represent about 79 percent of total assets, an increase of 4%.

The District's largest liability, accounting for 57 percent of total liabilities, is the long-term portion of general obligation bonds and other debt. The net pension liability is the next largest liability and accounts for approximately 30 percent of total liabilities. Together the long-term debt and net pension liability represent 87 percent of total liabilities. Current liabilities, representing about 12 percent of total liabilities, consist of payables on accounts, benefits, and the current portion of long-term debt. Information on long-term debt activity is presented on pages 64-67.

### The District as a Whole

The statement of net position provides the perspective of the District as a whole. The following table provides a summary of the District's net position for June 30, 2025 and June 30, 2024.

	Governmental Activities		
	2025	2024	Change
Capital assets	\$ 612,027,000	\$ 579,085,000	\$ 32,942,000
Current and other assets	16,647,800	189,978,000	(173,330,200)
Total assets	778,505,000	769,063,000	9,442,000
Deferred outflow of resources	79,696,000	64,534,000	15,162,000
Long-term liabilities	600,183,000	640,910,000	(40,727,000)
Current liabilities	80,036,000	25,033,000	55,003,000
Total liabilities	680,219,000	665,943,000	14,276,000
Pension deferrals - inflows	24,262,000	21,394,000	2,868,000
Net Position			
Net investment in capital assets	306,695,000	248,816,000	57,879,000
Restricted	25,235,000	30,300,000	(5,065,000)
Unrestricted	(178,211,000)	(145,126,000)	(33,085,000)
Total net position	\$ 153,719,000	\$ 133,990,000	\$ 19,729,000

*Rounded to nearest thousand*

### Governmental Activities

The District's net position increased by approximately \$19.7 million in FY2024-25. Capital assets increased by \$32.9 million and changes in pension related liabilities, deferred inflows and deferred outflows decreased net position by \$11.3 million.

The Statement of Activities shows the cost of program services, and offsetting those are charges for services, operating grants and contributions. The following table shows the changes in net position for governmental activities between FY2024-25 and FY2023-24.

#### Changes in Net Position, Fiscal Year Ended June 30

	Governmental Activities		
	2025	2024	Change
Revenues			
Programs revenues			
Charges for services	\$ 2,326,000	\$ 3,613,000	\$ (1,287,000)
Operating grants and contributions	58,051,000	54,874,000	3,177,000
Capital grants and contributions	951,000	847,000	104,000
General revenues			
Property taxes	148,500,000	144,139,000	4,361,000
Federal aid not restricted to specific purposes	169,000	83,000	86,000
State aid not restricted to specific purposes	108,388,000	107,226,000	1,162,000
Intermediate aid not restricted to specific purpose	2,187,000	2,217,000	(30,000)
Earnings on investments	7,716,000	9,983,000	(2,267,000)
Other local revenue	4,160,000	4,583,000	(423,000)
<b>Total Revenues</b>	<b>332,448,000</b>	<b>327,565,000</b>	<b>4,883,000</b>
Expenses			
Instruction	166,824,000	160,307,000	6,517,000
Support services	118,678,000	110,219,000	8,459,000
Enterprise and community services	12,467,000	12,036,000	431,000
Interest on long-term liabilities	14,752,000	15,713,000	(961,000)
<b>Total Expenses</b>	<b>312,721,000</b>	<b>298,275,000</b>	<b>14,446,000</b>
Changes in net position	19,729,000	29,290,000	(9,561,000)
Net position - beginning of year	133,990,000	116,970,000	17,020,000
2024 Restatement	-	(12,270,000)	-
<b>Net position - end of year</b>	<b>\$ 153,719,000</b>	<b>\$ 133,990,000</b>	<b>\$ 19,729,000</b>

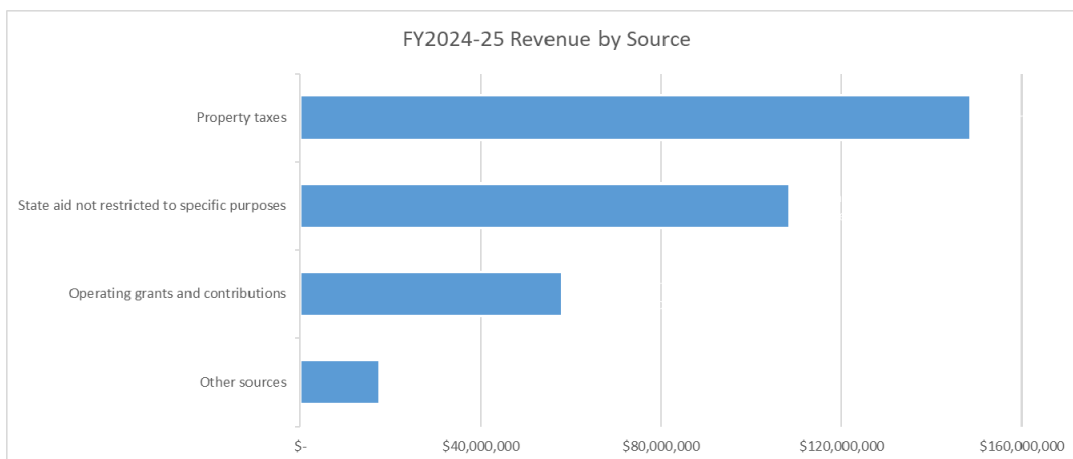
*Rounded to nearest thousand*

The increase in property taxes is the result of growth in assessed values within Deschutes County. The increase in State aid not restricted to specific purposes is a reflection of the increase in the District's

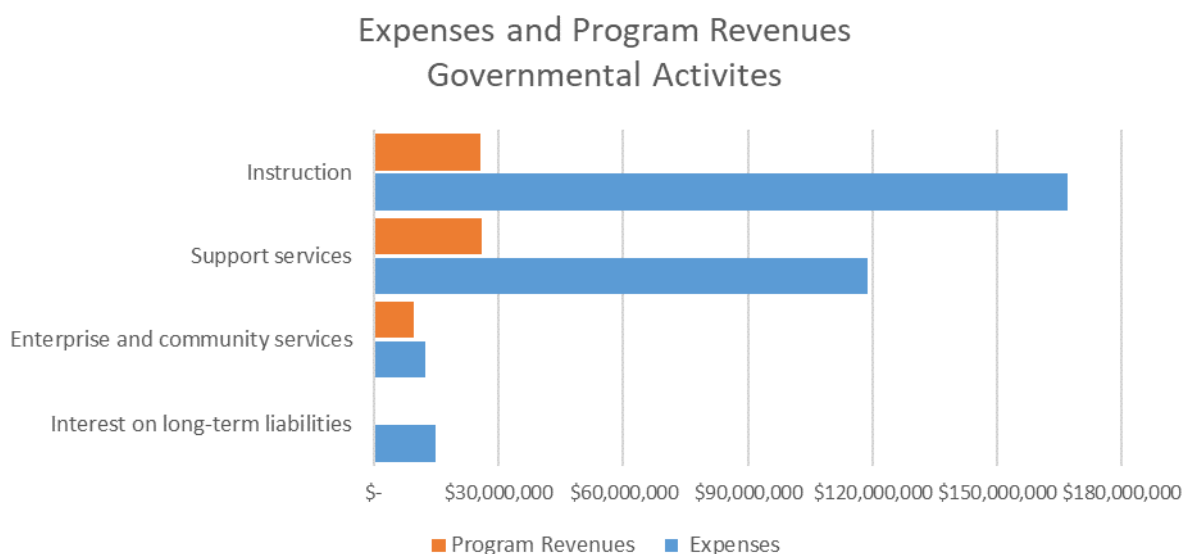
proportional share of the State School fund. Increases on earnings from investments is a result of higher interest rates and a larger cash balance which resulted from a prior voter approved bond levy.

Net position of the District's governmental activities increased by \$19.7 million. Total governmental expenses of \$312.7 million were offset by program revenues of \$61.3 million and general revenues of \$271.1 million. Program revenues supported about 20 percent of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and state aid. Together these sources total \$256.9 million and represent 78 percent of total governmental revenue.



Overall expenses increased by \$14.4 million or about 6.6 percent. The increase in instruction and support services was driven by a combination of contractual increases, along with inflationary growth in the cost of supplies and materials. The increase in interest expense is a result of regular interest expense associated with District obligations.



### The District's Funds

The District's governmental funds (as presented on the balance sheet on page 22) reported a FY2024-25 combined fund balance of \$121.8 million, a decrease of \$38.2 million compared with the FY2023-24 combined fund balance of \$160 million. The primary reason for the decrease in combined fund balance was a reduction in cash and investments within the Capital Project Fund due to construction activity. The following schedule shows the fund balance and change in fund balance as of June 30, 2025 and 2024.

	Fund Balance June 30, 2025	Fund Balance June 30, 2024	Change	Percentage Change from June 30, 2023
General	41,291,000	40,753,000	538,000	1%
Special Revenue	11,220,000	11,943,000	(723,000)	-6%
Debt Service	3,751,000	5,460,000	(1,709,000)	-31%
Capital Projects	65,590,000	101,863,000	(36,273,000)	-36%
<u>Total fund balances</u>	<u>121,852,000</u>	<u>160,019,000</u>	<u>(38,167,000)</u>	<u>-24%</u>

*Rounded to nearest thousand*

#### *General Fund*

The District's general fund balance increased by \$500 thousand. The increase is primarily attributable to an increase in property tax revenue.

The following table summarizes the revenues and expenditures for FY2024-25 and FY2023-24:

	FY2024-25	FY2023-24	Percentage change
<b>Revenues</b>			
Property taxes	\$ 109,159,000	\$ 104,201,000	4.76%
Tuition	5,000	15,000	-66.67%
Investment earnings	3,599,000	3,750,000	-4.03%
Other local sources	6,255,000	6,025,000	3.82%
Intermediate sources	2,187,000	2,217,000	-1.35%
State sources	100,096,000	99,152,000	0.95%
Federal grant sources	297,000	294,000	1.02%
Other financing sources	418,000	354,000	18.08%
<u>Total revenues &amp; other financing sources</u>	<u>\$ 222,016,000</u>	<u>\$ 216,008,000</u>	<u>2.78%</u>
<b>Expenditures by function</b>			
Instruction	\$ 129,522,000	\$ 117,295,000	10.42%
Support services	87,803,000	83,782,000	4.80%
Community services	469,000	391,000	19.95%
Debt Service	1,761,000	1,369,000	28.63%
Capital outlay	3,780,000	5,944,000	-36.41%
Other financing uses	-	-	100.00%
<u>Total expenditures &amp; other financing uses by function</u>	<u>\$ 223,335,000</u>	<u>\$ 208,781,000</u>	<u>6.97%</u>

*Rounded to nearest thousand*



The increase in property taxes reflects the growth in assessed valuation in Deschutes County. Investment earnings have increased, mainly the result of higher interest rates and a larger cash balance due to a prior approved bond levy.

Support services and instruction expenditures increased over FY2023-24. These expenditures increased primarily due to contractual obligations with employees, and inflationary growth in the costs of supplies and services.

### General Fund Budgeting Highlights

#### *Final budget compared to actual results.*

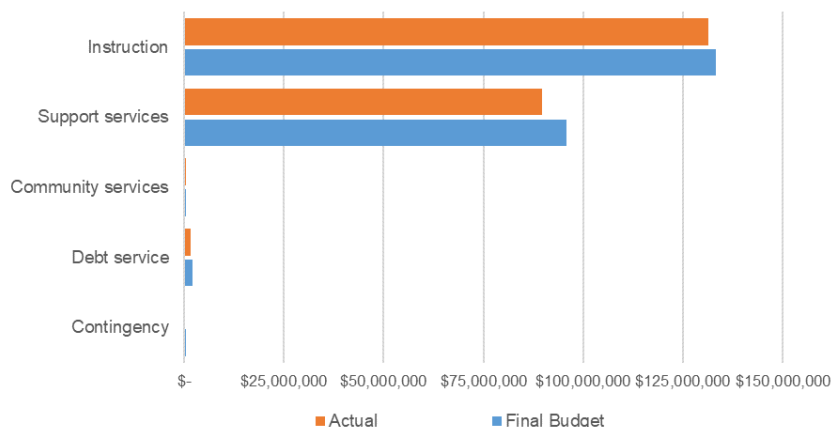
The most significant differences between estimated revenues and actual revenues were as follows:

Revenue Source	Estimated Revenues - Final Budget	Actual Revenues	Difference	Percentage Difference from Final Budget
Property taxes	\$ 109,490,000	\$ 109,159,000	\$ (331,000)	0%
Tuition	10,000	5,000	(5,000)	0%
Investment earnings	1,605,000	3,599,000	1,994,000	124%
Other local sources	6,051,000	6,255,000	204,000	3%
Intermediate sources	2,280,000	2,187,000	(93,000)	-4%
State sources	98,770,000	100,096,000	1,326,000	1%
Federal sources	310,000	297,000	(13,000)	-4%
<b>Total revenues</b>	<b>218,516,000</b>	<b>221,598,000</b>	<b>3,082,000</b>	<b>1%</b>

*Rounded to nearest thousand*

A review of actual expenditures compared to appropriations in the final budget indicates that expenditures were reasonably close to budgeted amounts across all functions. The instruction function, in particular, showed only modest variances, reflecting more stable staffing levels and spending patterns compared to the prior year.

FY2024-25 General Fund Final Budget and Actual Expenditures



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*Special Revenue Fund*

The District's special revenue fund balance decreased over the 2024-25 school year by \$700 thousand. The following table summarizes the revenues and expenditures for FY2024-25 and FY2023-24.

	FY2024-25	FY2023-24	Percentage change
Revenues			
Investment earnings	\$ 240,000	\$ 425,000	-43.53%
Food Service	273,000	1,614,000	-83.09%
Other local sources	7,269,000	6,316,000	15.09%
Intermediate sources	395,000	395,000	0.00%
State sources:	28,939,000	24,058,000	20.29%
Federal grant sources	13,899,000	24,224,000	-42.62%
<b>Total revenues &amp; other financing sources</b>	<b>\$ 51,015,000</b>	<b>\$ 57,032,000</b>	<b>-10.55%</b>
Expenditures by function			
Instruction	\$ 20,171,000	\$ 28,707,000	-29.73%
Support services	18,791,000	16,530,000	13.68%
Community services	11,704,000	11,518,000	1.61%
Debt Service	47,000	-	0.00%
Capital outlay	619,000	1,248,000	-50.40%
Other financing uses	403,000	157,000	156.69%
<b>Total expenditures &amp; other financing uses by function</b>	<b>\$ 51,735,000</b>	<b>\$ 58,160,000</b>	<b>-11.05%</b>

*Rounded to nearest thousand*

The decrease in federal grant sources was a result of final Elementary and Secondary School Emergency Relief (ESSER) allocations in 2023-24.

The decrease in expenditures for instruction resulted from use of federal ESSER and state Student Investment Account grant funds to provide additional academic supports to historically underserved student groups, support student health and safety, reduce class size and increase student access to a well-rounded education in 2023-24.

*Long-term Debt*

At June 30, 2025, the District had total debt outstanding of \$411.5 million net of unamortized premium/discount and consisting of general obligation bonds, limited tax pension bonds, notes from direct borrowings and full faith and credit obligations.

During FY2024-25, the District's total debt decreased by \$36.7 million, primarily due to scheduled debt service payments.

The debt service fund had \$49.4 million in revenues and \$49.4 million in expenditures for regularly scheduled debt service payments. Overall fund balance increased by approximately \$73,000.

The following table summarizes the debt outstanding at June 30, 2025 and 2024.

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	Governmental Activities		
	FY2024-25	FY2023-24	Change
General obligation bonds	\$ 367,610,000	\$ 395,810,000	\$ (28,200,000)
Limited tax pension obligation bonds	22,690,000	30,420,000	(7,730,000)
Full faith and credit bonds	-	-	-
Notes payable	2,562,937	1,709,000	853,937
<b>Total outstanding debt</b>	<b>\$ 392,862,937</b>	<b>\$ 427,939,000</b>	<b>\$ (35,076,063)</b>

*Rounded to nearest thousand*

The District's general obligation debt is issued with the Oregon School Bond Guaranty. The State's outstanding general obligation bonds carry ratings of "AA+" from Fitch, "Aa1" from Moody's Investors Service, and "AA+" from S&P Global Ratings. In July 2025, after the close of the fiscal year, Moody's reaffirmed the District's Aa2 bond rating in its updated credit opinion.

State statutes limit the amount of general obligation debt a school district may issue to 7.95 percent of its total real market valuation. The current debt limitation of the District is approximately \$4.8 billion and the District is well within this limit. The current legal debt margin is approximately \$4.3 billion. More detailed information on long-term debt activity can be found in the notes to the basic financial statements beginning on page 28.

#### *Capital Projects Fund*

The District's capital projects fund balance decreased by \$36.3 million, reflecting increased Capital Outlay expenditures in 2024-2025. The following table summarizes the revenues and expenditures for FY2024-25 and FY2023-24.

	FY2024-25	FY2023-24	Percentage change
<b>Revenues</b>			
Investment earnings	\$ 4,516,000	\$ 5,220,000	-13.49%
Other local sources	141,000	443,000	-68.17%
State sources	8,000,000	176,000	4445.45%
General obligation debt issued	-	-	0.00%
Premium from general obligation debt	-	-	0.00%
Other financing sources	-	17,000	-100.00%
<b>Total revenues &amp; other financing sources</b>	<b>\$ 12,657,000</b>	<b>\$ 5,856,000</b>	<b>116.14%</b>
<b>Expenditures by function</b>			
Facilities acquisition & construction	\$ 7,615,000	\$ 6,771,000	12.46%
Capital outlay	41,314,000	13,383,000	208.71%
<b>Total expenditures by function</b>	<b>\$ 48,929,000</b>	<b>\$ 20,154,000</b>	<b>142.78%</b>

*Rounded to nearest thousand*

See Note "D" on page 41 in the basic financial statements for further details on the District's

capital assets. Major capital asset events during the FY2024-25 included the following:

- Bend High School – Roof replacements, production kitchen modernization and instructional space modernization.
- La Pine Middle School – Roof replacement.
- District wide improvements in classroom technology, security and technology infrastructure.

### Economic Factors and FY2025-26 Budgets and Rates

The following economic factors currently affect the District and were considered in developing the FY2024-25 budget.

- FY2025-26 is the second year of the 2024-25 biennium. The operating budget was based a state funding level of \$10.2 billion with a 49/51 split between the first and second year of the biennium.
- The FY2025-26 ending fund balance for General Fund Operations was budgeted at 5 percent of revenues.
- Student enrollment was projected to be 16,940, a decrease of 194 students compared with the October 1, 2023 enrollment of 17,134.
- Funding from the State School Fund was estimated to be \$216.5 million.
- FY2025-26 budgeted salary decreased by 2.9 percent for our Certified staff and increased by 11.7 percent for Classified staff. The district's contribution to health insurance increased approximately 4.56% compared to FY2023-24 levels.
- FY2025-26 PERS employer rates are 16.48 percent for OPSRP and 19.32 percent for Tier1/Tier2 members.
- The District completed negotiating new agreements for wages and benefits with all employee groups in 2024
- During the 2019 legislative session, Oregon's leaders made a commitment to our children, our educators, our schools and our state with the passage of the Student Success Act. When fully implemented, the Student Success Act is expected to invest \$1 billion annually in early learning and K-12 education each year. At the heart of the SSA is a commitment to improving access and opportunities for students who have been historically underserved in the education system. In FY2024-25 the District expects to receive \$16.4 million from the Student Success Act.

### New Accounting Standards Implemented

The District implemented GASB Statement No. 101, *Compensated Absences* during FY2024-25. As a result, beginning net position was reduced by 12.2 million to reflect the cumulative effect of the new standard. This restatement did not affect the results of operations for the current year.

The District implemented GASB Statement No. 102, *Certain Risk Disclosures* during FY2024-25. This standard did not result in any changes to the District's financial position or the results of operations for the current year.

### Requests for Information

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about the financial report, need additional information or would like to request a copy, contact the Finance Director at Bend-La Pine Schools, 520 NW Wall Street, Bend, Oregon 97703.



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**B E N D  L A P I N E**  
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E D U C A T I N G   T H R I V I N G   S T U D E N T S

# **Basic Financial Statements**

Administrative School District No. 1  
Deschutes County, Oregon  
Statement of Net Position  
June 30, 2025

	Governmental Activities
	2025
Assets:	
Cash and investments	\$ 144,093,230
Property taxes receivable	3,193,043
Accounts and other receivables	4,149,605
Intergovernmental receivables	8,660,398
Prepaid items	2,223,256
Inventories	515,034
Net OPEB RHIA asset	3,643,038
Capital assets, net of amortization and depreciation	
Land	36,876,933
Construction in progress	58,843,814
Site improvements	56,807,692
Buildings and improvements	437,285,028
Vehicles and equipment	17,482,014
Leased buildings	4,017,212
Leased equipment	239,567
Subscription based information technology	474,760
<b>Total assets</b>	<b>778,504,624</b>
Deferred outflow of resources:	
Pension related deferred outflows	73,013,544
OPEB - implicit subsidy deferred outflows	815,614
OPEB - RHI deferred outflows	102,876
Deferred charges on advanced refunding	5,763,885
<b>Total deferred outflows of resources</b>	<b>79,695,919</b>
Liabilities	
Accounts payable	17,802,236
Accrued payroll and related charges	17,055,032
Accrued interest	534,410
Unearned revenue	326,318
Retainage payable	1,910,523
Noncurrent liabilities, due within one year	
Good faith deposits	1,500,000
Claims and judgements	1,141,438
Long-term liabilities	34,100,578
Accrued compensated absences	5,665,579
Noncurrent liabilities, due in more than one year	
Rental deposits	3,250
Net pension liability	199,822,459
Other postemployment benefits, implicit rate subsidy	5,734,575
Claims and judgements	1,141,438
Long-term liabilities	384,452,766
Accrued compensated absences	9,028,605
<b>Total liabilities</b>	<b>680,219,207</b>
Deferred inflows of resources:	
PERS deferred inflows	17,687,662
OPEB - RHI deferred inflows	196,219
OPEB - implicit subsidy deferred inflows	6,369,212
Leases deferred inflows	8,979
<b>Total deferred inflows of resources</b>	<b>24,262,072</b>
Net investment in capital assets	306,695,198
Restricted for:	
Transportation	2,697,133
Federal, state, and private grants	4,528,432
Energy efficiency program	1,881,708
Debt service	3,751,296
Net OPEB RHIA asset	3,643,038
Capital projects	8,733,026
Unrestricted	(178,210,567)
<b>Total net position</b>	<b>\$ 153,719,264</b>

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1  
Deschutes County, Oregon  
Statement of Activities  
Year Ended June 30, 2025

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
					2025
<b>Governmental Activities</b>					
<b>Instruction</b>					
Regular instruction	\$ 126,611,420	\$ 742,458	\$ 15,697,738	\$ -	\$ (110,171,224)
Special programs including summer school	40,212,691	-	9,179,911	-	(31,032,780)
<b>Total direct classroom services</b>	<b>166,824,111</b>	<b>742,458</b>	<b>24,877,649</b>	<b>-</b>	<b>(141,204,004)</b>
<b>Support Services</b>					
Students	28,526,644	-	9,878,963	-	(18,647,681)
Instructional staff	12,511,761	-	5,377,510	-	(7,134,251)
General administration	1,437,613	-	-	-	(1,437,613)
School administration	19,320,881	-	-	-	(19,320,881)
Business, transportation and maintenance	40,416,539	926,803	638,567	8,951,455	(29,899,714)
Central activities	16,464,134	-	290,996	-	(16,173,138)
<b>Total classroom support services</b>	<b>118,677,572</b>	<b>926,803</b>	<b>16,186,036</b>	<b>8,951,455</b>	<b>(92,613,278)</b>
<b>Enterprise and Community Services</b>					
Food services	11,013,343	272,786	6,582,055	-	(4,158,502)
Other enterprise and community services	1,453,501	383,766	2,405,439	-	1,335,704
<b>Total enterprise and community services</b>	<b>12,466,844</b>	<b>656,552</b>	<b>8,987,494</b>	<b>-</b>	<b>(2,822,798)</b>
<b>Unallocated interest expense</b>	<b>14,751,938</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,751,938)</b>
<b>Total school district</b>	<b>\$ 312,720,465</b>	<b>\$ 2,325,813</b>	<b>\$ 50,051,179</b>	<b>\$ 8,951,455</b>	<b>(251,392,018)</b>
<b>General revenues:</b>					
Property taxes levied for general purposes					109,243,584
Property taxes levied for debt service					39,256,897
Federal aid not restricted to specific purposes					167,659
State aid not restricted to specific purposes					108,387,981
Intermediate aid not restricted to specific purposes					2,186,927
Earnings on investments					7,715,857
Other local revenue					4,146,243
Gain on sale of capital assets					13,798
<b>Total general revenues</b>					<b>271,118,946</b>
<b>Change in net position</b>					<b>19,726,928</b>
<b>Net Position - beginning, as previously reported</b>					<b>146,259,332</b>
<b>Adjustment</b>					<b>(12,266,996)</b>
<b>Net position - beginning, as restated</b>					<b>133,992,336</b>
<b>Net position - ending</b>					<b>\$ 153,719,264</b>

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1  
Deschutes County, Oregon  
Balance Sheet - Governmental Funds  
June 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
<b>Assets</b>					
Cash and investments	\$ 51,079,205	\$ 6,677,570	\$ 3,522,748	\$ 82,813,713	\$ 144,093,236
Receivables:					
Property taxes	2,330,978	-	862,066	-	3,193,044
Accounts and other receivables	2,104,165	1,563,834	-	481,605	4,149,604
Intergovernmental receivables	3,265,048	5,395,350	-	-	8,660,398
Prepaid items	2,044,206	179,049	-	-	2,223,255
Inventories	159,645	355,389	-	-	515,034
<b>Total assets</b>	<b>\$ 60,983,247</b>	<b>\$ 14,171,192</b>	<b>\$ 4,384,814</b>	<b>\$ 83,295,318</b>	<b>\$ 162,834,571</b>
<b>Liabilities, deferred inflows and fund balances</b>					
<b>Liabilities</b>					
Accounts and interest payable	\$ 3,179,894	\$ 378,688	\$ -	\$ 14,243,654	\$ 17,802,236
Accrued payroll and related charges	14,764,831	2,242,782	-	47,420	17,055,033
Unearned revenue	29,636	329,288	-	-	358,924
Good faith deposits	-	-	-	1,500,000	1,500,000
Rental deposits	-	-	-	3,250	3,250
Retainage payable	-	-	-	1,910,523	1,910,523
<b>Total liabilities</b>	<b>17,974,361</b>	<b>2,950,758</b>	<b>-</b>	<b>17,704,847</b>	<b>38,629,966</b>
<b>Deferred inflows of resources</b>					
Leases deferred inflows	8,979	-	-	-	8,979
Unavailable revenue - property taxes	1,709,375	-	633,518	-	2,342,893
<b>Total deferred inflows of resources</b>	<b>1,718,354</b>	<b>-</b>	<b>633,518</b>	<b>-</b>	<b>2,351,872</b>
<b>Fund balances</b>					
Nonspendable	2,203,851	534,438	-	-	2,738,289
Restricted	2,697,133	6,410,140	3,751,296	65,590,471	78,449,040
Assigned	18,054,561	4,275,856	-	-	22,330,417
Unassigned	18,334,987	-	-	-	18,334,987
<b>Total fund balances</b>	<b>41,290,532</b>	<b>11,220,434</b>	<b>3,751,296</b>	<b>65,590,471</b>	<b>121,852,733</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 60,983,247</b>	<b>\$ 14,171,192</b>	<b>\$ 4,384,814</b>	<b>\$ 83,295,318</b>	<b>\$ 162,834,571</b>

*Totals may not precisely add due to rounding*

See notes to basic financial statements

Administrative School District No. 1  
Deschutes County, Oregon  
Reconciliation of Governmental Funds  
Balance Sheet to Statement of Net Position  
June 30, 2025

Total fund balances, June 30, 2025 (page 22) \$ 121,852,733

Capital assets are not financial resources and therefore are not reported in the governmental funds:

Cost	\$ 843,914,403	
Accumulated depreciation and amortization	<u>(231,887,384)</u>	612,027,019

Deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the government funds

Deferred outflows of resources related to pensions	\$ 73,013,544	
Deferred outflows of resources related to OPEB Implicit	815,614	
Deferred outflow of resources related to OPEB - RHI	102,876	
Deferred inflow of resources related to pensions	(17,687,662)	
Deferred inflow of resources related to OPEB - RHI	(196,219)	
Deferred inflow of resources related to OPEB Implicit	<u>(6,369,212)</u>	49,678,941

A portion of the District's revenues are collected after year-end, but are not available soon enough to pay for the current years' operations, and therefore, are not reported as revenue in the governmental funds.

Property Taxes	2,342,893	
Miscellaneous Revenue	<u>32,603</u>	2,375,496

Net OPEB-RHIA asset reported in the government wide statement of net position 3,643,038

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

These liabilities consist of:

Long-term debt	\$ (2,562,937)	
Accrued interest payable	(534,410)	
Arbitrage Rebate Payable	(1,849,743)	
Bonds payable	(390,300,000)	
Proportionate share of the PERS net pension liability	(199,822,459)	
Net OPEB obligation-implicit rate subsidy	(5,734,575)	
Lease liability	(4,735,413)	
Subscription based technology agreement liability	(497,939)	
Compensated absences	(14,694,184)	
Accrued claims and judgments	<u>(2,282,875)</u>	(623,014,535)

Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Unamortized portion of bond issuance premium	\$ (18,607,313)	
Deferred outflow on refunding	<u>5,763,885</u>	<u>(12,843,428)</u>

Total net position (page 20) \$ 153,719,264

Totals may not precisely add due to rounding

See notes to basic financial statements



Administrative School District No. 1  
Deschutes County, Oregon  
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
<b>Revenues</b>					
Property taxes	\$ 109,159,018	\$ -	\$ 39,256,898	\$ -	\$ 148,415,916
Tuition	5,123	-	-	-	5,123
Investment earnings	3,598,918	239,846	903,264	4,516,186	9,258,214
Other local sources:					
Food services	-	272,786	-	-	272,786
Print shop	854,550	-	-	-	854,550
Indirect costs charged to grants	572,100	-	-	-	572,100
Charges for services	1,429,916	-	-	-	1,429,916
Other local sources	3,398,660	7,269,000	-	141,282	10,808,942
Intermediate sources:					
County school funds	387,075	-	-	-	387,075
ESD apportionment	1,702,421	395,000	-	-	2,097,421
Other Intermediate sources	97,431	-	-	-	97,431
State sources:					
State school fund	97,710,052	60,033	9,183,648	-	106,953,733
Common school fund	2,385,703	-	-	-	2,385,703
Other state sources	-	28,878,577	-	8,000,000	36,878,577
Federal grant sources	296,969	13,898,541	-	-	14,195,510
<b>Total revenues</b>	<b>221,597,936</b>	<b>51,013,783</b>	<b>49,343,810</b>	<b>12,657,468</b>	<b>334,612,997</b>
<b>Expenditures</b>					
Current:					
Instruction	129,522,059	20,171,198	-	-	149,693,257
Support services	87,803,129	18,791,169	200	-	106,594,498
Community services	468,977	11,704,394	-	-	12,173,371
Facilities acquisition and construction	-	-	-	7,615,127	7,615,127
Debt service:					
Principal	1,517,618	37,280	35,930,000	-	37,484,898
Interest	243,485	9,961	15,122,298	690	15,376,434
Capital outlay	3,780,241	619,380	-	41,314,234	45,713,855
<b>Total expenditures</b>	<b>223,335,509</b>	<b>51,333,382</b>	<b>51,052,498</b>	<b>48,930,051</b>	<b>374,651,440</b>
<b>Revenues over (under) expenditures</b>	<b>(1,737,573)</b>	<b>(319,599)</b>	<b>(1,708,688)</b>	<b>(36,272,583)</b>	<b>(40,038,443)</b>
<b>Other financing sources (uses)</b>					
Sale of capital assets	15,335	-	-	-	15,335
Issuance of long-term debt	1,856,494	-	-	-	1,856,494
Transfer to general fund	-	(402,826)	-	-	(402,826)
Transfer from special revenue fund	402,826	-	-	-	402,826
<b>Total other financing sources (uses)</b>	<b>2,274,655</b>	<b>(402,826)</b>	<b>-</b>	<b>-</b>	<b>1,871,829</b>
<b>Net change in fund balances</b>	<b>537,082</b>	<b>(722,425)</b>	<b>(1,708,688)</b>	<b>(36,272,583)</b>	<b>(38,166,614)</b>
<b>Fund balances, beginning of year</b>	<b>40,753,450</b>	<b>11,942,859</b>	<b>5,459,984</b>	<b>101,863,054</b>	<b>160,019,347</b>
<b>Fund balances, end of year</b>	<b>\$ 41,290,532</b>	<b>\$ 11,220,434</b>	<b>\$ 3,751,296</b>	<b>\$ 65,590,471</b>	<b>\$ 121,852,733</b>

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1  
Deschutes County, Oregon  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of Governmental Funds to  
the Statement of Activities  
Year Ended June 30, 2025

Net change in fund balance (page 24) \$ (38,166,614)

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

Governmental funds report capital outlay as expenditures. However, in the  
statement of activities, the cost of those assets is allocated over their estimated  
useful lives and reported as amortization or depreciation expense. This is the amount  
by which capital outlays exceeded amortization and depreciation in the current period:

Expenditures for capital and right of use assets and construction in progress	\$ 53,366,102	
Less current year amortization and depreciation	(20,533,003)	
Net (Loss)\Gain on asset disposal	(13,798)	32,819,301

Long-term debt proceeds are reported as other financing sources in governmental  
funds. In the statement of net position, however, issuing long-term debt increases  
liabilities. Similarly, repayment of principal is an expenditure in the governmental  
funds but reduces the liability in the statement of net position. This is the amount  
by which repayments exceeded proceeds:

Debt issued	\$ (1,856,494)	
Debt principal repaid	37,484,898	35,628,404

In the statement of activities, pension expense is adjusted based on the actuarially  
determined contribution changes (7,313,289)

Governmental funds report the effect of issuance costs, premiums, and discounts  
when debt is first issued, whereas these amounts are deferred and amortized in  
the statement of activities. This amount is the net effect of these differences:

Amortization of deferred outflow on debt refunding	\$ (728,070)	
Amortization of premiums, net of discount amortization	1,319,286	591,216

In the statement of activities interest is accrued on long-term debt, whereas  
in the governmental funds it is recorded as an interest expense when due. 32,588

Revenues that do not meet the measurable and available criteria are not  
recognized as revenue in the current year in the governmental funds. In the  
statement of activities property taxes and other revenues are recognized as  
revenue when earned or levied

Property Taxes	\$ 84,566	
Misc Revenue	32,606	117,172

Certain expenses in the statement of activities do not require the use of current financial  
resources and, therefore, are not reported as expenditures in governmental funds

Claims and judgments	\$ (927,343)	
Arbitrage	(1,542,357)	
Compensated absences	(2,378,078)	
OPEB RHIA	600,817	
OPEB - implicit subsidy	265,111	(3,981,850)

Change in net position (page 21) \$ 19,726,928

*Totals may not precisely add due to rounding*

See notes to basic financial statements

Administrative School District No. 1  
Deschutes County, Oregon  
Statement of Fiduciary Net Position  
Fiduciary Fund - Private Purpose Trust Fund  
June 30, 2025

	<u>2025</u>
Assets	
Cash and investments	\$ 113,071
Liabilities	
Accounts payable	1,500
<u>Net position held in trust for scholarships</u>	<u>\$ 111,571</u>

Statement of Changes in Fiduciary Net Position  
Fiduciary Fund - Private Purpose Trust Fund  
Year Ended June 30, 2025

	<u>2025</u>
Additions:	
Donations	\$ 41,324
Investment earnings	4,136
Total revenues	45,460
Deductions:	
Scholarships	22,851
Change in net position	22,609
Net position - beginning	88,962
<u>Net position - ending</u>	<u>\$ 111,571</u>

See notes to basic financial statements

## **Notes to Basic Financial Statements**

1. Summary of significant accounting policies

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

B. Reporting entity

Bend La-Pine Schools was organized under provisions of the Oregon Statutes pursuant to ORS Chapter 332 and provides education services to children from grades K-12 located in Bend, La Pine and surrounding areas. The District has seven high schools, two K-8 schools, one K-8 charter school, seven middle schools, one K-5 charter school, and seventeen elementary schools with an approximate total enrollment of 17,000 students. The Average Daily Membership (ADMr) in FY2023-24 was 16,461 and the Weighted ADM (ADMw) was 19,057 from the Oregon Department of Education's June 20, 2024 ADMw Breakout . The District is governed by a separately elected seven-member Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts, which provide service within the District's boundaries. However, none of these legally separate entities meet the criteria for inclusion in the financial reporting entity.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category — governmental and fiduciary — are presented. The emphasis of fund financial statements is on major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

a. General fund

Accounts for all general operating revenues and expenditures of the District, and for all financial resources not accounted for in another fund. Principal revenue sources are property taxes and state school support.

b. Special Revenue fund

Accounts for revenues derived from specific grants and other earmarked revenue sources. Principal revenue sources are federal and state grants, student fundraising activities, and school lunch sales.

c. Debt Service fund

Accounts for the accumulation of resources and payment of general obligation bond and limited tax pension obligation bond principal and interest from governmental resources such as property taxes and state school support.

d. Capital Projects fund

Accounts for the acquisition and construction of major capital facilities or other improvements. Principal revenue sources are general obligation bond proceeds and interest earnings from cash and investments.

Additionally, the District reports the following fund type:

e. Private Purpose Trust fund

This fund uses the economic resources measurement focus and accrual basis of accounting, and accounts for scholarship resources held by the District in a fiduciary capacity for use by students. Disbursements from this fund are made in accordance with the various trust agreements.

During the course of operations, the District has activity between funds for various purposes. Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned



and expenses are recorded when a liability is incurred, regardless of the timing of the 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 eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The private-purpose trust fund is reported using the economic resources measurement focus and the accrual basis of accounting.

F. Budgetary information

a. Budgetary basis of accounting

Annual budgets are adopted on a basis "consistent with generally accepted accounting principles" for all funds consistent with Oregon Local Budget Law.

The appropriated budget is prepared and appropriated by fund and major function as required by Oregon Local Budget Law. The district's administrators may make transfers of appropriations within appropriation levels. Transfers between appropriation levels require the approval of the School Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the major appropriation level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability, and to facilitate effective cash planning and

control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated.

b. Excess of expenditures over appropriations

No expenditures exceeded appropriation for the fiscal year ending June 30, 2025

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

a. Cash and cash equivalents

The District's cash and investments are considered to be cash on hand, demand and savings deposits, and short-term investments with maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bankers' acceptances and the State of Oregon Treasurer's Local Government Investment Pool (LGIP).

Investments are reported at fair value. The LGIP operates in accordance with appropriate state laws and regulations. The reported value of the LGIP is the same as the fair value of the LGIP shares.

The State Treasurer's LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The state's investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establishes diversification percentages and specifies the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements.

Amounts in the State Treasurer's LGIP are not required by law to be collateralized.

b. Investments

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

- i. Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access
- ii. Level 2 – other observable inputs including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs
- iii. Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

c. Inventories and prepaid items

Print Shop supplies, maintenance supplies, food and other cafeteria supplies are stated at average invoice cost. Donated commodities from the United States Department of Agriculture in the Nutrition Services Fund are included in the District's inventories at fair market wholesale value. Inventory items are charged to expenditures of user departments at the time of withdrawal from inventory (consumption method).

Prepaid items primarily consist of prepaid software support fees, and are reported using the consumption method, where items are charged to expenditure as the service is provided.

d. Capital assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their acquisition value on the date donated. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. The District also follows GASB implementation guide 2021-1 which states "A government should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant." Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset Types</u>	<u>Estimated Lives</u>
Buildings and improvements	20 to 50 years
Equipment	5 to 10 years

e. Deferred outflows/inflows of resources

The statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The statement of net position reports one type related to the total PERS pension liability, one type related to bond refunding, and one type related to the total OPEB liability. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become available.

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Another item in this category is related to the pension plan due to differences in expected and actual experiences, differences in expected and actual earnings, and contributions made after the actuary's measurement date.

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 of net assets that applies to a future period so it will not be recognized as an inflow of resources (revenue) until that time. The District has four items that arise for reporting in this category. The balance sheet reports unavailable revenues from property taxes and deferred inflows from leases. The statement of net position reports one type related to the total PERS pension liability, one type related to the total OPEB liability and one type related to leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

f. Net position flow assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

g. Fund balance flow assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of restricted, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and

unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

h. Fund balance policies

In the fund financial statements, governmental funds are categorized by the nature of the resources within the fund. The district reports fund balance using the following categories:

- i. Nonspendable fund balance – indicates the portion of fund equity that cannot be spent as it is not in a spendable format, such as inventories and prepaid expenditures.
- ii. Restricted fund balance – indicates the portion of fund equity for which the use is externally restricted by grantors, creditors, or law.
- iii. Assigned fund balance – indicates the portion of fund equity that the District intends to use for a specific purpose imposed by the Superintendent or designee. The Governing Body delegated the authority to the Superintendent or designee to assign fund balance.
- iv. Unassigned fund balance – indicates the amount of general fund equity that is available for budgeting in future periods. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

H. Revenues and expenditures/expenses

a. Program revenues

Program revenues report grants and contributions that are restricted to meeting the operational or capital requirements of a particular function of the District. This includes state school fund grant money for bus replacement, federal reimbursement for bond interest payments, all reimbursable grants, money for the National School Lunch Program, and the portion of the state school fund for transportation representing 70% of allowable transportation expenditures. All taxes or other internally dedicated resources are reported as general revenues rather than as program revenues.

b. Property taxes

Property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15. Collection dates are November 15, February 15, and

May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

c. Compensated absences

District personnel currently work under an annual contract based upon the number of workdays in each year. Employees under such contracts have no vested vacation pay benefits. Beginning in FY2008-09, certain administrators were able to accrue unused vacation leave from year to year up to a total of 30 days. Upon resignation or termination of employment, these employees will receive pay for up to 20 of these accrued vacation days. Currently, accumulated compensatory benefits earned by employees are paid as of June 30 each year. Sick pay does not vest.

In accordance with GASB Statement No. 101, *Compensated Absences*, the District records a liability for leave that is earned and attributable to services already rendered and for which it is probable that employees will either be compensated through paid time off or through cash payments upon separation.

The liability includes both vacation and qualifying sick leave benefits. Sick leave benefits are included when it is probable that employees will use the leave for time off or will receive payment for unused leave upon termination or retirement. The liability and expense are reported in the government-wide financial statements; expenditures are recognized in the governmental funds when a liability is incurred and will be paid from current resources.

d. Retirement plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the total pension liability, pension related deferred outflows of resources, deferred inflows of resources related to pensions, pension expense, fiduciary net position of PERS and any changes thereto have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

e. Postemployment benefits other than pensions (OPEB)

For the purpose of measuring the total OPEB liability, OPEB related deferred outflows of resources, deferred inflows of resources related to OPEB, OPEB expense, fiduciary net position of PERS and any changes thereto have been determined on the same basis as they are reported by PERS. For this purpose, PERS benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



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I. Implementation of New Accounting Standards

- a. For the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*.

GASB Statement No. 101 establishes new recognition and measurement guidance for compensated absences, requiring governments to recognize a liability for leave that is attributable to services already rendered and that is probable of being used for time off or paid in cash or other forms of compensation. Implementation of this standard resulted in the recognition of a liability for qualifying sick leave that was not previously recorded.

The District also implemented GASB Statement No. 102, *Certain Risk Disclosures*. This standard enhances disclosures related to specific risks that could affect the District's ability to provide services or meet obligations, such as concentration risks, constraints on revenues, and other significant exposures. Implementation did not result in additional disclosures or adjustments.

2. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Capital assets are not financial resources and therefore are not reported in the governmental funds.” The details of this \$612,027,017 are as follows:

Land	\$ 36,876,933
Construction in progress	58,843,814
Buildings and improvements	638,032,050
Less: Accumulated depreciation buildings and improvements	(200,747,022)
Site improvements	70,076,866
Less: Accumulated depreciation site improvements	(13,269,174)
Vehicles and equipment	32,165,709
Less: Accumulated depreciation vehicles and equipment	(14,683,696)
Right-of-use leased buildings	6,513,956
Less: Accumulated amortization right-of-use leased buildings	(2,496,745)
Right-of-use leased equipment	401,185
Less: Accumulated amortization right-of-use leased equipment	(161,618)
Right-of-use SBITA	1,003,888
Less: Accumulated amortization right-of-use SBITA	(529,129)
<u>Total capital assets</u>	<u>\$ 612,027,017</u>

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Another element of the reconciliation is that other long-term assets “are not available soon enough to pay for the current year’s operations and, therefore, are not reported as revenue in the governmental funds.” The details of that \$2,375,496 are as follows:

Property Taxes	\$ 2,342,893
Miscellaneous Revenue	32,603
<u>Total debt deferrals and amortizations</u>	<u>\$ 2,375,496</u>

Another element of that reconciliation is the net OPEB-RHIA asset is reported in the government wide statement. That asset is applicable to future periods and not a current year contribution, therefore it is not reported in the governmental funds. The asset totals \$3,643,038.

Another element of that reconciliation explains that “Long-term liabilities not payable in the current year are not reported as governmental fund liabilities.” These long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds. The details of that \$(623,014,535) difference are as follows:

Long-term debt	\$ (2,562,937)
Accrued interest payable	(534,410)
Arbitrage Rebate Payable, LT	(1,849,743)
Bonds payable	(390,300,000)
Proportionate share of the PERS net pension liability	(199,822,459)
Net OPEB obligation-implicit rate subsidy	(5,734,575)
Lease liability	(4,735,413)
Subscription based technology agreement liability	(497,939)
Compensated absences	(14,694,184)
Accrued claims and judgments	(2,282,875)
<u>Total long term liabilities not payable in current year</u>	<u>\$ (623,014,535)</u>

Another element of that reconciliation explains that “deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds.” The details of that \$49,678,941 difference are as follows:

Deferred outflows of resources related to pensions	\$ 73,013,544
Deferred outflows of resources related to OPEB Implicit	815,614
Deferred outflow of resources related to OPEB - RHI	102,876
Deferred inflow of resources related to pensions	(17,687,662)
Deferred inflow of resources related to OPEB - RHI	(196,219)
Deferred inflow of resources related to OPEB Implicit	(6,369,212)
<u>Total deferred inflows/outflows related to pension plan</u>	<u>\$ 49,678,941</u>

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The final element of that reconciliation explains that “Governmental funds report the effect of premiums, discounts and refunding and similar items when debt is first issued, whereas these amounts are deferred or amortized in the statement of activities”. The details of that \$(12,843,428) difference are as follows:

Unamortized portion of bond issuance premium	\$ (18,607,313)
Deferred outflow on refunding	5,763,885
<u>Total debt deferrals and amortizations</u>	<u>\$ (12,843,428)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balance – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.” The details of this \$32,819,301 difference are as follows:

Outlay for capital and right-to-use assets	\$ 53,366,102
Depreciation and amortization expense	(20,533,003)
Net loss\gain) on asset disposal	(13,798)
<u>Total capital outlay net of depreciation and amortization for the current period</u>	<u>\$ 32,819,301</u>

Another element of that reconciliation states “Long-term debt proceeds are reported as other financing sources in governmental funds. In the statement of net position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. This is the amount by which repayments exceeded proceeds.” The detail of this \$32,628,404 difference is as follows:

Debt issued	\$ (1,856,494)
Debt principal repaid	37,484,898
<u>Net adjustment for issuance and payment of long-term debt</u>	<u>\$ 35,628,404</u>

Another element of that reconciliation states “Certain expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.” The details of this \$(3,981,850) difference are as follows:

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Claims and judgments	\$ (927,343)
Arbitrage	(1,542,357)
Compensated absences	(2,378,078)
Amortization of OPEB obligation - RHIA	600,817
Amortization of OPEB obligation - implicit subsidy	265,111
Net adjustment to decreases in net changes in fund balances - total government funds to arrive at changes in net position of governmental activities	<u>\$ (3,981,850)</u>

Another element of that reconciliation states that "Governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$591,216 difference are as follows:

Amortization of deferred outflow in debt refunding	\$ (728,070)
Amortization of premiums	1,319,286
Total components of debt issuance costs and adjustments	<u>\$ 591,216</u>

Another element of that reconciliation states "Revenues that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the statement of activities property taxes and other revenues are recognized as revenue when earned or levied. The details of this \$117,172 difference are as follows:

Property Taxes	\$ 84,566
Miscellaneous Revenue	32,606
Total debt deferrals and amortizations	<u>\$ 117,172</u>

Another element of that reconciliation states "In the statement of activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due." The interest accrued on general obligation bonds is \$32,588.

The final element of the reconciliation is related to adjustments for the net pension asset and liability, allocations to expenses for net changes in deferred inflows due to the District's share in the PERS system's differences between projected and actual earnings, and contributions subsequent to the measurement date that are not recorded in the budgetary basis financial statements. The details of the \$(7,313,289) are as follows:

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Total pension liability	\$ (24,552,336)
Deferred outflows - actual experience	3,266,388
Deferred outflows - changes in assumptions	4,520,254
Deferred outflows - actual earnings	9,543,992
Deferred outflows - change in proportionate share	(1,459,074)
Deferred outflows - contribution difference	(560,174)
Deferred outflows - contribution after measurement date	836,719
Deferred inflow - actual change in proportionate share	(3,014,433)
Deferred inflow - contribution difference	3,796,971
Deferred inflow - changes in assumptions	90,353
Deferred inflow - actual experience	218,051
<u>Total components of pension liability adjustments at measurement date</u>	<u>\$ (7,313,289)</u>

3. Stewardship, compliance and accountability

A. Violations of legal or contractual provisions

For the year ended June 30, 2025, no expenditures exceeded appropriations. There were no violations of legal or contractual provisions.

B. Deficit fund equity

The District did not have any funds with a negative fund balance.

4. Detailed notes on all activities and funds

A. Deposits and investments

The District's cash and investments at June 30, 2025 are summarized as follows:

Cash and cash equivalents	\$ 60,044,131
Investments	84,049,099
<u>Total cash and investments</u>	<u>\$ 144,093,230</u>

B. Cash deposits with financial institutions

In the case of deposits, and in the event of a bank failure, the district's deposits may not be returned. As of June 30, 2025, the district's bank balances were \$60,869,544, and \$60,264, of that amount was exposed to custodial credit risk because it was uninsured and collateralized by securities held by the pledging or financial institutions trust department or agent, but not in the government's name. All deposits were in bank depositories qualified by the Oregon State Treasury which maintains the collateral program for local governments.

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. Of these balances all were deposited in banking institutions covered by Federal depositor insurance. However, a portion of these deposits exceed the federal deposit insurance corporation limit and are not federally insured.

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C. Investments

As of June 30, 2025, the District was invested as follows:

Investment Type	Classification	Total	Moody's Aaa
Local Government Investment Pool	N/A	\$ 42,906,624	N/A
US Treasury securities	Level 1	41,142,475	41,142,475
Total		\$ 84,049,099	\$ 41,142,475

a. Interest rate risk

Interest rate risk is lessened by generally matching investment maturities with cash requirements so that sales prior to maturities are minimized. The District's investment policy requires that only investments that can be held to maturity shall be purchased. At June 30, 2025 the District's investment holdings meet the requirement of this policy.

b. Credit risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by law. The District School Board annually approves a list of financial institutions with which the District will do business. All of the investments, except for the investment in the Local Government Investment Pool which is not evidenced by securities, are held in safekeeping by the financial institution's counterparty in the financial institution's general customer account.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2025. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. The pool is comprised of a variety of investments. As of June 30, 2025, the fair value of the position in the LGIP is 100.83 percent of the value of the pool shares as reported in the Oregon Short-Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.



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c. Concentration of credit risk

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U.S. Government Agencies. More than 5 percent of the School District's total investments are in securities by the following insurers:

<u>Issuer</u>	<u>Percentage of Total</u>
Oregon Short Term Fund	51.05%
US Treasury Securities	48.95%
<u>Total</u>	<u>100.00%</u>

d. Custodial credit risk – investments

For an investment, this is the risk that, in the event of the failure of the counterparty, 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. The District has a Third-Party Safekeeping Agreement (TPSA) with US Bank to hold certain securities in trust. All of the securities subject to the TPSA are held in trust in the District's name. The District does not have a policy for custodial credit risk for certificates of deposit.

D. Receivables

The accounts and other receivables in the General Fund are primarily balances due from other government entities such as Oregon Department of Education and High Desert Education Service District for reimbursement of expenditures. The accounts and other receivables in Special Revenue Funds represent balances due from state and federal governments for special program grants.

Accounts and other receivables on the Statement of Net Position are comprised of the following as of June 30, 2025:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Accounts and other receivables	\$ 2,104,165	\$ 1,563,834	\$ 481,605	\$ 4,149,604
Intergovernmental receivables	3,265,048	5,395,350	-	8,660,398
<u>Total</u>	<u>\$ 5,369,213</u>	<u>\$ 6,959,184</u>	<u>\$ 481,605</u>	<u>\$ 12,810,002</u>

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E. Capital assets

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

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets not being depreciated				
Land	\$ 36,876,933	\$ -	\$ -	\$ 36,876,933
Construction in progress	21,105,264	49,040,279	11,301,729	58,843,814
<u>Total non-depreciable assets</u>	<u>57,982,197</u>	<u>49,040,279</u>	<u>11,301,729</u>	<u>95,720,747</u>
Capital assets being depreciated and amortized:				
Buildings and improvements	638,032,050	-	-	638,032,050
Right-of-use leased buildings	6,513,956	-	-	6,513,956
Site improvements	58,549,173	11,527,693	-	70,076,866
Vehicles and equipment	28,083,700	4,087,599	5,590	32,165,709
Right-of-use SBITA	1,265,708	-	261,820	1,003,888
Right-of-use leased equipment	201,570	199,614	-	401,185
<u>Total depreciable assets at cost</u>	<u>732,646,160</u>	<u>15,814,906</u>	<u>267,410</u>	<u>748,193,654</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(186,971,827)	13,775,195	-	(200,747,022)
Right-of-use leased buildings	(1,872,558)	624,186	-	(2,496,744)
Site improvements	(10,877,776)	2,391,398	-	(13,269,173)
Vehicles and equipment	(11,266,788)	3,420,961	4,053	(14,683,695)
Right-of-use SBITA	(475,086)	243,512	189,469	(529,129)
Right-of-use leased equipment	(79,630)	81,988	-	(161,618)
<u>Depreciation and amortization expense</u>	<u>(211,543,666)</u>	<u>20,537,240</u>	<u>193,522</u>	<u>(231,887,381)</u>
<u>Total depreciable assets, net</u>	<u>521,102,494</u>	<u>36,352,146</u>	<u>460,932</u>	<u>516,306,272</u>
<u>Total capital assets, net</u>	<u>\$ 579,084,691</u>	<u>\$ 85,392,425</u>	<u>\$ 11,762,661</u>	<u>\$ 612,027,019</u>

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

Program	Buildings	Equipment	Improvements	Total
Business, transportation and maintenance	\$ 1,121,780	\$ 2,159,842	\$ 225,036	\$ 3,506,658
Central Activities	3,900,519	701,848	250,026	4,852,393
Food Services	2,981	38,116		41,097
Students	9,374,102	846,655	1,916,335	12,137,092
<u>Total depreciation and amortization expense</u>	<u>\$ 14,399,382</u>	<u>\$ 3,746,461</u>	<u>\$ 2,391,397</u>	<u>\$ 20,537,240</u>

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Net investment in capital assets is calculated as follows:

Invested in Capital Assets net of related debt

All capital assets net of depreciation

Land	36,876,933	
Construction in progress	58,843,814	
Buildings and improvements	437,285,028	
Right-of-use leased buildings	4,017,212	
Site improvements	56,807,693	
Vehicles and equipment	17,482,014	
Right-of-use SBITAs	474,759	
Right-of-use leased equipment	<u>239,567</u>	<u>\$ 612,027,020</u>

SBITAs Liability	(497,939)
Lease Liability	(4,735,412)
Short and long term debt	(367,610,000)
iPad loans	(1,381,937)
Bus loans	(1,181,000)
Retainage payable	(1,910,523)
Accounts payable (capital construction)	(9,243,654)
Bond premium/discounts	18,607,313
Advanced refunding outflow	5,763,885
Unspent bond proceeds	<u>56,857,445</u>
Investment in capital assets, net of related debt	<u>306,695,198</u>

F. Leases: Lessee

Under GASB Statement No. 87, Leases, the District recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements for each lease. The lease liability is measured as the present value of all expected payments during the lease term, reduced by the principal portion of lease payments made. The lease asset is the initial lease liability, adjusted lease payments made before the commencement date plus certain direct costs. The lease asset is amortized on a straight-line basis.

The District monitors changes in circumstances that would require remeasurement of leases, and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

a. Brinson Lease

On May 16, 2018, the District entered into a noncancelable lease for the Brinson building, which contains the REALMS Middle and High School programs. The lease terminates on May 15, 2031 and has an assumed interest rate is 3.25 percent based on our estimated borrowing rate.

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b. Twin Knolls Lease

On January 1, 2013 the District entered into a noncancelable lease for the Twin Knolls building, which contains our Transition Co-Op program. The lease terminates on June 30, 2034 and has an assumed interest rate of 3.25 percent based on our estimated borrowing rate.

c. Copier Lease

On March 31, 2022 the District entered into a noncancelable lease for printer and copier equipment. The lease terminates on March 30, 2027 and the interest rate of 7.62 percent is implicit to the lease.

d. Turf Tank Lease

On August 16, 2022 the District entered into a noncancelable lease for a robotic field painter for sports fields. The lease terminates on August 15, 2028 and the interest rate of 5.5 percent is implicit to the lease.

e. Canon Copier Lease

One October 31, 2024 the District entered into a noncancelable lease for a fleet of Canon copiers. The lease terminates on October 30, 2027 and the interest rate of 8 percent is implicit to the lease.

Lease liabilities are as follows:

	Balance at June 30, 2024	Increases	Decreases	Balance at June 30, 2025	Due within One Year
Brinson Lease	\$ 3,851,496		\$ 460,279	\$ 3,391,217	\$ 493,083
Twin Knolls Lease	1,201,203		95,805	1,105,398	100,747
Copier Lease	69,780		24,525	45,255	26,462
Turf Tank Lease	52,577		12,108	40,469	12,774
Canon Copiers	-	199,615	46,541	153,074	64,656
<b>Total</b>	<b>\$ 5,175,056</b>	<b>\$ 199,615</b>	<b>\$ 639,259</b>	<b>\$ 4,735,413</b>	<b>\$ 697,722</b>

Debt service requirements on leases are as follows:

	Brinson Lease		Twin Knolls Lease		Pacific Office Copier Lease		Turf Tank Lease		Canon Copier Lease	
As of June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	493,083	102,953	100,748	34,434	26,462	2,538	12,774	2,226	64,656	9,909
2027	527,497	86,419	105,853	31,084	18,793	541	13,477	1,523	70,022	4,542
2028	563,592	68,742	111,127	27,565	-	-	14,218	782	18,396	245
2029	601,437	49,866	116,575	23,873	-	-	-	-	-	-
2030	641,109	29,733	122,203	20,001	-	-	-	-	-	-
2031-2035	564,499	8,442	548,893	37,478	-	-	-	-	-	-
<b>Total</b>	<b>\$3,391,217</b>	<b>\$346,155</b>	<b>\$1,105,399</b>	<b>\$174,434</b>	<b>\$45,255</b>	<b>\$3,079</b>	<b>\$40,469</b>	<b>\$4,531</b>	<b>\$153,074</b>	<b>\$14,696</b>

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G. Leases: Lessor

Under GASB Statement No. 87, Leases, the District recognizes a lease receivable and a deferred inflow of resources in the government-wide and government funds financial statements for each qualifying lease. The District monitors changes in circumstances that would require remeasurement of leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

a. Ed Center Lease

Beginning 7/1/24 the High Desert ESD leased a portion of the Ed Center building in a noncancelable contract. The lease terminates on June 30, 2026 and the assumed interest rate is 5.5 percent based on estimated lending rates.

A summary of the lease in which the district is the lessor is provided below.

Issue	Inception Date	Termination Date	Interest Rate	2025 Rental Payments	2025 Interest Payments
Ed Center Lease	7/1/2024	6/30/2026	5.50%	8,635	688

The long term lease receivable is as follows:

	Balance at June 30, 2024	Increases	Decreases	Balance at June 30, 2025	Due within One Year
Ed Center Lease	-	17,958	8,635	9,323	9,323

The deferred inflow of resources is as follows:

	Balance at June 30, 2024	Increases	Decreases	Balance at June 30, 2025
Ed Center Lease	-	17,958	8,979	8,979

The Schedule of lease payments is as follows:

<u>Ed Center Lease</u>		
As of June 30	Principal	Interest
2026	9,323	280

H. Subscription based information technology arrangements

Under GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) the District now recognizes a subscription liability and an intangible right-to-use asset in the government-wide financial statements for each arrangement. The subscription liability is measured as the present value of all expected payments during the subscription term. The subscription asset is the initial subscription liability, payments made before the commencement date, and certain capitalizable implementation costs. The subscription asset is amortized on a straight-line basis.

The District monitors changes in circumstances that would require remeasurement of SBITAs, and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long term debt on the statement of net position.

a. CVE Technologies

Prior to July 1, 2022 the District entered into an arrangement for phone software. The arrangement terminates on August 9, 2026 and the interest rate of 4.85 percent is based on estimated lending rates.

b. Palo Alto Security

Prior to July 1, 2022 the District entered into an arrangement for security software. The arrangement terminates on June 30, 2025 and the interest rate of 4.85 percent is based on estimated lending rates. This arrangement was paid in full at commencement.

c. PowerSchool

Prior to July 1, 2022 the District entered into an arrangement for enterprise resource planning software. The arrangement terminates on June 30, 2028 and the interest rate of 7.82 percent is based on estimated lending rates.

d. EZ Lease

On September 29, 2023 the District entered into an arrangement for lease management software. The arrangement terminates on September 28, 2026 and the interest rate of 8.5 percent is based on estimated lending rates.

e. Rosetta Stone

On October 7, 2023 the District entered into an arrangement for foreign language software. The arrangement terminates on October 6, 2025 and the interest rate of 8.5 percent is based on estimated lending rates. This arrangement was paid in full at commencement.

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f. Really Great Reading

Prior to July 1, 2022 the District entered into an arrangement for reading curriculum software. The arrangement terminates on June 30, 2029 and the interest rate of 4.85 percent is based on estimated lending rates. The Really Great Reading arrangement has a variable payment schedule based on the number of classrooms and students supported, which can lead to differences between the actual outflow of resources and the estimated outflows used to calculate the subscription asset. For the fiscal year ending June 30, 2025 the variable payments not included in the Really Great Reading SBITA asset are as follows:

	Actual Payments	Estimated Payments Used in SBITA Calculation	Payments Excluded From SBITA Calculation
<u>Really Great Reading</u>	<u>\$136,326</u>	<u>\$ 52,059</u>	<u>\$ 84,267</u>

The schedule of subscription assets for all arrangements is as follows:

	Balance at June 30, 2024	Increases	Decreases	Balance at June 30, 2025
PowerSchool Software	382,982	-	-	382,982
Palo Alto Security	147,581	-	147,581	-
Really Great Reading	297,233	-	-	297,233
CVE Technologies -	309,960	-	-	309,960
EZLease	8,313	-	-	8,313
Rosetta Stone	119,639	-	114,239	5,400
<u>Total</u>	<u>\$ 1,265,708</u>	<u>\$ -</u>	<u>\$ 261,820</u>	<u>\$ 1,003,888</u>

The schedule of subscription amortization for all arrangements is as follows:

	Balance at June 30, 2024	Increases	Decreases	Balance at June 30, 2025
PowerSchool Software	93,484	72,375	-	165,859
Palo Alto Security Software	98,388	49,194	147,582	-
Really Great Reading	84,924	42,462	-	127,386
CVE Technologies - Phone	152,329	74,010	-	226,339
EZLease	2,094	2,771	-	4,865
Rosetta Stone	43,867	2,700	41,887	4,680
<u>Total</u>	<u>\$ 475,086</u>	<u>\$ 243,512</u>	<u>\$ 189,469</u>	<u>\$ 529,129</u>

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The schedule of subscription liability for all arrangements is as follows:

	Balance at June 30, 2024	Increases	Decreases	Balance at June 30, 2025
PowerSchool Software	\$ 291,171	\$ -	\$ 59,148	\$ 232,022
Really Great Reading	226,326	-	41,082	185,244
CVE Technologies -	152,211	-	74,304	77,907
EZLease	5,313	-	2,548	2,765
Rosetta Stone	76,589	-	76,589	-
<b>Total</b>	<b>\$ 751,610</b>	<b>\$ -</b>	<b>\$ 253,672</b>	<b>\$ 497,938</b>

The schedule of future subscription payments for all arrangements is:

	CVE Technologies		EZLease		PowerSchool Software		Really Great Reading	
As of June 30	Liability	Interest	Liability	Interest	Liability	Interest	Liability	Interest
2026	77,907	3,779	2,765	235	67,665	18,144	43,075	8,984
2027	-	-	-	-	77,032	12,853	45,164	6,895
2028	-	-	-	-	87,326	6,829	47,354	4,705
2029	-	-	-	-	-	-	49,651	2,408
<b>Total Payments</b>	<b>\$ 77,907</b>	<b>\$ 3,779</b>	<b>\$ 2,765</b>	<b>\$ 235</b>	<b>\$ 232,022</b>	<b>\$ 37,826</b>	<b>\$ 185,244</b>	<b>\$ 22,992</b>

I. Pension plan

a. PERS pension program

The District is participating in the State of Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by PERS. The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A, and Internal Revenue Code Section 401(a). Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>. The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, fiduciary net position of PERS and any changes thereto have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 were implemented as of July 1, 2014.

- i. Pension benefits – The PERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is most commonly based on years of service and final average salary. A percentage (2.0 percent for police and fire employees,



and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit result.

- ii. Death benefits – Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:
    - The member was employed by 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, or
    - The member was on an official leave of absence from a PERS-covered job at the time of death.
  - iii. Disability benefits – A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time for General Service members is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
  - iv. Benefit changes after retirement – Members may choose to continue participation in a variable account after retiring and may experience annual benefit fluctuations caused by changes in fair value of the underlying global equity investments of the account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.
- b. OPSRP pension program (OPSRP DB)  
The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

- i. Pension benefits – This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To retire under the police and fire classification, the individual's last 60 months of retirement credit preceding retirement eligibility must be classified as retirement credit for service as a police officer or fire fighter. General

Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, or, if the pension program is terminated, the date on which termination becomes effective.

- ii. Death benefits – Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii. Disability benefits – A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled from a 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.

c. Contributions

PERS members are required to contribute 6 percent of their salary and the employer makes contributions at an actuarially-determined rate as adopted by the PERS Board. The rate for Tier I and Tier II for the year ended June 30, 2025 was 19.32 percent of covered annual payroll. The rate for OPSRP for the year ended June 30, 2025 was 16.48 percent. The contribution requirements of plan members are established by state statute. The employer contribution is set and may be amended by the Retirement Board.

At June 30, 2025, the District reported a total pension liability of \$199,822,459 for its proportionate share of the total pension liability. The pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the total pension liability was determined by an actuarial valuation as of December 31, 2022. The District's proportion of the total pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the measurement date of June 30, 2024, the District's proportion was .90 percent, an decrease from June 30, 2023 when the District's proportion was .94 percent. For the year ended June 30, 2025, the District recognized a pension expense of \$30,122,887.

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	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 11,837,632	\$ 476,911
Changes of assumptions	20,090,215	25,738
Net difference between projected and actual earnings on investments	12,694,314	-
Changes in proportionate share	3,798,359	6,836,923
Differences between employer contributions and employer's proportionate share of the system contributions	784,242	10,348,090
Subtotal-amortized deferrals	49,204,762	\$ 17,687,662
District contributions subsequent to the measurement date	23,808,782	
Total PERS deferred outflows	\$ 73,013,544	

District contributions subsequent to the measurement date but before June 30, 2025 will be recognized as a reduction of the total pension liability in the fiscal year ending June 30, 2026.

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

Year ending	Amount
June 30, 2026	\$ (2,815,070)
June 30, 2027	19,658,676
June 29, 2028	9,299,312
June 29, 2029	4,515,971
June 30, 2030	858,210
Total deferred outflow (inflow) of resources	\$ 31,517,100

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated June 30, 2024. Oregon PERS produces an independently audited ACFR which can be found in the following location: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>

d. Actuarial valuations

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

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (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 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 Assumptions**

	<b>Pension</b>
Valuation date	December 31, 2022
Measurement date	June 30, 2024
Experience Study	2022, published July 24, 2023
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><b><i>Healthy retirees and beneficiaries:</i></b> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b><i>Active members:</i></b> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b><i>Disabled retirees:</i></b> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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 methods and assumptions show above are based on the 2022 Experience Study, which reviewed experience for the four year period ended on December 31, 2022.

e. **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 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 was applied to all periods of projected benefit payments to determine the total pension liability.

f. Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair value of investment assets, all others at cost) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. GASB does not recommend a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions. This means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is our third-party actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Detailed information about PERS' fiduciary net position is available in the separately issued financial report available online at the following website:

<https://www.oregon.gov/pers/emp/pages/annual-reports.aspx> or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700.

g. Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's Capital Market Assumptions Team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

The table below shows Milliman's assumptions for each asset class.

Long-Term Expected Rate of Return <sup>1</sup>

Asset Class	Target Allocation	Annual Arithmetic Return <sup>2</sup>	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

<sup>1</sup> Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

<sup>2</sup> The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

h. Sensitivity of the District's proportionate share of the total pension liability to changes in the discount rate

The following presents the District's proportionate share of the total pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the total 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.

	Discount rate	Proportionate share of total pension liability (asset)	
1% decrease	5.90%	\$	315,211,812
Current discount rate	6.90%		199,822,459
1% increase	7.90%		103,178,236

i. Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2025, employers will report the following deferred inflows of resources and/or deferred outflows of resources:

- A difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net difference between projected and actual investment earnings

Differences between expected and actual experience, changes in assumptions and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period “layers” attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

Fiscal Year ended June 30, 2024 - 5.3 years  
Fiscal Year ended June 30, 2023 - 5.4 years  
Fiscal Year ended June 30, 2022 - 5.5 years  
Fiscal Year ended June 30, 2021 - 5.4 years  
Fiscal Year ended June 30, 2020 - 5.3 years  
Fiscal Year ended June 30, 2019 - 5.2 years

The net difference between projected and actual earnings attributable to each measurement period is amortized over a closed five-year period.

J. Other post-employment benefits (OPEB)

The District provides subsidized health benefits to retirees under age 65, as required by ORS 243.303. Retirees electing to remain on district-sponsored health plans must pay the entire premium in order to maintain coverage. However, while the District does not directly contribute to the cost of the premium for retirees, the premium itself does not represent the full cost of covering these retirees (since they are older than the active population, retirees can be expected to generate higher medical claims and therefore higher premiums for the active population). This additional cost is called the “implicit rate subsidy” and is required to be valued under GASB Statement 75. The GASB 75 valuation is based on the following employee census:

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Employee Group	Employee Count
Retirees receiving benefits	169
Retirees not receiving benefits	7
Active employees receiving benefits	1,534
Active employees not receiving benefits	1,056
<b>Total Employees</b>	<b>2,766</b>

Currently, the District participates in the Oregon Educators Benefit Board, a statewide agent multiple-employer plan for health insurance benefits.

a. Other post-employment benefit health insurance subsidy

- i. Funding policy – These benefits are not funded at this time.
- ii. Total OPEB liability – The District's total OPEB liability of 5,734,575 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2024.
- iii. Actuarial assumptions and other inputs – The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2024 Data was collected as of February 2025, and benefits were valued as if the data was representative of data on July 1, 2024																
Measurement Date	June 30, 2025 and June 30, 2026																
Fiscal Year Ends	June 30, 2025 and June 30, 2026																
Actuarial Cost Method	Entry Age Normal, level percent of salary																
Interest Rate for Discounting Future Liabilities	5.25% per year, based on all years discounted at municipal bond rate based on Bond Buyer 20-Bond General Obligation Index as of June 30, 2023, an increase from 1.5% in the previous valuation.																
Inflation Rate	2.5 percent per year																
Payroll Growth	3.5 percent per year																
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table below. Sample rates are as follows: <table> <tr> <th><u>Duration</u></th><th><u>Rate</u></th></tr> <tr> <td>0</td><td>5.54%</td></tr> <tr> <td>5</td><td>4.02%</td></tr> <tr> <td>10</td><td>2.66%</td></tr> <tr> <td>15</td><td>1.53%</td></tr> <tr> <td>20</td><td>0.68%</td></tr> <tr> <td>25</td><td>0.17%</td></tr> <tr> <td>30 +</td><td>0.06%</td></tr> </table>	<u>Duration</u>	<u>Rate</u>	0	5.54%	5	4.02%	10	2.66%	15	1.53%	20	0.68%	25	0.17%	30 +	0.06%
<u>Duration</u>	<u>Rate</u>																
0	5.54%																
5	4.02%																
10	2.66%																
15	1.53%																
20	0.68%																
25	0.17%																
30 +	0.06%																



Annual Premium Increase Rate	<p>The initial rates are based in part on the 2025 Segal Health Plan Cost Trend Survey, tempered by our expectation of the impact of ORS 243.866, as amended in 2017. Rates are trended down in accordance with prevalent actuarial practice based in part on the Society of Actuaries - Getzen Longer Term Healthcare Trends Resource Model, as updated October 2021.</p> <table><tr><th><u>Year</u></th><th><u>Rate</u></th><th><u>Year</u></th><th><u>Rate</u></th></tr><tr><td>2024-25</td><td>4.00%</td><td>2032-33</td><td>5.20%</td></tr><tr><td>2025-26</td><td>4.50%</td><td>2033-34</td><td>5.00%</td></tr><tr><td>2026-27</td><td>5.00%</td><td>2034-35</td><td>4.90%</td></tr><tr><td>2027-28</td><td>5.50%</td><td>2035-36</td><td>4.80%</td></tr><tr><td>2028-29</td><td>6.00%</td><td>2036-37</td><td>4.70%</td></tr><tr><td>2029-30</td><td>5.80%</td><td>2037-38</td><td>4.60%</td></tr><tr><td>2030-31</td><td>5.60%</td><td>2038+</td><td>4.50%</td></tr><tr><td>2031-32</td><td>5.40%</td><td></td><td></td></tr></table>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	2024-25	4.00%	2032-33	5.20%	2025-26	4.50%	2033-34	5.00%	2026-27	5.00%	2034-35	4.90%	2027-28	5.50%	2035-36	4.80%	2028-29	6.00%	2036-37	4.70%	2029-30	5.80%	2037-38	4.60%	2030-31	5.60%	2038+	4.50%	2031-32	5.40%		
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>																																		
2024-25	4.00%	2032-33	5.20%																																		
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2031-32	5.40%																																				
Mortality Rates	<p>Active Employees: PUB-2010 Employee Tables for Teachers, sex-distinct, projected generationally, 125% of published rates for males, 100% of published rates for females.</p> <p>Retirees: PUB-2010 Retiree Tables for Teachers, sex distinct, projected generationally, 80% of published rates blended with 20% of PUB 2010 Retiree Tables for General Employees for males, 100% of published rates for females.</p> <p>Beneficiaries: Pub-2010 Employee and Retiree Table for General Employees, sex distinct, projected generationally, set back 12 months for males, no set back for females; 115% of published rates for non-annuitant males, 125% of published rates for non-annuitant females</p> <p>Improvement scale: Unisex Social Security Data Scale (60 year average), with data through 2019.</p> <p>Improvement scale: Unisex Social Security Data Scale (60 year average), with data through 2017</p>																																				

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Turnover Rates	<p>As developed for the valuation of benefits under Oregon PERS. For the current school year, it is assumed that the terminations are reflected in the census date provided.</p> <table><tr><th><u>Years of Service</u></th><th><u>Male</u></th><th><u>Female</u></th></tr><tr><td>0</td><td>16.63%</td><td>13.50%</td></tr><tr><td>5</td><td>6.86%</td><td>7.91%</td></tr><tr><td>10</td><td>3.31%</td><td>4.43%</td></tr><tr><td>15</td><td>2.30%</td><td>3.17%</td></tr><tr><td>20</td><td>1.62%</td><td>2.43%</td></tr><tr><td>25</td><td>1.20%</td><td>1.75%</td></tr><tr><td>30 +</td><td>1.20%</td><td>1.75%</td></tr></table>	<u>Years of Service</u>	<u>Male</u>	<u>Female</u>	0	16.63%	13.50%	5	6.86%	7.91%	10	3.31%	4.43%	15	2.30%	3.17%	20	1.62%	2.43%	25	1.20%	1.75%	30 +	1.20%	1.75%
<u>Years of Service</u>	<u>Male</u>	<u>Female</u>																							
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30 +	1.20%	1.75%																							
Disability Rates	<p>As developed for the valuation of benefits under Oregon PERS. Sample rates are as follows:</p> <table><tr><th><u>Age</u></th><th><u>Rate</u></th></tr><tr><td>30</td><td>0.0132%</td></tr><tr><td>35</td><td>0.0202%</td></tr><tr><td>40</td><td>0.0325%</td></tr><tr><td>45</td><td>0.0534%</td></tr><tr><td>50</td><td>0.0923%</td></tr></table>	<u>Age</u>	<u>Rate</u>	30	0.0132%	35	0.0202%	40	0.0325%	45	0.0534%	50	0.0923%												
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Retirement Rates	As developed for the valuation of benefits under Oregon PERS. For the current school year, it is assumed that the retirements are reflected in the census data provided.																																																																																																																																																																															
	<table><tr><th></th><th colspan="3">Tier 1 / Tier 2</th><th colspan="3">OPSRP</th></tr><tr><th></th><th colspan="3">Years of Service</th><th colspan="3">Years of Service</th></tr><tr><th>Age</th><th>&lt; 15</th><th>15 - 29</th><th>30 +</th><th>&lt; 15</th><th>15 - 29</th><th>30 +</th></tr><tr><td>&lt;55</td><td>0.0%</td><td>0.0%</td><td>25.0%</td><td>0.0%</td><td>0.0%</td><td>0.0%</td></tr><tr><td>55</td><td>1.5%</td><td>3.5%</td><td>25.0%</td><td>0.5%</td><td>2.5%</td><td>5.0%</td></tr><tr><td>56</td><td>1.5%</td><td>3.5%</td><td>25.0%</td><td>0.5%</td><td>2.5%</td><td>5.0%</td></tr><tr><td>57</td><td>1.5%</td><td>3.5%</td><td>25.0%</td><td>1.0%</td><td>2.5%</td><td>7.5%</td></tr><tr><td>58</td><td>1.5%</td><td>11.0%</td><td>27.5%</td><td>1.5%</td><td>3.0%</td><td>30.0%</td></tr><tr><td>59</td><td>4.5%</td><td>11.0%</td><td>27.5%</td><td>1.5%</td><td>3.0%</td><td>25.0%</td></tr><tr><td>60</td><td>6.5%</td><td>14.5%</td><td>27.5%</td><td>2.5%</td><td>3.75%</td><td>20.0%</td></tr><tr><td>61</td><td>6.5%</td><td>14.5%</td><td>27.5%</td><td>2.5%</td><td>5.0%</td><td>20.0%</td></tr><tr><td>62</td><td>15.0%</td><td>21.0%</td><td>34.0%</td><td>6.0%</td><td>12.0%</td><td>30.0%</td></tr><tr><td>63</td><td>13.0%</td><td>19.5%</td><td>29.0%</td><td>6.0%</td><td>10.0%</td><td>20.0%</td></tr><tr><td>64</td><td>13.0%</td><td>19.5%</td><td>29.0%</td><td>6.0%</td><td>10.0%</td><td>20.0%</td></tr><tr><td>65</td><td>25.5%</td><td>34.5%</td><td>45.0%</td><td>12.5%</td><td>35.0%</td><td>20.0%</td></tr><tr><td>66</td><td>23.0%</td><td>36.5%</td><td>45.0%</td><td>12.5%</td><td>33.0%</td><td>20.0%</td></tr><tr><td>67</td><td>21.0%</td><td>34.5%</td><td>38.0%</td><td>11.0%</td><td>22.0%</td><td>30.0%</td></tr><tr><td>68</td><td>21.0%</td><td>30.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>69</td><td>21.0%</td><td>30.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>70</td><td>21.0%</td><td>30.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>71</td><td>21.0%</td><td>30.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>72</td><td>21.0%</td><td>30.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>73</td><td>21.0%</td><td>30.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>74</td><td>21.0%</td><td>30.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>75</td><td>100.0%</td><td>100.0%</td><td>100.0%</td><td>100.0%</td><td>100.0%</td><td>100.0%</td></tr></table>		Tier 1 / Tier 2			OPSRP				Years of Service			Years of Service			Age	< 15	15 - 29	30 +	< 15	15 - 29	30 +	<55	0.0%	0.0%	25.0%	0.0%	0.0%	0.0%	55	1.5%	3.5%	25.0%	0.5%	2.5%	5.0%	56	1.5%	3.5%	25.0%	0.5%	2.5%	5.0%	57	1.5%	3.5%	25.0%	1.0%	2.5%	7.5%	58	1.5%	11.0%	27.5%	1.5%	3.0%	30.0%	59	4.5%	11.0%	27.5%	1.5%	3.0%	25.0%	60	6.5%	14.5%	27.5%	2.5%	3.75%	20.0%	61	6.5%	14.5%	27.5%	2.5%	5.0%	20.0%	62	15.0%	21.0%	34.0%	6.0%	12.0%	30.0%	63	13.0%	19.5%	29.0%	6.0%	10.0%	20.0%	64	13.0%	19.5%	29.0%	6.0%	10.0%	20.0%	65	25.5%	34.5%	45.0%	12.5%	35.0%	20.0%	66	23.0%	36.5%	45.0%	12.5%	33.0%	20.0%	67	21.0%	34.5%	38.0%	11.0%	22.0%	30.0%	68	21.0%	30.0%	28.5%	9.0%	20.0%	25.0%	69	21.0%	30.0%	28.5%	9.0%	20.0%	25.0%	70	21.0%	30.0%	28.5%	9.0%	20.0%	25.0%	71	21.0%	30.0%	28.5%	9.0%	20.0%	25.0%	72	21.0%	30.0%	28.5%	9.0%	20.0%	25.0%	73	21.0%	30.0%	28.5%	9.0%	20.0%	25.0%	74	21.0%	30.0%	28.5%	9.0%	20.0%	25.0%	75	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
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75	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%																																																																																																																																																																										
Participation	Of the active employees currently enrolled in the medical plan, 40% are assumed to remain enrolled at retirement until Medicare eligibility.																																																																																																																																																																															
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled, if any.																																																																																																																																																																															
Lapse	None assumed.																																																																																																																																																																															
Marital Status	40% of future retirees electing coverage are assumed to cover a spouse as well. Males are assumed to be three years older than their female spouses. Actual marital status and ages as of the valuation date are used for current retirees, if available																																																																																																																																																																															
Coverage of Eligible Children	We have assumed no impact of dependent children on the implicit subsidy																																																																																																																																																																															

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Health Care Claims Cost	2024-25 claims costs for an age 64 retiree or spouse are assumed range from 13,170 to 18,818 depending on the plan selected. The age specific claims costs were developed based on the OEGB health plans' overall demographics and total premiums, to the extent data was available
Aging Factors	Aging factors are used to adjust the age 64 per capita claims cost. Claims costs are reduced by 5.12% to 3.23% by age for those under 64.
Dental and Vision Costs	We have assumed no implicit subsidy due to dental or vision costs
Changes Since Prior Valuation	The interest rate for discounting future liabilities was changed to reflect current municipal bond rates. The general inflation rate and payroll growth rate were changed to better reflect current expectations for future inflation and payroll growth experience. Premium increase rates were modified to better reflect anticipated experience and current Oregon law. Aging Factors were revised to better align with prevalent actuarial practice. Health care claims costs were revised to reflect current OEGB demographics and total premiums. The participation assumption was lowered to better reflect observed and anticipated experience. Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

Changes in the Total OPEB Liability:

Balance at June 30, 2024	\$ 10,399,994
Changes for the year	
Service Cost	613,728
Interest	434,329
Difference between expected and actual experience	(553,010)
Changes in assumptions	(4,849,472)
Benefit payments	(310,994)
Net Changes	(4,665,419)
Total OPEB Liability at June 30, 2025	\$ 5,734,575

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As of June 30, 2025, the deferred inflows and outflows were as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 755,721	\$ 1,229,254
Changes in assumptions or other input	59,893	5,139,958
<u>Total</u>	<u>\$ 815,614</u>	<u>\$ 6,369,212</u>

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

<u>Year ended June 30</u>	<u>OPEB Expense</u>
2026	\$ (1,065,253)
2027	(1,065,253)
2028	(1,065,250)
2029	(833,471)
2030	(730,020)
Thereafter	(794,351)
<u>Total deferred outflows recognized as expense</u>	<u>\$ (5,553,598)</u>

- iv. 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 one percentage point lower (4.25 percent) or one percentage point higher (6.25 percent) than the current rate:

	1% Decrease 4.25%	Current discount rate 5.25%	1% Increase 6.25%
<u>Total OPEB liability</u>	<u>\$ 6,102,297</u>	<u>\$ 5,734,575</u>	<u>\$ 5,384,722</u>

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

	1% Decrease 3.00%, Graded Up to 5.00%, Then Back Down to 3.50%	Current Trend Rate 4.00%, Graded Up to 6.00%, Then Back Down to 4.50%	1% Increase 5.00%, Graded Up to 7.00%, Then Back Down to 5.50%
<u>Total OPEB liability</u>	<u>\$ 5,179,151</u>	<u>\$ 5,734,575</u>	<u>\$ 6,373,227</u>

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- vi. Total OPEB Expense – The following presents the total OPEB expense of the District.

Change in Total OPEB Liability	(4,665,419)
Decrease in Deferred Outflows	337,643
Decrease in Deferred Inflows	4,062,665
Employer Contributions	310,994
<u>Total OPEB expense</u>	<u>45,883</u>

- b. Other post-employment benefits, PERS Retiree Health Insurance Account (RHIA)

Oregon Public Employees Retirement System (PERS or the system) administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined benefit Other Postemployment Benefit (OPEB) plan (Plan) for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the Plan. Contributions are mandatory for each employer that is a member of PERS. As of the June 30, 2024 measurement date, there were 816 participating employers.

At June 30, 2025, the District reported a total OPEB asset of \$3,643,038 for its proportionate share of the total OPEB liability/asset. The measurement date was as of June 30, 2024 and the actuarial valuation date was as of December 31, 2022. As of the June 30, 2024 measurement date, the District's proportionate share was .90 percent, which is higher than .88 percent determined for the prior measurement period.

At June 30, 2025, the District also reported an OPEB related deferred outflow of \$(102,876) calculated as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 71,252
Changes of assumptions	-	46,081
Net difference between projected and actual earnings on investments	102,861	-
Changes in proportionate share	-	78,886
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Subtotal-amortized deferrals	102,861	\$ 196,219
District contributions subsequent to the measurement date	15	
<u>Total deferred outflow and inflow</u>	<u>\$ 102,876</u>	

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District contributions subsequent to the measurement date of June 30, 2024, but before June 30, 2025, will be recognized as an increase to the total OPEB asset in the fiscal year ending June 30, 2026.

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

Year ending June 30	Amount
2026	\$ (282,261)
2027	121,380
2028	55,649
2029	11,875
Total	\$ (93,358)

i. Actuarial methods and assumptions –

	<u>RHIA</u>
Valuation date	December 31, 2022
Measurement date	June 30, 2024
Experience Study	2022, published July 24, 2023
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 25.0% Disabled retirees: 15.0 %
Healthcare cost trend rate	Not applicable
Mortality	<p><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.</p> <p><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.</p> <p><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.</p>

- ii. Discount rate – The discount rate used to measure the total OPEB liability at June 30, 2025 was 6.90 percent, and remained unchanged from the previous valuation. 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.
- iii. 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 2024 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. 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. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>
- iv. Depletion date projection – GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the OPEBB plan:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.



- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is our third-party actuary’s opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

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

	Discount rate	Proportionate share of total pension liability (asset)	
1% decrease	5.90%	\$	(3,372,346)
Current discount rate	6.90%		(3,643,038)
1% increase	7.90%		(3,876,111)

- vi. Deferred inflows of resources and deferred outflows of resources – Deferred inflows of resources and deferred outflow of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2024, employers will report the following deferred inflows or resources and/or deferred outflows of resources:
- A difference between expected and actual experience
  - Changes in assumptions
  - Changes in employer proportion since the prior measurement date
  - Net difference between projected and actual earnings. One-year’s amortization is recognized in the employer’s total OPEB expense for the measurement period

Differences between expected and actual experience, changes in assumptions and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period “layers” attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

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Fiscal Year ended June 30, 2024 - 2.1 years

Fiscal Year ended June 30, 2023 - 2.3 years

Fiscal Year ended June 30, 2022 - 2.5 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

- vii. Total OPEB Expense – The following presents the total OPEB expense of the District.

Employer's proportionate share of OPEB income	(433,119)
Changes in proportionate share	(168,888)
<u>Total OPEB income</u>	<u>(602,007)</u>

- viii. Combined OPEB Expense – The following presents the combined OPEB expense of the District.

Retiree Health Insurance Subsidy	1,804,831
PERS Retiree Health Insurance Account	(602,007)
<u>Total OPEB expense</u>	<u>1,202,824</u>

K. Commitments and contingencies

The District has contractual commitments for construction and improvement projects. As of June 30, 2025, those commitments are:

<u>Project</u>	<u>Commitment Remaining</u>
BHS Modernization	42,115,139
Buckingham Cafeteria	5,562,397
La Pine Transportation	168,230
Sky View Gym	613,675
Fire Alarm Systems	193,349
Door Hardware Replacement	246,853
Bear Creek Shower	97,427
Paving/Pavement Preservation	3,973
Sky View Roof	2,232,965
WE Miller Fans	231,800
<u>Total commitments remaining</u>	<u>\$ 51,465,808</u>

L. Risk management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not

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exceeded commercial insurance coverage in any of the past three fiscal years. Insurance coverage has not changed significantly from prior years.

A liability for estimated unemployment claims is presented in the government-wide statements as a claim and judgement. The liability represents the district's estimate of its share of unemployment claims during FY2024-25 that were unpaid as of June 30, 2025. The estimate was calculated based on district experience and actual claims paid after June 30, 2025. A reconciliation of the claims liability at the end of the year are as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 965,032	\$ 334,113
Claims incurred	1,304,984	722,164
Claims paid	<u>(405,141)</u>	<u>(91,245)</u>
Ending balance	<u>\$ 1,864,875</u>	<u>\$ 965,032</u>

A liability for estimated general liability claims is also presented in the government-wide statements as a claim and judgement. The liability represents the district's estimate of its share of various general liability claims during FY2024-25 that were unpaid as of June 30, 2025. The liability was calculated using actual claims settled and paid after June 30, 2025. A reconciliation of the claims liability at the end of the year are as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 390,501	\$ 285,202
Claims incurred	6,181,081	360,534
Claims paid	<u>(6,153,582)</u>	<u>(255,235)</u>
Ending balance	<u>\$ 418,000</u>	<u>\$ 390,501</u>

Reimbursement claims under federal and state program grants may be subject to further audit and adjustment by grantor agencies. State school support from the Oregon Department of Education may also be subject to further audit and adjustment. Disallowed claims could become a liability of the General Fund. Any such amounts are not expected to be significant. Accordingly, management does not anticipate any material adverse consequences arising from such actions.

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Because these projections and pupil counts fluctuate they can cause increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the operations cannot be determined.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

a. Environmental matters

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The District has complied with EPA standards for asbestos removal or encasement as well as maintenance of an asbestos management plan. In addition, the District's fuel storage facilities meet EPA standards including annual testing requirements. We are developing a healthy and safe schools plan outlined by the state, which includes items like lead and radon testing.

M. Long-term liabilities

The District has outstanding general obligation bonds, limited tax pension bonds and notes from direct borrowings related to governmental activities totaling \$367,610,000, \$22,690,000 and \$2,562,937 respectively. The District has pledged property taxes and all unobligated revenues from the general fund to the punctual payment of principal and interest in the notes from direct borrowings. The District's outstanding notes from direct borrowings provide that in the event of default all amounts payable under the agreement will become immediately due and payable. The District does not have any open or unused lines of credit.

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

	Balance at June 30, 2024	Increases/ Accretion	Decreases	Balance at June 30, 2025	Due within One Year
General obligation bonds	\$ 395,810,000	\$ -	\$ 28,200,000	\$ 367,610,000	\$ 23,885,000
Limited tax pension obligation bonds	30,420,000	-	7,730,000	22,690,000	8,610,000
Notes from direct borrowings	1,445,000	1,856,494	738,557	2,562,937	716,444
Unamortized bond premium	19,926,600	-	1,319,286	18,607,314	-
Lease liability	5,175,056	199,615	639,258	4,735,413	697,722
SBITA liability	751,610	-	253,671	497,939	191,412
<b>Total</b>	<b>\$ 453,528,265</b>	<b>\$ 2,056,109</b>	<b>\$ 38,880,771</b>	<b>\$ 416,703,603</b>	<b>\$ 34,100,578</b>

Debt service requirements on long-term debt at June 30, 2025, exclusive of the remaining issue discount for limited tax pension obligation bonds, are as follows:

As of June 30	General Obligation Bonds		Limited Tax Pension Obligation Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	23,885,000	12,649,617	8,610,000	1,269,533	716,444	54,509
2027	26,190,000	11,737,067	9,555,000	787,792	724,597	39,667
2028	28,555,000	10,711,637	4,525,000	253,176	732,896	24,680
2029	30,970,000	9,688,163	-	-	264,000	9,542
2030	18,840,000	8,745,658	-	-	125,000	2,852
2031-2035	119,505,000	33,771,860	-	-	-	-
2036-2040	69,990,000	16,723,513	-	-	-	-
2041-2045	32,880,000	7,449,600	-	-	-	-
2046-2050	16,795,000	1,020,200	-	-	-	-
<b>Total</b>	<b>367,610,000</b>	<b>112,497,313</b>	<b>22,690,000</b>	<b>2,310,502</b>	<b>2,562,937</b>	<b>131,250</b>

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a. General obligation bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bonds to provide funds for the acquisition and construction of District school facilities. The original amount of the general obligation bond issues are as follows:

Issue	Original Amount
2017 GO Bond	175,000,000
2019 GO Bond	93,300,000
2021 Refunding	80,795,000
2023 GO Bond	100,000,000
<u>Total debt issued</u>	<u>\$ 449,095,000</u>

Debt service on bond principal and bond interest is paid from the Debt Service Fund. The District is subject to statutory limitations on indebtedness. As of June 30, 2025, the District's net bonded debt is \$4,390,482,649 less than the statutory debt limit. Certain issues of the District's bonds are subject to federal arbitrage regulations. The District employs the services of an arbitrage rebate specialist to determine the amount of the arbitrage liability if applicable. For FY 2024 the District recorded a positive yield liability in the amount of \$1,846,493 for the 2023 GO Bond.

In March 2025, Moody's affirmed the District's Aa2 bond rating.

A summary of outstanding general obligation bonds is below:

Issue	Issue Date	Maturity Date	Interest Rate	2025 Principal Payments	2025 Interest Payments
2017 GO Bond	8/31/2017	6/15/2037	2.82%	1,580,000	5,306,213
2019 GO Bond	7/24/2019	6/15/2039	3.00% - 5.00%	1,900,000	2,621,550
2021 Refunding	12/7/2021	6/15/2033	4.00% - 5.00%	16,825,000	1,238,004
2023 GO Bond	3/2/2023	6/15/2047	4.00% - 6.00%	7,895,000	4,254,500
<u>Total General Obligation Bonds</u>				<u>\$ 28,200,000</u>	<u>\$ 13,420,267</u>

b. Limited tax pension obligation bonds

The District participated in the Oregon School Board Association (OSBA) Pension Bond Pool for the purpose of funding the District's allocated portion of the PERS Unfunded Actuarial Liability (UAL). Bonds in the amount of \$40,926,720 were issued October 31, 2002, additional bonds in the amount of \$25,316,992 were issued April 21, 2003 and \$5,930,000 were issued February 19, 2004. The bonds are being amortized over 25-26 years. In February 2012 the District refinanced a portion of the 2002 Pension Bonds. This refinance was structured to save approximately \$45,000 per year in interest. Debt service on bond principal and interest is paid from the debt service fund. General fund resources typically have been used to liquidate the limited tax pension obligation bonds.

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A summary of outstanding limited tax pension obligation bonds is below:

Issue	Issue Date	Maturity Date	Interest Rate	2025 Principal Payments	2025 Interest Payments
PERS 10/02	10/31/2002	6/30/2028	5.55%	\$ 4,390,000	\$ 956,820
PERS 4/03	4/21/2003	6/30/2028	5.68%	2,775,000	621,108
PERS 4/04	2/19/2004	6/30/2028	3.25% - 5.528%	565,000	124,104
<u>Total limited tax pension obligation bonds</u>				<u>\$ 7,730,000</u>	<u>\$ 1,702,032</u>

c. Notes from direct borrowings

On March 21, 2019, the District financed \$1,390,000 to purchase 10 school buses. This loan matures in 2029 and the fixed interest rate is 2.76%. The interest rate will increase by 1.50% in an Event of Default that extends beyond 60 days after a written demand is made to the District to cure such failure. On May 20, 2020 the District financed \$1,250,000 to purchase additional school buses. The loan matures in 2030 and the fixed interest rate is 2.282%. The interest rate, at the option of the lender, shall increase to 5.282% in an occurrence and continuation of an Event of Default. On May 15, 2025 the District financed \$1,856,494 to purchase iPads for students. The loan matures in 2028 and the fixed interest rate is 1.80%. The payments on these notes from direct borrowings are made from the general fund.

A summary of outstanding notes on direct borrowings is below:

Issue	Issue Date	Maturity Year	Interest Rate	2025 Principal Payments	2025 Interest Payments
2019 Bus Purchase	3/21/2019	2029	2.76%	139,000	23,018
2020 Bus Purchase	5/28/2020	2030	2.28%	125,000	19,968
2025 iPad Purchase	5/15/2025	2028	1.80%	474,557	2,786
<u>Total notes from direct borrowings</u>				<u>\$ 738,557</u>	<u>\$ 45,772</u>

d. Other long-term liabilities

The District carries the liabilities below. All listed liabilities are liquidated from the general fund.

	Balance June 30, 2024	Additions	Payments	Balance June 30, 2025	Due within one year
Long-term liabilities					
Other post-employment benefits	\$ 10,399,994	\$ 1,048,057	\$5,713,476	\$ 5,734,575	\$ -
Total pension liability	175,270,123	24,552,336	-	199,822,459	-
Claims and judgments	1,355,532	927,343	-	2,282,875	1,141,738
Accrued compensated absences	12,266,996	2,427,188	-	14,694,184	5,665,579
<u>Total long-term liabilities</u>	<u>\$ 199,292,645</u>	<u>\$ 28,954,924</u>	<u>\$5,713,476</u>	<u>\$ 222,534,093</u>	<u>\$ 6,807,317</u>

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N. Fund balances

The District categorizes its fund balance for major funds as nonspendable, restricted, assigned or unassigned. Nonspendable fund balance represents resources that can't be spent as they are not in a spendable format. Restricted fund balances represent resources whose use is constrained by restrictions imposed by law or externally imposed restrictions placed by creditors, grantors or contributors. Assigned fund balances represent amounts the district intends to use for specific purposes and are imposed by the Superintendent or designee. The authority for the Superintendent or designee to assign resources for specific purposes is granted by the School Board, the District's governing body.

For the classification of unrestricted ending fund balance the District first reduces assigned amounts, then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. At times when restricted and unrestricted amounts can be used, the District uses restricted amounts first.

Details of fund balance classifications displayed in the aggregate:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	June 30, 2025	June 30, 2024
<b>Nonspendable:</b>						
Inventory	\$ 159,645	\$ 355,389	\$ -	\$ -	\$ 515,034	\$ 590,882
Prepaid items	2,044,206	179,049	-	-	2,223,255	2,199,343
<b>Total Nonspendable</b>	<b>2,203,851</b>	<b>534,438</b>	<b>-</b>	<b>-</b>	<b>2,738,289</b>	<b>2,790,225</b>
<b>Restricted for:</b>						
Capital projects	-	-	-	65,590,471	65,590,471	101,863,053
Debt service	-	-	3,751,296	-	3,751,296	5,459,984
Energy efficiency program	-	1,881,708	-	-	1,881,708	1,495,751
Federal, state, and private grants	-	4,528,432	-	-	4,528,432	5,589,283
Transportation equipment	2,697,133	-	-	-	2,697,133	2,913,019
<b>Total Restricted</b>	<b>2,697,133</b>	<b>6,410,140</b>	<b>3,751,296</b>	<b>65,590,471</b>	<b>78,449,040</b>	<b>117,321,090</b>
<b>Assigned to:</b>						
Appropriated fund balance	12,821,895	-	-	-	12,821,895	11,812,441
Student athletics	-	-	-	-	-	367,374
Facility usage	1,116,812	-	-	-	1,116,812	1,096,583
Instructional materials	1,173,961	-	-	-	1,173,961	2,139,655
Maintenance equipment replacement	996,922	-	-	-	996,922	1,344,187
Technology replacement	3,877,479	-	-	-	3,877,479	2,358,174
Print shop equipment	263,086	-	-	-	263,086	285,876
Insurance and risk reserves	2,709,280	-	-	-	2,709,280	2,536,158
Student activities	-	3,055,370	-	-	3,055,370	3,076,073
Early retirement program	-	-	-	-	-	402,826
Student and staff safety	-	419,619	-	-	419,619	736,259
Other programs	-	800,867	-	-	800,867	182,769
<b>Total Assigned</b>	<b>22,959,435</b>	<b>4,275,856</b>	<b>-</b>	<b>-</b>	<b>27,235,291</b>	<b>26,338,375</b>
<b>Unassigned</b>	<b>13,430,113</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,430,113</b>	<b>13,569,654</b>
<b>Total fund balances</b>	<b>\$41,290,532</b>	<b>\$11,220,434</b>	<b>\$3,751,296</b>	<b>\$ 65,590,471</b>	<b>\$121,852,733</b>	<b>\$160,019,344</b>

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O. Interfund transfers

Transfers are comprised of the following:

	Transfers In	Transfers Out
Maintenance Replacement Fund	\$ 402,826	\$ -
Special Revenue Fund	-	402,826
<u>Total</u>	<u>\$ 402,826</u>	<u>\$ 402,826</u>

Transfers between funds were used for SB 1149 energy efficiency projects.

P. Tax abatements

GASB 77, Tax Abatement Disclosures became effective for those periods beginning after December 15, 2015. All such abatement programs are authorized by Oregon Revised Statutes or by local resolution or ordinance. Some programs are initiated by the County and others by other local governments and state agencies. For the year ended June 30, 2025, the District's revenues were estimated to be reduced by the following amounts for each program:

Program	Estimated Tax Exempted/Abated to District
Housing for low income rental	\$ 667,339
Housing for low income rental	36,319
Enterprise zones	403,025
Construction in process in Enterprise Zone	263,693
Solar projects	893
<u>Total exempted/abated</u>	<u>\$ 1,371,269</u>

Q. Restatement

The District implemented GASB Statement No. 101, *Compensated Absences*, effective for fiscal year ended June 30, 2025. GASB 101 changed the recognition and measurement criteria for compensated absences, requiring the District to record a liability for certain leave benefits that were previously not recognized.

A summary of the restatement is listed below.

Beginning Net Position, as previously reported	\$ 146,259,332
Adoption of GASB 101, <i>Compensated Absences</i>	(12,266,996)
<u>Beginning Net Position, as restated</u>	<u>\$ 133,992,336</u>



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R. Subsequent events

a. Bond Issuance

In July 2025, the District issued \$149,700,000 in general obligation bonds. The bonds bear interest at rates ranging from 4.625 percent to 5.000 percent and mature in June 2047. Proceeds will be used for capital projects. This transaction occurred after year-end and is not reflected in the accompanying financial statements.

b. Capital Loan

In August 2025, the District entered into a \$1,464,750 lease purchase agreement for the purchase of student devices (iPads). The loan bears an interest rate of 1.88% and will mature in August 2028. The transaction occurred after year-end and is not reflected in the accompanying financial statements.

## **Required Supplementary Information**

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Required Supplementary Information  
Schedule of Changes in Total OPEB Liability and Related Ratios-Medical Benefit  
June 30, 2025

Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 613,728	\$ 616,994	\$ 568,049	\$ 670,411	\$ 560,806	\$ 541,842	\$ 501,534	\$ 489,301
Interest	434,329	388,360	321,962	214,438	423,167	401,158	346,262	325,807
Difference between expected and actual experience	(553,010)	-	1,209,153	-	(2,013,990)	-	1,165,745	-
Changes in assumptions	(4,849,472)	(180,543)	(694,512)	(827,579)	159,713	-	(724,174)	-
Benefit payments	(310,994)	(328,172)	(264,319)	(308,851)	(266,944)	(556,520)	(512,221)	(540,824)
Net change in total OPEB liability	(4,665,419)	496,639	1,140,333	(251,581)	(1,137,247)	386,480	777,146	274,284
Total OPEB Liability - beginning	10,399,994	9,903,355	8,763,022	9,014,603	10,151,850	9,765,371	8,988,225	8,713,941
Total OPEB Liability - ending	\$ 5,734,575	\$ 10,399,994	\$ 9,903,355	\$ 8,763,022	\$ 9,014,603	\$ 10,151,851	\$ 9,765,371	\$ 8,988,225
Estimated covered payroll	\$ 138,064,912	\$ 128,943,181	\$ 124,582,784	\$ 112,344,992	\$ 109,072,808	\$ 103,269,319	\$ 99,777,120	\$ 91,648,023
Total OPEB Liability as a percentage of covered payroll	4.15%	8.07%	7.95%	7.80%	8.26%	9.83%	9.79%	9.81%

The amounts presented for each fiscal year were actuarially determined at July 1 and rolled forward to the measurement date.

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

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.

Administrative School District No. 1  
Deschutes County, Oregon  
Required Supplementary Information  
Schedule of the Proportionate Share of the Net Pension Liability for PERS  
June 30, 2025

Year ended June 30	(a) Employers proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employers covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.90%	\$ 199,822,459	\$ 137,236,448	145.60%	79.30%
2024	0.94%	175,270,123	131,946,661	132.83%	81.70%
2023	0.93%	142,358,706	125,426,366	113.50%	84.50%
2022	0.89%	106,176,637	118,966,841	89.25%	87.60%
2021	0.93%	203,590,516	109,277,918	186.31%	75.80%
2020	0.95%	162,784,846	103,024,521	158.01%	80.23%
2019	0.95%	144,280,577	98,767,292	146.08%	82.07%
2018	0.94%	126,760,591	94,269,442	134.47%	83.10%
2017	0.95%	142,785,408	89,909,286	158.81%	80.50%
2016	0.94%	54,255,989	85,328,728	63.58%	91.90%

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

Administrative School District No. 1  
Deschutes County, Oregon  
Required Supplementary Information  
Schedule of Employer Contributions for PERS  
June 30, 2025

Year ended June 30	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer covered payroll	Contributions as a percent of covered payroll
2025	\$ 23,808,782	\$ 23,808,782	-	\$ 137,236,448	17.35%
2024	22,628,048	22,628,048	-	131,946,661	17.15%
2023	19,805,335	19,805,335	-	125,426,366	15.79%
2022	18,917,828	18,917,828	-	118,966,841	15.90%
2021	20,763,856	20,763,856	-	109,277,918	19.00%
2020	19,809,362	19,809,362	-	103,024,521	19.23%
2019	14,469,727	14,469,727	-	98,767,292	14.65%
2018	13,898,819	13,898,819	-	94,269,442	14.74%
2017	8,751,328	8,751,328	-	89,909,286	9.73%
2016	8,379,165	8,379,165	-	85,328,728	9.82%

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

Administrative School District No. 1  
Deschutes County, Oregon  
Required Supplementary Information  
Schedule of the Proportionate Share of the Net OPEB Liability - RHIA  
June 30, 2025

Year ended June 30	(a) Employer's proportion of net OPEB asset (NOA)	(b) Employer's proportionate share of net OPEB asset (NOA)	(c) Employers covered payroll	(b/c) NOA as a percentage of covered payroll	Plan fiduciary net position as a percentage of total OPEB asset
2025	0.90%	\$ (3,643,038)	\$ 137,236,448	-2.65%	220.6%
2024	0.88%	(3,234,674)	131,946,661	-2.45%	201.6%
2023	0.77%	(2,747,616)	125,426,366	-2.19%	194.6%
2022	0.79%	(2,727,253)	118,966,841	-2.29%	183.9%
2021	1.57%	(3,194,226)	109,277,918	-2.92%	150.1%
2020	0.90%	(1,740,207)	103,024,521	-1.69%	144.4%
2019	0.90%	(999,849)	98,767,292	-1.01%	124.0%
2018	0.87%	(363,209)	94,269,442	-0.39%	108.9%
2017	0.88%	240,400	89,909,286	0.27%	94.2%

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

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

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.

Administrative School District No. 1  
Deschutes County, Oregon  
Required Supplementary Information  
Schedule of Employer Contributions for OPEB - RHIA  
June 30, 2025

Year ended June 30	Statutorily required contribution	Contributions in the relation to the statutorily required contribution	Contribution deficiency (excess)	Employer covered payroll	Contributions as a percent of covered payroll
2025	\$ -	\$ -	-	\$ 137,236,448	0.00%
2024	18,894	18,894	-	131,946,661	0.01%
2023	19,010	19,010	-	125,426,366	0.02%
2022	23,535	23,535	-	118,966,841	0.02%
2021	99,696	99,696	-	109,277,918	0.09%
2020	446,816	446,816	-	103,024,521	0.43%
2019	429,920	429,920	-	98,767,292	0.44%
2018	433,280	433,280	-	94,269,442	0.46%
2017	394,714	394,714	-	89,909,286	0.44%

During the measurement period ended June 30, 2024, the RHIA contribution rate was set at 0% of covered payroll. As a result, no employer contributions were made to the RHIA plan. The basis for determining each employer's proportionate share of the collective net OPEB liability changed from employer contributions to employer valuation payroll. Accordingly, the District reported zero employer contributions for the current measurement period in the Schedule of Employer Contributions.

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

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

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.

Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
General Fund  
Year Ended June 30, 2025

	General Fund					
	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Property taxes	\$ 109,490,000	\$ 109,490,000	\$ (330,982)	\$ 109,159,018	\$ -	\$ 109,159,018
Tuition	10,000	10,000	(4,877)	5,123	-	5,123
Investment earnings	1,605,000	1,605,000	1,993,918	3,598,918	-	3,598,918
Other local sources	6,050,555	6,050,555	204,671	6,255,226	-	6,255,226
Intermediate sources	2,280,000	2,280,000	(93,073)	2,186,927	-	2,186,927
State sources	98,770,013	98,770,013	1,325,742	100,095,755	-	100,095,755
Federal sources	310,000	310,000	(13,031)	296,969	-	296,969
Total revenues	218,515,568	218,515,568	3,082,368	221,597,936	-	221,597,936
Expenditures						
Current:						
Instruction	133,216,244	133,216,244 (1)	(1,809,056)	131,407,188	(1,885,129)	129,522,059
Support services	96,023,485	95,923,485 (1)	(6,225,244)	89,698,241	(1,895,112)	87,803,129
Community services	470,622	570,622 (1)	(101,645)	468,977	-	468,977
Debt service	2,213,658	2,213,658 (1)	(452,555)	1,761,103	(1,761,103)	-
Principal	-	-	-	-	1,517,618	1,517,618
Interest	-	-	-	-	243,485	243,485
Facilities acquisition and construction	-	-	-	-	-	-
Capital outlay	-	-	-	-	3,780,241	3,780,241
Contingency	500,000	500,000 (1)	(500,000)	-	-	-
Total expenditures	232,424,009	232,424,009	(9,088,500)	223,335,509	-	223,335,509
Revenues over (under) expenditure	(13,908,441)	(13,908,441)	12,170,868	(1,737,573)	-	(1,737,573)
Other financing sources (uses)						
Proceeds from insurance	-	-	-	-	-	-
Lease financing	-	-	-	-	-	-
Subscription based information technology financing	-	-	-	-	-	-
Sale of capital assets	-	-	15,335	15,335	-	15,335
Restitution	-	-	-	-	-	-
Issuance of long-term debt	1,678,000	1,678,000	178,494	1,856,494	-	1,856,494
PERS UAL Payment	-	-	-	-	-	-
Transfer from special revenue fund	500,000	500,000	(97,174)	402,826	-	402,826
Total other financing sources (uses)	2,178,000	2,178,000	96,655	2,274,655	-	2,274,655
Net change in fund balances	(11,730,441)	(11,730,441)	12,267,523	537,082	-	537,082
Fund balance, beginning of year	35,264,961	35,264,961	5,488,489	40,753,450	-	40,753,450
Fund balance, end of year	\$ 23,534,520	\$ 23,534,520	\$ 17,756,012	\$ 41,290,532	\$ -	\$ 41,290,532

Totals may not precisely add due to rounding

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

See notes to basic financial statements



Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget to Actual  
Special Revenue Fund  
Year Ended June 30, 2025

	Special Revenue Fund					
	Budgeted Amounts		Variance with	Actuals		
	Adopted	Final	Final Budget Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ 240,000	\$ 240,000	\$ (154)	\$ 239,846	\$ -	\$ 239,846
Other local sources	7,949,650	7,949,650	(407,864)	7,541,786	-	7,541,786
Intermediate sources	400,000	400,000	(5,000)	395,000	-	395,000
State sources	31,622,542	31,622,542 <sup>(2)</sup>	(2,683,932)	28,938,610	-	28,938,610
Federal sources	15,043,620	15,043,620	(1,145,078)	13,898,542	-	13,898,542
<b>Total revenues</b>	<b>55,255,812</b>	<b>55,255,812</b>	<b>(4,242,028)</b>	<b>51,013,784</b>	<b>-</b>	<b>51,013,784</b>
Expenditures						
Current						
Instruction	25,137,412	25,137,412 <sup>(1)</sup>	(4,768,718)	20,368,694	(197,495)	20,171,199
Support services	19,297,581	19,297,581 <sup>(1)</sup>	(322,274)	18,975,307	(184,138)	18,791,169
Community services	12,904,188	12,904,188 <sup>(1)</sup>	(962,047)	11,942,141	(237,747)	11,704,394
Debt service	130,000	130,000 <sup>(1)</sup>	(82,759)	47,241	(47,241)	-
Principal	-	-	-	-	37,280	37,280
Interest	-	-	-	-	9,961	9,961
Facilities acquisition and construction	-	-	-	-	-	-
Capital outlay	-	-	-	-	619,380	619,380
<b>Total expenditures</b>	<b>57,469,181</b>	<b>57,469,181</b>	<b>(6,135,798)</b>	<b>51,333,383</b>	<b>-</b>	<b>51,333,383</b>
<b>Revenues over (under) expenditures</b>	<b>(2,213,369)</b>	<b>(2,213,369)</b>	<b>1,893,770</b>	<b>(319,599)</b>	<b>-</b>	<b>(319,599)</b>
Other financing sources (uses)						
Transfer to general fund	(500,000)	(500,000)	97,174	(402,826)	-	(402,826)
<b>Total other financing sources (uses)</b>	<b>(500,000)</b>	<b>(500,000) <sup>(1)</sup></b>	<b>97,174</b>	<b>(402,826)</b>	<b>-</b>	<b>(402,826)</b>
<b>Net change in fund balance</b>	<b>(2,713,369)</b>	<b>(2,713,369)</b>	<b>1,990,944</b>	<b>(722,425)</b>	<b>-</b>	<b>(722,425)</b>
<b>Fund balance, beginning of year</b>	<b>7,513,000</b>	<b>7,513,000</b>	<b>4,429,859</b>	<b>11,942,859</b>	<b>-</b>	<b>11,942,859</b>
<b>Fund balance, end of year</b>	<b>\$ 4,799,631</b>	<b>\$ 4,799,631</b>	<b>\$ 6,420,803</b>	<b>\$ 11,220,434</b>	<b>\$ -</b>	<b>\$ 11,220,434</b>

*Totals may not precisely add due to rounding*

(1) Appropriation level

(2) Included in this State Revenue is the required match of \$69,881 for National School Lunch Support.

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

See notes to basic financial statements

## **Supplementary Information**

## **Description of Fund Types**

### **General Fund**

This fund accounts for general operating revenues, expenditures and transfers of the District. The principal sources of revenue are from the local tax levy and state school support.

Subfund account groupings are used to separate accounting records for management purposes. The subfund account groupings are as follows:

- General Operations
- Athletics and Activities
- Instructional Materials
- Transportation Equipment
- Print Shop Equipment
- Facility Usage
- Technology Reserve
- Maintenance Replacement
- Insurance Reserve

### **Special Revenue Fund**

The special revenue fund accounts for revenue sources that are set aside for specific purposes or have legal restrictions that determine how and on what the funds may be disbursed.

The District accounts for grant funds, student body funds and nutritional services activities in special revenue funds. The grant funds include Title grants, IDEA (special education), Family Advocate Network and various other grants received from federal, state or other sources.

### **Debt Service Fund**

The debt service fund is used to account for all sources and uses related to the general obligation debt, PERS UAL refunding debt, and Summit High Athletic field project debt of the District.

The main source used to pay for the general obligation debt of the District is property taxes levied at a rate to cover the debt for the current period. The source used to pay for the PERS UAL refunding debt of the District is a portion of the State School Fund. The source used to pay the long-term debt for the Summit High Athletic field project is general resources of the district.

### **Capital Projects Fund**

The capital projects fund is used to account for the transactions related to projects funded through the issuance of general obligation bonds. The major source of revenue for this fund is proceeds from the issuance of bonds.

### **Private Purpose Trust Fund**

The private purpose trust fund accounts for revenues and expenses of individual bequests and grants held by the District. The fund assets have been contributed by individuals and are subject to restrictions set forth in the trust agreements.

## Combining Statements of General Fund Subfunds

Administrative School District No. 1  
Deschutes County, Oregon  
Combining Statements of Assets, Liabilities and Fund Balance  
General Fund - Subfunds  
(GAAP Basis)  
June 30, 2025

	General Operations	Athletics and Activities	Instructional Materials
<b>Assets</b>			
Cash and investments	\$ 38,200,686	\$ 11,917	\$ 1,251,464
Receivables:		-	
Property taxes	2,330,978	-	-
Accounts and other receivables	2,026,900	-	550
Intergovernmental receivables	5,644,918	-	-
Prepaid items	2,044,206	-	-
Inventories	43,432	-	-
<b>Total assets</b>	<b>\$ 50,291,120</b>	<b>\$ 11,917</b>	<b>\$ 1,252,014</b>
<b>Liabilities, deferred inflows and fund balances</b>			
<b>Liabilities</b>			
Accounts and interest payable	\$ 3,079,556	\$ 7,027	\$ 76,116
Accrued payroll and related charges	17,133,828	4,890	1,937
Unearned revenue	28,715	-	-
<b>Total liabilities</b>	<b>20,242,099</b>	<b>11,917</b>	<b>78,053</b>
<b>Deferred inflows of resources</b>			
Leases deferred inflows	-	-	-
Unavailable revenue - property taxes	1,709,375	-	-
<b>Total deferred inflows of resources</b>	<b>1,709,375</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>			
Nonspendable	2,087,638	-	-
Restricted	-	-	-
Assigned	7,917,021	-	1,173,961
Unassigned	18,334,987	-	-
<b>Total fund balances</b>	<b>28,339,646</b>	<b>-</b>	<b>1,173,961</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 50,291,120</b>	<b>\$ 11,917</b>	<b>\$ 1,252,014</b>

*Totals may not precisely add due to rounding*

Transportation Equipment	Print Shop Equipment	Facility Usage	Technology Reserve	Maintenance Replacement	Insurance Reserve	2025
\$ 2,697,133	\$ 262,865	\$ 1,064,653	\$ 3,877,479	\$ 1,002,968	\$ 2,710,040	\$ 51,079,205
-	-	-	-	-	-	2,330,978
-	725	75,990	-	-	-	2,104,165
-	-	-	-	-	-	5,644,918
-	-	-	-	-	-	2,044,206
-	116,213	-	-	-	-	159,645
<u>\$ 2,697,133</u>	<u>\$ 379,803</u>	<u>\$ 1,140,643</u>	<u>\$ 3,877,479</u>	<u>\$ 1,002,968</u>	<u>\$ 2,710,040</u>	<u>\$ 63,363,117</u>
\$ -	\$ 147	\$ 10,242	\$ -	\$ 6,046	\$ 760	\$ 3,179,894
-	-	4,046	-	-	-	17,144,701
-	357	564	-	-	-	29,636
<u>-</u>	<u>504</u>	<u>14,852</u>	<u>-</u>	<u>6,046</u>	<u>760</u>	<u>20,354,231</u>
-	-	8,979	-	-	-	8,979
-	-	-	-	-	-	1,709,375
<u>-</u>	<u>-</u>	<u>8,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,718,354</u>
-	116,213	-	-	-	-	2,203,851
2,697,133	-	-	-	-	-	2,697,133
-	263,086	1,116,812	3,877,479	996,922	2,709,280	18,054,561
-	-	-	-	-	-	18,334,987
<u>2,697,133</u>	<u>379,299</u>	<u>1,116,812</u>	<u>3,877,479</u>	<u>996,922</u>	<u>2,709,280</u>	<u>41,290,532</u>
<u>\$ 2,697,133</u>	<u>\$ 379,803</u>	<u>\$ 1,140,643</u>	<u>\$ 3,877,479</u>	<u>\$ 1,002,968</u>	<u>\$ 2,710,040</u>	<u>\$ 63,363,117</u>

Administrative School District No. 1  
Deschutes County, Oregon  
Combining Statements of Revenues, Expenditures and Changes in Fund Balance  
General Fund Subfunds  
(GAAP Basis)  
Year Ended June 30, 2025

	General Operations	Athletics and Activities	Instructional Materials
Revenues			
Property taxes	\$ 109,159,018	\$ -	\$ -
Tuition	5,123	-	-
Investment earnings	2,959,436	62,279	101,957
Print shop	-	-	-
Indirect costs charged to grants	572,100	-	-
Charges for services	1,429,916	-	-
Other local sources	477,008	571,180	-
County school funds	387,075	-	-
ESD apportionment	1,702,421	-	-
Other Intermediate sources	97,431	-	-
State school fund	96,758,597	-	-
Common school fund	2,385,703	-	-
Federal grant sources	296,969	-	-
<u>Total revenues</u>	<u>216,230,797</u>	<u>633,459</u>	<u>101,957</u>
Expenditures			
Current:			
Instruction	121,350,806	4,628,971	3,483,821
Support services	85,704,122	159,554	462,310
Community services	215,827	-	-
Debt service:			
Principal	1,178,750	-	3,802
Interest	192,298	-	1,016
Capital outlay	1,928,805	24,484	-
<u>Total expenditures</u>	<u>210,570,608</u>	<u>4,813,009</u>	<u>3,950,949</u>
Revenues over (under) expenditures	5,660,189	(4,179,550)	(3,848,992)
Other financing sources (uses)			
Sale of capital assets	-	-	-
Issuance of long-term debt	1,856,494	-	-
Transfer from special revenue fund	402,826	-	-
Transfers	(7,166,400)	3,812,177	2,883,300
<u>Total other financing sources (uses)</u>	<u>(4,907,080)</u>	<u>3,812,177</u>	<u>2,883,300</u>
Net change in fund balances	753,109	(367,373)	(965,692)
<u>Fund balances, beginning of year</u>	<u>27,586,537</u>	<u>367,373</u>	<u>2,139,653</u>
<u>Fund balances, end of year</u>	<u>\$ 28,339,646</u>	<u>\$ -</u>	<u>\$ 1,173,961</u>

*Totals may not precisely add due to rounding*

Transportation Equipment	Print Shop Equipment	Facility Usage	Technology Reserve	Maintenance Replacement	Insurance Reserve	2025
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,159,018
-	-	-	-	-	-	5,123
112,400	10,415	35,638	138,582	53,842	124,370	3,598,919
-	854,550	-	-	-	-	854,550
-	-	-	-	-	-	572,100
-	-	-	-	-	-	1,429,916
124,057	-	380,796	1,405,598	35,173	404,848	3,398,660
-	-	-	-	-	-	387,075
-	-	-	-	-	-	1,702,421
-	-	-	-	-	-	97,431
951,455	-	-	-	-	-	97,710,052
-	-	-	-	-	-	2,385,703
-	-	-	-	-	-	296,969
<u>1,187,912</u>	<u>864,965</u>	<u>416,434</u>	<u>1,544,180</u>	<u>89,015</u>	<u>529,218</u>	<u>221,597,937</u>
-	-	54,044	-	-	4,416	129,522,058
-	812,506	115,268	24,875	197,000	327,494	87,803,129
-	-	228,964	-	-	24,186	468,977
-	-	-	-	-	-	-
264,000	71,066	-	-	-	-	1,517,618
36,313	13,858	-	-	-	-	243,485
1,527,664	-	50,117	-	249,171	-	3,780,241
<u>1,827,977</u>	<u>897,430</u>	<u>448,393</u>	<u>24,875</u>	<u>446,171</u>	<u>356,096</u>	<u>223,335,508</u>
(640,065)	(32,465)	(31,959)	1,519,305	(357,156)	173,122	(1,737,571)
5,444	-	-	-	9,891	-	15,335
-	-	-	-	-	-	1,856,494
-	-	-	-	-	-	402,826
<u>418,735</u>	<u>-</u>	<u>52,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>424,179</u>	<u>-</u>	<u>52,188</u>	<u>-</u>	<u>9,891</u>	<u>-</u>	<u>2,274,655</u>
(215,886)	(32,465)	20,229	1,519,305	(347,265)	173,122	537,084
<u>2,913,019</u>	<u>411,764</u>	<u>1,096,583</u>	<u>2,358,174</u>	<u>1,344,187</u>	<u>2,536,158</u>	<u>40,753,448</u>
<u>\$ 2,697,133</u>	<u>\$ 379,299</u>	<u>\$ 1,116,812</u>	<u>\$ 3,877,479</u>	<u>\$ 996,922</u>	<u>\$ 2,709,280</u>	<u>\$ 41,290,532</u>



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**B E N D  L A P I N E**  
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E D U C A T I N G   T H R I V I N G   S T U D E N T S

## Budgetary Comparisons

Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
General Fund - Operations Subfund  
Year Ended June 30, 2025

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Property taxes	\$ 109,490,000	\$ 109,490,000	\$ (330,982)	\$ 109,159,018	\$ -	\$ 109,159,018
Tuition	10,000	10,000	(4,877)	5,123	-	5,123
Investment earnings	1,500,000	1,500,000	1,459,436	2,959,436	-	2,959,436
Other local sources	2,660,000	2,660,000	(180,976)	2,479,024	-	2,479,024
Intermediate sources	2,280,000	2,280,000	(93,073)	2,186,927	-	2,186,927
State sources	97,792,978	97,792,978	1,351,322	99,144,300	-	99,144,300
Federal sources	310,000	310,000	(13,031)	296,969	-	296,969
<u>Total revenues</u>	<u>214,042,978</u>	<u>214,042,978</u>	<u>2,187,819</u>	<u>216,230,797</u>	<u>-</u>	<u>216,230,797</u>
Expenditures						
Current						
Instruction	124,495,888	124,495,888	(1,284,437)	123,211,451	(1,860,645)	121,350,806
Support services	87,665,872	87,565,872	(1,793,590)	85,772,282	(68,160)	85,704,122
Community services	150,545	250,545	(34,718)	215,827	-	215,827
Debt service	1,033,100	1,033,100	337,948	1,371,048	(1,371,048)	-
Principal	-	-	-	-	1,178,750	1,178,750
Interest	-	-	-	-	192,298	192,298
Capital outlay	-	-	-	-	1,928,805	1,928,805
Contingency	500,000	500,000	(500,000)	-	-	-
<u>Total expenditures</u>	<u>213,845,405</u>	<u>213,845,405</u>	<u>(3,274,797)</u>	<u>210,570,608</u>	<u>-</u>	<u>210,570,608</u>
Revenues over (under) expenditures	197,573	197,573	5,462,616	5,660,189	-	5,660,189
Other financing sources (uses)						
Issuance of long-term debt				1,856,494		1,856,494
Transfer from special revenue fund				402,826		402,826
Transfers to general subfund	(7,289,584)	(7,289,584)	123,184	(7,166,400)	-	(7,166,400)
<u>Total other financing sources (uses)</u>	<u>(7,289,584)</u>	<u>(7,289,584)</u>	<u>2,382,504</u>	<u>(4,907,080)</u>	<u>-</u>	<u>(4,907,080)</u>
Net change in fund balance	(7,092,011)	(7,092,011)	7,845,120	753,109	-	753,109
Fund balance, beginning of year	23,000,000	23,000,000	4,586,537	27,586,537	-	27,586,537
Fund balance, end of year	\$ 15,907,989	\$ 15,907,989	\$ 12,431,657	\$ 28,339,646	\$ -	\$ 28,339,646

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
General Fund - Athletics and Activities Subfund  
Year Ended June 30, 2025

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 62,279	\$ 62,279	\$ -	\$ 62,279
Other local sources	545,000	545,000	26,180	571,180	-	571,180
Total revenues	545,000	545,000	88,459	633,459	-	633,459
Expenditures						
Current						
Instruction	4,084,176	4,084,176	569,279	4,653,455	(24,484)	4,628,971
Support services	728,513	728,513	(568,959)	159,554	-	159,554
Capital outlay	-	-	-	-	24,484	24,484
Total expenditures	4,812,689	4,812,689	320	4,813,009	-	4,813,009
Revenues over (under) expenditures	(4,267,689)	(4,267,689)	88,139	(4,179,550)	-	(4,179,550)
Other financing sources						
Transfers from general fund operations	3,527,549	3,527,549	284,628	3,812,177	-	3,812,177
Net change in fund balance	(740,140)	(740,140)	372,767	(367,373)	-	(367,373)
Fund balance, beginning of year	780,140	780,140	(412,767)	367,373	-	367,373
Fund balance, end of year	\$ 40,000	\$ 40,000	\$ (40,000)	\$ -	\$ -	\$ -

*Totals may not precisely add due to rounding*

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
General Fund - Instructional Materials Subfund  
Year Ended June 30, 2025

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 101,957	\$ 101,957	\$ -	\$ 101,957
Expenditures						
Current						
Instruction	4,289,180	4,289,180	(805,359)	3,483,821		3,483,821
Support services	175,820	175,820	286,490	462,310		462,310
Debt service	418,300	418,300	(413,482)	4,818	(4,818)	-
Principal	-	-	-	-	3,802	3,802
Interest	-	-	-	-	1,016	1,016
Total expenditures	4,883,300	4,883,300	(932,351)	3,950,949	-	3,950,949
Revenues over (under) expenditures	(4,883,300)	(4,883,300)	1,034,308	(3,848,992)	-	(3,848,992)
Other financing sources						
Transfers from general fund operations	2,883,300	2,883,300	-	2,883,300	-	2,883,300
Net change in fund balance	(2,000,000)	(2,000,000)	1,034,308	(965,692)	-	(965,692)
Fund balance, beginning of year	2,000,000	2,000,000	139,653	2,139,653	-	2,139,653
Fund balance, end of year	\$ -	\$ -	\$ 1,173,961	\$ 1,173,961	\$ -	\$ 1,173,961

*Totals may not precisely add due to rounding*

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
General Fund - Transportation Equipment Subfund  
Year Ended June 30, 2025

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ 30,000	\$ 30,000	\$ 82,400	\$ 112,400	\$ -	\$ 112,400
Other local sources	-	-	124,057	124,057	-	124,057
State sources	977,035	977,035	(25,580)	951,455	-	951,455
Total revenues	1,007,035	1,007,035	180,877	1,187,912	-	1,187,912
Expenditures						
Current						
Support services	1,708,000	1,708,000	(180,336)	1,527,664	(1,527,664)	-
Debt service	565,258	565,258	(264,945)	300,313	(300,313)	-
Principal	-	-	-	-	264,000	264,000
Interest	-	-	-	-	36,313	36,313
Capital outlay	-	-	-	-	1,527,664	1,527,664
Total expenditures	2,273,258	2,273,258	(445,281)	1,827,977	-	1,827,977
Revenues over (under) expenditures	(1,266,223)	(1,266,223)	626,158	(640,065)	-	(640,065)
Other financing sources (uses)						
Issuance of long-term debt	1,678,000	1,678,000	(1,678,000)	-	-	-
Sale of capital assets	-	-	5,444	5,444	-	5,444
Transfers from general fund operations	418,735	418,735	-	418,735	-	418,735
Total other financing sources	2,096,735	2,096,735	(1,672,556)	424,179	-	424,179
Net change in fund balance	830,512	830,512	(1,046,398)	(215,886)	-	(215,886)
Fund balance, beginning of year	2,609,930	2,609,930	303,089	2,913,019	-	2,913,019
Fund balance, end of year	\$ 3,440,442	\$ 3,440,442	\$ (743,309)	\$ 2,697,133	\$ -	\$ 2,697,133

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
General Fund - Print Shop Subfund  
Year Ended June 30, 2025

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ 15,000	\$ 15,000	\$ (4,585)	\$ 10,415	\$ -	\$ 10,415
Other local sources	835,000	835,000	19,550	854,550	-	854,550
Total revenues	850,000	850,000	14,965	864,965	-	864,965
Expenditures						
Current						
Support services	928,000	928,000	(115,494)	812,506	-	812,506
Debt service	197,000	197,000	(112,076)	84,924	(84,924)	-
Principal	-	-	-	-	71,066	71,066
Interest	-	-	-	-	13,858	13,858
Total expenditures	1,125,000	1,125,000	(227,570)	897,430	-	897,430
Revenues over (under) expenditures	(275,000)	(275,000)	242,535	(32,465)	-	(32,465)
Net change in fund balances	(275,000)	(275,000)	242,535	(32,465)	-	(32,465)
Fund balance, beginning of year	375,000	375,000	36,764	411,764	-	411,764
Fund balance, end of year	\$ 100,000	\$ 100,000	\$ 279,299	\$ 379,299	\$ -	\$ 379,299

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
General Fund - Facility Usage Subfund  
Year Ended June 30, 2025

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 35,638	\$ 35,638	\$ -	\$ 35,638
Other local sources	282,000	282,000	98,796	380,796	-	380,796
Total revenues	282,000	282,000	134,434	416,434	-	416,434
Expenditures						
Current						
Instruction	47,000	47,000	7,044	54,044	-	54,044
Support services	158,000	158,000	7,385	165,385	(50,117)	115,268
Community services	320,077	320,077	(91,113)	228,964	-	228,964
Capital outlay	-	-	-	-	50,117	50,117
Total expenditures	525,077	525,077	(76,684)	448,393	-	448,393
Revenues over (under) expenditures	(243,077)	(243,077)	211,118	(31,959)	-	(31,959)
Other financing sources (uses)						
Transfers from General Fund Operations	100,000	100,000	(47,812)	52,188	-	52,188
Net change in fund balance	(143,077)	(143,077)	163,306	20,229	-	20,229
Fund balance, beginning of yea	853,410	853,410	243,173	1,096,583	-	1,096,583
Fund balance, end of yea	\$ 710,333	\$ 710,333	\$ 406,479	\$ 1,116,812	\$ -	\$ 1,116,812

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.



Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
General Fund - Technology Reserve Subfund  
Year Ended June 30, 2025

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 138,582	\$ 138,582	\$ -	\$ 138,582
Other local sources	832,500	832,500	573,098	1,405,598	-	1,405,598
Total revenues	832,500	832,500	711,680	1,544,180	-	1,544,180
Expenditures						
Current						
Support services	2,664,487	2,664,487	(2,639,612)	24,875	-	24,875
Revenues over (under) expenditures	(1,831,987)	(1,831,987)	3,351,292	1,519,305	-	1,519,305
Other financing sources (uses)						
Transfers from General Fund Operations	360,000	360,000	(360,000)	-	-	-
Net change in fund balance	(1,471,987)	(1,471,987)	2,991,292	1,519,305	-	1,519,305
Fund balance, beginning of yea	1,748,872	1,748,872	609,302	2,358,174	-	2,358,174
Fund balance, end of yea	\$ 276,885	\$ 276,885	\$ 3,600,594	\$ 3,877,479	\$ -	\$ 3,877,479

Totals may not precisely add due to rounding

Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
General Fund - Maintenance Replacement Subfund  
Year Ended June 30, 2025

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 53,842	\$ 53,842	\$ -	\$ 53,842
Other local sources	551,055	551,055	(515,882)	35,173	-	35,173
Total revenues	551,055	551,055	(462,040)	89,015	-	89,015
Expenditures						
Current						
Support services	1,300,304	1,300,304	(854,133)	446,171	(249,171)	197,000
Capital outlay	-	-	-	-	249,171	249,171
Total expenditures	1,300,304	1,300,304	(854,133)	446,171	-	446,171
Revenues over (under) expenditures	(749,249)	(749,249)	392,093	(357,156)	-	(357,156)
Other financing sources (uses)						
Sale of capital assets	-	-	9,891	9,891	-	9,891
Transfer from special revenue fund	500,000	500,000	(500,000)	-	-	-
Total other financing sources (uses)	500,000	500,000	(490,109)	9,891	-	9,891
Net change in fund balance	(249,249)	(249,249)	(98,016)	(347,265)	-	(347,265)
Fund balance, beginning of yea	1,797,609	1,797,609	(453,422)	1,344,187	-	1,344,187
Fund balance, end of yea	\$ 1,548,360	\$ 1,548,360	\$ (551,438)	\$ 996,922	\$ -	\$ 996,922

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
General Fund - Insurance Reserve Subfund  
Year Ended June 30, 2025

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ 60,000	\$ 60,000	\$ 64,370	\$ 124,370	\$ -	\$ 124,370
Other local sources	345,000	345,000	59,848	404,848	-	404,848
Total revenues	405,000	405,000	124,218	529,218	-	529,218
Expenditures						
Current						
Instruction	300,000	300,000	(295,584)	4,416	-	4,416
Support services	776,489	776,489	(448,995)	327,494	-	327,494
Community services	-	-	24,186	24,186	-	24,186
Total expenditures	1,076,489	1,076,489	(720,393)	356,096	-	356,096
Revenues over (under) expenditures	(671,489)	(671,489)	844,611	173,122	-	173,122
Net change in fund balance	(671,489)	(671,489)	844,611	173,122	-	173,122
Fund balance, beginning of year	2,100,000	2,100,000	436,158	2,536,158	-	2,536,158
Fund balance, end of year	\$ 1,428,511	\$ 1,428,511	\$ 1,280,769	\$ 2,709,280	\$ -	\$ 2,709,280

*Totals may not precisely add due to rounding*

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Debt Service Fund  
Year Ended June 30, 2025

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Property taxes	\$ 38,539,987	\$ 39,169,987	\$ 86,911	\$ 39,256,898	\$ -	\$ 39,256,898
Investment earnings	165,000	615,000	288,264	903,264	-	903,264
State sources	9,432,032	9,432,032	(248,384)	9,183,648	-	9,183,648
Total revenues	48,137,019	49,217,019	126,791	49,343,810	-	49,343,810
Expenditures						
Current:						
Support services	3,000	3,000	(1) (2,800)	200	-	200
Debt service	49,472,299	51,052,299	(1) (1)	51,052,298	(51,052,298)	-
Principal	-	-	-	-	35,930,000	35,930,000
Interest	-	-	-	-	15,122,298	15,122,298
Total expenditures	49,475,299	51,055,299	(2,801)	51,052,498	-	51,052,498
Revenues over (under) expenditures	(1,338,280)	(1,838,280)	129,592	(1,708,688)	-	(1,708,688)
Net change in fund balance	(1,338,280)	(1,838,280)	129,592	(1,708,688)	-	(1,708,688)
Fund balance, beginning of year	4,708,504	5,208,504	251,480	5,459,984	-	5,459,984
Fund balance, end of year	\$ 3,370,224	\$ 3,370,224	\$ 381,072	\$ 3,751,296	\$ -	\$ 3,751,296

Totals may not precisely add due to rounding

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Capital Projects Fund  
Year Ended June 30, 2025

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ 2,125,440	\$ 2,125,440	\$ 2,390,746	\$ 4,516,186	\$ -	\$ 4,516,186
Other local sources	38,988	38,988	102,294	141,282	-	141,282
State sources	-	-	8,000,000	8,000,000	-	8,000,000
Total revenues	2,164,428	2,164,428	10,493,040	12,657,468	-	12,657,468
Expenditures						
Current						
Facilities acquisition and construction	70,483,388	70,483,388	(1) <sup>(1)</sup> (21,554,027)	48,929,361	(41,314,234)	7,615,127
Capital outlay	-	-	-	-	41,314,234	41,314,234
Debt service	17,300	17,300	(16,610)	690	(690)	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	690	690
Total expenditures	70,500,688	70,500,688	(21,570,637)	48,930,051	-	48,930,051
Revenues over (under) expenditures	(68,336,260)	(68,336,260)	32,063,677	(36,272,583)	-	(36,272,583)
Net change in fund balance	(68,336,260)	(68,336,260)	32,063,677	(36,272,583)	-	(36,272,583)
Fund balance, beginning of year	95,746,580	95,746,580	6,116,474	101,863,054	-	101,863,054
Fund balance, end of year	\$ 27,410,320	\$ 27,410,320	\$ 38,180,151	\$ 65,590,471	\$ -	\$ 65,590,471

Totals may not precisely add due to rounding

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Private Purpose Trust Fund  
Year Ended June 30, 2025

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 4,138	\$ 4,138	\$ -	\$ 4,138
Donations	25,000	25,000	16,324	41,324	-	41,324
Total revenues	25,000	25,000	20,462	45,462	-	45,462
Expenditures						
Current						
Community services	25,000	25,000	(1) (2,149)	22,851	-	22,851
Total expenditures	25,000	25,000	(2,149)	22,851	-	22,851
Revenues over (under) expenditures	-	-	22,611	22,611	-	22,611
Net change in fund balances	-	-	22,611	22,611	-	22,611
Fund balance, beginning of year	91,800	91,800	(2,838)	88,962	-	88,962
Fund balance, end of year	\$ 91,800	\$ 91,800	\$ 19,773	\$ 111,573	\$ -	\$ 111,573

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

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## **Other Information**



Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Revenues (Budgetary Basis) by ODE Object  
Year Ended June 30, 2025

	100 - General Funds
Revenue from Local Sources	
1110 - Ad Valorem Taxes	\$ 109,159,018
1311 - Tuition from Individuals	5,123
1411 - Transportation Fees Individual	16,546
1412 - Trans Dist in Oregon	33,414
1500 - Earnings on Investments	3,598,918
1600 - Food Service	-
1700 - Extracurricular Activities	570,475
1910 - Rentals	380,796
1920 - Private Source Donatn Contrib	-
1960 - Recovery Prior Yr Expenditure	-
1970 - Services Provided Other Funds	1,379,956
1980 - Fees Charged to Grants	572,100
1990 - Miscellaneous	3,301,937
<b>Revenue from Local Sources Total</b>	<b>119,018,285</b>
Revenue from Intermediate Sources	
2101 - County School Funds	387,075
2199 - Other Intermediate Sources	97,431
2102 - Education Svc Dist Apportionment	1,702,421
<b>Revenue from Intermediate Sources Total</b>	<b>2,186,927</b>
Revenue from State Sources	
3101 - State School Fund Gen Support	96,758,597
3102 - State School Fund Lunch Match	-
3103 - Common School Fund	2,385,703
3222 - St School Fund Transp Equip	951,455
3299 - Other Restricted Grants in Aid	-
<b>Revenue from State Sources Total</b>	<b>100,095,755</b>
Revenue from Federal Sources	
4202 - Fed Rev Thru State Medicaid	167,659
4300 - Restricted Fed Revenue Direct	-
4500 - Restr Federal Rev Thru State	129,310
<b>Revenue from Federal Sources Total</b>	<b>296,969</b>
Revenue from Other Sources	
5100 - Long term Debt Financing	1,856,494
5200 - Interfund Transfers	402,826
5300 - Sale of Fixed Assets	15,335
5400 - Fund Balance	40,753,450
<b>Revenue from Other Sources Total</b>	<b>43,028,105</b>
<b>Total Revenues</b>	<b>\$ 264,626,041</b>

200 - Special Revenue Funds	300 - Debt Service Funds	400 - Capital Projects Funds	700 - Trust and Agency Funds	Totals
\$ -	\$ 39,708,633	\$ -	\$ -	\$ 143,909,817
-	-	-	-	14,252
-	-	-	-	300
-	-	-	-	11,508
-	-	-	-	29,772
425,455	894,841	5,219,982	6,103	10,296,168
1,614,226	-	-	-	1,614,226
3,315,074	-	-	-	3,871,544
-	-	41,938	-	411,032
489,552	-	-	11,885	501,437
884	-	-	-	4,732
-	-	-	-	1,864,510
-	-	-	-	435,859
2,510,789	-	401,417	-	5,665,885
<u>8,355,981</u>	<u>40,603,474</u>	<u>5,663,336</u>	<u>17,988</u>	<u>168,631,046</u>
-	-	-	-	412,208
-	-	-	-	100,010
395,000	-	-	-	2,100,000
<u>395,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,612,219</u>
-	8,864,519	-	-	104,880,239
56,779	-	-	-	56,779
-	-	-	-	-
-	-	-	-	847,000
24,000,731	-	176,476	-	24,177,207
<u>24,057,510</u>	<u>8,864,519</u>	<u>176,476</u>	<u>-</u>	<u>132,250,291</u>
-	-	-	-	-
-	-	-	-	82,392
99,795	-	-	-	99,795
24,123,830	-	-	-	24,335,283
-	-	-	-	-
<u>24,223,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,517,470</u>
-	-	-	-	-
-	-	16,500	-	156,531
-	-	-	-	85,604
13,069,874	5,387,004	116,160,274	90,987	168,237,317
<u>13,069,874</u>	<u>5,387,004</u>	<u>116,176,774</u>	<u>90,987</u>	<u>168,479,452</u>
<u>\$ 70,101,988</u>	<u>\$ 54,854,998</u>	<u>\$ 122,016,586</u>	<u>\$ 108,975</u>	<u>\$ 496,490,477</u>

Administrative School District No. 1  
Deschutes County, Oregon  
General Fund Schedule of Expenditures by Function (Budgetary Basis)  
Year Ended June 30, 2025

	Object 100	Object 200
Instruction		
1111 - Primary, K-5 Programs	\$ 28,328,980	\$ 14,782,415
1113 - Elementary Extracurricular	2,105	647
1121 - Middle School Programs	11,808,624	6,083,472
1122 - Middle School Extracurricular	629,941	156,547
1131 - High School Programs	16,493,291	8,317,666
1132 - High School Extracurricular	2,399,175	676,851
1210 - Talented and Gifted Programs	436,297	208,339
1220 - Restrictive Prog Fr Disability	6,855,709	3,863,727
1250 - Less Restrictive Prog Disabled	4,151,725	2,429,483
1280 - Alternative Education	779,967	415,389
1291 - English Second Language	1,565,300	826,002
1292 - Teen Parent Programs	184,873	92,809
1400 - Summer School Programs	25,146	7,750
Instruction Total	73,661,133	37,861,094
Support Services		
2110 - Attendance and Social Work	293,320	182,737
2120 - Guidance Services	3,910,416	1,994,991
2130 - Health Services	1,608,523	767,506
2140 - Psychological Services	1,248,265	606,373
2150 - Speech Pathology and Audiology	1,798,507	885,355
2190 - Service Dir, Stu Support Svcs	967,611	529,308
2210 - Improvement of Instruction Svc	1,604,346	674,317
2220 - Educational Media Services	1,295,770	825,189
2230 - Assessment and Testing	311,137	156,553
2240 - Instructional Staff Developmnt	57,983	19,425
2310 - Board of Education Services	118,770	48,680
2320 - Executive Administration Svcs	394,687	164,020
2410 - Office of the Principal Svcs	11,902,806	5,889,202
2490 - Other Support Services	25,350	7,184
2510 - Business Support Services	214,692	92,919
2520 - Fiscal Services	1,182,625	569,826
2540 - Oper/Maint of Plant Services	8,096,435	4,418,002
2550 - Student Transportation Svcs	5,287,848	2,986,782
2570 - Internal Services	601,835	316,131
2620 - Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	96,392	50,544
2630 - Information Services	266,731	116,310
2640 - Staff Services	1,887,942	1,836,432
2660 - Technology Services	2,687,632	1,344,188
2680 - Interp and Translation	145,171	66,019
Support Services Total	46,004,794	24,547,996
Enterprise and Community Services		
3100 - Food Services	-	-
3300 - Community Services	268,526	170,712
Enterprise and Community Services Total	268,526	170,712
Other Uses/Expenditures Total		
5100 - Debt Service	-	-
Other Uses/Expenditures Total	-	-
Total General Fund	\$ 119,934,453	\$ 62,579,802

Object 300	Object 400	Object 500	Object 600	Totals
\$ 1,948,126	\$ 1,978,287	\$ 972,857	\$ 2,911	\$ 47,171,735
368	39	-	-	407
817,733	643,963	222,558	9,787	19,300,517
69,219	87,459	9,633	9,570	895,128
835,329	1,079,889	226,298	22,303	18,920,079
1,334,851	352,890	16,721	48,680	4,672,369
12,185	-	-	-	504,937
385,736	34,916	-	77	10,756,152
199,536	20,843	-	-	6,075,035
-	-	-	-	11,618
6,492,594	14,861	-	-	7,774,513
105,794	24,275	-	950	2,431,289
8,173	2,384	-	-	188,678
-	244	-	-	40,955
<u>12,209,645</u>	<u>4,240,050</u>	<u>1,448,068</u>	<u>94,278</u>	<u>118,743,413</u>
379,784	1,700	-	-	895,655
72,449	90,819	-	50	5,990,713
16,273	25,903	-	3,601	2,277,855
15,020	17,829	-	600	1,809,307
76,437	9,712	-	351	2,926,914
106,484	76,474	-	900	1,519,759
398,760	42,394	-	1,013	2,723,420
56,109	170,394	-	1,979	2,271,158
263,103	714	-	-	696,540
230,386	72,791	-	6,506	414,929
356,706	30,629	-	16,121	560,460
244,222	78,953	-	8,350	867,463
210,162	236,178	24,218	7,491	17,405,974
-	298	-	-	101,657
4,699	326	-	993	81,350
65,089	237,162	-	1,614,119	3,591,421
5,377,800	1,253,583	756,630	9,283	19,473,018
1,006,436	1,076,468	1,402,839	278,541	11,763,385
144,759	178,379	-	175,195	1,348,697
-	-	-	-	134,549
100,912	13,489	-	2,710	457,561
300,766	76,038	-	67,744	2,862,923
762,209	1,259,678	2,184,711	300	7,883,450
-	218	-	-	92,215
<u>10,188,563</u>	<u>4,950,128</u>	<u>4,368,397</u>	<u>2,195,845</u>	<u>88,150,373</u>
6,318	3,844	-	-	391,296
<u>6,318</u>	<u>3,844</u>	<u>-</u>	<u>-</u>	<u>391,449</u>
-	-	-	1,369,243	1,369,243
-	-	-	1,369,243	1,369,243
<u>\$ 22,404,526</u>	<u>\$ 9,194,022</u>	<u>\$ 5,816,465</u>	<u>\$ 3,659,366</u>	<u>\$ 208,654,479</u>

Administrative School District No. 1  
Deschutes County, Oregon  
Special Revenue Funds Schedule of Expenditures by Function (Budgetary Basis)  
Year Ended June 30, 2025

	Object 100	Object 200
Instruction		
1111 - Primary, K-5 Programs	\$ 694,650	\$ 458,991
1113 - Elementary Extracurricular	4,257	1,268
1121 - Middle School Programs	289,314	179,407
1122 - Middle School Extracurricular	1,843	448
1131 - High School Programs	1,931,404	1,089,855
1132 - High School Extracurricular	41,768	9,406
1220 - Restrictive Prog Fr Disability	225,024	133,409
1250 - Less Restrictive Prog Disabled	2,753,368	1,509,547
1272 - Title I	1,309,530	696,678
1280 - Alternative Education	501,292	291,454
1291 - English Second Language	564,771	321,900
1292 - Teen Parent Programs	-	-
1299 - Other Special Ed Programs	-	-
1400 - Summer School Programs	64,932	23,733
Instruction Total	8,382,154	4,716,094
Support Services		
2110 - Attendance and Social Work	602,691	341,052
2120 - Guidance Services	4,462,844	2,581,016
2130 - Health Services	468,731	291,701
2140 - Psychological Services	28,552	11,269
2150 - Speech Pathology and Audiology	77,433	43,100
2210 - Improvement of Instruction Svc	3,100,175	1,672,016
2220 - Educational Media Services	85,323	49,609
2230 - Assessment and Testing	-	-
2240 - Instructional Staff Developmnt	352,692	198,383
2410 - Office of the Principal Svcs	220	81
2490 - Other Support Services	154,290	87,338
2510 - Business Support Services	-	-
2520 - Fiscal Services	99,580	54,408
2540 - Oper/Maint of Plant Services	-	-
2550 - Student Transportation Svcs	18,065	15,562
2640 - Staff Services	161,004	78,426
2660 - Technology Services	367	137
2680 - Interp and Translation	22,820	23,875
Support Services Total	9,634,785	5,447,968
Enterprise and Community Services		
3100 - Food Services	4,022,033	2,055,437
3300 - Community Services	506,076	309,489
Enterprise and Community Services Total	4,528,108	2,364,927
Other Uses/Expenditures Total		
5100 - Debt Service	-	-
5200 - Transfers of Funds	-	-
Other Uses/Expenditures Total	-	-
Total Special Revenue Funds	\$ 22,545,048	\$ 12,528,990

Object 300	Object 400	Object 500	Object 600	Object 700	Totals
\$ 1,058,092	\$ 910,396	\$ 4,000	\$ 19	\$ -	\$ 3,126,146
43,151	161,702	35,000	-	-	245,378
170,661	332,783	13,061	2,174	-	987,400
32,991	84,132	-	885	-	120,299
494,796	777,412	89,009	9,925	-	4,392,401
728,834	1,251,687	56,424	29,940	-	2,118,059
11,616	55,756	-	5,007	-	430,812
168,235	971	-	-	-	4,432,121
51,151	38,480	-	-	-	2,095,839
532,974	2,708	-	-	-	1,328,428
12,955	744	-	-	-	900,371
1,728	228	-	-	-	1,956
54	4,664	-	-	-	4,718
6,874	89,231	-	-	-	184,770
3,314,110	3,710,895	197,495	47,950	-	20,368,694
53,809	215,652	184,138	22,628	-	1,419,969
463,666	48,132	-	60	-	7,555,717
1,444,264	2,744	-	-	-	2,207,440
-	-	-	-	-	39,820
-	340	-	-	-	120,873
214,535	84,185	-	7,011	-	5,077,921
607	37,325	-	160	-	173,024
49,384	-	-	-	-	49,384
270,320	28,515	-	4,966	-	854,877
11,828	1,755	-	-	-	13,884
20,164	1,555	-	-	-	263,346
-	-	-	562,049	-	562,049
-	-	-	-	-	153,988
32,160	105,350	-	-	-	137,509
8,606	1,446	-	-	-	43,680
-	-	-	-	-	239,430
-	15,196	-	-	-	15,700
-	-	-	-	-	46,695
2,569,343	542,194	184,138	596,873	-	18,975,307
235,781	4,410,045	237,747	9,860	-	10,970,904
123,448	32,173	-	50	-	971,236
359,229	4,442,218	237,747	9,911	-	11,942,140
-	-	-	47,242	-	47,242
-	-	-	-	402,826	402,826
-	-	-	47,242	402,826	450,068
\$ 6,242,682	\$ 8,695,307	\$ 619,380	\$ 701,976	\$ 402,826	\$ 51,736,209

Administrative School District No. 1  
Deschutes County, Oregon  
Debt Service Funds Schedule of Expenditures by Function (Budgetary Basis)  
Year Ended June 30, 2025

	Object 300	Object 600	Totals
Support Services			
2520 - Fiscal Services	\$ 200	\$ -	\$ 200
Support Services Total	200	-	200
Other Uses/Expenditures Total			
5100 - Debt Service	-	51,052,298	51,052,298
Other Uses/Expenditures Total	-	51,052,298	51,052,298
Total Debt Service Funds	\$ 200	\$ 51,052,298	\$ 51,052,498

Administrative School District No. 1  
Deschutes County, Oregon  
Capital Project Funds Schedule of Expenditures by Function (Budgetary Basis)  
Year Ended June 30, 2025

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Totals
Facilities Acquisition and Construction							
4110 - Constr Service Area Direction	\$ 876,675	\$ 482,851	\$ 2,505	\$ 3,115	\$ -	\$ 560,550	\$ 1,925,696
4120 - Site Acquisition and Development Services	-	-	310,329	-	8,035,000	-	8,345,329
4150 - Building Acquisition, Construction, and Improvement Services	8,340	3,101	5,319,482	48,828	33,279,233	-	38,658,984
4190 - Other Facilities and Construction Services	-	-	-	-	-	42	42
Facilities Acquisition and Construction Total	<u>885,015</u>	<u>485,952</u>	<u>5,632,316</u>	<u>51,943</u>	<u>41,314,233</u>	<u>560,592</u>	<u>48,930,051</u>
Total Capital Project Funds	<u>\$ 885,015</u>	<u>\$ 485,952</u>	<u>\$ 5,632,316</u>	<u>\$ 51,943</u>	<u>\$ 41,314,233</u>	<u>\$ 560,592</u>	<u>\$ 48,930,051</u>



Administrative School District No. 1  
Deschutes County, Oregon  
Trust and Agency Funds Schedule of Expenditures by Function (Budgetary Basis)  
Year Ended June 30, 2025

	Object 300	Totals
Enterprise and Community Services		
3300 - Community Services	22,851	22,851
Enterprise and Community Services Total	22,851	22,851
Total Trust and Agency Funds	\$ 22,851	\$ 22,851

Administrative School District No. 1  
 Deschutes County, Oregon  
 Supplemental Information as Required by the Oregon Department of Education  
 for the Year Ended June 30, 2025

A. Energy Bill for Heating - All Funds

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

Function	Objects 325 & 326
2540	\$ 2,832,259
2550	-

B. Replacement of Equipment - General Fund

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

Fund	Amount
General	None

Exclude these functions:

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

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E D U C A T I N G   T H R I V I N G   S T U D E N T S

# STATISTICAL SECTION



***“Knowledge is love and light and vision.”***

***-Hellen Keller***



## Statistical Section Contents

This part of Bend-La Pine School's statistical comprehensive annual financial report presents detailed information as a context for understanding what the financial statements, note disclosures, and required supplementary information say about the District's overall financial health.

### **Financial Trends ..... 119-125**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

### **Revenue Capacity ..... 126-131**

These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.

### **Debt Capacity ..... 132-135**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

### **Demographic and Economic Information..... 136-137**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

### **Operating Information ..... 138-145**

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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E D U C A T I N G   T H R I V I N G   S T U D E N T S

Administrative School District No. 1  
Deschutes County, Oregon  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(in thousands)

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities Net Position
	Net Investment in Capital Assets	Restricted	Unrestricted	
2025	\$ 306,695,198	\$ 25,235,000	\$ (178,211,000)	\$ 153,719,000
2024, as restated	248,816,000	30,301,000	(145,126,000)	133,990,000
2023	237,355,000	30,941,000	(151,326,000)	116,970,000
2022, as restated	223,516,000	24,068,000	(163,474,000)	84,110,000
2021, as restated	191,764,000	22,246,000	(162,034,000)	51,976,000
2020, as restated	165,268,000	25,434,000	(143,980,000)	46,722,000
2019, as restated	155,762,000	18,840,000	(132,977,000)	41,625,000
2018, as restated	146,069,000	15,323,000	(131,121,000)	30,272,000
2017, as restated	127,031,000	18,345,000	(126,579,000)	18,795,000
2016	118,403,000	25,671,000	(116,242,000)	27,832,000

Note:

Fiscal years ending June 30, 2018 through June 30, 2022 were restated in fiscal year 2023 to move the Net OPEB RHIA asset from Unrestricted to Restricted to accurately report the asset as Restricted Net Position



Administrative School District No. 1  
Deschutes County, Oregon  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(in thousands)

	2016	2017, as restated	2018	2019
Expenses				
Governmental activities				
Regular instruction	\$ 81,791	\$ 81,756	\$ 99,305	\$ 104,943
Special programs including summer school	23,739	25,782	31,563	31,741
Students	10,740	11,461	14,906	15,651
Instructional staff	6,012	6,244	7,600	7,786
General administration	737	746	859	915
School administration	10,640	10,450	12,930	13,366
Business, transportation and maintenance	75,610	50,235	29,153	31,022
Central activities	6,261	7,015	6,460	6,635
Supplemental retirement program	507	394	276	189
Food services	6,344	6,217	7,536	7,497
Other enterprise and community services	1,713	1,767	2,041	2,115
Interest on long-term liabilities	12,304	12,416	15,757	15,787
<b>Total governmental activities expenses</b>	<b>236,398</b>	<b>214,484</b>	<b>228,386</b>	<b>237,647</b>
Program revenues				
Governmental activities				
Charges for services				
Regular instruction	3,985	834	809	784
Business, transportation and maintenance	965	927	921	925
Food services	1,633	1,869	2,063	2,321
Other enterprise and community services	340	315	343	618
Operating grants and contributions	18,203	18,776	20,958	22,117
Capital grants and contributions	662	713	873	746
<b>Total governmental activities program revenues</b>	<b>25,788</b>	<b>23,433</b>	<b>25,967</b>	<b>27,511</b>
<b>Total governmental net expense</b>	<b>(210,610)</b>	<b>(191,051)</b>	<b>(202,420)</b>	<b>(210,136)</b>
General revenues and other changes in net position				
Governmental activities				
Property taxes levied for:				
General purposes	67,577	71,211	75,808	80,353
Debt service	21,312	22,118	30,655	32,546
Federal aid not restricted to specific purposes	242	-	1,292	215
State aid not restricted to specific purposes	82,316	84,340	92,740	94,700
Intermediate aid not restricted to specific purposes	2,198	2,497	2,718	2,795
Earnings on investments	390	610	1,850	5,557
Other local revenue	2,639	4,618	3,374	1,721
Gain/loss on sale of capital assets	-	-	19	1
Restitution	-	-	-	-
Insurance proceeds	-	-	5,441	3,602
<b>Total governmental activities general revenues and other</b>	<b>176,674</b>	<b>185,394</b>	<b>213,895</b>	<b>221,490</b>
<b>Change in net position governmental activities</b>	<b>\$ (33,936)</b>	<b>\$ (5,657)</b>	<b>\$ 11,475</b>	<b>\$ 11,353</b>

2020	2021	2022	2023	2024	2025
\$ 111,703	\$ 121,073	\$ 110,116	\$ 113,989	\$ 122,289	\$ 126,611
33,961	37,374	36,281	37,838	38,018	40,213
17,402	18,753	20,705	22,783	24,804	28,527
8,468	9,413	9,032	10,885	12,589	12,512
916	914	909	1,108	1,447	1,438
15,348	15,951	13,989	16,377	18,043	19,321
31,698	31,370	31,821	35,865	38,839	40,417
7,404	7,996	12,349	15,209	14,495	16,464
125	70	34	9	2	-
7,363	7,434	8,836	9,180	9,511	11,013
2,363	2,282	1,859	2,317	2,525	1,454
17,648	16,681	8,876	14,341	15,713	14,752
<u>254,399</u>	<u>269,311</u>	<u>254,807</u>	<u>279,902</u>	<u>298,275</u>	<u>312,720</u>
630	113	588	687	679	742
800	605	842	887	951	927
1,857	23	224	2,018	1,614	273
311	104	264	406	369	384
22,602	40,577	49,933	54,172	54,874	50,051
654	792	815	761	847	8,951
<u>26,854</u>	<u>42,214</u>	<u>52,666</u>	<u>58,931</u>	<u>59,334</u>	<u>61,328</u>
<u>(227,544)</u>	<u>(227,097)</u>	<u>(202,141)</u>	<u>220,971</u>	<u>(238,941)</u>	<u>(251,392)</u>
86,058	88,715	93,725	99,210	104,430	109,243
34,796	36,019	37,659	39,003	39,709	39,257
169	167	442	384	82	168
100,478	103,024	97,396	103,472	107,226	108,388
2,765	2,529	2,324	1,639	2,217	2,187
6,335	400	549	4,593	9,983	7,716
1,984	1,521	2,137	5,499	4,497	4,146
56	(24)	41	30	86	14
-	-	2	-	-	-
1	-	-	-	-	-
<u>232,642</u>	<u>232,351</u>	<u>234,275</u>	<u>253,831</u>	<u>268,230</u>	<u>271,119</u>
<u>\$ 5,097</u>	<u>\$ 5,254</u>	<u>\$ 32,134</u>	<u>\$ 32,860</u>	<u>\$ 29,289</u>	<u>\$ 19,727</u>

Administrative School District No. 1  
Deschutes County, Oregon  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(in thousands)

	2016	2017	2018	2019
General fund				
Nonspendable	\$ 1,010,000	\$ 1,740,000	\$ 1,040,000	\$ 1,400,000
Restricted	905,000	117,000	530,000	1,623,000
Assigned	6,160,000	6,003,000	9,625,000	12,380,000
Unassigned	5,454,000	3,758,000	5,877,000	4,480,000
<u>Total general fund</u>	<u>\$ 13,529,001</u>	<u>\$ 11,618,000</u>	<u>\$ 17,072,000</u>	<u>\$ 19,883,000</u>
 All other governmental funds				
Nonspendable, reported in				
Special revenue fund	\$ 376,000	\$ 415,000	\$ 475,000	\$ 373,000
Restricted, reported in				
Special revenue fund	3,360,000	4,221,000	4,513,000	4,980,000
Debt service fund	2,511,000	1,937,000	2,385,000	3,585,000
Capital project fund	18,895,000	8,764,000	175,098,000	123,285,000
Assigned, reported in				
Special revenue fund	2,710,000	2,890,000	3,175,000	3,087,000
<u>Total all other governmental funds</u>	<u>\$ 27,852,000</u>	<u>\$ 18,227,000</u>	<u>\$ 185,646,000</u>	<u>\$ 135,310,000</u>

2020	2021	2022	2023	2024	2025
\$ 1,171,000	\$ 1,971,000	\$ 1,518,000	\$ 1,655,000	\$ 2,330,000	\$ 2,204,000
2,356,000	2,240,000	1,485,000	2,690,000	2,913,000	2,697,000
13,367,000	16,669,000	19,991,000	22,516,000	21,940,000	18,055,000
6,993,000	8,910,000	5,580,000	6,668,000	13,570,000	18,335,000
<u>\$ 23,887,000</u>	<u>\$ 29,790,000</u>	<u>\$ 28,574,000</u>	<u>\$ 33,529,000</u>	<u>\$ 40,753,000</u>	<u>\$ 41,291,000</u>
\$ 576,000	\$ 667,000	\$ 455,000	\$ 498,000	\$ 460,000	\$ 534,000
3,232,000	4,659,000	8,627,000	7,643,000	6,499,000	6,410,000
4,032,000	4,694,000	4,662,000	5,387,000	5,460,000	3,751,000
145,228,000	51,115,000	21,857,000	116,160,000	101,863,000	65,590,000
4,619,000	5,903,000	4,281,000	4,928,000	4,983,000	4,276,000
<u>\$ 157,687,000</u>	<u>\$ 67,038,000</u>	<u>\$ 39,882,000</u>	<u>\$ 134,617,000</u>	<u>\$ 119,266,000</u>	<u>\$ 80,562,000</u>

Administrative School District No. 1  
Deschutes County, Oregon  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(in thousands)

	2016	2017	2018
Revenues			
Property taxes	\$ 88,977	\$ 93,175	\$ 106,499
Tuition	8	3	6
Investment earnings	390	610	1,850
Other local sources	13,021	15,446	13,753
Intermediate sources	2,642	2,866	3,395
State sources	85,964	86,094	97,036
Federal sources	12,613	11,419	12,519
Total revenues	203,615	209,612	235,058
Expenditures			
Current			
Instruction	101,799	103,774	112,662
Support services	59,016	63,011	65,657
Community services	8,545	8,492	9,278
Facilities acquisition and construction	-	727	2,416
Debt service:			
Principal	15,617	17,465	21,030
Interest	13,315	12,979	17,668
Capital outlay	22,696	14,699	26,746
Total expenditures	220,988	221,146	255,458
Revenues over (under) expenditures	(17,373)	(11,534)	(20,400)
Other financing sources (uses)			
Refunding bonds issued	-	-	-
Payment to refunded bond escrow agent	-	-	-
Premium on bonds issued	-	-	12,809
General obligation bonds issued	4,175	-	175,000
PERS UAL Payment	-	-	-
General obligation bonds issued-premium	-	-	-
Issuance of long-term debt	-	-	-
Insurance proceeds	-	-	5,441
Lease financing	-	-	-
Subscription based information technology financing	-	-	-
Sale of capital assets	-	-	21
Restitution	-	-	-
Lease purchase / long term loan proceeds	-	-	-
Total other financing sources (uses)	4,175	-	193,271
Net change in fund balances	\$ (13,198)	\$ (11,534)	\$ 172,871
Ratio of total debt service to noncapital expenditures	15%	15%	17%

2019	2020	2021	2022	2023	2024	2025
\$ 112,924	\$ 120,726	\$ 125,177	\$ 131,348	\$ 138,012	\$ 143,910	\$ 148,416
19	26	24	18	19	15	5
5,557	6,335	400	549	4,593	10,290	9,258
12,574	11,326	7,602	10,528	16,186	14,399	13,938
3,590	3,160	2,924	2,719	2,034	2,612	2,582
101,165	107,666	115,966	121,160	133,026	132,250	146,218
10,869	11,158	24,350	22,738	19,268	24,517	14,196
<u>246,698</u>	<u>260,397</u>	<u>276,443</u>	<u>289,060</u>	<u>313,137</u>	<u>327,993</u>	<u>334,613</u>
117,178	121,838	131,611	139,140	142,456	146,002	149,693
69,673	72,652	75,299	87,400	96,182	100,312	106,594
9,251	9,037	9,041	10,825	11,548	11,909	12,173
1,569	2,156	1,832	1,510	3,702	6,771	7,615
22,135	21,871	25,913	29,813	33,822	32,953	37,485
18,558	21,167	19,108	15,760	15,140	17,812	15,376
60,853	87,822	97,721	31,785	17,495	20,575	45,714
<u>299,217</u>	<u>336,543</u>	<u>360,524</u>	<u>316,233</u>	<u>320,345</u>	<u>336,334</u>	<u>374,651</u>
		0				
(52,519)	(76,146)	(84,081)	(27,175)	(7,207)	(8,341)	(40,038)
-	-	-	80,795	-	-	-
-	-	-	(82,245)	-	-	-
-	7,920	-	31	-	-	-
-	93,300	-	-	100,000	-	-
-	-	(1,000)	-	-	-	-
-	-	-	-	5,904	-	-
-	-	-	-	-	-	1,856
3,602	1	-	-	-	-	-
-	-	-	121	673	-	-
-	-	-	-	-	128	-
1	56	334	99	242	86	15
-	-	-	2	-	-	-
1,390	1,250	-	-	-	-	-
<u>4,993</u>	<u>102,527</u>	<u>(665)</u>	<u>(1,197)</u>	<u>106,897</u>	<u>214</u>	<u>1,872</u>
<u>\$ (47,526)</u>	<u>\$ 26,381</u>	<u>\$ (84,746)</u>	<u>\$ (28,372)</u>	<u>\$ 99,690</u>	<u>\$ (8,127)</u>	<u>\$ (38,167)</u>
17%	17%	17%	16%	16%	16%	16%

Administrative School District No. 1  
Deschutes County, Oregon  
Assessed Value and Estimated Value of Taxable Property in Deschutes County  
Last Ten Fiscal Years  
(in thousands of dollars)

Fiscal Year Ended June 30	Real Property		Personal Property		Manufactured Homes	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2025	\$ 31,914,865	\$ 80,823,922	\$ 920,364	\$ 920,364	\$ 101,690	\$ 293,903
2024	30,423,785	78,521,799	890,105	890,105	97,682	239,833
2023	28,853,678	71,360,846	735,632	735,632	92,994	210,014
2022	27,365,201	54,432,055	627,551	627,551	90,106	173,790
2021	25,896,554	46,294,856	586,141	586,165	84,899	147,202
2020	24,642,529	43,452,590	524,739	524,739	81,184	131,478
2019	23,380,813	39,872,595	508,792	508,792	78,182	112,683
2018	22,107,667	35,571,219	482,975	482,975	74,665	103,958
2017	20,943,309	31,302,357	451,004	451,007	65,759	79,422
2016	19,847,234	27,721,055	415,663	415,679	60,520	70,526

Source:

Valuation information has been obtained from the Deschutes County Assessor, and includes all property within Deschutes County.

Note:

Total Direct Rate column represents the District Direct rate

Public Utilities		Exemptions	Total		Total Direct Rate	Assessed Value as a Percentage of Estimated
Assessed Value	Estimated Actual Value	Assessed Value	Taxable Assessed Value	Estimated Actual Value		Actual Value
\$ 862,379	\$ 917,540	\$ 59,841	\$ 33,739,457	\$ 82,895,888	\$ 6.44	40.773%
852,663	919,209	60,873	32,203,361	80,510,072	6.55	40.075%
853,781	938,116	59,461	30,476,624	73,185,145	6.61	41.724%
834,257	910,502	58,719	28,858,395	56,085,178	6.65	51.559%
803,586	887,767	57,288	27,313,792	47,858,703	6.66	57.191%
710,117	784,443	54,658	25,903,911	44,838,592	6.67	57.893%
668,084	736,374	51,211	24,584,663	41,179,234	6.67	59.826%
600,475	628,510	47,457	23,218,324	36,739,204	6.67	63.327%
560,616	582,833	45,078	21,975,610	32,370,540	6.22	68.027%
652,906	677,075	43,032	20,933,290	28,841,302	6.23	72.730%



Administrative School District No. 1  
Deschutes County, Oregon  
Property Tax Rates - All Direct and Overlapping Governments  
Last Ten Fiscal Years Ended June 30th

	2016	2017	2018	2019
Administrative School District No. 1	\$ 6.23	\$ 6.22	\$ 6.67	\$ 6.67
High Desert ESD	0.10	0.10	0.10	0.10
Central Oregon Community College	0.74	0.74	0.74	0.73
Deschutes County	4.76	4.75	4.80	4.19
City of Bend	3.20	3.19	3.18	3.17
Bend Parks & Recreation	1.63	1.63	1.62	1.62
City of La Pine	1.98	1.98	1.98	1.98
La Pine Park & Recreation	0.30	0.30	0.30	0.30
Sunriver Service District	3.31	3.31	3.31	3.31
La Pine RFPD	2.47	2.41	2.41	2.41
Sunriver Library CSD	0.04	-	-	-
<b>Total</b>	<b>\$ 24.76</b>	<b>\$ 24.63</b>	<b>\$ 25.11</b>	<b>\$ 24.48</b>

Source:

Property tax rates have been obtained from the Deschutes County Assessor;  
rates are per \$1,000 of assessed value.

Notes:

The tax rates for all districts include the amount needed to service bonded long-term debt.  
The District's operating tax rate is set by Oregon State Statute and cannot be  
increased by the District.

2020	2021	2022	2023	2024	2025
\$ 6.67	\$ 6.66	\$ 6.65	\$ 6.61	\$ 6.55	\$ 6.44
0.10	0.10	0.10	0.10	0.10	0.10
0.73	0.72	0.72	0.70	0.70	0.70
4.19	4.19	4.16	4.25	4.94	4.94
3.16	3.16	3.15	3.30	3.28	4.14
1.61	1.61	1.59	1.59	1.59	1.59
1.98	1.98	1.98	1.98	1.98	1.98
0.30	0.30	0.30	0.30	0.30	0.30
3.31	3.31	3.31	3.78	3.78	3.92
2.41	2.41	2.41	2.41	3.05	3.05
-	-	-	-	-	-
<u>\$ 24.46</u>	<u>\$ 24.44</u>	<u>\$ 24.37</u>	<u>\$ 25.02</u>	<u>\$ 26.27</u>	<u>\$ 27.16</u>

Bend-La Pine Schools

2024-2025						2015-2016		
Taxpayer	Type of Business	Tax	Assessed Value	Percent of Value	Rank	Tax	Assessed Value	Percent of Value
Crowdstrike Inc	Cybersecurity technology	2,084,277	127,360,310	0.53%		-	-	-
Pacificorp (P P&I)	Electrical utility	2,058,397	129,445,181	0.54%	2	845,859	59,133,000	0.40%
TDS Baja Bendbroadband LLC	Telecommunications	1,411,845	87,334,891	0.36%	1	2,781,516	188,816,000	1.26%
Lonza Bend Inc	Biotechnology services	1,249,489	75,907,370	0.32%		-	-	-
Cascade Natural Gas Corp	Natural gas utility	1,159,901	72,338,323	0.30%	5	628,546	43,536,000	0.29%
Deschutes Brewery Inc.	Brewery and restaurant	1,061,965	64,514,720	0.27%	9	570,569	38,414,200	0.26%
Touchmark at Mount Bachelor Village	Retirement community	971,428	58,018,210	0.24%	3	678,788	44,466,290	0.30%
Suterra LLC	Pest control products	864,191	52,806,620	0.22%	6	626,260	47,416,970	0.32%
CVSC LLC	Retail stores	861,989	51,461,040	0.21%	7	579,403	38,467,390	0.26%
Gas Transmission NW Corp.	Natural gas utility	790,734	62,934,610	0.26%	4	662,206	56,549,400	0.38%
Bend Research Inc	Pharmaceutical	-	-	-	8	571,690	38,449,960	0.26%
Sunriver Resort Limited Partnership	Real Estate Development	-	-	-	10	469,426	34,938,265	0.23%
Subtotal top ten of District's major taxpayers			654,760,965	2.73%		7,568,404	590,187,475	3.95%
All other District's taxpayers			23,327,795,078	97.27%			14,342,409,447	96.05%
Total District			\$ 23,982,556,043	100.00%			\$ 14,932,596,922	100.00%

Deschutes County

2024-2025						2015-2016		
Taxpayer	Type of Business	Tax	Assessed Value	Percent of Value	Rank	Tax	Assessed Value	Percent of Value
Pacificorp (P P&I)	Electrical utility	\$ 2,924,953	\$ 180,050,298	0.53%	2	\$ 1,279,232	\$ 85,994,000	0.41%
Crowdstrike Inc	Cybersecurity technology	2,084,277	127,360,310	0.38%				-
TDS Baja Bendbroadband LLC	Telecommunications	1,629,108	99,745,917	0.30%	1	3,270,366	218,359,000	1.04%
Cascade Natural Gas Corp.	Natural gas utility	1,507,000	91,623,646	0.27%	4	807,562	54,078,000	0.26%
Lonza Bend Inc	Biotechnology services	1,448,316	89,386,880	0.26%				-
Deschutes Brewery Inc.	Brewery and restaurant	1,061,965	64,514,720	0.19%	9	570,569	38,414,200	0.18%
Touchmark at Mount Bachelor Village, LLC	Retirement community	971,428	58,018,210	0.17%	6	678,788	44,466,290	0.21%
Gas Transmission NW Corp.	Natural gas utility	967,569	74,611,996	0.22%	3	839,261	68,929,100	0.33%
PCC Structurals Inc	Manufacturing	916,117	49,099,450	0.15%				-
Suterra LLC	Pest control products	864,191	52,806,620	0.16%	7	626,260	47,416,970	0.23%
Bend Research Inc	Pharmaceutical	-	-	-	5	692,222	46,999,420	0.22%
CVSC LLC	Retail stores	-	-	-	8	579,403	38,467,390	0.18%
CentryLink	Telecommunications	-	-	-	10	554,716	38,262,000	0.18%
Subtotal-top ten County major taxpayers			887,218,047	2.63%		9,898,378	681,386,370	3.26%
All other County's taxpayers			32,852,239,048	97.37%			20,251,903,288	96.74%
Total Deschutes County			\$ 33,739,457,095	100.00%			\$ 20,933,289,658	100.00%

Administrative School District No. 1  
Deschutes County, Oregon  
Property Tax Levies and Collections for Operations and Debt Service  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	152,637,763	146,984,630	96.3%	791,581	147,776,211	96.8%
2024	148,163,031	142,603,220	96.2%	684,224	143,287,444	96.7%
2023	141,553,464	136,565,409	96.5%	524,226	137,089,635	96.8%
2022	134,904,226	130,126,897	96.5%	639,789	130,766,685	96.9%
2021	128,098,347	123,228,650	96.2%	932,472	124,161,121	96.9%
2020	121,960,693	117,451,670	96.3%	932,472	118,384,141	97.1%
2019	115,946,713	111,169,277	95.9%	834,376	112,003,653	96.6%
2018	109,136,848	104,709,632	95.9%	718,005	105,427,638	96.6%
2017	96,003,356	91,614,978	95.4%	805,801	92,420,779	96.3%
2016	91,728,870	87,438,223	95.3%	673,894	88,112,117	96.1%

Source:  
Levy information was obtained from Deschutes County

Administrative District No. 1  
Deschutes County, Oregon  
Computation of Direct and Overlapping Debt  
June 30, 2025

Jurisdiction	Gross Bonded Debt Outstanding	Percentage Applicable to ASD No. 1	Amount Applicable to ASD No. 1
Alfalfa RFPD	\$ 146,000	3.53%	\$ 5,151
Bend Metro Park & Rec District	16,090,000	99.88%	16,071,175
Central Oregon Community College	37,805,000	61.86%	23,386,173
Central Oregon Regional Housing Authority	2,550,200	72.20%	1,841,227
City of Bend	342,526,930	100.00%	342,526,930
City of La Pine	1,162,955	100.00%	1,162,955
Deschutes County	59,092,900	72.20%	42,664,660
Deschutes Cty RFPD 2 (Bend)	7,345,000	75.93%	5,576,912
Deschutes Public Library District	180,915,000	72.20%	130,619,364
High Desert ESD	8,226,016	65.77%	5,410,465
La Pine Parks & Recreation District	215,000	100.00%	215,000
Sunriver Service	4,908,483	100.00%	4,908,483
Subtotal, overlapping debt			574,388,495
Administrative School District No. 1 direct debt			416,703,000
<b>Total direct and overlapping debt</b>			<b>\$ 991,091,495</b>

Source:

The gross debt outstanding and the percentage applicable has been obtained from the Oregon State Treasury.  
Percentage applicable to the District is the ratio of the district boundary to the entire area subject to the debt.

Note:

Gross bonded debt outstanding does not include self-supporting unlimited-tax general obligation bonds and self-supporting full faith and credit debt.

Administrative School District No. 1  
Deschutes County, Oregon  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Governmental Activities								
Fiscal Year	General		Full Faith & Credit		Leases &		Total	Percentage of Personal Income
	Obligation	Bonds	Obligations	Loans	SBITA Liability	Premium on Bonds		
2025	\$ 367,610,000		\$ 22,690,000	\$ 2,563,000	5,233,000	\$ 18,607,000	\$ 416,703,000	N/A
2024	395,810,000		30,420,000	1,445,000	5,926,667	19,926,600	453,528,267	N/A
2023	420,200,000		37,880,000	1,709,000	-	22,538,243	482,327,243	2.85%
2022	347,720,000		44,570,479	1,973,000	-	19,376,799	413,640,278	2.80%
2021	366,995,000		50,553,728	2,579,566	-	24,361,227	444,489,521	3.20%
2020	387,870,000		56,000,794	3,179,388	-	27,019,428	474,069,610	3.84%
2019	313,540,000		60,715,358	2,397,598	-	21,757,826	398,410,782	3.57%
2018	332,610,000		64,873,184	1,674,714	-	24,019,209	423,177,108	4.00%
2017	175,635,000		68,512,872	2,322,093	-	13,364,007	259,833,971	2.73%
2016	190,155,000		71,684,756	2,950,381	-	14,317,119	279,107,256	3.10%

Sources:

Personal and per capita income numbers were obtained from the Bureau of Economic Analysis.

Administrative School District No. 1  
Deschutes County, Oregon  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(in thousands)

Fiscal Year	Real Market Value	Debt Limit = Real Market Value X .0795	Computation of Debt Margin		
			Total General Obligation Bonds	Legal Debt Margin	Ratio of Legal Debt Margin to the Debt Limit
2025	59,850,222	4,758,093	367,610	4,390,483	92%
2024, as restated	58,008,195	4,611,652	395,810	4,215,842	91%
2023	53,242,475	4,232,777	420,200	3,812,577	90%
2022, as restated	40,675,964	3,233,739	347,720	2,886,019	89%
2021, as restated	34,535,389	2,745,563	387,870	2,357,693	86%
2020, as restated	32,827,950	2,609,822	387,870	2,221,952	85%
2019, as restated	30,243,766	2,404,379	313,540	2,090,839	87%
2018, as restated	26,993,818	2,146,009	332,610	1,813,399	85%
2017, as restated	23,788,200	1,891,162	175,635	1,715,527	91%
2016, as restated	21,279,466	1,691,718	190,155	1,501,563	89%
2015, as restated	18,608,982	1,479,414	198,705	1,280,709	87%

Debt limit by Oregon State Law is 7.95% of real market value.

Source:

Debt limitation formula has been obtained from Oregon Revised Statutes 328.245 (1), (2).  
Real market value was obtained from Deschutes County

Note:

Fiscal years 2014 through 2022 were restated in fiscal year 2023 to remove any assets in the debt service fund from the computation of the legal debt margin. Fund balance in the debt service fund was the primary asset, which we do not believe should be included in the computation.

Administrative School District No. 1  
Deschutes County, Oregon  
Ratio of Net Bonded Debt to Real Market Value and Net Bonded Debt Per Capita  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Gross Bonded Debt	Debt Service Fund Balance	Net Bonded Debt	Ratio of Net Bonded Debt to Real Market Value	Net Bonded Debt Per Capita
2025	386,217,000	3,751,000	382,466,000	0.46%	1,785
2024	415,736,600	5,460,000	410,276,600	0.51%	1,949
2023	442,738,243	5,387,000	437,351,243	0.60%	2,107
2022	367,096,799	4,662,158	362,434,641	0.65%	1,782
2021	391,356,227	4,693,630	386,662,597	0.81%	1,963
2020	414,889,428	4,031,467	410,857,961	0.92%	2,129
2019	335,297,826	3,585,422	331,712,404	0.81%	1,755
2018	356,629,209	2,359,500	354,269,709	0.96%	1,937
2017	188,999,007	1,937,200	187,061,807	0.58%	1,059
2016	204,472,119	2,510,423	201,961,696	0.70%	1,183

Gross Bonded Debt has been modified to include the unamortized bond premium and discount

Sources:

Population data from World Population Review  
Real market value comes from Deschutes County



Administrative School District No.1  
Deschutes County, Oregon  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Calendar		Unemployment	Per capita	Total Personal	Civilian	Average Daily	Annual	
Year	Population	Rate	Income	Income	Labor Force	Membership	Cost Per	ADMw
2025	214,213	4.5%	N/A	N/A	111,315	16,285	19,203	18,901
2024	210,543	4.0%	N/A	N/A	107,419	16,461	18,120	19,057
2023	207,561	3.8%	81,025	16,894,729,000	101,900	17,158	16,313	19,283
2022	203,390	3.4%	71,627	14,794,468,000	105,407	17,192	14,821	19,331
2021	197,015	5.9%	67,743	13,873,903,000	102,109	17,260	15,604	19,517
2020	193,000	12.4%	61,216	12,351,409,000	98,044	18,448	13,790	20,775
2019	188,980	4.2%	56,447	11,159,204,000	96,706	18,256	13,017	20,550
2018	182,930	4.0%	55,143	10,587,224,000	95,138	18,172	12,568	20,853
2017	176,635	3.7%	50,955	9,522,219,000	93,336	17,851	12,015	20,687
2016	170,740	5.1%	49,881	9,012,257,000	88,985	17,425	13,476	20,230

Sources:

Unemployment rate and labor force information is for Deschutes County and was obtained from the State of Oregon Employment Department - Oregon Labor Market Information System (OLMIS).  
Qualityinfo.org

Personal and per capita income numbers came from the Bureau of Economic Analysis.

Administrative School District No. 1  
Deschutes County, Oregon  
Principal Employers  
Current Year and Nine Years Ago

Employer	2025			2016		
	Employees	Rank	Percentage of Total County Employees	Employees	Rank	Percentage of Total County Employees
St Charles Medical Center	4,742	1	4.90%	3,057	1	3.90%
Administrative School District No. 1	2,385	2	2.47%	1,797	2	2.29%
Deschutes County	1,334	3	1.38%	1,062	3	1.36%
Mt Bachelor	1,094	4	1.13%	769	10	0.98%
BASX Solutions	1,060	5	1.10%	-	-	-
Sunriver Resort	975	6	1.01%	936	4	1.20%
Remond School District	901	7	0.93%	851	8	1.09%
COCC	801	8	0.83%	884	5	1.13%
City of Bend	783	9	0.81%	-	-	-
Safeway (includes Albertsons)	781	10	0.81%	828	9	1.06%
Les Schwab	-	-	-	871	6	1.11%
Bright Wood Corporation	-	-	-	855	7	1.09%
<b>Total</b>	<b>14,856</b>		<b>15.36%</b>	<b>11,910</b>		<b>15.21%</b>

Sources:

Economic Development for Central Oregon, Oregon Department of Education,  
Deschutes County Finance Department.

Administrative School District No. 1  
Deschutes County, Oregon  
Full-time Equivalent Employees by Function  
Last Ten Fiscal Years

	2016	2017	2018	2019
Function:				
Regular instruction	736	754	767	786
Special programs including summer school	290	301	313	297
Student services	128	134	148	146
Instructional staff	53	55	57	57
General administration	2	2	2	2
School administration	127	119	124	134
Business, transportation and maintenance	218	230	229	231
Central activities	38	40	41	42
Food services	70	71	72	72
Other enterprise and community services	14	12	14	14
Facilities acquisition and construction	5	5	10	10
<b>Total</b>	<b>1,681</b>	<b>1,723</b>	<b>1,777</b>	<b>1,791</b>

Source:

Information was obtained from District's payroll records

Note:

FTE is as of June 1 and does not include vacant positions.

2020	2021	2022	2023	2024	2025
781	831	820	795	786	744
297	294	308	306	321	317
157	171	207	211	202	206
57	54	64	75	76	74
2	3	3	3	3	3
132	136	145	144	145	145
243	230	242	246	244	243
44	45	52	50	50	64
74	60	70	78	80	88
15	14	13	14	15	15
11	12	10	8	9	9
<u>1,813</u>	<u>1,850</u>	<u>1,934</u>	<u>1,930</u>	<u>1,931</u>	<u>1,908</u>

Administrative School District No. 1  
Deschutes County, Oregon  
Operating Indicators by Function  
Last Ten Fiscal Years

	2016	2017	2018
Function:			
Instruction			
Enrollment	17,534	18,034	18,375
Transportation			
Number of buses	139	134	124
Miles driven per year	1,951,595	1,733,345	1,684,249
Cost per mile	\$ 3.64	\$ 4.31	\$ 6.16
Students transported to school daily	4,595	4,945	5,216
Food services			
Free lunch participants	4,371	4,034	3,949
Reduced lunch participants	1,007	1,002	1,081
Percent free/reduced of total enrollment	31%	28%	27%

Source:

Information was obtained from the District's transportation and food service departments.

Note:

Enrollment is as of October 1 of each fiscal year

- \* Food Services - Since 2018 Four schools have been, and continue to be, Community Eligibility Provision school - no counts taken
- \* Food Services - Since 2021 Nine schools have been, and continue to be Community Eligibility Provision school - no counts taken
- \* Due to Covid-19, all students were eligible for free lunches in 2022 - sperate counts were not taken
- \* Food Services - Since 2023 Twenty schools have been, and continue to be Community Eligibility Provision school - no counts taken
- \* Food Services - Since 2024 all schools have been, and continue to be Community Eligibility Provision school-no counts for reduced lunch participants

2019	2020	2021	2022	2023	2024	2025
18,428	18,672	17,612	17,500	17,438	16,980	16,958
126	131	125	131	127	142	129
1,636,116	1,201,119	947,521	1,581,272	1,597,725	1,708,354	1,531,881
\$ 6.34	\$ 8.63	\$ 10.95	\$ 6.56	\$ 6.49	\$ 6.07	\$ 6.77
5,395	6,100	2,021	3,138	4,031	4,247	3,307
4,159	4,317	3,113	N/A	2,464	1,578	5,500
1,218	1,037	316	N/A	576	324	N/A
29%	29%	19%	N/A	17%	11%	32%

Administrative School District No. 1  
Deschutes County, Oregon  
Capital Asset Statistics by Function  
Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Function:										
Instruction										
Number of elementary schools	18	18	18	18	19	19	19	19	19	19
Number of middle schools	7	7	7	7	7	7	7	7	7	7
Number of high schools	5	5	5	7	7	7	7	7	7	7
Elementary school enrollment	8,046	8,260	8,370	8,244	8,222	7,606	7,522	7,490	7,513	7,358
Middle school enrollment	3,962	4,125	4,268	4,403	4,523	4,187	3,982	3,876	3,798	3,794
High school enrollment	5,526	5,649	5,737	5,781	5,927	5,819	5,996	6,072	5,669	5,806
General administration										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Business, transportation and maintenance										
Number of buildings	4	4	4	4	4	4	4	4	4	4

Source:

Information was obtained from the District's capital asset and student enrollment records.

Administrative School District No. 1  
Deschutes County, Oregon  
School Building Capacity and Enrollment  
June 30, 2025

Building	Enrollment	Capacity Without Modular Classrooms	Percent of Capacity	Year of Building Construction
Elementary Schools				
Amity Creek	144	150	96%	1948
Bear Creek	522	600	87%	1963
Buckingham	341	600	57%	1980
Ensworth	131	300	44%	2005
Elk Meadow	463	600	77%	1993
Highland	384	375	102%	1918
High Lakes	415	600	69%	2000
RE Jewell	423	600	71%	1974
Juniper	432	560	77%	1965
La Pine	483	600	81%	1993
Lava Ridge	404	600	67%	1994
North Star	320	600	53%	2019
Pine Ridge	526	600	88%	2004
Ponderosa	465	600	78%	2008
Rosland	156	300	52%	2010
Silver Rail	457	600	76%	2015
Westside Village (K-8)	203	382	53%	1949
William E Miller	501	600	84%	2009
Three Rivers (K-8)	422	450	94%	1989
Total elementary schools	7,192	9,717	76%	
Middle Schools				
Cascade	688	800	86%	1978
High Desert	669	800	84%	1993
Pilot Butte	591	825	72%	1967
Pacific Crest	585	800	73%	2015
La Pine	287	550	52%	1978
REALMS	156	150	104%	1993
Skyview	599	800	72%	2000
Total middle schools	3,575	4,725	75%	
High Schools				
Bend	1,212	1,550	78%	1956
La Pine	440	550	80%	1961
Bend Tech Academy	117	200	59%	1948
Mountain View	1,169	1,500	78%	1978
REALMS	148	200	74%	1993
Caldera	1,378	1,500	92%	2021
Summit	1,289	1,500	87%	2000
Total high schools	5,753	7,000	80%	

Note:

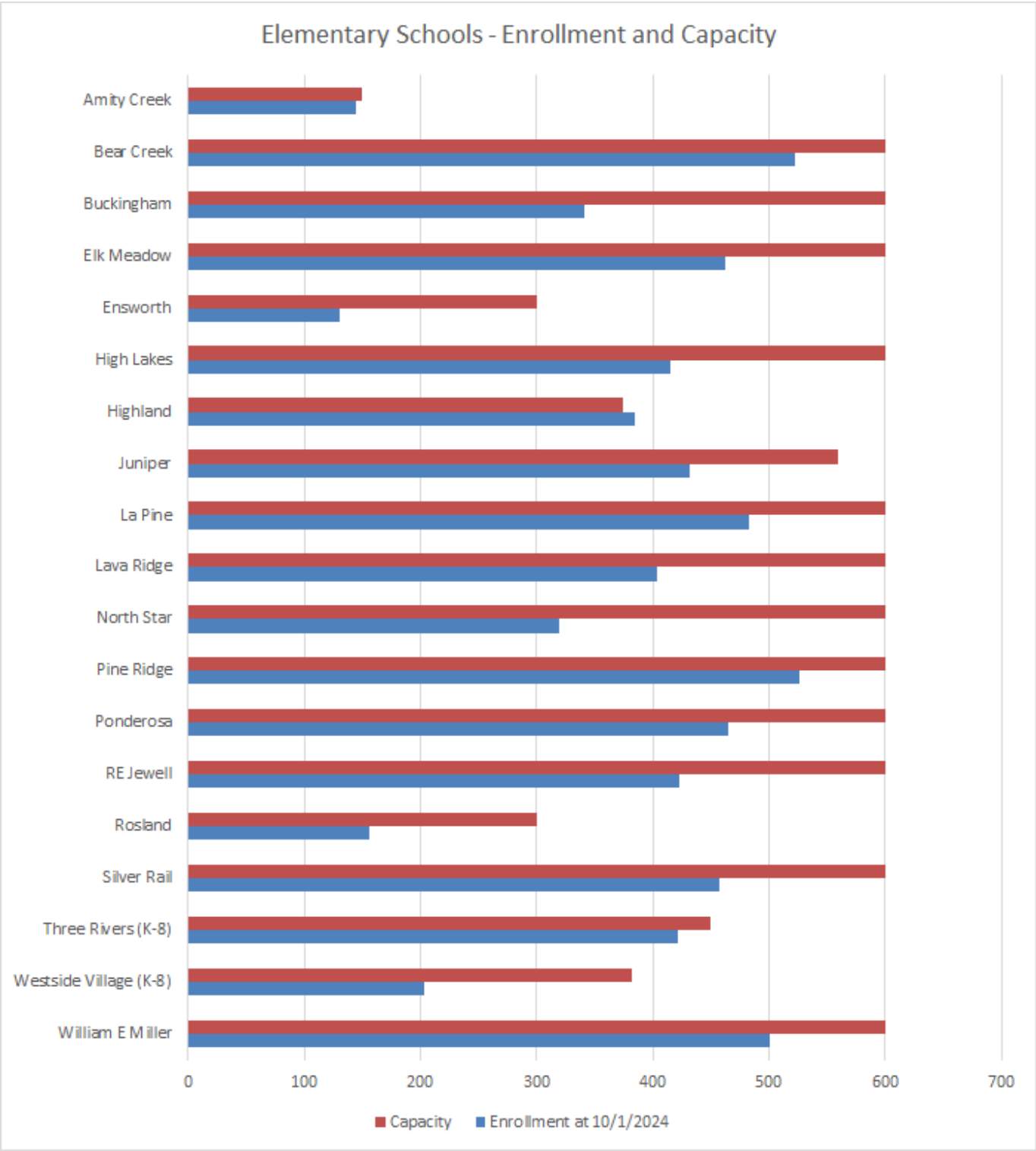
Enrollment is as of October 1, 2024

Many buildings have undergone remodels since original construction

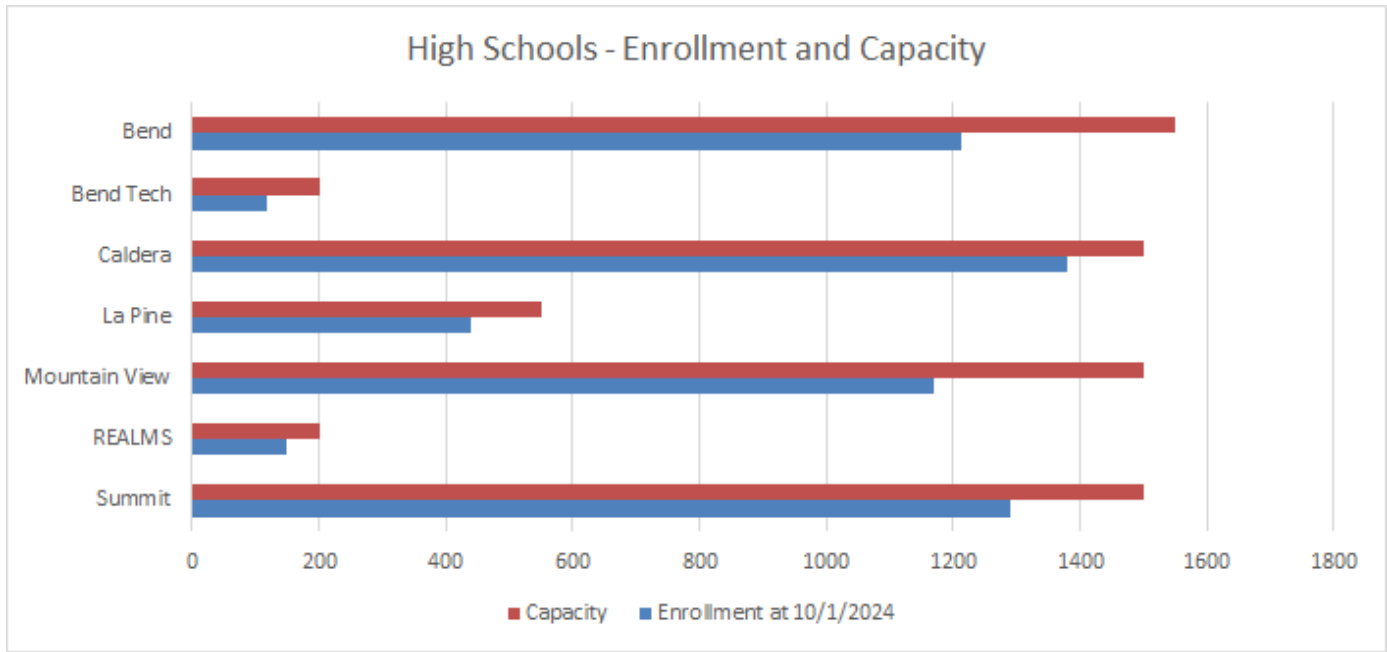
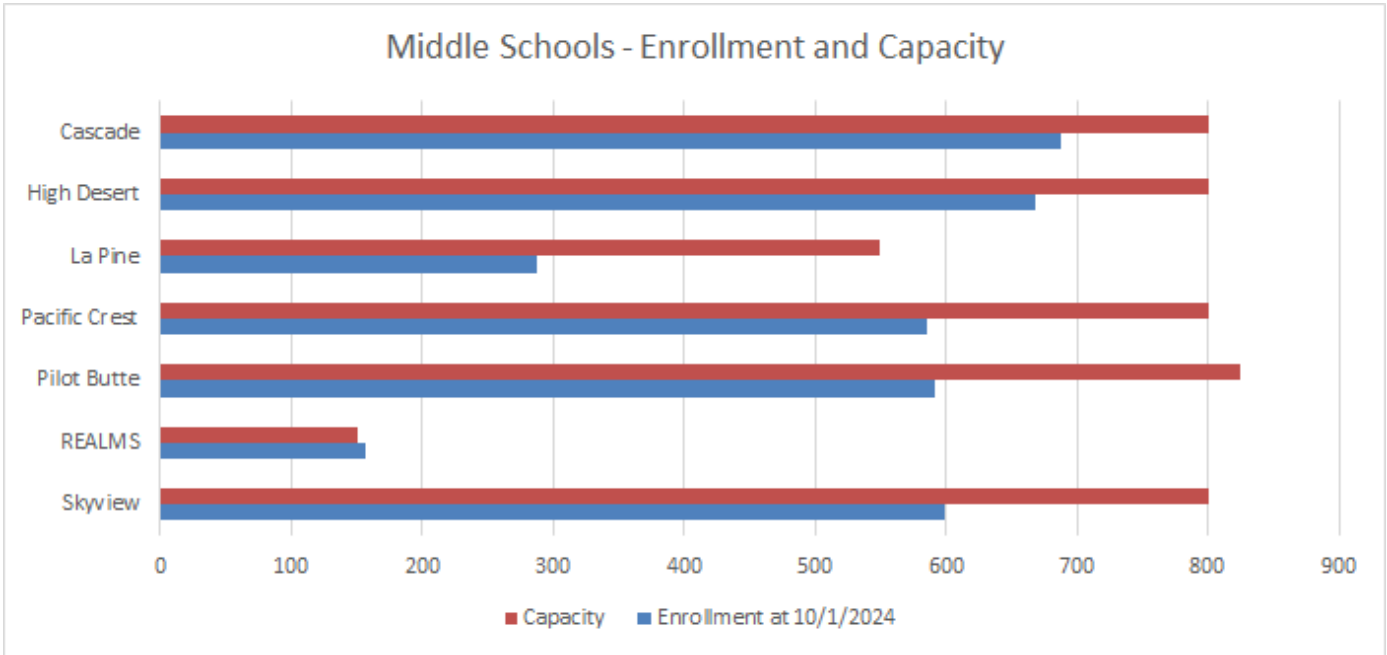
Information obtained from District's student enrollment and capital asset records



Administrative School District No. 1  
Deschutes County, Oregon  
Elementary School Enrollment and Capacity  
October 1, 2024



Administrative School District No. 1  
Deschutes County, Oregon  
Middle and High School Enrollment and Capacity  
October 1, 2024



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**B E N D  L A P I N E**  
*S c h o o l s*

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E D U C A T I N G   T H R I V I N G   S T U D E N T S

# AUDITOR'S COMMENTS



***“Every student can learn, just not on the same day, or the same way.”***

***-George Evans***





## **INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS**

Board of Directors  
Bend-La Pine Schools  
Deschutes County, Oregon

We have audited the basic financial statements of the Bend-La Pine Schools, Deschutes County, Oregon (the District) as of and for the year ended June 30, 2025 and have issued our report thereon dated December 12, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

### **Compliance**

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

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

- **Deposit of public funds with financial institutions**
- **Indebtedness limitations, restrictions and repayment**
- **Budgets legally required**
- **Insurance and fidelity bonds in force or required by law**
- **Programs funded from outside sources**
- **Authorized investment of surplus funds**
- **Public contracts and purchasing**
- **Oregon state school fund factors**

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 Oregon Municipal Corporations.

## **OAR 162-10-0230 Internal Control**

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

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

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

Brenda Bartlett, CPA  
Sensiba LLP  
Bend, Oregon

December 12, 2025

# **Grant Compliance**





## *Independent Auditor's Report*

The Board of Directors  
Bend-La Pine Schools

We have audited, 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, the financial statements of the governmental activities, the business-type activities, and each major fund, of Bend-La Pine Schools as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Bend-La Pine Schools' basic financial statements, and have issued our report thereon dated December 12, 2025.

### ***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Bend-Lapine School District's internal control over financial reporting (internal control) as a basis for designing 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 Bend-Lapine School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bend-Lapine School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

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

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Bend-La Pine Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### ***Bend-La Pine Schools' Response to Findings***

Government Auditing Standards requires the auditor to perform limited procedures on the Bend-La Pine Schools' response to the findings identified in our engagement and described in the accompanying schedule of findings and questioned costs. Bend-La Pine Schools' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### ***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.



Sensiba LLP  
Bend, Oregon

December 12, 2025



## *Independent Auditor's Report*

Board of Directors  
Bend-La Pine Schools

### **Report on Compliance for Each Major Federal Program**

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

We have audited Bend-La Pine Schools' 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 Bend-La Pine Schools' major federal programs for the year ended June 30, 2025. Bend-La Pine Schools' 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, Bend-La Pine Schools complied, in all material respects, with the 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Bend-La Pine Schools 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 Bend-La Pine Schools' 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 Bend-La Pine Schools' 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 Bend-La Pine Schools' 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Bend-La Pine Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Bend-La Pine Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Bend-La Pine Schools' 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 Bend-La Pine Schools' internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal 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.

*Brenda Baulett*

Sensiba LLP  
Bend, Oregon

December 12, 2025

Administrative School District No. 1  
Deschutes County, Oregon  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2025

	Pass Through		Assistance	Other	From Direct	From Pass		
Federal Agency	Agency	Federal Program Title	Listing	Identification	Awards	Through	Total Awards	Footnote
USDA	Oregon Dept. of Education	School Breakfast Program	10.553	902001	-	1,317,123	1,317,123	1
		National School Lunch Program	10.555	902001	-	4,298,870	4,298,870	1
		Food Distribution (Commodities)	10.555	902001	-	527,021	527,021	1
		Summer Food Service Program for Children	10.559	902001	-	60,735	60,735	1
		Summer Food Service Program for Children	10.559	Health insp	-	908	908	1
		Subtotal Child Nutrition Cluster			-	6,204,657	6,204,657	
		Child and Adult Care Food Program	10.558	902001	-	377,397	377,397	1
		Total USDA				-	6,582,055	6,582,055
Dept of Defense		National Junior ROTC	12.U01	n/a	75,023	-	75,023	
U.S. Dept of Education	Oregon Dept. of Education	Title I Grants to Local Education Agencies	84.010	82113	-	2,788,873	2,788,873	
		Title I Grants to Local Education Agencies	84.010	75142	-	118,535	118,535	
		Title I Grants to Local Education Agencies	84.010	76430	-	326,991	326,991	
		Title I Grants to Local Education Agencies	84.010	82074	-	82,150	82,150	
		Title I Grants to Local Education Agencies	84.010	79371	-	427,680	427,680	
		Subtotal Title I			-	3,744,229	3,744,229	
		Special Education - Grants to States	84.027	83846	-	2,486,648	2,486,648	
		Subtotal Special Education - Grants to States			-	2,486,648	2,486,648	
		Special Education - Preschool Grants	84.173	74166	-	6,000	6,000	
		Subtotal Special Education Cluster (IDEA)			-	6,000	6,000	
		English Language Acquisition State Grants	84.365	82295	-	95,323	95,323	
		Subtotal English Language Acquisition State Grants			-	95,323	95,323	
		Supporting Effective Instruction	84.367A	76627	-	79,227	79,227	1
		Supporting Effective Instruction	84.367A	82376	-	400,642	400,642	1
		Subtotal Supporting Effective Instruction			-	479,869	479,869	
		Student Support and Academic Enrichment	84.424	75937	-	19,623	19,623	
		Student Support and Academic Enrichment	84.424	82573	-	172,427	172,427	
		Student Support and Academic Enrichment	84.424	77060	-	20,012	20,012	
		Subtotal Student Support and Academic Enrichment			-	212,063	212,063	
		COVID-19 Education Stabilization Fund	84.425U	75917	-	68,894	68,894	
		Subtotal Education Stabilization Fund			-	68,894	68,894	
		Total Passed Through Oregon Department of Education			-	7,093,026	7,093,026	
	High Desert ESD	Career and Technical Education - Basic Grants to States	84.048	n/a	-	999	999	
		Education for Homeless Children and Youth	84.196	n/a	-	20,468	20,468	
		Total Passed Through High Desert ESD			-	21,467	21,467	
	Dept of Human Services	Special Education - State Vocational Rehabilitation	84.126A	n/a	-	89,108	89,108	
Total US Dept of Education					-	7,203,600	7,203,600	
US Environmental Protection Agency	Oregon Dept. of Education	Lead Testing of Drinking Water for Schools	66.444	85162	-	3,304	3,304	
US Department of Transportation	ODOT	Traffic Safety	20.205	n/a	-	34,562	34,562	
US Dept of Health and Human Services	Oregon Dept. of Education	Foster Care Transportation	93.658	81297	-	71,479	71,479	
Total Federal Financial Assistance					75,023	13,895,000	13,970,022	

(1) Audited as major programs

Administrative School District No. 1  
Deschutes County, Oregon  
Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2025

Significant Accounting Policies

Note A - Purpose of the Schedule

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of Bend-La Pine Schools (the District). The information in this schedule is prepared in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the District, it is not intended and does not present the financial position or changes in net position of the District.

Note B – Summary of Significant Accounting Policies

**Basis of Presentation** - Expenditures on the SEFA are reported on the modified accrual basis of accounting. Under a modified accrual basis, revenues are recorded when measurable and available, or in the case of grants where the expenditure is the prime factor for determining eligibility, when the expenditure is made. Expenditures are recorded when a liability is incurred. Such expenditures are recognized using the Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance, and is instead using the indirect rate approved by the Oregon Department of Education based on actual District expenses in the prior year. For the fiscal year ending June 30, 2025, the indirect rate used was 4.25%.

**Federal Financial Assistance** - Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

**Major Programs** - The Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in the Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

Note C – Child Nutrition Cluster

The District commingles cash receipts from the US Department of Agriculture with similar state grants. When reporting expenditures on this schedule, the District assumes it expends federal monies first. The District reports commodities consumed on the Schedule at fair value.

**BEND-LA PINE SCHOOLS  
DESCHUTES COUNTY, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2025**

**Section I - Summary of Auditor's Results**

Financial Statements

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

Unmodified

Internal control over financial reporting:

- Material weaknesses identified?
- Significant deficiencies?

No

Yes

Noncompliance material to the financial statements noted?

No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified?
- Significant deficiencies identified?

No

None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?

No

Identification of major federal programs:

Assistance Listing No.

Name of Federal Program or Cluster

10.555,10.559,10.553

Child Nutrition Cluster

84.367

Supporting Effective Instruction

Dollar threshold used to distinguish between Type A and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

Yes



**BEND-LA PINE SCHOOLS  
DESCHUTES COUNTY, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2025**

**Section II – Financial Statement Findings**

Finding 2025-001:

*Criteria:* Effective internal controls should be in place to ensure payroll tax payments are properly reviewed and reconciled, thereby preventing errors such as overpayment of payroll related taxes.

*Condition:* The District overpaid its federal payroll liability by approximately \$1.9 million in April 2025. Additionally, various amounts were overpaid related to Oregon payroll tax liabilities. The errors were not identified in a timely manner. The District paid its June 2025 payroll tax liability twice, once in June and once in July, resulting in an additional overpayment of approximately \$5.0 million.

*Context:* During the course of our auditing procedures, we identified a deficiency in controls where the District had not performed timely reconciliations of its payroll liabilities during the year. After year end, various errors in payroll tax submissions were discovered to both Internal Revenue Service and Oregon agencies. The errors resulted in an approximate \$1.9 million net overpayment receivable which the District is actively pursuing for recovery. An additional error resulting in an approximate \$5.0 million overpayment for the quarter ended June 30, 2025 has been recovered.

*Cause:* The errors resulted from inadequate internal controls, specifically the absence of effective reconciliation and review procedures over payroll liabilities.

*Effect:* The District incurred multiple overpayments of payroll tax liabilities and is required to coordinate with federal and state agencies to recover the excess amounts remitted.

*Recommendation:* The District should strengthen its internal controls over payroll liabilities by implementing timely reconciliations of payroll tax accounts. Management's formal procedures should include monthly reconciliations performed within 10 days of month end, independent review of the reconciliations by a supervisor or qualified finance staff to detect errors, and additional training for staff responsible for payroll tax submissions to reinforce compliance with federal and state requirements.

*Views of responsible officials:*

*Acknowledgement:* We concur with the auditor's finding that payroll taxes were overpaid during the year due to inadequate internal controls over payroll liabilities.

*Explanation:* This issue arose due to staff turnover and insufficient training on the payroll liability reconciliation process.

*Perspective:* While payroll taxes were overpaid twice during the year, one payment has been recovered, with the other expected to be.

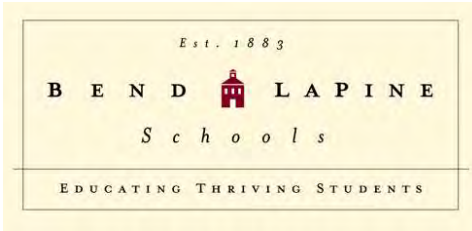
*Reference to action:* Management has already begun revising procedures and scheduling training sessions.

**Section III – Federal Award Findings and Questioned Costs**

None reported.

**Section IV – State Award Findings and Questioned Costs**

None reported.



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## **Corrective Action Plan**

### **Finding 2025-001**

#### **Responsible Officials:**

Dan Emerson, Chief Financial Officer  
Daniel.Emerson@Bend.k12.or.us

Matt Gayman, Assistant Director of Finance – Accounting  
Matt.gayman@bend.k12.or.us

Payroll staff responsible for processing payroll taxes will undergo payroll tax process and submission training prior to January 31, 2026. Beginning January 1, 2026, monthly payroll tax liabilities will be reconciled within 10 business days of month-end, with a formal review performed by the Payroll Operations Manager. Also, beginning January 1, 2026 the Payroll Operations Manager will review all payroll tax submissions for accuracy prior to payment to ensure correct amounts are remitted and errors are identified and corrected promptly. The District will maintain written procedures to support these requirements and ensure consistent application.

We would like to take this opportunity to express our appreciation for all of the efforts of these staff members who assisted in the preparation of this Annual Comprehensive Financial Report: Kristi Scheiderman, Lead Accountant; Lauren Kuhnke, Lead Accountant; and Michael Asher, Graphic Designer.

We would also like to recognize the following Business Office staff for their indirect support of the financial reporting process and year round support of District finances: Amy Coronado, Brenda Spreier, Denise Huerd, GraceAnne McJunkin, Jenny Helve, Jessica Houser, Kate Pardo, Lisa Brinlee, Nicole Olson, Robin Carlson, Scott Blanchard, Suzy Keitzman, and Trish Uhart.

The Finance Team

