

JACKSON COUNTY SCHOOL DISTRICT NO. 4
Phoenix, Oregon

**FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION**

YEAR ENDED JUNE 30, 2022

WITH

INDEPENDENT AUDITOR'S REPORTS



Certified Public Accountants, LLP

audit | tax | advisory | wealth management | cfo

JACKSON COUNTY SCHOOL DISTRICT NO. 4
Phoenix, Oregon
June 30, 2022

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ADMINISTRATIVE OFFICE:

401 West Fourth Street
P.O. Box 698
Phoenix, Oregon 97535

Brent Barry	Superintendent-Clerk
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JACKSON COUNTY SCHOOL DISTRICT NO. 4
Phoenix, Oregon
June 30, 2022

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Phoenix, Oregon
June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Jackson County School District No. 4
Phoenix-Talent, 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 the Jackson County School District No. 4, (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2022, 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 the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with Oregon State Regulations, we have also issued our report dated December 14, 2022, on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-10-0000 through 162-10-0320 of *the Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Donald F. Ewalt, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
December 14, 2022

**JACKSON COUNTY SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

As management of Jackson County School District No. 4 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here.

Financial Highlights

- In the government-wide statements, the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2022 by \$8.33 million (net position).
- The District's total net position increased by \$5.86 million. In the prior year, the District's total net position had increased by \$972 thousand.
- The District's net investment in capital assets increased by \$583 thousand. The District has a restricted net position of \$2.69 million.
- The District's total expenditures increased from the prior year, \$41.33 million to \$42.14 million. The \$811 thousand expenditure increase, is due primarily to a \$1.1 million increase in the support services function and a \$1.08 million increase in unallocated depreciation, while the enterprise and community service function expenditures decreased by \$1.8 million. In addition, District revenues increased from the prior year, \$47.84 to \$48.08 million. The increase in revenues is due primarily to an increase in operating grants and contributions of \$5.53 million. There was a decrease in capital grants and contributions of \$3.89 million.
- The District's other assets decreased by \$10.58 million due to spending of bond proceeds restricted for capital assets.
- The District's capital assets increased by \$8.10 million as a result of several construction and improvement projects funded by the 2018 general obligation bonds.
- The District's total liabilities and deferred inflows decreased by \$4.02 million during the 2021-22 fiscal year due to a net decrease of \$830 thousand in long term PERS, post-employment benefits, and early retirement stipend liabilities and deferred inflows of resources, a decrease in current liabilities of \$1.29 million, and a \$1.94 million decrease in long-term liabilities.
- The District's governmental funds report combined ending fund balance of \$20.33 million, a decrease of \$4.81 million in comparison with the prior year. The decrease in fund balance is related to the spend down of \$9.35 million in bond proceeds related to facilities acquisition. Approximately \$7.57 million is available for spending at the District's discretion.
- At the end of the fiscal year, the fund balance for the General Fund decreased by \$1.6 million, a decrease of \$4.75 million from prior year's increase of \$3.16 million. This includes a \$555 thousand decrease in property taxes, and a \$1.11 million decrease in State School Fund and other federal and state revenue resources. Total fund balance in the General Fund represented about 23.88 percent of total General Fund expenditures, down from 31.93 percent in the prior year.

Overview of the Financial Statements

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

JACKSON COUNTY SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

Overview of the Financial Statements (continued)

Jackson County School District No. 4 (the District), Phoenix-Talent, Oregon, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected seven-member Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

Government-wide financial statements

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

The *Statement of Net Position* presents information on all of the assets and liabilities of the District at year end. Net position is what remains after the liabilities have been paid or otherwise satisfied. Net position may be further separated into amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

In the government-wide financial statements, the District's activities are shown in one category:

- *Governmental activities.* Most of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund financial statements

The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District funds are governmental funds.

The *governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**JACKSON COUNTY SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

Overview of the Financial Statements (continued)

Fund financial statements (continued)

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 financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities, respectively.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Special Programs, Debt Service, and Capital Projects all of which are considered to be major funds. The District does not have any non-major governmental funds.

The basic governmental fund financial statements can be found on pages 3 to 6 of this report.

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 7 through 41 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* (RSI). This Management's Discussion and Analysis, is considered required supplementary information. RSI also includes displaying budgetary comparison schedules for the General Fund and all major Special Revenue funds, and certain pension and other postemployment benefits schedules. These RSI can be found on pages 42 to 47 of this report.

Government-wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$8.34 million at June 30, 2022. At June 30, 2021, District assets and deferred outflows of resources were greater than liabilities and deferred inflows of resources by \$2.47.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, equipment, right-of-use equipment and construction in progress, represent about 72.74 percent of total assets and deferred outflows. The remaining assets consist mainly of cash and investments and represent 17.4 percent of total assets and deferred outflows. At June 30, 2021, capital assets represented approximately 66.99 percent of total assets and deferred outflows.

The District's largest liability (72.56 percent of total liabilities and deferred inflows) is for the repayment of long-term debt and obligations including general obligation, limited tax pension bonds, and deferred accrued interest. Pension and OPEB liabilities represent 14.14 percent of the District's total liabilities and deferred inflows. Current liabilities, representing about 6.10 percent of the District's total liabilities and deferred inflows, consist almost entirely of payables on accounts, salaries and benefits, and the current portion of long-term debt and accrued interest. In the prior year, the repayment of general obligation and limited tax pension bonds, and deferred accrued interest was also the District's largest liability (71.66 percent) while current liabilities represented about 7.00 percent of total liabilities and deferred inflows.

**JACKSON COUNTY SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

Government-wide Financial Analysis (continued)

Statement of Net Position (continued)

A large portion of the District's net position reflects its investment in capital assets (e.g. land, buildings, equipment, vehicles, right-of-use assets, and construction in progress) less any related debt used to acquire those assets that is still outstanding. The District uses these 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 needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

	<u>Governmental Activities</u>		Increase
	(in thousands)		(Decrease)
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	From
			<u>June 30, 2021</u>
Assets:			
Current assets	\$ 18,991	\$ 14,445	\$ 4,546
Other assets	5,394	15,969	(10,575)
Capital assets	<u>86,811</u>	<u>78,714</u>	<u>8,097</u>
Total assets	<u>111,197</u>	<u>109,128</u>	<u>2,069</u>
Deferred outflows	<u>8,145</u>	<u>8,374</u>	<u>(229)</u>
Liabilities:			
Current liabilities	6,762	8,052	(1,290)
Other liabilities	15,694	24,722	(9,028)
Long-term liabilities	<u>76,882</u>	<u>78,820</u>	<u>(1,938)</u>
Total liabilities	<u>99,337</u>	<u>111,594</u>	<u>(12,257)</u>
Deferred inflows	<u>11,670</u>	<u>3,438</u>	<u>8,232</u>
Net position:			
Net investment in capital assets	19,576	18,993	583
Restricted	2,694	2,186	508
Unrestricted	<u>(13,935)</u>	<u>(18,709)</u>	<u>4,774</u>
Total net position	<u>\$ 8,335</u>	<u>\$ 2,470</u>	<u>\$ 5,865</u>

- During the current fiscal year, the District's net position increased by \$5.86 million.

**JACKSON COUNTY SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

Government-wide Financial Analysis (continued)

Governmental activities

As previously stated, most District activities are governmental in nature, and during the current fiscal year, the District's net position increased by \$5.86 million. The key elements of the change in the District's net position for the year ended June 30, 2022 are as follows:

	Governmental Activities		Increase
	(in thousands)		(Decrease)
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>From</u>
			<u>June 30, 2021</u>
Revenues:			
Program revenues:			
Charges for services	\$ 510	\$ 484	\$ 26
Operating grants and contributions	14,547	9,016	5,531
Capital grants and contributions	373	4,258	(3,885)
General revenues:			
Property taxes	13,139	13,470	(331)
Construction excise tax	366	151	215
State school fund - general support	18,526	19,445	(919)
Common school fund	271	258	13
Federal forest fees	30	25	5
Earnings on investments	140	290	(150)
Other	180	437	(257)
Total revenues	<u>48,082</u>	<u>47,836</u>	<u>248</u>
Special items:			
Loss on disposal of buildings and improvements	<u>(72)</u>	<u>(5,530)</u>	<u>5,458</u>
Expenses:			
Instruction	20,665	20,223	442
Support services	14,172	13,077	1,095
Enterprise and community services	1,208	2,993	(1,785)
Facilities acquisition and construction	36	1	35
Unallocated depreciation	2,898	1,823	1,075
Fees and interest on long-term debt	3,167	3,217	(50)
Total expenses	<u>42,145</u>	<u>41,334</u>	<u>811</u>
Change in net position	<u>\$ 5,865</u>	<u>\$ 972</u>	<u>\$ 4,895</u>

- Program revenues increased by \$1.67 million in 2021-22. \$4.31 million was received in grants for reimbursement of lost tax revenues related to the 2020 wildfires.
- General revenues decreased by \$1.42 million in 2021-22 due primarily to a decrease in state school funding as well as property tax revenue.
- Instruction and support services expenditures increased by \$1.54 million, enterprise and community expenditures decreased by \$1.79 million, and depreciation expense increased by \$1.08 million.

**JACKSON COUNTY SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

Financial Analysis of the District's Funds

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

Governmental funds

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

At June 30, 2022, the District's governmental funds reported combined ending fund balances of \$20.33 million, a decrease of \$4.81 million in comparison with the prior year. About \$7.57 million (37.22 percent) of the ending fund balance constitutes *unassigned ending fund balance*, which is available for spending at the District's discretion.

The General Fund is the chief operating fund of the District. As of June 30, 2022, the fund balance was \$7.57 million, down from \$9.16 million in the prior year. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 23.88 percent of total General Fund expenditures. The fund balance decreased by \$1.6 million during the current fiscal year.

The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes. As of June 30, 2022, the District has a total fund balance of \$7.55 million. In the prior year the total fund balance was \$1.77 million.

The Debt Service Fund has a total fund balance of \$344 thousand, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year was \$3.6 thousand.

The Capital Projects Fund has a total fund balance of \$4.87 million which is restricted for the purpose of upgrading the District's schools and athletic facilities. The net decrease in fund balance during the current year was \$9.00 million.

General Fund Budgetary Highlights

Final budget to actual results

The most significant difference between estimated and actual General Fund revenue was the revenue received from Basic School Support. Total estimated revenues were \$20.46 million and total actual revenues were \$18.53 million with a difference of \$1.93 million.

Expenditures were lower than projected. Total estimated expenditures were \$32.02 million while actual expenditures were \$30.69 million. The District was able to maximize funds by utilizing additional sources of funding to cover additional transportation and other services costs for students that were displaced by the Alameda fire in 2020.

**JACKSON COUNTY SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

Capital Asset and Debt Administration

Capital assets

The District's investment in capital assets includes land, construction in progress, buildings and improvements, vehicles and equipment and right-of-use assets. As of June 30, 2022, the District had invested \$86.81 million in capital assets, net of depreciation, as shown in the following table:

	Governmental Activities		Increase (Decrease)
	June 30, 2022	June 30, 2021	From June 30, 2021
Capital assets (net of depreciation):			
Land	\$ 2,159,752	\$ 2,159,752	\$ -
Construction in progress	245,347	10,785,843	(10,540,496)
Buildings and improvements	82,393,308	63,899,381	18,493,927
Vehicles and equipment	1,944,986	1,869,259	75,727
Right-of-use assets	67,988	-	67,988
Total capital assets	<u>\$ 86,811,381</u>	<u>\$ 78,714,235</u>	<u>\$ 8,097,146</u>

During the year, the District's investment in capital assets, net of depreciation, increased by \$8.01 million. The District's current year depreciation expense was approximately \$2.90 million.

Additional information of the District's capital assets can be found in *Note 1* and *Note 4* of this report.

Long-term debt

At the end of the current fiscal year, the District had total bonded debt outstanding of \$73.03 million, consisting of general obligation debt net of unamortized premium/discount, compared to \$76.64 million in the prior year.

During the current year, the District's total debt decreased by \$3.61 million as a result of current year principal payments made.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.95 percent of its total assessed valuation. The current debt limitation for the District is in excess of the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in *Note 1* and *Note 7* on of this report.

**JACKSON COUNTY SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

Economic Factors and Next Year's Budget

The District's operations are mainly funded by the State of Oregon's School Fund formula, and property taxes which in total represent about 77 percent of the District's total operating revenues.

The District continues to experience a decrease in student enrollment due to the 2020 Almeda Fire. Many students and their families that were displaced by the fire are still houseless during the 2022-23 school year. Student enrollment is expected to increase as housing becomes increasingly available for displaced families in the District's area.

The passing of House Bill 4026 provided the necessary funds for the District to be able to continue the instructional programs already in place, and provide additional support to all students.

Due to the cost increase in construction materials, some of the seismic projects planned and funded by the general obligation bonds issued in 2018 will be postponed until the summer of 2024.

Salaries and benefit costs are expected to increase approximately 9 percent in 2022-23 based on current contractual obligations.

The District's Budget Committee and School Board considered all available factors while preparing the budget for the 2022-2023 fiscal year.

Requests for Information

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Director of Accounting at 401 W. 4th Street, PO Box 698, Phoenix, Oregon 97535.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

JACKSON COUNTY SCHOOL DISTRICT NO. 4
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
ASSETS:	
Cash and investments	\$ 15,860,123
Receivables	2,944,691
Leases receivable	
Collectable within one year	42,726
Collectable in more than one year	136,921
Prepaid expenses	83,038
Inventories	60,707
Restricted cash and investments for capital projects	4,902,530
Capital assets, net	
Land	2,159,752
Construction in progress	245,347
Buildings and improvements	82,393,308
Machinery and equipment	1,944,986
Right of use assets	67,988
OPEB asset (RHIA)	354,786
TOTAL ASSETS	111,196,903
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows related to pensions (OPERS)	7,772,942
Deferred outflows related to other post-employment benefits (RHIA)	134,863
Deferred outflows related to other post-employment benefits (single employer medical benefit plan)	161,064
Deferred outflows related to early retirement stipend benefit plan	76,558
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,145,427
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	119,342,330
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	
LIABILITIES:	
Accounts payable	958,241
Accrued payroll liabilities	1,680,704
Accrued interest payable	7,517,340
Unearned revenue	391,557
OPERS pension liabilities (due in more than one year)	11,814,303
Other post employment benefit obligation (OPEB) (due in more than one year)	2,053,424
Early retirement stipend pension plan obligation (due in more than one year)	1,825,884
Lease payable	
Due within one year	33,981
Due in more than one year	35,120
Bonds payable, net of unamortized premium/discount	
Due within one year	3,697,037
Due in more than one year	69,329,863
TOTAL LIABILITIES	99,337,454
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows related to pensions (OPERS)	10,543,628
Deferred inflows related to other post-employment benefits (RHIA)	144,217
Deferred inflows related to other post-employment benefits (single employer medical benefit plan)	718,186
Deferred inflows related to early retirement stipend benefit plan	84,613
Deferred inflows related to leases receivable	179,647
TOTAL DEFERRED INFLOWS OF RESOURCES	11,670,291
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	111,007,745
NET POSITION:	
Net investment in capital assets	19,575,681
Restricted	2,693,836
Unrestricted (deficit)	(13,934,932)
TOTAL NET POSITION	\$ 8,334,585

JACKSON COUNTY SCHOOL DISTRICT NO. 4
STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 20,665,025	\$ 271,550	\$ 7,617,192	\$ -	\$ (12,776,283)
Supporting services	14,172,023	175,414	4,826,957	-	(9,169,652)
Enterprise and community services	1,207,756	62,822	2,103,002	-	958,068
Facilities and acquisition and construction	36,083	-	-	373,311	337,228
Fees and interest on long-term debt	3,166,851	-	-	-	(3,166,851)
Unallocated depreciation	2,897,669	-	-	-	(2,897,669)
Total governmental activities	\$ 42,145,407	\$ 509,786	\$ 14,547,151	\$ 373,311	(26,715,159)
General revenues:					
Property taxes levied for general purposes					9,685,573
Property taxes levied for debt service					3,453,453
Construction excise tax					366,129
Earnings on investments					139,818
State school fund - general support					18,525,637
Common school fund					271,342
Federal forest fees					30,345
Miscellaneous					179,930
Total general revenues					32,652,227
Special item:					
Loss on disposal of buildings and improvements					(72,329)
CHANGE IN NET POSITION					5,864,739
NET POSITION - July 1, 2021					2,469,846
NET POSITION - June 30, 2022					\$ 8,334,585

FUND FINANCIAL STATEMENTS

JACKSON COUNTY SCHOOL DISTRICT NO. 4
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
ASSETS					
Cash and investments	\$ 8,483,802	\$ 7,064,661	\$ 311,660	\$ -	\$ 15,860,123
Receivables	1,254,620	1,546,140	143,931	-	2,944,691
Leases receivable	179,647	-	-	-	179,647
Prepays	1,666	81,372	-	-	83,038
Restricted cash and investments	-	-	-	4,902,530	4,902,530
TOTAL ASSETS	\$ 9,919,735	\$ 8,692,173	\$ 455,591	\$ 4,902,530	\$ 23,970,029
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 475,143	\$ 456,092	\$ -	\$ 27,006	\$ 958,241
Accrued payroll liabilities	1,381,820	296,001	-	2,883	1,680,704
Unearned revenue	-	391,557	-	-	391,557
TOTAL LIABILITIES	1,856,963	1,143,650	-	29,889	3,030,502
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	315,932	-	111,301	-	427,233
Deferred inflow - leases	179,647	-	-	-	179,647
TOTAL DEFERRED INFLOWS	495,579	-	111,301	-	606,880
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,352,542	1,143,650	111,301	29,889	3,637,382
Fund Balances:					
Nonspendable	1,666	81,372	-	-	83,038
Nonspendable scholarships	-	622,179	-	-	622,179
Restricted for food service	-	555,525	-	-	555,525
Restricted for debt service	-	-	344,290	-	344,290
Restricted for capital projects	-	269,649	-	4,872,641	5,142,290
Restricted for student body	-	517,013	-	-	517,013
Restricted for fire relief	-	83,308	-	-	83,308
Restricted for grants	-	109,199	-	-	109,199
Committed					
Tax revenue shortfall	-	4,310,278	-	-	4,310,278
PERS reserve	-	1,000,000	-	-	1,000,000
Unassigned	7,565,527	-	-	-	7,565,527
TOTAL FUND BALANCES	7,567,193	7,548,523	344,290	4,872,641	20,332,647
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 9,919,735	\$ 8,692,173	\$ 455,591	\$ 4,902,530	\$ 23,970,029

**JACKSON COUNTY SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
June 30, 2022**

TOTAL FUND BALANCES		\$ 20,332,647
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 109,525,800	
Accumulated depreciation	<u>(22,714,419)</u>	86,811,381
In the governmental funds, inventory is accounted for under the purchase method and the current value is not reported in the fund balance sheet.		
		60,707
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		
		427,233
The net deferred outflow/(inflow) associated with the District's pension (OPERS) is not recorded in the governmental funds as it is not available nor payable currently.		
		(2,770,686)
The net deferred outflow/(inflow) associated with the District's other post-employment benefits (RHIA) is not recorded in the governmental funds as it is not available nor payable currently.		
		(9,354)
The net deferred outflow/(inflow) associated with the District's other post employment benefits (single employer medical benefit plan) is not recorded in the governmental funds as it is not available nor payable currently.		
		(557,122)
The net deferred outflow/(inflow) associated with the District's stipend (OPERS) is not recorded in the governmental funds as it is not available nor payable currently.		
		(8,055)
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 the governmental funds, but rather recognized as an expenditure when due. These liabilities consist of:		
Accrued interest payable		(7,517,340)
Bonds payable, net of bond premium		(73,026,900)
Leases payable		(69,101)
The liability associated with the District's pension (OPERS) is not recorded in the governmental funds as it is not available nor payable currently.		
		(11,814,303)
The early retirement stipend pension plan obligation is not reported with the governmental funds.		
		(1,825,884)
The asset associated with the District's RHIA OPEB (OPERS) is not recorded in the governmental funds as it is not available nor payable currently.		
		354,786
The other post employment benefit liability obligation is not reported with the governmental funds.		
		<u>(2,053,424)</u>
TOTAL NET POSITION		<u>\$ 8,334,585</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
REVENUES					
Property taxes and other taxes	\$ 9,699,806	\$ 366,129	\$ 3,413,247	\$ -	\$ 13,479,182
Intergovernmental	20,085,726	13,044,766	-	312,057	33,442,549
Charges for services	121,680	388,106	-	-	509,786
Local grants and contributions	100	166,562	-	-	166,662
Investment earnings	81,847	6,850	9,597	41,524	139,818
Miscellaneous	99,026	212,156	-	1,557	312,739
TOTAL REVENUES	<u>30,088,185</u>	<u>14,184,569</u>	<u>3,422,844</u>	<u>355,138</u>	<u>48,050,736</u>
EXPENDITURES					
Current:					
Instruction	16,879,041	4,068,235	-	-	20,947,276
Support services	12,061,825	2,701,079	-	-	14,762,904
Enterprise and community services	-	1,308,693	-	-	1,308,693
Facilities and acquisition	86,819	1,324,855	-	9,351,731	10,763,405
Debt service	1,662,454	-	3,426,450	-	5,088,904
TOTAL EXPENDITURES	<u>30,690,139</u>	<u>9,402,862</u>	<u>3,426,450</u>	<u>9,351,731</u>	<u>52,871,182</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(601,954)</u>	<u>4,781,707</u>	<u>(3,606)</u>	<u>(8,996,593)</u>	<u>(4,820,446)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,000,000	-	-	1,000,000
Transfers out	(1,000,000)	-	-	-	(1,000,000)
Insurance proceeds	5,766	-	-	-	5,766
TOTAL OTHER FINANCING SOURCES (USES)	<u>(994,234)</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>5,766</u>
NET CHANGE IN FUND BALANCE	<u>(1,596,188)</u>	<u>5,781,707</u>	<u>(3,606)</u>	<u>(8,996,593)</u>	<u>(4,814,680)</u>
FUND BALANCE, July 1, 2021	<u>9,163,381</u>	<u>1,766,816</u>	<u>347,896</u>	<u>13,869,234</u>	<u>25,147,327</u>
FUND BALANCE, June 30, 2022	<u>\$ 7,567,193</u>	<u>\$ 7,548,523</u>	<u>\$ 344,290</u>	<u>\$ 4,872,641</u>	<u>\$ 20,332,647</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2022**

NET CHANGE IN FUND BALANCE \$ (4,814,680)

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

Government funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Expenditures for capital assets	10,965,163	
Loss on disposal of buildings and improvements	(72,329)	
Less current year depreciation	<u>(2,897,669)</u>	7,995,165

The issuance on long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Debt principal repaid	3,408,039	
Lease principal repaid	<u>32,880</u>	3,440,919

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.

Interest paid	1,680,865	
Interest expense	<u>(3,199,732)</u>	(1,518,867)

Governmental funds do not report inventory balances under the purchase method of accounting for inventory while the Statement of Net Position does. This is the change in inventory in the current period.

50,623

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.

25,970

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned (actuarially determined) net of employee contributions (OPERS) is reported as pension expense (including deferred outflows and inflows).

417,746

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned (actuarially determined) net of employee contributions (stipend) is reported as pension expense (including deferred outflows and inflows).

119,144

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

111,392

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

37,327

CHANGE IN NET POSITION

\$ 5,864,739

NOTES TO THE FINANCIAL STATEMENTS

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 1 - Summary of Significant Accounting Policies

The financial statements of Jackson County School District No. 4 (the District), Oregon have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. The more significant of the District's accounting policies are described below.

The Reporting Entity

Jackson County School District No. 4, Phoenix-Talent, Oregon, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected seven-member Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts, which provide service within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

Basis of Presentation

Government-wide Financial Statements. The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or others for tuition, fees, rentals, materials, supplies or services provided, (2) operating grants and contributions, and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Net Position is reported as restricted when constraints placed on net position use is either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

Fund Financial Statements. The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All the District's funds are categorized as major funds.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

The District reports the following major governmental funds:

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

Special Revenue Fund – The Special Revenue Fund accounts for revenues and expenditures of grants and contributions restricted for specific educational purposes. Principal revenue sources are federal and state grants and contributions.

Debt Service Fund – The Debt Service Fund provides for the payment of principal and interest on general obligation bonded debt. Principal revenue sources are property taxes.

Capital Project Fund – The Capital Project Fund accounts for activities related to the acquisition, construction, equipping and furnishing of facilities. Principal revenue sources are proceeds from the sale of bonds, interest earnings, and capital grant funds.

Measurement Focus and Basis of Accounting.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, and there are both restricted and unrestricted net position available to finance the program, it is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Cash and Investments

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

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

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

The LGIP is stated at cost which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares. The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

Property Taxes Receivable

Ad valorem property taxes are levied on all taxable property as of January 1 preceding the beginning of the fiscal year. Property taxes become a lien on July 1 for personal property and real property. Property taxes are levied on July 1. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the Statement of Net Position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Accounts and Other Receivables

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

Leases Receivable

Leases receivable are recorded when the lease is executed and discounted based on the implicit rate stated in the lease or the District's incremental borrowing rate. Due to the District's past collections experience, no allowance has been established.

Grants Receivable

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

Inventories

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

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

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

Prepaid Expenses

Prepaid expenses are payments to vendors in advance of services provided of assets received in both the government-wide and fund financial statements.

Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements – 20 to 50 years
Equipment – 3 to 20 years
Right-of-use assets – depends on life of the lease

Post-Employment Health Care Benefits

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

Additionally, the District offers eligible employees, who elect early retirement, payment of group medical insurance premiums. The District also allows eligible retirees to purchase health insurance at the same rate as active employees. Such costs are recorded as expenses in the General Fund and funded as premiums become due.

Pension and Retirement Plans

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

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

Compensated Absences

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

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources

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

The governmental funds report expense related to pension and other postemployment benefits contributions. These amounts are deferred and recognized as an outflow of resources in the period that is actuarially determined.

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

Leases

Leases are recognized in accordance with GASB Statement No. 87, *Leases*.

A lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease receivable is recognized at the net present value of the leased asset at a borrowing rate either explicitly described in the agreement or implicitly determined by the District, and is reduced by principal payments received. The deferred inflow of resources is recognized in an amount equal to the sum of the lease receivable and any payments relating to a future period which were received prior to the lease commencement. These deferred inflow of resources are amortized equal to the amount of the annual payment.

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

In the government-wide financial statements, deferred inflows related to leases and any respective right-to-use assets are reported in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources. Under modified accrual accounting, lease payments are considered capital outlay and proceeds of lease contracts, and thereafter are recorded as principal and interest payments.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

Long-term Debt

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

In the fund financial statements bond premiums and discounts are recognized when incurred and not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures when incurred.

Net Position/Fund Balance

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

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

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

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

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

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

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

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

Assigned – Includes items assigned for specific uses, authorized by the District's Superintendent and/or Director of Accounting.

Unassigned – This is the residual classification used for those balances not assigned to another category.

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

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses.

Budget

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. This budgetary basis of accounting is different than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary and GAAP basis of accounting are that capital outlay and other long-term assets, and debt principal and other long-term liabilities, are included as budgeted expenditures in the governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution.

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers within a fund between the levels of control (major function levels) with Board approval. The District did not exceed its authorized appropriations for the year ended June 30, 2022.

Use of Estimates

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

Adoption of New GASB Pronouncements

During the fiscal year ended June 30, 2022, the District implemented the following GASB Pronouncements.

GASB Statement No. 87, *Leases*. Issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this Statement did not have a significant impact on the District's financial statements for the year ended June 30, 2022.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. This Statement was issued June 2018 to establish accounting requirements for interest costs incurred before the end of a construction period. The objectives of the Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Implementation of this Statement did not have a significant impact on the District's financial statements for the year ended June 30, 2022.

GASB Statement No 92, *Omnibus 2020*. Issued January 2020, this Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, post-employment benefits, government acquisitions, risk financing, and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. Implementation of this Statement did not have a significant impact on the District's financial statements for the year ended June 30, 2022.

Future GASB Pronouncements

The following GASB pronouncements have been issued, but are not effective as of June 30, 2022:

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

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement's objective is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This Statement will be effective for the District for the fiscal year ending June 30, 2023.

GASB Statement No. 101, *Compensated Absences*. Issued in June 2022, this Statement updates recognition and measurement guidelines for compensated absences and is effective for the District for the fiscal year ending June 30, 2024.

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

Note 2 - Cash and Investments

Cash and investments are composed of the following at June 30, 2022:

Petty cash	\$	400
Deposits with financial institutions:		
Demand deposits		1,785,739
Investments		<u>18,976,513</u>
 Total cash and investments		 <u>\$20,762,653</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 2 - Cash and Investments (continued)

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

Cash and investments	\$ 15,860,123
Restricted cash and investments for capital projects	<u>4,902,530</u>
 Total cash and investments	 <u>\$ 20,762,653</u>

Deposits. The Governmental Accounting Standards Boards has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2022. If bank deposits at year end are not entirely insured or collateralized with securities held by the District or by its agent in the District's name, the District must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. For deposits in excess of federal depository insurance, Oregon Revised Statutes require depository institutions to be in compliance with ORS 295. For the fiscal year ended June 30, 2022, the carrying amounts of the District deposits in various financial institutions were \$1,785,839 and the bank balances were \$2,629,599. All deposits are held in the name of the District. Of the bank balance, \$2,348,426 is not covered by FDIC insurance. However, the balance is covered by the State of Oregon shared liability structure for participating bank depositories in Oregon, as identified by the State's Treasurer.

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

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

Investments. The District has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2022. The Oregon Short-Term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an external investment pool managed by the State Treasurer's office, which allow governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB statement No. 40. LGIP is not rated.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 2 - Cash and Investments (continued)

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

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

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool. At June 30, 2022, and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

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

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

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

At June 30, 2022, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Maturity</u>	<u>Percentage of Portfolio</u>	<u>Fair Value</u>
Local Government Investment Pool	1 day	100%	<u>\$ 18,976,513</u>
			<u>\$ 18,976,513</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 2 - Cash and Investments (continued)

Disclosures about Fair Value of Assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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

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

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

Investments Measured at Fair Value:	Totals at June 30, 2022	Level One	Level Two	Level Three	Amortized Cost Measurement Not Measured at Fair Value
Local Government Investment Pool	\$ 18,976,513	\$ -	\$ -	\$ -	\$ 18,976,513
	<u>\$ 18,976,513</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,976,513</u>

Note 3 - Receivables

Receivables are comprised of the following at June 30, 2022:

	Property Taxes	Grants	Other	Total
General Fund	\$ 408,554	\$ 843,590	\$ 2,476	\$ 1,254,620
Special Revenue Fund	-	1,546,140	-	1,546,140
Debt Service Fund	143,931	-	-	143,931
	<u>\$ 552,485</u>	<u>\$ 2,389,730</u>	<u>\$ 2,476</u>	<u>\$ 2,944,691</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 4 - Capital Assets

The changes in capital assets for the year ended June 30, 2022 are as follows:

	Balance July 1, 2021 as restated	Additions	Disposals	Transfers	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 2,159,752	\$ -	\$ -	\$ -	\$ 2,159,752
Construction in progress	10,785,843	8,442,086	-	(18,982,582)	245,347
Total capital assets not being depreciated	\$ 12,945,595	\$ 8,442,086	\$ -	\$(18,982,582)	\$ 2,405,099
Capital assets being depreciated:					
Building and improvements	\$ 77,428,723	\$ 2,257,893	\$ (106,074)	\$ 18,982,582	\$ 98,563,124
Equipment/fixtures/vehicles	8,208,441	265,184	(18,029)	-	8,455,596
Right-of-use equipment	101,981	-	-	-	101,981
Total capital assets being depreciated	\$ 85,739,145	\$ 2,523,077	\$ (124,103)	\$ 18,982,582	\$ 107,120,701
Less accumulated depreciation for:					
Building and improvements	\$ (13,529,342)	\$ (2,680,529)	\$ 40,055	\$ -	\$ (16,169,816)
Equipment/fixtures/vehicles	(6,339,182)	(183,147)	11,719	-	(6,510,610)
Right-of-use equipment	-	(33,993)	-	-	(33,993)
Total accumulated depreciation	\$ (19,868,524)	\$ (2,897,669)	\$ 51,774	\$ -	\$ (22,714,419)
Total capital assets (net)					
Land	\$ 2,159,752	\$ -	\$ -	\$ -	\$ 2,159,752
CIP	10,785,843	8,442,086	-	(18,982,582)	245,347
Building and improvements	63,899,381	(422,636)	(66,019)	18,982,582	82,393,308
Equipment/fixtures/vehicles	1,869,259	82,037	(6,310)	-	1,944,986
Right-of-use equipment	101,981	(33,993)	-	-	67,988
Total capital assets (net)	\$ 78,816,216	\$ 8,067,494	\$ (72,329)	\$ -	\$ 86,811,381

Unallocated depreciation expense for the year ended June 30, 2022 totaled \$2,897,669.

Note 5 - Unavailable/Unearned Revenues

Governmental funds report deferred inflows of resources in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Amounts received in advance of the period in which services are performed are recorded as unearned revenue. At June 30, 2022, the various components of unavailable and unearned revenue included in the governmental funds' Balance Sheet consist of the following:

	Unavailable	Unearned	Total
General fund			
Property taxes	\$ 315,932	\$ -	\$ 315,932
Leases	-	179,647	179,647
Special revenue fund			
Grants	-	391,557	391,557
Debt service fund			
Property taxes	111,301	-	111,301
Total unavailable and unearned revenue	\$ 427,233	\$ 571,204	\$ 998,437

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 6 - Leases

The District is involved in leasing arrangements for transportation and copier equipment. With the implementation of GASB Statement No. 87, *Leases*, effective the fiscal year ended June 30, 2022, all existing and newly acquired leases during the current fiscal year were analyzed and classified as either qualified or non-qualified leases, for both lessor and lessee positions. With this implementation, a respective receivable or payable is recognized.

Lessor Leases Receivable. The District has entered into a lease agreement as the lessor for a building used as garage space. Implied interest rate on the lease is 3.30%. Annual payments on the lease are \$48,000 and end June 30, 2026. During the year ended June 30, 2022 the District recognized rent revenue of \$41,329 and interest revenue of \$6,671.

Future annual leases receivable for the year ended June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 42,726	\$ 5,274	\$ 48,000
2024	44,145	3,855	48,000
2025	45,624	2,376	48,000
2026	47,152	848	48,000
	<u>\$ 179,647</u>	<u>\$ 12,353</u>	<u>\$ 192,000</u>

Lessee Leases Payable. In June 2019, the District entered into a lease agreement for office equipment expiring on June 30, 2024. This lease includes 60 fixed monthly installments of \$2,971 and includes no conditional or variable payment obligations. During the year ended June 30, 2022, lease principal and interest payments for \$32,880 and \$2,773 were made, respectively.

Future maturities of the leases payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 33,981	\$ 1,671	\$ 35,653
2024	35,120	533	35,653
	<u>\$ 69,101</u>	<u>\$ 2,204</u>	<u>\$ 71,305</u>

Lease Payments Not Included in Liability. The District leases office equipment with a term expiring June 30, 2024. Lease terms include variable payments based on usage that are not included in the lease balance. During the fiscal year ended June 30, 2022, variable payments not included in the lease liability were \$36,954. Terms of this agreement contains no residual value guarantees.

The District also has a lease agreement for student transportation services which includes an allocation of buses to provide the service with a term expiring June 30, 2026. Lease terms include only variable payments based on frequency and usage that are not included in the lease balance. Variable payments are based on usage based on stated hourly rates. During the fiscal year ended June 30, 2022, there were variable payments of \$1,804,410. This amount consists of payments to First Student during the fiscal year of \$1,756,410 (which was reduced by the amount of \$48,000 for barn rental). Terms of this agreement contains no residual value guarantees.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 7 - Long-Term Debt

General Obligation Bonds

On March 20, 2018, the District issued \$48,101,046 General Obligation Bonds, Series 2018A (Tax-Exempt Deferred Interest Bonds) and \$19,895,000 General Obligation Bonds, Series 2018B (Tax-Exempt Current Interest Bonds), collectively the "Bonds". The Bonds have interest rates ranging between 1.77% and 5.00%. They were issued at a premium of \$3,276,768 and incurred issuance cost of \$454,291. The \$70,818,523 proceeds from the sale of the Bonds will be used to finance capital costs (Project) and to pay the costs of issuance of the Bonds. Specifics on the Project include: 1) improving safety, security, and learning environments at all schools, 2) increasing accessibility for people with disabilities at all schools, 3) construction of new classrooms and educational facilities and major renovations to Career Technical Education buildings, academic buildings and athletic facilities at Phoenix High School, 4) seismic upgrades at all schools, 5) addressing future growth of the District, and 6) modernizing all schools, including improvements for heating, ventilation, energy efficiency and lighting.

In an event of default, the owners of fifty-one (51%) percent or more of the principal amount of bonds then outstanding may take whatever action may appear necessary or desirable to enforce or protect any of the rights of the owners of bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the resolution or the bonds or in aid of the exercise of any power granted in the resolution or in the bonds or for the enforcement of any other legal or equitable right vested in the owners of bonds by the resolution or the bonds or by law.

Future maturities on the general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rate
2023	\$ 2,293,798	\$ 1,232,652	\$ 3,526,450	2.370%
2024	2,306,770	1,329,680	3,636,450	2.570%
2025	2,301,137	1,440,313	3,741,450	2.780%
2026	2,281,017	1,565,433	3,846,450	3.000%
2027	3,050,000	931,450	3,981,450	4.000%
2028-2032	17,937,518	3,227,682	21,165,200	4.000% - 5.000%
2033-2037	11,007,587	11,147,413	22,155,000	4.010% - 4.160%
2038-2042	10,013,926	15,671,074	25,685,000	4.210% - 4.340%
2043-2047	9,162,364	20,602,636	29,765,000	4.350% - 4.390%
2048	1,743,365	4,756,635	6,500,000	4.400%
Total	<u>\$ 62,097,482</u>	<u>\$ 61,904,968</u>	<u>\$ 124,002,450</u>	

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 7 - Long-Term Debt (continued)

Pension Obligation Bond – Series 2004

In February of 2004, the District participated in a pooled issuance of Series 2004 limited tax pension obligations. Certain Oregon school districts and education service districts issued limited tax obligations (Pension Obligation), the proceeds of which were used to finance a portion of the estimated unfunded actuarial liability of each issuer with the Oregon Public Employees Retirement System (PERS). The full faith and credit of the District was pledged for the punctual payment of the principal of and interest on its Pension Obligation, and debt service on the Pension Obligation is not subject to annual appropriation. The Pension Obligation is further secured by an Intercept Agreement under which an amount equal to the debt service on each issuer’s Pension Obligation will be diverted from State Education Revenues.

On February 6, 2004, the District entered into an agreement to participate in the Oregon School Board Association Limited Tax Pension Bonds. Bonds were issued in the amount of \$14,895,000, bearing an interest rate of 3.25% to 5.53%, payable semiannually on June 30 and December 30 of each year until maturity in 2028. The 2004 Obligations are subject to prepayment as further described in the official statement. The agreement contains a provision that in an event of default, the Trustee may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration.

Future maturities on the pension obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rate
2023	\$ 1,205,000	\$ 470,156	\$ 1,675,156	5.528%
2024	1,355,000	403,544	1,758,544	5.528%
2025	1,515,000	328,640	1,843,640	5.528%
2026	1,685,000	244,890	1,929,890	5.528%
2027	1,875,000	151,744	2,026,744	5.528%
2028	870,000	48,094	918,094	5.528%
Total	<u>\$ 8,505,000</u>	<u>\$ 1,647,068</u>	<u>\$ 10,152,068</u>	

OSBA FlexFund Obligation Bond

On October 30, 2012, the District entered into an agreement to participate in the Oregon School Boards Association (OSBA) FlexFund Program. Bonds were issued in the amount of \$602,000, bearing an interest rate of 0.75% to 3.00%, payable semiannually. The bonds mature in 2022. The bonds maturing in the years 2014 through 2017 are not subject to redemption prior to maturity. The bonds maturing on or after the year 2018 are subject to redemption from the proceeds of the optional prepayment of the installment financing agreement. The installment financing agreement is subject to optional prepayment by the issuer, in whole or in part on any date, on and after June 1, 2017 at the price of par plus accrued interest, if any, to the date of redemption. In an event of default, the underwriter may terminate its obligation without liability there for, by notifying the issuer of its election to do so in writing. The final payment for the bond was made during the fiscal year ended June, 2022 and there will be no future payments.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 7 - Long-Term Debt (continued)

The changes in unmatured bond principal for the year ended June 30, 2022 are as follows:

	Original Issue	Outstanding July 1, 2021	Issued	Matured and Redeemed	Outstanding June 30, 2022	Due in One Year
General Obligation Bonds						
2018 Series	\$ 67,996,046	\$ 64,373,522	\$ -	\$ (2,276,039)	\$ 62,097,483	\$ 2,293,798
Total General Obligation	<u>67,996,046</u>	<u>64,373,522</u>	<u>-</u>	<u>(2,276,039)</u>	<u>62,097,483</u>	<u>2,293,798</u>
Pension Obligation Bond						
2004 Series	14,895,000	9,570,000	-	(1,065,000)	8,505,000	1,205,000
Total Pension Obligation	<u>14,895,000</u>	<u>9,570,000</u>	<u>-</u>	<u>(1,065,000)</u>	<u>8,505,000</u>	<u>1,205,000</u>
OSBA FlexFund Obligation Bond						
2012 Series	602,000	67,000	-	(67,000)	-	-
Total OSBA FlexFund Obligation	<u>602,000</u>	<u>67,000</u>	<u>-</u>	<u>(67,000)</u>	<u>-</u>	<u>-</u>
Total Long Term Debt	<u>\$ 83,493,046</u>	<u>74,010,522</u>	<u>-</u>	<u>(3,408,039)</u>	<u>70,602,483</u>	<u>3,498,798</u>
Unamortized Premium/(Discount)		<u>2,629,921</u>	<u>-</u>	<u>(205,504)</u>	<u>2,424,417</u>	<u>198,238</u>
		<u>\$ 76,640,443</u>	<u>\$ -</u>	<u>\$ (3,613,543)</u>	<u>\$ 73,026,900</u>	<u>\$ 3,697,036</u>

Interest paid on the above debt was \$1,680,865 and interest expense for the year ended June 30, 2022 is \$3,199,732. The District had no direct borrowing or direct placement debt at June 30, 2022.

Note 8 - Permanently Restricted Net Position/Fund Balance

During the year ended June 30, 2009 the Fletcher Fish Memorial Scholarship fund (Scholarship fund) was established. The contribution is permanently restricted by the donor. Only the income from the fund shall be used to award scholarships to Phoenix High School graduates attending post-secondary educational institutions and shall be awarded based on academic accomplishments and financial need. Two scholarships may be awarded annually. At June 30, 2022 the balance of the Scholarship Fund is \$622,179. The Scholarship Fund is currently invested in the Local Government Investment Pool.

Note 9 - Post-Employment Health Care Benefits (OPEB)

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

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 9 - Post-Employment Health Care Benefits (OPEB) (continued)

Single-Employer Defined Benefit Health Care Plan (Medical Subsidy).

Plan Description. The District maintains a single-employer defined benefit OPEB plan that provides explicit and implicit post-employment healthcare benefits to eligible retirees and their spouses and dependents.

For implicit medical benefits, the District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303, which requires that all eligible retirees are allowed to continue receiving health insurance benefits, at their cost, until age 65 or they become otherwise eligible for Medicare. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. Their requirement to make available to retirees (at the retirees' own cost) access in to the healthcare plan has an implicit cost to the District.

Generally, for explicit medical benefits, the program covers all who meet Oregon PERS retirement eligibility by receiving benefits from Oregon PERS. For Tier 1 or Tier 2 members they may retire earlier of age 55, or any age with 30 years of service. OPSRP members must be age 55 or older with five years of service. The program covers Administrative, Classified and Confidential staff that have been employed prior to July 1, 2003. Additionally, eligible Administrative staff must have at least 15 years of experience, Classified staff must have at least 20 years of continuous service, and Confidential staff must have at least 10 years of continuous experience. An eligible employee qualifies for paid health care coverage currently being received by active employees. Qualified spouses, domestic partners, and children may qualify for coverage. The coverage is paid for eight years or until Medicare eligibility, whichever comes first. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

For fiscal year ended June 30, 2022, District contributions for Administrative and Confidential retirees are capped at \$2,028 per month, and for Classified retirees, are capped at \$1,486 per month. These caps are expected to inflate in future years.

Funding Policy. The benefits from the single-employer defined benefit OPEB plan are paid by the District based on bargaining agreement language and contributions by employees are also required. The plan is not accounted for in a pension trust fund; therefore, designated funds are not legally restricted to pay future benefits. The benefits from the healthcare plan established in accordance with ORS 243.303 are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. The amount paid by the District for the benefit for the year ended June 30, 2022 was \$88,141.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 9 - Post-Employment Health Care Benefits (OPEB) (continued)

Single-Employer Defined Benefit Health Care Plan (Medical Subsidy) (continued)

Employees Covered by Benefit Terms. The explicit benefit for the single-employer defined benefit OPEB plan was ceased to all employees hired subsequent to July 1, 2003. As a result, the total plan members receiving the explicit benefit will decrease over time. At June 30, 2022, the following employees were covered by the explicit benefit terms:

Inactive participants	19
Active participants	<u>269</u>
	<u>288</u>

Total OPEB Liability. The District's total OPEB liability of \$2,053,424 was measured as of June 30, 2022, and was determined by an actuarial valuation date as of July 1, 2020.

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

Input	Assumption
Actuarial Cost Method	Early age normal, level percent of salary
Interest Rate Utilized for Discounting	3.50% per year, based on all years discounted at municipal bond rate
General Inflation	2.0% per year
Payroll Growth	3.0% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit
Annual Premium Increase Rate	Between 3.50% and 6.00% annually
Mortality Rates	RP 2010, Teachers, sex distinct, projected generationally
Turnover Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled if any
Marital Status	70% of future retirees electing coverage are assumed to cover a spouse as well
Coverage of Eligible Children	No impact of dependent children on the implicit subsidy is assumed

Changes in the Total OPEB Liability

Total OPEB Liability at June 30, 2021	\$	2,244,995
Changes for the year:		
Service cost		126,196
Interest		51,506
Difference between expected and actual experience		-
Changes of assumptions or other input		(205,219)
Benefit payments		<u>(164,055)</u>
Total OPEB Liability at June 30, 2022	\$	<u>2,053,424</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 9 - Post-Employment Health Care Benefits (OPEB) (continued)

Single-Employer Defined Benefit Health Care Plan (Medical Subsidy) (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 2,215,056	\$ 2,053,424	\$ 1,909,278

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease 2.50% Graded Up to 5.00% then Back Down to 3.50%	Current Trend Rate 3.50% Graded Up to 6.00% then Back Down to 4.50%	1% Increase 4.50% Graded Up to 7.00% then Back Down to 5.50%
Total OPEB Liability	\$ 1,823,400	\$ 2,053,424	\$ 2,328,767

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended June 30, 2022, the District recognized a reduction in OPEB expense of \$111,392, and reported the following deferred outflows of resources and deferred inflows of resources related to the single employer defined benefit health care plan:

	Deferred Outflow s of Resources	Deferred Inflow s of Resources
Difference between expected and actual experience	\$ 25,147	\$ 12,361
Changes of assumptions	135,917	705,825
Total	\$ 161,064	\$ 718,186

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

Year Ended June 30,	Deferred Outflow/ (Inflow) of Resources
2023	\$ (125,039)
2024	(125,039)
2025	(125,039)
2026	(125,039)
2027	(27,655)
Thereafter	(29,311)
Total	\$ (557,122)

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 9 - Post-Employment Health Care Benefits (OPEB) (continued)

Single-Employer Defined Benefit Health Care Plan (Medical Subsidy) (continued)

Changes in Assumptions and Methods

- The interest rate for discounting future liabilities was changed to reflect the significant increase in current corporate bond yields.
- Premium increase rates were modified to reflect anticipated experience and current Oregon law.
- Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

Retirement Health Insurance Account (RHIA)

Plan Description. As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer OPEB plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan was closed to new entrants hired on or after August 29, 2003.

OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO box 23700, Tigard, OR 97281-3700.

Funding Policy. Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410.

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The contribution rates in effect for the fiscal year ended June 30, 2022 for the OPEB program were: Tier1/Tier 2 – 0.05%, and OPSRP general service – 0.00%. The District contributed \$3,227 for the year ended June 30, 2022.

Pension Plan Annual Comprehensive Financial Report (AFCR)

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

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 9 - Post-Employment Health Care Benefits (OPEB) (continued)

Retirement Health Insurance Account (RHIA) (continued)

Actuarial Valuation. The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in *Note 11 Pension and Retirement Plans*. (Excluding the healthcare cost trend rate and a retiree healthcare participation assumption of 32% for healthy retirees and 20% for disabled retirees has been used). The actuarial valuation details are the Actuarial Methods and Assumptions, Discount Rate, Assumed Asset Allocation, and the Investment Rate of Return.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2022, the District reported \$354,786 for its proportionate share of the net OPEB asset. The net RHIA OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. The District's proportion of the net RHIA OPEB asset was based on a projection of the District's long-term share of contributions to the RHIA OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021 (measurement date), the District's proportion was approximately 0.10331563 percent.

For the year ended June 30, 2022, the District recognized a reduction of OPEB expense of \$37,327. The reduction of OPEB expense was generated during the measurement period primarily as a result of more than anticipated investment returns at the OPERS level. The \$37,327 was treated as a reduction of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 66%, 33% and 1%, respectively.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 9,871
Changes of assumptions	6,981	5,278
Net difference between projected and actual earning on investments	-	84,316
Changes in proportionate share	124,655	44,752
Differences between employer contributions and employers proportionate share of system contributions	-	-
Contributions subsequent to measurement date	<u>3,227</u>	<u>-</u>
Total	<u>\$ 134,863</u>	<u>\$ 144,217</u>

\$3,227 reported as deferred outflows of resources related to RHIA OPEB resulting from District contributions subsequent to the measurement date will be recognized as a decrease to the net OPEB asset in the year ended June 30, 2022.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 9 - Post-Employment Health Care Benefits (OPEB) (continued)

Retirement Health Insurance Account (RHIA) (continued)

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

Year Ended June 30,	Deferred Outflow/(Inflow) of Resources
2023	\$ (992)
2024	34,295
2025	(19,250)
2026	<u>(26,634)</u>
Total	<u>\$ (12,581)</u>

Sensitivity for the District's Proportionate Share of the Net RHIA OPEB Asset to Changes in Discount Rate. The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net RHIA OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (5.90 percent) or 1-percentage point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Defined Benefit OPEB Liability/(Asset)	\$ (313,757)	\$ (354,786)	\$ (389,836)

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

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 9 - Post-Employment Health Care Benefits (OPEB) (continued)

Changes in Assumptions. A summary of key changes implemented since the December 31, 2019 valuation are noted below. Additional detail and list of changes can be found in the 2020 Experience Study for the System, which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

- Reduce the long-term inflation assumption from the current 2.50% to 2.40% or lower
- Reduce the system payroll growth assumption from the current 3.50% to 3.40% or lower, paralleling the change in inflation
- The current investment return assumption of 7.20% per year should be lowered at 0.20%, based on PERS' current target allocation
- Update the assumption for future administrative expenses and use a combined assumption amount for the Tier 1/Tier 2 and OPSRP programs
- Update the RHIPA health cost trend assumption
- Adjust the base mortality table assumption and make a routine update to the mortality improvement scale for all groups
- Adjust retirement rates for certain member categories and service bands to more closely align with recent and expected future experience
- Increase the merit component of the individual member salary increase assumption for all member categories
- Update pre-retirement termination of employment assumptions for one member category
- Lower assumed rates of ordinary (non-duty) disability and general service duty disability incidence
- Increase the Tier 1 unused vacation cash out assumption for three member categories
- Increase the Tier 1/Tier 2 unused sick leave assumption for all member categories
- Decrease the healthy and disabled likelihood of program participation assumptions for the RHIA retiree healthcare program
- Decrease the RHIPA likelihood of program participation assumption for most service bands
- Revise the parameters of the rate collar methodology to only restrict changes in the Unfunded Actuarial Liability (UAL) Rate contribution rate component and to narrow the width of allowable changes
- Introduce a methodology for UAL Rate amortization in the RHIA or RHIPA programs when one or both are in an actuarial surplus position (over 100% funded)
- Update the assumed system-average level of member redirect contributions to Tier 1/Tier 2 and OPSRP reflecting the projected effects of HB 2906, which passed in June 2021.

Note 10 - Pension and Retirement Plans

Tax Sheltered Annuity Plan

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

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 10 - Pension and Retirement Plans (continued)

Early Retirement Stipend Pension Plan

Plan Description. The District maintains a single-employer defined benefit pension early retirement supplemental plan for eligible Administrative, Classified, Confidential and Licensed employees of the District (not administered through a trust). For retirement eligibility the retiree must be receiving benefits from Oregon PERS. For Tier 1 or Tier 2 members they may retire earlier of age 55, or any age with 30 years of service. OPSRP members must be age 55 or older with five years of service. The program covers Administrative, Classified and Confidential staff that were employed by the District prior to July 1, 2003, and Licensed staff prior to June 20, 2003. Additionally, eligible Administrative staff must have at least 15 years of experience, Classified staff at least 20 years of continuous experience, Confidential staff at least 10 years of continuous experience and Licensed staff 15 years of full-time experience with the District, or at least 10 years of full-time experience and be on Step 15 of the Licensed salary schedule. Upon reaching age 55 (and having the required number of years of experience prior to the specified eligibility date), an employee may elect early retirement. A stipend in lieu of medical insurance from the District is available for Administrative and Confidential staff equal to the medical premium, Classified may elect a \$100 stipend in lieu of insurance benefit, and Licensed staff may elect to receive 2.65% of base Licensed salary per month, which is allowed to inflate post-retirement. The stipend is paid for eight years or until the retiree is eligible for full Social Security Benefits, whichever comes first. There are no survivor benefits.

Funding Policy. The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. The District funds this benefit as it comes due and the amount paid by the District for the benefit for the year ended June 30, 2022 was \$387,198. There are no assets accumulated in a trust.

Employees Covered by Benefit Terms. At June 30, 2022, the following employees were covered by the stipend benefit terms:

Inactive participants	21
Active participants	<u>30</u>
	<u>51</u>

Total Stipend Pension Liability. The districts total stipend pension liability of \$1,825,884 was measured as of June 30, 2022, and was determined by an actuarial valuation date as of July 1, 2020.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 10 - Pension and Retirement Plans (continued)

Early Retirement Stipend Pension Plan (continued)

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

Input	Assumption
Actuarial Cost Method	Early age normal, level percent of salary
Interest Rate Utilized for Discounting	3.5% per year, based on all years discounted at municipal bond rate
General Inflation	2.0% per year
Salary Scale	3.0% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit
Annual Premium Increase Rate	Between 3.50% and 6.00% annually
Mortality Rates	RP 2010, Teachers, sex distinct, projected generationally
Turnover Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled if any
Marital Status	70% of future retirees electing coverage are assumed to cover a spouse as well
Coverage of Eligible Children	No impact of dependent children on the implicit subsidy is assumed

Changes in the Total Stipend Pension Liability

Total Stipend Pension Liability at June 30, 2021	\$	2,076,564
Changes for the year:		
Service cost		46,587
Interest		44,916
Differences between expected and actual experience		-
Changes of assumptions or other input		(88,434)
Benefit payments		(253,749)
Total Stipend Pension Liability at June 30, 2022	\$	<u>1,825,884</u>

Sensitivity of the Total Stipend Pension Liability to Changes in the Discount Rate. The following presents the total stipend pension liability of the District, as well as, what the District's total pension stipend liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total Stipend Pension Liability	\$ 1,901,736	\$ 1,825,884	\$ 1,752,119

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 10 - Pension and Retirement Plans (continued)

Early Retirement Stipend Pension Plan (continued)

Stipend Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended June 30, 2022, the District recognized a reduction of stipend pension expense of \$119,144.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 41,983	\$ -
Changes of assumptions or other input	34,575	84,613
Total	\$ 76,558	\$ 84,613

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

Year Ended June 30,	Deferred Outflow/ (Inflow) of Resources
2023	\$ 21,423
2024	(29,478)
Total	\$ (8,055)

Changes in Assumptions and Methods

- The interest rate for discounting future liabilities was changed to reflect the significant increase in current corporate bond yields.
- Premium increase rates were modified to reflect anticipated experience and current Oregon law.
- Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

OPERS Plan

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

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

The 2003 Legislature enacted House Bill 2021, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program and the Individual Account Program. Membership includes public employees hired on or after August 29, 2003.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

Beginning January 1, 2004, PERS active Tier One and Tier Two members became members of the IAP of OPSRP. PERS members retain their existing Regular and or Variable accounts, but member contributions are now deposited into the member's IAP account. Accounts are credited with earnings and losses net of administrative expenses. OPSRP is part of PERS and is administered by the Board. The PERS Board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS purposes.

Tier 1/Tier 2 Retirement Benefit (Chapter 238)

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 based on years of service and final average salary. A percentage (2.0 percent for Police and Fire employees, 1.67 percent for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit will be equal to \$197,730 in 2021, and will be indexed with inflation in later years.

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

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

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

Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for Police and Fire members) when determining the monthly benefit.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

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

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

OPSRP Pension Program (Chapter 238A)

Pension Benefits. 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 a Police and Fire member is age 60 or age 53 with 25 years of retirement credit. To be classified as a Police and Fire member, the individual must have been employed continuously as a Police and Fire member for at least five years immediately preceding retirement.

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

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit will be equal to \$197,730 in 2021, and will be indexed with inflation each year.

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

Death Benefits. Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70 ½ years.

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

Benefit Changes After Retirement. Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living adjustment (COLA). The COLA is capped at 2.0%.

Contributions -

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

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

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

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

Employer contributions during the period July 1, 2021 through June 30, 2023, were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. For the period July 1, 2021 through June 30, 2022, net employer contribution rates were 13.33% for Tier 1/Tier 2 employees and 10.22% for OPSRP General Employees and 14.58% for OPSRP Police and Fire Employees. Employer contributions for the year ended June 30, 2022 were \$1,934,795.

Pension Plan Annual Comprehensive Financial Report (ACFR)

PERS prepares their financial statements in accordance with generally accepted accounting principles in the United States of America as set forth in GASB pronouncements that apply to governmental accounting for fiduciary funds and enterprise funds. The accrual basis of accounting is used for all funds. Revenues are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plan. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

<https://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>

Actuarial Valuation. The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation date	December 31, 2019
Measurement date	June 30, 2021
Experience Study	2018, published July 24, 2019
Actuarial cost method	Entry age normal
Actuarial assumptions:	
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><i>Healthy retirees and beneficiaries:</i> 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><i>Active members:</i> 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><i>Disabled retirees:</i> 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 the 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 shown below are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

Discount Rate. The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan, a reduction approved by the Board from 7.20 percent in the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

Assumed Asset Allocation.

Asset Class	Target Allocation
Cash	0.00%
Debt securities	20.00%
Public equity	30.00%
Private equity	20.00%
Real estate	12.50%
Alternatives portfolio	15.00%
Risk parity	2.50%
Total	100.00%

Investment Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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 of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation. The OIC's description of each asset was used to map the target allocation to the asset classes shown below:

Asset Class	Target Allocation	20-year Annualized Geometric Mean
Global Equity	30.62%	5.85%
Private equities	25.50%	7.71%
Core fixed income	23.75%	2.73%
Real estate	12.25%	5.66%
Master limited partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge fund of funds - multistrategy	1.25%	5.11%
Hedge fund equity - hedge	0.63%	5.31%
Hedge fund - macro	5.62%	5.06%
US cash	-2.50%	1.76%
Total	100.00%	
Assumed inflation - mean		2.40%

*Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2022, the District reported \$11,814,303 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021 (measurement date), the District's proportion was approximately 0.09872831 percent.

For the year ended June 30, 2022, the District recognized a reduction in pension expense of \$417,746. The \$417,746 was treated as a decrease of payroll related expense in the Statement of Activities and allocated to Instruction, Support Services and Community Services using allocation percentages of 66%, 33%, and 1%, respectively.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,105,896	\$ -
Changes of assumptions	2,957,476	31,092
Net difference between projected and actual earning on investments	-	8,746,037
Changes in proportionate share	785,718	1,473,568
Differences between employer contributions and employers proportionate share of system contributions	989,057	292,931
Contributions subsequent to measurement date	1,934,795	-
Total	\$ 7,772,942	\$ 10,543,628

\$1,934,795 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease to the net pension liability in the year ended June 30, 2023.

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

Year Ended June 30,	Deferred Outflow/(Inflow) of Resources
2023	\$ (894,049)
2024	(972,643)
2025	(1,201,355)
2026	(1,972,239)
2027	334,804
Total	\$ (4,705,481)

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Defined Benefit Pension Plan Liability/(Asset)	\$ 23,200,466	\$ 11,814,303	\$ 2,288,218

Changes in Assumptions. The changes in assumptions used for PERS are identical to the changes in assumptions related to the OPERS RHIA disclosed in *Note 9 Post-Employment Health Care Benefits (OPEB)*.

Defined Contribution Plan – Individual Account Program (IAP)

Pension Benefits. The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 401(a). All members, with the exception of judges, are required by State statute to contribute 6% of their salary to the plan.

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5, 10, 15, 20-year period or an anticipated life span option. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

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

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

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 10 - Pension and Retirement Plans (continued)

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 per month (increased to \$2,535 per month on January 2021) 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

EPSA redirect is only triggered when the member's gross pay in a month exceeds the monthly salary threshold, tied to the annual Consumer Price Index (All Urban Consumers, West Region).

During 2022, the District, as an employee benefit, paid the employees portion of the contribution. Employer contributions for the year ended June 30, 2022 were \$878,218, of which \$736,448 was deposited into the individual members' accounts.

Note 11 - Restricted Net Position

The District's classified restricted net position for the year ended June 30, 2022 is as follows:

	Restricted
Food service	\$ 555,525
Debt service	455,591
Capital projects	269,649
Student body funds	517,013
Fire relief	83,308
Grants	190,571
Nonspendable scholarships	622,179
Total restricted net position	\$ 2,693,836

Note 12 - Interfund Transactions

Interfund transfers during the year ended June 30, 2022, were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 1,000,000
Special Revenue Fund	1,000,000	-
Total Transfers	\$ 1,000,000	\$ 1,000,000

During the 2021-22 fiscal year, the Board of Directors approved transfers out from the General Fund. The Special Revenue Fund received the transfer to PERS to be deposited into the existing side-account at a later date to lower the District's unfunded pension liability.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 13 - Commitments

The District has construction obligations for construction of new classrooms and educational facilities and major renovations to Career Technical Education buildings, academic buildings and athletic facilities at Phoenix High School. The grand total of the original commitments is for \$52,950,726 with \$4,601 remaining on the contracts at June 30, 2022. The majority of these upgrades and renovations will be paid for with the 2018 G.O. Bonds.

Note 14 - Contingencies

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

The District, in the regular course of business, may be named as a defendant in various lawsuits. The likely outcome of these lawsuits, if any, is not presently determinable.

Note 15 - Current Vulnerability Due to Certain Concentrations

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

Note 16 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters for which the District carries commercial insurance. Worker's compensation insurance is also provided through a commercial carrier. There has been no significant reduction in insurance coverage from the prior year and the District has not been required to pay any settlements in excess of insurance coverage during the past five fiscal years ending June 30, 2022.

Note 17 - Tax Abatements

At June 30, 2022, Jackson County provides tax abatements through various State of Oregon programs. For the fiscal year ended June 30, 2022, Phoenix Talent School District's abated property taxes totaled \$9,562 under these programs.

Note 18 - Subsequent Events

Management of the District has evaluated events and transactions occurring after June 30, 2022 through December 14, 2022, the date that the financial statements were available for issuance, for recognition and/or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**JACKSON COUNTY SCHOOL DISTRICT NO. 4
SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)
AND DISTRICT SCHEDULE OF CONTRIBUTIONS (OPERS)
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

Jackson County School District No. 4 Proportionate Share of Net Pension Asset / (Liability) at the measurement date

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District proportion of the net pension asset/(liability)	0.09872831%	0.09348050%	0.10768172%	0.11154387%	0.11036155%
District's proportion of the net pension asset/(liability)	\$ (11,814,303)	\$ (20,400,660)	\$ (18,626,359)	\$ (16,897,427)	\$ (14,876,779)
District's covered-employee payroll	\$ 14,249,024	\$ 13,416,779	\$ 12,244,945	\$ 11,706,777	\$ 11,760,743
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	82.91%	152.05%	152.11%	144.34%	126.50%
Plan fiduciary net position as a percentage of the total pension liability	87.60%	75.79%	80.23%	81.81%	83.12%

Jackson County School District No. 4 Contributions

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 1,934,795	\$ 2,112,134	\$ 1,928,344	\$ 1,344,797	\$ 1,240,309
Contribution in relation to the contractually required	(1,934,795)	(2,112,134)	(1,928,344)	(1,344,797)	(1,240,309)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	\$ 15,808,429	\$ 14,249,024	\$ 13,416,779	\$ 12,244,945	\$ 11,706,777
Contributions as a percentage of covered-employee payroll	12.24%	14.82%	14.37%	10.98%	10.59%

Jackson County School District No. 4 Proportionate Share of Net Pension Asset / (Liability) at the measurement date

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District proportion of the net pension asset/(liability)	0.10533443%	0.1159930%	0.1303724%	0.1303724%
District's proportion of the net pension asset/(liability)	\$ (15,813,144)	\$ (6,659,694)	\$ 2,955,170	\$ (6,653,095)
District's covered-employee payroll	\$ 11,400,100	\$ 10,917,979	\$ 10,954,483	\$ 11,043,818
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	138.71%	61.00%	-26.98%	60.24%
Plan fiduciary net position as a percentage of the total pension liability	80.53%	91.88%	103.59%	91.97%

Jackson County School District No. 4 Contributions

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 903,286	\$ 849,199	\$ 981,878	\$ 1,311,290
Contribution in relation to the contractually required	(903,286)	(849,199)	(981,878)	(1,311,290)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	\$ 11,760,743	\$ 11,400,100	\$ 10,917,979	\$ 10,954,483
Contributions as a percentage of covered-employee payroll	7.68%	7.45%	8.99%	11.97%

See Note 10 in the footnotes for changes in assumptions and methods

Other information:

This schedule is presented to illustrate required supplementary information for a 10-year period. The District adopted GASB 87 during fiscal year 2014, as a result, only nine years of information are presented.

JACKSON COUNTY SCHOOL DISTRICT NO. 4
SCHEDULE OF CHANGES IN DISTRICT TOTAL PENSION LIABILITY
AND RELATED RATIOS (STIPEND)
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)

Total Pension Liability:	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 46,587	\$ 63,852	\$ 47,137	\$ 63,794	\$ 62,238
Interest	44,916	47,515	78,824	65,705	69,548
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	125,949	-	220,347	-
Changes of assumptions of other inputs	(88,434)	(76,973)	138,300	(133,630)	-
Benefit payments	<u>(253,749)</u>	<u>(263,402)</u>	<u>(278,960)</u>	<u>(296,552)</u>	<u>(288,555)</u>
Net change in total pension liability	(250,680)	(103,059)	(14,699)	(80,336)	(156,769)
Total pension liability (stipend) - beginning	<u>2,076,564</u>	<u>2,179,623</u>	<u>2,194,322</u>	<u>2,274,658</u>	<u>2,431,427</u>
Total pension liability (stipend) - ending	<u>\$ 1,825,884</u>	<u>\$ 2,076,564</u>	<u>\$ 2,179,623</u>	<u>\$ 2,194,322</u>	<u>\$ 2,274,658</u>
Estimated covered - employee payroll	\$ 1,870,196	\$ 1,815,724	\$ 2,286,603	\$ 2,231,096	\$ 3,515,751
Total pension liability (stipend) as a percentage of estimated covered - employee payroll	97.63%	114.37%	95.32%	98.35%	64.70%
Total Pension Liability:	<u>2017</u>				
Service cost	\$ 62,238				
Interest	74,964				
Changes of benefit terms	-				
Differences between expected and actual experience	-				
Changes of assumptions of other inputs	-				
Benefit payments	<u>(346,907)</u>				
Net change in total pension liability	(209,705)				
Total pension liability (stipend) - beginning	<u>2,641,132</u>				
Total pension liability (stipend) - ending	<u>\$ 2,431,427</u>				
Estimated covered - employee payroll	\$ 3,413,350				
Total pension liability (stipend) as a percentage of estimated covered - employee payroll	71.23%				

See Note 9 in the footnotes for changes in assumptions and methods

Other information:

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 4
SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE NET OPEB ASSET/(LIABILITY)
AND DISTRICT SCHEDULE OF CONTRIBUTIONS (RHIA)
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

Jackson County School District No. 4 Proportionate Share of Net OPEB Asset/(Liability) at the measurement date

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District proportion of the net OPEB asset/(liability)	0.10331563%	0.20491716%	0.11225690%	0.11478135%	0.11475678%
District proportion of the net OPEB asset/(liability)	\$ 354,786	\$ 417,540	\$ 216,921	\$ 128,127	\$ 47,893
District's covered-employee payroll	\$ 14,249,024	\$ 13,416,779	\$ 12,244,945	\$ 11,706,777	\$ 11,760,743
District's proportionate share of the net OPEB asset/(liability) as a percentage of its covered-employee payroll	-2.49%	-3.11%	-1.77%	-1.09%	-0.41%
Plan fiduciary net position as a percentage of the total OPEB liability	183.90%	150.10%	144.37%	123.99%	108.88%

Jackson County School District No. 4 Contributions

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 3,227	\$ 2,764	\$ 14,364	\$ 55,637	\$ 55,577
Contribution in relation to the contractually required	<u>(3,227)</u>	<u>(2,764)</u>	<u>(14,364)</u>	<u>(55,637)</u>	<u>(55,577)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered - employee payroll	\$15,808,429	\$ 14,249,024	\$ 13,416,779	\$ 12,244,945	\$ 11,706,777
Contributions as a percentage of covered-employee payroll	0.02%	0.02%	0.11%	0.45%	0.47%

See Note 10 in the footnotes for changes in assumptions and methods

Other information:

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

JACKSON COUNTY SCHOOL DISTRICT NO. 4
SCHEDULE OF CHANGES IN DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS (MEDICAL SUBSIDY)
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)

Total OPEB Liability:	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 126,196	\$ 132,018	\$ 99,685	\$ 131,087	\$ 127,890
Interest	51,506	55,131	102,569	86,970	83,543
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	35,206	-	(24,725)	-
Changes of assumptions of other inputs	(205,219)	(213,867)	217,466	(754,325)	-
Benefit payments	<u>(164,055)</u>	<u>(163,467)</u>	<u>(158,796)</u>	<u>(135,746)</u>	<u>(192,923)</u>
Net change in total OPEB liability	(191,572)	(154,979)	260,924	(696,739)	18,510
Total OPEB liability - beginning	<u>2,244,995</u>	<u>2,399,974</u>	<u>2,139,050</u>	<u>2,835,789</u>	<u>2,817,279</u>
Total OPEB liability - ending	<u>\$ 2,053,424</u>	<u>\$ 2,244,995</u>	<u>\$ 2,399,974</u>	<u>\$ 2,139,050</u>	<u>\$ 2,835,789</u>
Estimated covered - employee payroll	\$ 13,837,361	\$ 13,434,331	\$ 12,716,127	\$ 12,286,113	\$ 11,997,416
Total OPEB liability as a percentage of estimated covered - employee payroll	14.84%	16.71%	18.87%	17.41%	23.64%
Total OPEB Liability:	<u>2017</u>				
Service cost	\$ 127,890				
Interest	82,714				
Changes of benefit terms	-				
Differences between expected and actual experience	-				
Changes of assumptions of other inputs	-				
Benefit payments	<u>(173,042)</u>				
Net change in total OPEB liability	37,562				
Total OPEB liability - beginning	<u>2,779,717</u>				
Total OPEB liability - ending	<u>\$ 2,817,279</u>				
Estimated covered - employee payroll	\$ 11,647,977				
Total OPEB liability as a percentage of estimated covered - employee payroll	24.19%				

See Note 9 in the footnotes for changes in assumptions and methods

Other information:

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

JACKSON COUNTY SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2022

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Local sources:				
Property taxes	\$ 9,100,000	\$ 9,100,000	\$ 9,699,806	\$ 599,806
Charges for services	123,000	123,000	121,680	(1,320)
Donations	-	-	100	100
Interest on investments	85,000	85,000	81,847	(3,153)
Miscellaneous	72,000	72,000	99,026	27,026
Intermediate sources:				
Intergovernmental	150,000	150,000	505,067	355,067
State sources:				
Basic school support	20,460,000	20,460,000	18,525,637	(1,934,363)
Intergovernmental	250,000	250,000	846,113	596,113
Federal sources:				
Intergovernmental	30,000	30,000	208,909	178,909
TOTAL REVENUES	<u>30,270,000</u>	<u>30,270,000</u>	<u>30,088,185</u>	<u>(181,815)</u>
EXPENDITURES				
Current:				
Instruction	17,168,181	17,168,181	16,879,041	289,140
Support services	12,289,419	12,389,419	12,061,825	327,594
Facilities acquisition and construction	100,000	100,000	86,819	13,181
Debt service	1,665,000	1,665,000	1,662,454	2,546
Operating contingency	800,000	700,000	-	700,000
TOTAL EXPENDITURES	<u>32,022,600</u>	<u>32,022,600</u>	<u>30,690,139</u>	<u>1,332,461</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,752,600)</u>	<u>(1,752,600)</u>	<u>(601,954)</u>	<u>1,150,646</u>
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	-	5,766	5,766
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(994,234)</u>	<u>5,766</u>
NET CHANGE IN FUND BALANCE	<u>(2,752,600)</u>	<u>(2,752,600)</u>	<u>(1,596,188)</u>	<u>1,156,412</u>
FUND BALANCE, July 1, 2021	<u>8,300,000</u>	<u>8,300,000</u>	<u>9,163,381</u>	<u>863,381</u>
FUND BALANCE, June 30, 2022	<u>\$ 5,547,400</u>	<u>\$ 5,547,400</u>	<u>\$ 7,567,193</u>	<u>\$ 2,019,793</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND
Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Local sources:				
Construction excise taxes	\$ 170,000	\$ 170,000	\$ 366,129	\$ 196,129
Charges for services	724,800	724,800	388,106	(336,694)
Donations	277,300	277,300	166,562	(110,738)
Interest on investments	12,000	12,000	6,850	(5,150)
Miscellaneous	73,160	73,160	73,581	421
Intermediate sources:				
Miscellaneous	110,310	110,310	138,575	28,265
State sources:				
Basic school support	12,000	12,000	11,487	(513)
Intergovernmental	3,705,555	3,705,555	7,059,677	3,354,122
Federal sources:				
Intergovernmental	8,333,775	8,333,775	5,973,602	(2,360,173)
TOTAL REVENUES	13,418,900	13,418,900	14,184,569	765,669
EXPENDITURES				
Current:				
Instruction	5,977,558	5,977,558	4,068,235	1,909,323
Support services	3,268,302	3,268,302	2,701,079	567,223
Enterprise and community services	1,949,140	1,949,140	1,308,693	640,447
Facilities acquisition and construction	2,617,000	2,617,000	1,324,855	1,292,145
TOTAL EXPENDITURES	13,812,000	13,812,000	9,402,862	4,409,138
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(393,100)	(393,100)	4,781,707	5,174,807
OTHER FINANCING SOURCES (USES):				
PERS UAL lumpsum payment	(1,000,000)	(1,000,000)	-	1,000,000
Transfers in	1,000,000	1,000,000	1,000,000	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	1,000,000	1,000,000
NET CHANGE IN FUND BALANCE	(393,100)	(393,100)	5,781,707	6,174,807
FUND BALANCE, July 1, 2021	1,581,100	1,581,100	1,766,816	185,716
FUND BALANCE, June 30, 2022	\$ 1,188,000	\$ 1,188,000	\$ 7,548,523	\$ 6,360,523

OTHER SUPPLEMENTARY INFORMATION

**JACKSON COUNTY SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended June 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Local sources:				
Property taxes	\$ 3,275,000	\$ 3,275,000	\$ 3,413,247	\$ 138,247
Interest on investments	35,000	35,000	9,597	(25,403)
TOTAL REVENUES	<u>3,310,000</u>	<u>3,310,000</u>	<u>3,422,844</u>	<u>112,844</u>
EXPENDITURES				
Debt service	<u>3,433,000</u>	<u>3,433,000</u>	<u>3,426,450</u>	<u>6,550</u>
TOTAL EXPENDITURES	<u>3,433,000</u>	<u>3,433,000</u>	<u>3,426,450</u>	<u>6,550</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(123,000)</u>	<u>(123,000)</u>	<u>(3,606)</u>	<u>119,394</u>
NET CHANGE IN FUND BALANCE	<u>(123,000)</u>	<u>(123,000)</u>	<u>(3,606)</u>	<u>119,394</u>
FUND BALANCE, July 1, 2021	<u>320,000</u>	<u>320,000</u>	<u>347,896</u>	<u>27,896</u>
FUND BALANCE, June 30, 2022	<u>\$ 197,000</u>	<u>\$ 197,000</u>	<u>\$ 344,290</u>	<u>\$ 147,290</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended June 30, 2022**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Local sources:				
Interest on investments	\$ 80,000	\$ 80,000	\$ 41,524	\$ (38,476)
Miscellaneous	-	-	1,557	1,557
State sources:				
Intergovernmental	540,000	540,000	312,057	(227,943)
TOTAL REVENUES	<u>620,000</u>	<u>620,000</u>	<u>355,138</u>	<u>(264,862)</u>
EXPENDITURES				
Facilities acquisition and construction	14,700,000	14,700,000	9,351,731	5,348,269
TOTAL EXPENDITURES	<u>14,700,000</u>	<u>14,700,000</u>	<u>9,351,731</u>	<u>5,348,269</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(14,080,000)</u>	<u>(14,080,000)</u>	<u>(8,996,593)</u>	<u>5,083,407</u>
NET CHANGE IN FUND BALANCE	(14,080,000)	(14,080,000)	(8,996,593)	5,083,407
FUND BALANCE, July 1, 2021	14,080,000	14,080,000	13,869,234	(210,766)
FUND BALANCE, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,872,641</u>	<u>\$ 4,872,641</u>

OTHER FINANCIAL SCHEDULES

SCHOOL DISTRICT FINANCIAL
ACCOUNTING SUMMARIES

JACKSON COUNTY SCHOOL DISTRICT NO. 4
2021-22 DISTRICT AUDIT REVENUE SUMMARY
Year Ended June 30, 2022

Revenue from Local Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	\$ 9,697,700	\$ -	\$ 3,412,507	\$ -	\$ -	\$ -	\$ -
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-
1130 Construction Excise Tax	-	366,129	-	-	-	-	-
1190 Penalties and Interest on Taxes	2,106	-	740	-	-	-	-
1200 Revenue from Local Governmental Units Other Than Districts	-	-	-	-	-	-	-
1311 Regular Day School Tuition - From Individuals	-	-	-	-	-	-	-
1312 Regular Day School Tuition - Other Dist Within State	-	-	-	-	-	-	-
1313 Regular Day School Tuition - Other Districts Outside	-	-	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-
1411 Transportation Fees - From Individuals	-	-	-	-	-	-	-
1412 Transportation Fees - Other Dist Within State	-	-	-	-	-	-	-
1413 Transportation Fees - Other Districts Outside	-	-	-	-	-	-	-
1420 Summer School Transportation Fees	-	-	-	-	-	-	-
1500 Earnings on Investments	81,847	6,850	9,597	41,524	-	-	-
1600 Food Service	-	6,928	-	-	-	-	-
1700 Extracurricular Activities	2,227	381,178	-	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-	-
1910 Rentals	17,330	-	-	-	-	-	-
1920 Contributions and Donations From Private Sources	100	166,562	-	-	-	-	-
1930 Rental or Lease Payments From Private Contractors	48,000	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	-	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	1,590	678	-	1,557	-	-	-
1970 Services Provided Other Funds	-	-	-	-	-	-	-
1980 Fees Charged to Grants	54,123	-	-	-	-	-	-
1990 Miscellaneous	97,436	72,903	-	-	-	-	-
Total Revenue from Local Sources	\$ 10,002,459	\$ 1,001,228	\$ 3,422,844	\$ 43,081	\$ -	\$ -	\$ -
Revenue from Intermediate Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2102 General ESD Revenue	505,067	-	-	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-
2110 Intermediate "I" Tax	-	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-	-
2200 Restricted Revenue	-	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	138,575	-	-	-	-	-
Total Revenue from Intermediate Sources	\$ 505,067	\$ 138,575	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from State Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$ 18,525,637	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3102 State School Fund - School Lunch Match	-	11,487	-	-	-	-	-
3103 Common School Fund	271,342	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	-	4,308,354	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	574,771	2,751,324	-	312,057	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from State Sources	\$ 19,371,750	\$ 7,071,165	\$ -	\$ 312,057	\$ -	\$ -	\$ -
Revenue from Federal Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4200 Unrestricted Revenue From the Federal Government Through the State	-	-	-	-	-	-	-
4201 Transportation Fees for Foster Children	-	-	-	-	-	-	-
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)	-	-	-	-	-	-	-
4300 Restricted Revenue From the Federal Government	140,113	201,660	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	38,451	5,542,438	-	-	-	-	-
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)	-	-	-	-	-	-	-
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)	-	-	-	-	-	-	-
4700 Grants-in-Aid From the Federal Government Through Other Intermediate Agencies	-	126,967	-	-	-	-	-
4801 Federal Forest Fees	30,345	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	-	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	-	102,537	-	-	-	-	-
Total Revenue from Federal Sources	\$ 208,909	\$ 5,973,602	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from Other Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Interfund Transfers	-	1,000,000	-	-	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	5,766	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	9,163,381	1,766,816	347,896	13,869,234	-	-	-
Total Revenue from Other Sources	\$ 9,169,147	\$ 2,766,816	\$ 347,896	\$ 13,869,234	\$ -	\$ -	\$ -
Grand Total	\$ 39,257,332	\$ 16,951,385	\$ 3,770,740	\$ 14,224,372	\$ -	\$ -	\$ -

JACKSON COUNTY SCHOOL DISTRICT NO. 4
2021-22 DISTRICT AUDIT EXPENDITURE SUMMARY
Year Ended June 30, 2022

Fund: 100 General Fund

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$ 4,740,847	\$ 2,818,922	\$ 1,311,979	\$ 87,879	\$ 520,599	\$ -	\$ 1,468	\$ -
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	2,464,777	1,627,154	729,961	68,799	38,383	-	480	-
1122	Middle/Junior High School Extracurricular	140,494	95,371	19,901	246	6,951	9,550	8,475	-
1131	High School Programs	3,259,925	1,950,828	950,952	107,974	238,351	10,875	945	-
1132	High School Extracurricular	434,300	284,618	58,336	31,082	19,523	-	40,741	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	2,745	-	-	-	-	-	2,745	-
1220	Restrictive Programs for Students with Disabilities	1,564,300	867,464	509,425	166,519	20,181	-	711	-
1250	Less Restrictive Programs for Students with Disabilities	1,606,374	935,034	637,795	20,734	12,811	-	-	-
1260	Treatment and Habilitation	62,661	-	-	62,661	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	737,243	31,756	16,147	687,662	1,678	-	-	-
1291	English Second Language Programs	1,861,859	1,196,338	608,493	30,047	26,981	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	2,012	-	-	1,995	17	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	1,504	1,211	293	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures		\$ 16,879,041	\$ 9,808,696	\$ 4,843,282	\$ 1,265,598	\$ 885,475	\$ 20,425	\$ 55,565	\$ -

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$ 220,493	\$ 110,244	\$ 80,156	\$ 28,681	\$ 1,112	\$ -	\$ 300	\$ -
2120	Guidance Services	401,971	250,550	140,936	8,000	2,485	-	-	-
2130	Health Services	6,331	-	-	6,135	196	-	-	-
2140	Psychological Services	130,670	66,556	34,237	26,519	3,358	-	-	-
2150	Speech Pathology and Audiology Services	338,292	227,264	103,090	469	7,113	-	356	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	222,526	139,315	74,601	1,340	6,675	-	595	-
2210	Improvement of Instruction Services	153,476	86,877	35,360	1,159	30,080	-	-	-
2220	Educational Media Services	299,532	149,625	119,225	577	30,105	-	-	-
2230	Assessment & Testing	78	64	14	-	-	-	-	-
2240	Instructional Staff Development	7,572	550	134	6,888	-	-	-	-
2310	Board of Education Services	101,537	37,564	20,891	24,727	12,805	-	5,550	-
2320	Executive Administration Services	413,783	255,851	109,691	21,728	24,428	-	2,085	-
2410	Office of the Principal Services	2,356,338	1,428,092	743,569	96,453	80,175	-	8,049	-
2490	Other Support Services - School Administration	206,275	120,559	53,923	16,072	14,581	-	1,140	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	878,586	278,319	187,948	70,138	12,913	-	329,268	-
2540	Operation and Maintenance of Plant Services	2,771,916	1,015,995	588,271	891,133	257,575	17,851	1,091	-
2550	Student Transportation Services	1,676,660	3,024	730	1,672,906	-	-	-	-
2570	Internal Services	847	-	-	847	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	95,745	58,302	31,879	4,966	513	-	85	-
2640	Staff Services	482,162	266,375	122,821	36,248	51,046	-	5,672	-
2660	Technology Services	630,137	262,755	150,964	49,278	167,140	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	164,804	94,064	68,329	2,082	329	-	-	-
2690	Other Support Services - Central	26,755	-	26,755	-	-	-	-	-
2700	Supplemental Retirement Program	475,339	387,198	88,141	-	-	-	-	-
Total Support Services Expenditures		\$ 12,061,825	\$ 5,239,143	\$ 2,781,665	\$ 2,966,346	\$ 702,629	\$ 17,851	\$ 354,191	\$ -

Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120	Site Acquisition and Development Services	86,819	-	-	-	-	86,819	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		\$ 86,819	\$ -	\$ -	\$ -	\$ -	\$ 86,819	\$ -	\$ -

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$ 1,662,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,662,454	\$ -
5200	Transfers of Funds	1,000,000	-	-	-	-	-	-	1,000,000
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		\$ 2,662,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,662,454	\$ 1,000,000

Grand Total \$31,690,139 \$15,047,839 \$7,624,947 \$4,231,944 \$1,588,104 \$125,095 \$2,072,210 \$1,000,000

JACKSON COUNTY SCHOOL DISTRICT NO. 4
2021-22 DISTRICT AUDIT EXPENDITURE SUMMARY
Year Ended June 30, 2022

Fund: 200 Special Revenue Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$ 1,112,940	\$ 441,292	\$ 345,414	\$ 104,623	\$ 221,611	\$ -	\$ -	\$ -
1113	Elementary Extracurricular	62,752	6,750	1,004	1,600	53,398	-	-	-
1121	Middle/Junior High Programs	302,435	138,389	70,698	3,236	90,112	-	-	-
1122	Middle/Junior High School Extracurricular	7,423	-	-	-	7,423	-	-	-
1131	High School Programs	322,420	153,724	79,959	8,562	60,823	17,752	1,600	-
1132	High School Extracurricular	301,347	-	-	-	301,347	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	21,620	13,746	7,594	-	280	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	407,622	265,645	139,625	1,255	1,097	-	-	-
1260	Treatment and Habilitation	8,133	-	-	8,133	-	-	-	-
1271	Remediation	105,304	64,771	13,306	27,227	-	-	-	-
1272	Title I	671,189	412,996	243,842	-	14,351	-	-	-
1280	Alternative Education	151,977	31,699	17,379	91,142	11,757	-	-	-
1291	English Second Language Programs	79,243	21,487	3,321	-	54,435	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	126,967	56,911	12,965	49,500	7,591	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	386,863	108,107	22,764	148,830	107,162	-	-	-
Total Instruction Expenditures		\$ 4,068,235	\$ 1,715,517	\$ 957,871	\$ 444,108	\$ 931,387	\$ 17,752	\$ 1,600	\$ -
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$ 178,150	\$ 46,368	\$ 25,661	\$ 47,880	\$ 25,617	\$ 32,624	\$ -	\$ -
2120	Guidance Services	567,543	331,886	195,971	33,698	5,988	-	-	-
2130	Health Services	452,158	-	-	452,018	-	-	140	-
2140	Psychological Services	8,310	4,517	1,100	498	2,195	-	-	-
2150	Speech Pathology and Audiology Services	212,807	142,946	69,561	-	-	-	300	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	26,147	16,148	9,501	498	-	-	-	-
2210	Improvement of Instruction Services	100,973	66,002	21,783	756	12,432	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	1,065	-	-	-	1,065	-	-	-
2240	Instructional Staff Development	581,034	343,154	148,233	78,857	10,790	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	32,728	-	-	30,861	1,867	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	55,046	766	157	-	-	-	54,123	-
2540	Operation and Maintenance of Plant Services	276,781	3,500	858	21,163	120,516	130,744	-	-
2550	Student Transportation Services	115,364	-	-	115,364	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	53,326	12,000	971	26,608	13,420	-	327	-
2660	Technology Services	39,335	-	-	5,968	33,367	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	312	264	48	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures		\$ 2,701,079	\$ 967,551	\$ 473,844	\$ 814,169	\$ 227,257	\$ 163,368	\$ 54,890	\$ -
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$ 1,127,893	\$ 4,718	\$ 2,515	\$ 1,066,379	\$ 31,195	\$ 18,447	\$ 4,639	\$ -
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	73,625	13,988	7,192	37,497	14,948	-	-	-
3500	Custody and Care of Children Services	107,175	-	-	107,175	-	-	-	-
Total Enterprise and Community Services Expenditures		\$ 1,308,693	\$ 18,706	\$ 9,707	\$ 1,211,051	\$ 46,143	\$ 18,447	\$ 4,639	\$ -
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120	Site Acquisition and Development Services	7,867	-	-	-	-	7,867	-	-
4150	Building Acquisition, Construction, and Improvement Services	1,316,988	-	-	8,300	-	1,308,688	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		\$ 1,324,855	\$ -	\$ -	\$ 8,300	\$ -	\$ 1,316,555	\$ -	\$ -
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total		\$ 9,402,862	\$ 2,701,774	\$ 1,441,422	\$ 2,477,628	\$ 1,204,787	\$ 1,516,122	\$ 61,129	\$ 0

JACKSON COUNTY SCHOOL DISTRICT NO. 4
2021-22 DISTRICT AUDIT EXPENDITURE SUMMARY
Year Ended June 30, 2022

Fund: 300 Debt Service Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$ -							
1113	Elementary Extracurricular	-							
1121	Middle/Junior High Programs	-							
1122	Middle/Junior High School Extracurricular	-							
1131	High School Programs	-							
1132	High School Extracurricular	-							
1140	Pre-Kindergarten Programs	-							
1210	Programs for the Talented and Gifted	-							
1220	Restrictive Programs for Students with Disabilities	-							
1250	Less Restrictive Programs for Students with Disabilities	-							
1260	Treatment and Habilitation	-							
1271	Remediation	-							
1272	Title I	-							
1280	Alternative Education	-							
1291	English Second Language Programs	-							
1292	Teen Parent Program	-							
1293	Migrant Education	-							
1294	Youth Corrections Education	-							
1299	Other Programs	-							
1300	Adult/Continuing Education Programs	-							
1400	Summer School Programs	-							
Total Instruction Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$ -							
2120	Guidance Services	-							
2130	Health Services	-							
2140	Psychological Services	-							
2150	Speech Pathology and Audiology Services	-							
2160	Other Student Treatment Services	-							
2190	Service Direction, Student Support Services	-							
2210	Improvement of Instruction Services	-							
2220	Educational Media Services	-							
2230	Assessment & Testing	-							
2240	Instructional Staff Development	-							
2310	Board of Education Services	-							
2320	Executive Administration Services	-							
2410	Office of the Principal Services	-							
2490	Other Support Services - School Administration	-							
2510	Direction of Business Support Services	-							
2520	Fiscal Services	-							
2540	Operation and Maintenance of Plant Services	-							
2550	Student Transportation Services	-							
2570	Internal Services	-							
2610	Direction of Central Support Services	-							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-							
2630	Information Services	-							
2640	Staff Services	-							
2660	Technology Services	-							
2670	Records Management Services	-							
2680	Interpretation and Translation Services	-							
2690	Other Support Services - Central	-							
2700	Supplemental Retirement Program	-							
Total Support Services Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$ -							
3200	Other Enterprise Services	-							
3300	Community Services	-							
3500	Custody and Care of Children Services	-							
Total Enterprise and Community Services Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$ -							
4120	Site Acquisition and Development Services	-							
4150	Building Acquisition, Construction, and Improvement Services	-							
4180	Other Capital Items	-							
4190	Other Facilities Construction Services	-							
Total Facilities Acquisition and Construction Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$ 3,426,450						\$ 3,426,450	
5200	Transfers of Funds	-							
5300	Apportionment of Funds by ESD	-							
5400	PERS UAL Bond Lump Sum	-							
Total Other Uses Expenditures		\$ 3,426,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,426,450	\$ -

Grand Total	\$ 3,426,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,426,450	\$ -
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JACKSON COUNTY SCHOOL DISTRICT NO. 4
2021-22 DISTRICT AUDIT EXPENDITURE SUMMARY
Year Ended June 30, 2022

Fund: 400 Capital Projects Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures		-	-	-	-	-	-	-	-

Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120	Site Acquisition and Development Services	68,145	-	-	2,570	-	65,575	-	-
4150	Building Acquisition, Construction, and Improvement Services	9,283,586	53,118	22,860	354,377	319,765	8,521,268	12,198	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		\$9,351,731	\$ 53,118	\$ 22,860	\$ 356,947	\$ 319,765	\$ 8,586,843	\$ 12,198	\$ -

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Grand Total \$9,351,731 \$ 53,118 \$ 22,860 \$ 356,947 \$ 319,765 \$ 8,586,843 \$ 12,198 \$ -

SUPPLEMENTAL INFORMATION

School District Business Managers and Auditors:

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

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

A. Energy Bill for Heating - All Funds:

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

	Objects 325 & 326 & *327
Function 2540	\$511,763
Function 2550	\$

B. Replacement of Equipment – General Fund:

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

Exclude these functions:

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

\$41,579

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

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

To the Board of Education
Jackson County School District No. 4
Phoenix-Talent, Oregon

We have audited the basic financial statements of the Jackson County School District No. 4, (the District) as of and for the year ended June 30, 2022, and have issued our report thereon dated December 14, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of *the Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not 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 but were not limited to the following:

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

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 Administration Rules 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-010-0230 Internal Control

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

Restriction on Use

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

A handwritten signature in black ink that reads "Donald Ewalt". The signature is written in a cursive style with a long horizontal stroke at the end.

Donald F. Ewalt, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
December 14, 2022

Items required by the Uniform Guidance

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

To the Board of Education
Jackson County School District No. 4
Phoenix-Talent, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Jackson County School District No. 4 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 14, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Donald Ewalt". The signature is written in a cursive style with a large, sweeping initial "D".

Donald F. Ewalt, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
December 14, 2022

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

To the Board of Education
Jackson County School District No. 4
Phoenix-Talent, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jackson County School District No. 4's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Donald Ewalt". The signature is written in a cursive, slightly slanted style.

Donald F. Ewalt, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
December 14, 2022

JACKSON COUNTY SCHOOL DISTRICT NO. 4
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant/Contract Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through Oregon Department of Education:			
National School Lunch Program	10.555	N/A	\$ 47,656
School Breakfast Program (SSO)	10.553	N/A	197,606
COVID-19 National School Lunch Program (SSO)	10.555	N/A	2,243
National School Lunch Program (SSO)	10.555	N/A	689,469
National School Lunch Program (SSO) - Commodities	10.555	N/A	101,051
Summer Food Service Program for Children	10.559	N/A	49,791
Summer Food Service Program for Children - Commodities	10.559	N/A	1,486
Fresh Fruit and Vegetable Program	10.582	69631	25,071
Total Child Nutrition Cluster			<u>1,114,373</u>
COVID-19 Child and Adult Care Food Program	10.558	N/A	14,515
Child and Adult Care Food Program	10.558	N/A	42,498
Total AL 10.558			<u>57,013</u>
COVID-19 State Pandemic Electronic Benefit Transfer Administrative Costs Grant	10.649	N/A	3,063
Total AL 10.649			<u>3,063</u>
Total U.S. Department of Agriculture			\$ 1,174,449
U.S. Department of Education			
Passed through Oregon Department of Education:			
Title I Grants to Local Educational Agencies (19-20)	84.010	53342	\$ 25,000
Title I Grants to Local Educational Agencies (20-21)	84.010	58338	368,868
Title I Grants to Local Educational Agencies (21-22)	84.010	67046	656,050
Title I Grants to Local Educational Agencies School Improvement Grant Supplement (20-21)	84.010	60416	7,380
Title I Grants to Local Educational Agencies School Improvement Grant (21-22)	84.010	67999	96,421
Total AL 84.010			<u>1,153,719</u>
Passed through Southern Oregon Education Service District:			
Migrant Education - State Grant Program	84.011	N/A	126,967
Total AL 84.011			<u>126,967</u>
Passed through Oregon Department of Education:			
Special Education - Grants to States (Extended Assessment)	84.027	73223	549
Special Education - Grants to States (Extended Assessment)	84.027	73616	549
Special Education - Grants to States (19-20)	84.027	53811	30,826
Special Education - Grants to States (20-21)	84.027	60726	510,050
Special Education - Pathways for Recovery and Return	84.027	61441	21,646
Special Education - Preschool Grants (20-21)	84.173	60559	8,133
Total Special Education Cluster (IDEA)			<u>571,755</u>
Direct Programs:			
School Safety National Activities	84.184S	N/A	201,660
Total AL 84.184			<u>201,660</u>
Passed through Oregon Department of Education:			
Grants to States (State Personnel Development)	84.323	47592	3,325
Total AL 84.323			<u>3,325</u>
English Language Acquisition State Grants (20-21)	84.365	58500	17,748
English Language Acquisition State Grants (21-22)	84.365	67159	25,131
Total AL 84.365			<u>42,879</u>
Supporting Effective Instruction State Grant (20-21)	84.367	58830	117,476
Supporting Effective Instruction State Grant (21-22)	84.367	67480	101,963
Total AL 84.367			<u>219,439</u>
Student Support and Academic Enrichment Program (19-20)	84.424	54594	42,006
Student Support and Academic Enrichment Program (20-21)	84.424	58643	9,266
Student Support and Academic Enrichment Program (21-22)	84.424	66836	19,838
Total AL 84.424			<u>71,110</u>
COVID-19 Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425D	57885	38,451
COVID-19 Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund II	84.425D	64656	2,062,878
COVID-19 Education Stabilization Fund - ARP Homeless Children & Youth I	84.425U	69307	5,159
Total AL 84.425			<u>2,106,489</u>
Total U.S. Department of Education			\$ 4,497,343
Department of Homeland Security			
Direct Programs:			
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	\$ 140,113
Total AL 97.036			<u>140,113</u>
Total Department of Homeland Security			\$ 140,113
Total Expenditures of Federal Awards			\$ 5,811,904
Passed through Southern Oregon Education Service District:			
School and Roads - Grants to Counties	10.665	N/A	\$ 30,345
Total Forest Service Schools and Roads Cluster			<u>\$ 30,345</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 4
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2022

NOTE A – BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position and changes in fund balance of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

NOTE C – INDIRECT COST RATE:

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

NOTE D – FOOD DISTRIBUTION:

Non-monetary assistance is reported in the Schedule at fair market value of the commodities received and disbursed. For the year ended June 30, 2022, the District received food commodities totaling \$102,537.

NOTE E – SUBRECIPIENTS:

There were no awards passed through to subrecipients.

NOTE F – SCHOOLS AND ROADS – GRANTS TO STATES:

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
#84.010	Title I Grants to Local Educational Agencies
#84.425	Education Stabilization Fund

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

Auditee qualified as a low-risk auditee? Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported