

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
CENTRAL POINT, OREGON**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2019
WITH
INDEPENDENT AUDITOR'S REPORTS**



Certified Public Accountants, LLP

audit | tax | advisory | wealth management | cfo

JACKSON COUNTY SCHOOL DISTRICT NO. 6

June 30, 2019

**Administrative Office:
300 Ash Street.
Central Point, Oregon 97502**

BOARD OF DIRECTORS AS OF JUNE 30, 2019

Cathy Salmon 647 Cedar Street, Central Point, Oregon 97502	Chairman
Jolee Wallace 40 North River Road, Gold Hill, Oregon 97525	1 st Vice-Chair
Autumn Chadbourne 534 Laurel Street, Central Point, Oregon 97502	2 nd Vice-Chair
Cindy Tilley-Case 3295 Galls Creek Road, Gold Hill, OR 97525	Director
Bret Moore P.O. Box 3577, Central Point, Oregon 97502	Director

ADMINISTRATIVE STAFF

Samantha Steele	District Superintendent-Clerk
Mike Meunier	Assistant Superintendent of Operations
Todd Bennett	Assistant Superintendent of Education
Spencer Davenport	Chief Financial Officer-Deputy Clerk

JACKSON COUNTY SCHOOL DISTRICT NO. 6

June 30, 2019

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June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jackson County School District No. 6
Central Point, Oregon

Report on Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund and the fiduciary fund information of Jackson County School District No. 6 (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in *Note 1*; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the fiduciary fund information of the District, as of June 30, 2019, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the cash basis of accounting as described in *Note 1*.

Basis of Accounting

We draw attention to *Note 1* of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson County School District No. 6's basic financial statements. Management's discussion and analysis, the schedules of cash collected, expenditures paid and changes in fund balance - cash basis - budget and actual, and the other financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Management's discussion and analysis is the responsibility of management and is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have applied certain limited procedures to management's discussion and analysis 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 schedules of cash collected, expenditures paid and changes in fund balance - cash basis - budget and actual, the other financial schedules, and the schedule of expenditures of federal awards as listed in the Table of Contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of cash collected, expenditures paid and changes in fund balance - cash basis - budget and actual, the other financial schedules, and the schedule of expenditures of federal awards, as listed in the Table of Contents are fairly stated in all material aspects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by the State of Oregon

In accordance with Oregon State Regulations, we have also issued our report dated December 20, 2019 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-10-0000 through 162-10-3020 of the Minimum Standards for Audits of Oregon Municipal Corporations. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.

A handwritten signature in cursive script that reads "Stewart Parmele CPA, Partner".

Stewart Parmele, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 20, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

JACKSON COUNTY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

As management of Jackson County School District No. 6 (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, 2019, within the limitations of the District's cash basis of accounting. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes to those financial statements. It should also be noted that all amounts included in text below are rounded for ease of reading.

OVERVIEW OF THE FINANCIAL STATEMENTS

Using this Report

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's cash basis of accounting.

Basis of Accounting

The District has elected to present its financial statements on a cash basis of accounting. This cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions. As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

BASIC FINANCIAL STATEMENTS

This Management's 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
3. Notes to the basic financial statements

This report also contains supplementary information in addition to the basic financial statements themselves.

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.

Statement of Net Position. The *Statement of Net Position* includes all assets of the District and net position. Over time, increases or decreases in the District's net position may be an indicator of whether its financial health is improving or deteriorating.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

BASIC FINANCIAL STATEMENTS (continued)

Statement of Activities. The *Statement of Activities* presents information showing how the net position of the District changed over the year by tracking cash collected, expenditures paid, and other transactions that increase or reduce net position. All changes in net position are reported when they result from cash transactions.

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 instruction, support services, enterprise and community services, facilities acquisition and construction, and principal and interest on long-term debt. These activities are financed primarily through property taxes, Oregon's State School Fund and other intergovernmental revenues.

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. The funds of the District can be categorized as governmental and fiduciary funds.

Governmental Funds. The *governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. 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.

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 Statement of Cash Basis Assets and Fund Balance and the governmental fund Statement of Cash Collected, Expenditures Paid and Changes in Cash Basis Fund Balances are reconciled to the cash basis government-wide Statements of Net Position and Activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund Statement of Cash Basis Assets and Fund Balance and the governmental fund Statement of Cash Collected, Expenditures Paid and Changes in Cash Basis Fund Balances for the General, Special Revenue, and Debt Service, all of which are considered to be major funds.

Fiduciary Funds. The *fiduciary funds* are used to account for assets held in trust by the District for the benefit of students. The District accounts for resources received and held by the District in a fiduciary capacity for the benefit of scholarships for students. The fiduciary fund financial statements are presented separately.

The basic governmental and fiduciary fund financial statements can be found as listed in the Table of Contents of this report.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

BASIC FINANCIAL STATEMENTS (continued)

Notes to the Basic Financial Statements

The *notes to the basic financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Information such as significant accounting policies are included in the notes which should be read in conjunction with the basic financial statements. The notes to the basic financial statements can be found as listed in the Table of Contents of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

During the current fiscal year, the District's net position decreased by \$3.69 million. This decrease can be attributed to the increase in the District's capital expenditures and continuing capital outlay. Further decrease can also be attributable to the District's continuous attempt to align operations (i.e. staffing, programs, materials, and facilities) with the cumulative effects of higher student enrollment levels. The 2018-19 school year represented the fourth consecutive year of strong enrollment growth; however, this trend also represents a departure from the flat to declining enrollment the District experienced during the previous seven-year period. This growth in enrollment was welcomed, but also continues to require a "ramping-up" of resources in order to meet the needs of students. Additional staffing, programs, materials, and facilities were added in order to accommodate the increased enrollment and this ultimately pushed down the District's net position.

Jackson County School District No. 6
Net Position - Cash Basis
(in thousands)

	Governmental Activities		Increase (Decrease) From
	June 30, 2019	June 30, 2018	June 30, 2018
ASSETS:			
Cash and investments	\$ 3,603	\$ 7,288	\$ (3,685)
TOTAL ASSETS	3,603	7,288	(3,685)
NET POSITION:			
Restricted for debt service	152	138	14
Unrestricted	3,451	7,150	(3,699)
TOTAL NET POSITION	\$ 3,603	\$ 7,288	\$ (3,685)

Governmental Activities

The key elements of the change in the District's net position for the year ended June 30, 2019 are as follows:

- Oregon State School Fund revenue increased by almost \$730 thousand (2.2%) during the fiscal year. This increase was due to the cumulative effects of higher enrollment over consecutive years. In addition, improving financial conditions for the State of Oregon also contributed to the overall increase.
- Property tax revenue increased by \$598 thousand (4.3%), due to higher assessed property values.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

- "Other" revenue decreased by \$20 thousand (0.5%) which is in line with to prior years.
- Overall revenues were exceeded by overall expenditures. This follows a similar trend from the prior fiscal year, albeit, the deficit is significantly larger this fiscal year due to items discussed earlier in this section. The recent trend of deficits represents a departure from a prior trend of multi-year surpluses.
- Governmental program expenses increased by \$4.62 million from the prior year; \$1.55 million of this was attributable to activities and debt service for recently purchased properties; Crater Ironworks and Asante-CP Hospital. The remaining \$3.07 million of expenditure increases over the prior year are primarily attributed to the "ramping up" of services and programs to meet the needs inherent with higher enrollment levels. This "ramping up" included additional staffing, materials, purchased services, and facility improvements/additions (i.e. modular classrooms). Negotiated salary and benefit increases with District labor groups in addition to rollup costs, such as public-employee pension system (PERS) rates, minimum wage, and general inflation also contributed to the increase in expenditure levels.

Jackson County School District No. 6
Changes in Net Position - Cash Basis
(in thousands)

	Governmental Activities		Increase (Decrease) From
	June 30, 2019	June 30, 2018	June 30, 2018
REVENUES			
Program revenues:			
Charges for service	\$ 1,402	\$ 1,517	\$ (115)
Operating grants and contributions	5,274	4,788	486
General revenues:			
Property taxes	14,453	13,855	598
State school fund - general support	34,034	33,304	730
Other federal, state and local sources	3,877	4,047	(170)
Earnings on investments	255	208	47
Total revenues	59,295	57,719	1,576
EXPENSES:			
Instruction	33,096	31,562	1,534
Support services	18,274	16,700	1,574
Enterprise and community services	2,218	2,184	34
Facilities acquisition and construction	5,331	4,720	611
Principal and interest on long-term debt	4,061	3,126	935
Total expenses	62,980	58,292	4,688
CHANGE IN NET POSITION - CASH BASIS	\$ (3,685)	\$ (573)	\$ (3,112)

JACKSON COUNTY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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, 2019, the District's governmental funds reported combined ending fund balance of \$3.60 million, a decrease of \$3.69 million from the prior year largely contributable to the decrease in cash received and increase in expenditures paid. Approximately \$3.21 million (87%) of the ending fund balance constitutes *unassigned fund balance*, which is available for spending at the District's discretion.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2019, the unassigned fund balance was \$3.21 million. This is a decrease of about \$2.22 million (41%) over the previous year. The general fund unassigned balance represents 6.4% percent of total general fund expenditures. This balance represents an acceptable financial position and slightly exceeds the District's Fund Balance Policy. A balance of this level will serve the District well during periods of growth and/or economic recession.

Special Revenue Fund. The Special Revenue Fund is used to account for Federal, State, and Local grants, as well as our food service and associated student body. All funds are utilized to carry out specific programs, and the ending fund balance of \$239 thousand is assigned to associated student body programs and activities, and grant related activities. This is a decrease of about \$1.48 million (86%) from the previous year. Over one million of this decrease is due to expenditures related to seismic retrofit projects at Mae Richardson Elementary and Sams Valley Elementary. The remainder of the decrease in fund balance represent a combination of higher expenditure levels; some of which will be reimbursed in the next fiscal year; and simple decreases in revenue from local, state, and federal sources.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$152 thousand which is restricted for the payment of general obligation bond debt service. The increase in fund balance during the current year was about \$14 thousand or (10.4%). However, the District has consistently maintained a low fund balance relative to required debt service payments (i.e. 5%) in a continued effort to avoid unnecessary burdens on its tax base by over-levying taxes.

CURRENT ECONOMIC FACTORS

The most significant economic factor for the District continues to be the State of Oregon's State School Fund (SSF) as appropriated by the Oregon Legislature on a biennial basis. Economic recovery from the "Great Recession", in addition to, several years of enrollment growth has encouraged the District to add back service levels lost between the years of 2005 and 2012. During the 2012-13 budget year the District began reinstating operational days, hiring staff, and completing various deferred maintenance projects. The 2015-16 school year represented a turning point for the District in that economic conditions sustained funding from the State and enrollment within the district began to grow. This growth in enrollment continued for the next three years and was a welcomed departure from the District's prior trend of flat to declining enrollment. With new sources of revenue and commitments from the State's Legislature (i.e. Student Success Act, Measure 98, and Measure 99) the District plans to continue its expansion of current service levels with re-investment in programs, staffing, and facilities to meet the needs of its current and future students.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. The District School Board has established a set of guidelines for accountability. The District will responsibly administer all resources and demonstrate fiscal responsibility by aligning its program expenditures to the Strategic Plan and report of progress monthly at District 6 Board of Directors meetings. If you have questions about this report or need additional financial information, contact Spencer C. Davenport, Chief Financial Officer at 300 Ash Street, Central Point, Oregon 97502. You can also visit our website at www.district6.org.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2019

	<u>Governmental Activities</u>
ASSETS:	
Cash and investments	\$ 3,602,828
TOTAL ASSETS	<u>3,602,828</u>
NET POSITION:	
Restricted for debt service	151,907
Unrestricted	<u>3,450,921</u>
TOTAL NET POSITION	<u><u>\$ 3,602,828</u></u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenditures	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 33,096,069	\$ 1,037,714	\$ 2,657,058	\$ (29,401,297)
Supporting services	18,273,630	149,208	661,153	(17,463,269)
Enterprise and community services	2,218,559	214,740	1,955,834	(47,985)
Facilities acquisition and construction	5,331,431	-	-	(5,331,431)
Principal and interest on long-term debt	4,060,558	-	-	(4,060,558)
Total governmental activities	<u>\$ 62,980,247</u>	<u>\$ 1,401,662</u>	<u>\$ 5,274,045</u>	<u>(56,304,540)</u>
General revenues:				
Property taxes levied for general purposes				11,487,569
Property taxes levied for debt service				2,964,857
State school fund - general support				34,033,857
Common school fund				460,049
Federal forest fees				51,331
Construction excise tax				192,850
Earnings on investments				255,558
Other				<u>3,173,024</u>
Total general revenues				<u>52,619,095</u>
CHANGE IN NET POSITION				(3,685,445)
Net Position - July 1, 2018				<u>7,288,273</u>
Net Position - June 30, 2019				<u><u>\$ 3,602,828</u></u>

FUND FINANCIAL STATEMENTS

JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Total
CASH BASIS ASSETS:				
Equity in pooled cash and investments	\$ 3,212,342	\$ 238,579	\$ 151,907	\$ 3,602,828
TOTAL ASSETS	<u>\$ 3,212,342</u>	<u>\$ 238,579</u>	<u>\$ 151,907</u>	<u>\$ 3,602,828</u>

CASH BASIS FUND BALANCES:

Restricted				
Debt service	\$ -	\$ -	\$ 151,907	\$ 151,907
Grants	-	795,320	-	795,320
Student body funds	-	788,546	-	788,546
Committed				
Food service	-	321,770	-	321,770
Unassigned	3,212,342	(1,667,057)	-	1,545,285
Total fund balances	<u>3,212,342</u>	<u>238,579</u>	<u>151,907</u>	<u>3,602,828</u>
TOTAL FUND BALANCES	<u>\$ 3,212,342</u>	<u>\$ 238,579</u>	<u>\$ 151,907</u>	<u>3,602,828</u>

RECONCILIATION TO STATEMENT OF NET POSITION - CASH BASIS

Net position of governmental activities	<u>\$ 3,602,828</u>
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JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CASH COLLECTED, EXPENDITURES PAID AND
CHANGES IN CASH BASIS FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
CASH COLLECTED:				
Property and other taxes	\$ 11,487,569	\$ 192,850	\$ 2,964,857	\$ 14,645,276
Intergovernmental	35,595,675	4,017,954	-	39,613,629
Charges for services	263,924	1,137,738	-	1,401,662
Interest on investments	207,439	-	48,119	255,558
Donations	199	205,454	-	205,653
Miscellaneous	219,168	253,856	-	473,024
TOTAL CASH COLLECTED	<u>47,773,974</u>	<u>5,807,852</u>	<u>3,012,976</u>	<u>56,594,802</u>
EXPENDITURES PAID:				
Current:				
Instruction	30,266,679	2,829,390	-	33,096,069
Support services	17,748,633	524,997	-	18,273,630
Enterprise and community services	-	2,218,559	-	2,218,559
Facilities acquisition and construction	1,332,022	3,999,409	-	5,331,431
Debt service	648,236	413,637	2,998,685	4,060,558
TOTAL EXPENDITURES PAID	<u>49,995,570</u>	<u>9,985,992</u>	<u>2,998,685</u>	<u>62,980,247</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,221,596)</u>	<u>(4,178,140)</u>	<u>14,291</u>	<u>(6,385,445)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of long term debt	-	2,700,000	-	2,700,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>2,700,000</u>	<u>-</u>	<u>2,700,000</u>
NET CHANGE IN FUND BALANCE	(2,221,596)	(1,478,140)	14,291	(3,685,445)
CASH BASIS FUND BALANCE, July 1, 2018	<u>5,433,938</u>	<u>1,716,719</u>	<u>137,616</u>	<u>7,288,273</u>
CASH BASIS FUND BALANCE, June 30, 2019	<u>\$ 3,212,342</u>	<u>\$ 238,579</u>	<u>\$ 151,907</u>	<u>3,602,828</u>
RECONCILIATION TO STATEMENT OF ACTIVITIES - CASH BASIS				
Net position of governmental activities				<u>\$ 3,602,828</u>

FIDUCIARY FUND FINANCIAL STATEMENTS

JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUND
JUNE 30, 2019

	<u>Scholarship Fund</u>
ASSETS:	
Cash and investments	\$ 1,250
TOTAL ASSETS	<u>1,250</u>
NET POSITION:	
Restricted - scholarships	<u>1,250</u>
TOTAL NET POSITION	<u>\$ 1,250</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CASH COLLECTED, EXPENDITURES PAID, AND CHANGES IN CASH BASIS
FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2019

	<u>Scholarship Fund</u>
CASH COLLECTED:	
Contributions	\$ 16,500
TOTAL CASH COLLECTED	<u>16,500</u>
 EXPENDITURES PAID:	
Enterprise and community services	<u>21,900</u>
TOTAL EXPENDITURES PAID	<u>21,900</u>
 CHANGE IN NET POSITION	(5,400)
 NET POSITION, July 1, 2018	<u>6,650</u>
 NET POSITION, June 30, 2019	<u><u>\$ 1,250</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 – Summary of Significant Accounting Policies

The Reporting Entity

Jackson County School District No. 6 (the District), Central Point, Oregon, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected five-member Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. All activities of the District have been included in the basic financial statements on a cash basis.

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

The more significant of the District's accounting policies are described below.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis display information about the District. These statements include the governmental financial activities of the overall District. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities – Cash Basis 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, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Separate financial statements are provided for governmental funds and the fiduciary fund, even though the fiduciary fund is excluded from the government-wide financial statements.

Net Position is reported as restricted when constraints placed on net asset use are 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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 – Summary of Significant Accounting Policies (continued)

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund and accounts for all cash collected and expenditures paid except those required to be accounted for in another fund. The principal cash resources are property taxes and the state school support funds from the State of Oregon.

Special Revenue Fund - This fund accounts for cash collected and expenditures paid of federal grants, student activities, athletics, and food services. Principal cash resources are government grants, food sales and student fees.

Debt Service Fund - This fund provides for the payment of principal and interest on general obligation bonded debt. Principal cash resources are property taxes.

Additionally, the District reports the following fiduciary fund:

Scholarship Fund - This fund accounts for cash collected received and held by the District in a fiduciary capacity. The District receives donations for various scholarship funds, which are disbursed in accordance with the trust agreement or conditions of the various donors.

Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus, within the limitations of the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). Revenues are recorded when collected and expenditures are recorded when paid. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the cash basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are received. Revenue from grants, entitlements, and donations is recognized in the fiscal year received, regardless of when 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. Under the cash basis of accounting, certain modifications normally having substantial support, such as depreciation, capital assets and the associated long-term debt are not included in the Statement of Net Position and the Statement of Activities.

Governmental fund financial statements are reported using a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Expenditures are recorded when paid, except for principal and interest on general long-term debt, 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, Cash Equivalents and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less. Short-term investments are stated at cost which approximates fair value.

The District's investments, authorized under state statute, consist of the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The LGIP is stated at cost which approximates fair value.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 – Summary of Significant Accounting Policies (continued)

Cash, Cash Equivalents and Investments (continued)

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

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 not recorded on the Statement of Net Position under the cash basis of accounting.

Inventories

The District utilizes the "purchase" method of accounting for inventories. Under this method, inventories are recorded as expenditures upon acquisition.

Capital Assets

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as facilities acquisition and construction in the Statement of Activities. In the government-wide financial statements such costs would, under GAAP, be capitalized and depreciated over their useful lives.

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as acquisition and construction of the governmental fund upon acquisition.

Depreciation is not recorded on capital assets. Upon disposal of any capital asset any receipt from the disposal is accounted for as an other financing source in the governmental fund type.

Expenditures and other financing sources are also recognized at lease inception at the net present values of future minimum capital lease payments in the governmental funds from which lease payments will be made. Subsequent lease payments are recorded as expenditures in the appropriate governmental fund on the due date as principal and interest on debt service.

Pension and Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged as expenditures/expenses as funded. Certain retirees are eligible to receive a stipend that's generally payable until age 65.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 – Summary of Significant Accounting Policies (continued)

Post-Employment Health Care Benefits

Eligible employees who elect early retirement are entitled to payment of group medical insurance premiums. Such costs are recorded as expenses in the General Fund and funded as premiums become due.

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

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation accrues during the year and up to five days may be carried over unless stated otherwise contractually. Sick leave accrues and can be carried over under certain voluntary retirement conditions included in the collective bargaining agreement. There is no liability recorded for unpaid accumulated vacation and sick leave. All unused vacation and sick leave pay is accumulated and reported in the governmental funds only if they have matured, for example, when paid as a result of employee resignation and retirements.

Long-Term Debt

In the government-wide financial statements, long-term debt is not reported as a liability in the Statement of Net Position under the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. Bond premiums and discounts, as well as bond issuance costs, are recognized when incurred. 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. The payment of principal and interest are reported as expenditures when paid.

Net Position/Fund Balance

In the government-wide financial statements, equity is classified as net position and displayed in two components under the cash basis of accounting:

1. Restricted net position – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
2. Unrestricted net position – All other remaining net position that does not meet the definition of "restricted".

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 – Summary of Significant Accounting Policies (continued)

Net Position/Fund Balance (continued)

In the fund financial statements, governmental fund equity is classified in the following categories under the cash basis of accounting:

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 Director's, by formal board action.

Assigned – Includes items assigned for specific uses, authorized by the District's Superintendent and/or Chief Financial Officer.

Unassigned – This is the residual classification used for those balances not assigned to another category. This classification is also used to report any negative fund balance amounts in other governmental funds.

Budget

A budget is prepared and legally adopted for each fund type on the cash basis of accounting. The budgetary basis of accounting is in conformity with a comprehensive basis of accounting other than GAAP for the fund types. Capital outlay expenditures, including items below the District's capitalization level, are budgeted by major function in governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The District did not exceed its appropriations for the year ended June 30, 2019.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, 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. Appropriations lapse at the end of each fiscal year.

New GASB Pronouncements Adopted

During the fiscal year ended June 30, 2019, the District implemented the following GASB Pronouncements:

GASB Statement No. 83, *Certain Asset Retirement Obligations*. Issued November 2016, this statement addresses accounting and financial reporting for certain asset retirement obligations (AROs).

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*, issued March 2018 to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 – Summary of Significant Accounting Policies (continued)

Future GASB Pronouncements

The following GASB pronouncements have been issued, but are not effective as of June 30, 2019:

GASB Statement No. 84, *Fiduciary Activities*. Issued January 2017, this statement establishes criteria for identifying fiduciary activities of all state and local governments. GASB 84 will be effective for the District, fiscal year ending June 30, 2020.

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. GASB Statement No. 87 will be effective for the District for fiscal year ending June 30, 2021.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. This statement was issued June 2018 to establish accounting requirements for interest cost incurred before the end of a construction period. The objectives of the Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 will be effective for the District for fiscal year ending June 30, 2021.

GASB Statement No. 90, *Majority Equity Interests*. Issued August 2018, the primary objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization; and to improve the relevance of financial statement information for certain component units. GASB Statement No. 90 will be effective for the District for fiscal year ending June 30, 2020.

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 will be effective for the District for fiscal year ending June 30, 2020.

The District is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the District's financial statements.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 2 – Equity in Pooled Cash and Investments

Cash and investments are comprised of the following at June 30, 2019:

Carrying amount of demand deposits	\$ 419,710
Petty cash	518
Carrying amount of investments	<u>3,183,850</u>
Total cash and investments	<u>\$ 3,604,078</u>

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

Statement of Net Position - Cash Basis	
Equity in pooled cash and investments	\$ 3,602,828
Statement of Fiduciary Net Position - Cash Basis	
Cash	<u>1,250</u>
Total cash and investments	<u>\$ 3,604,078</u>

Deposits. The Governmental Accounting Standards Boards has adopted 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, 2019. 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, 2019, the carrying amounts of the District deposits in a qualifying financial institution were \$419,710. The bank balances at June 30, 2019 were \$2,404,624. All deposits are held in the name of the District. Of the bank balance, \$2,154,624 was 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. 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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 2 – Equity in Pooled Cash and Investments (continued)

Jackson County School District No. 6 has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2019. Investments in the Local Government

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

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

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 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.

At June 30, 2019 and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

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

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

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

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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 2 – Equity in Pooled Cash and Investments (continued)

At June 30, 2019, the District had the following investments:

Investments Measured at Fair Value:	Totals at 6/30/2019	Level One	Level Two	Level Three	Amortized Cost Measurement Not Measured at Fair Value
Local Government Investment Pool	\$ 3,183,850	\$ -	\$ -	\$ -	\$ 3,183,850
	<u>\$ 3,183,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,183,850</u>

Note 3 – Long-Term Debt

General Obligation Bonds. In March 2013, the District defeased general obligation bonds in the amount of \$15,685,000 to advance refund the 2015-2020 maturities of the Series 2004 bonds and placed the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. This refunding enabled the District to obtain lower interest rates thereby reducing future debt service requirements. The agreement contains a provision that in an event of default, the Bank may take whatever action that may appear necessary or desirable to enforce or to protect any of the rights of the lender available at law or in equity; however, the payments are not subject to acceleration. The bank, at its election may increase the interest rate applicable to the principal portion of the Bond then outstanding to the default rate. At June 30, 2019, the District's commitment for general obligation bonds outstanding not included in the Statement of Net Position under the cash basis of accounting is \$3,040,000.

Payments on general obligation bonds are made by the Debt Service Fund from property taxes and earnings on investments. Interest paid on the general obligation bonds during the year ended June 30, 2019 totaled \$108,684.

The 2013 Series bond maturities are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rate
2020	\$ 3,040,000	\$ 60,162	\$ 3,100,162	1.979%
	<u>\$ 3,040,000</u>	<u>\$ 60,162</u>	<u>\$ 3,100,162</u>	

Crater Ironworks Building Loan. The District entered into a term loan with Banner Bank on December 7, 2017 in the amount of \$827,569. The loan payments began in June of 2018 and carries a 2.50% fixed interest rate. The loan proceeds were used to purchase a building for Crater Ironworks. The loan is secured by any and all of its legally available taxes, revenue and other funds as authorized by ORS 271.390. The agreement contains a provision that in an event of default, the Bank may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration. The loan matures on December 15, 2021. At June 30, 2019, the District's commitment for the loan not included in the Statement of Net Position under the cash basis of accounting is \$214,831. Interest paid on the building loan during the year ended June 30, 2019 totaled \$18,488.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 3 – Long-Term Debt (continued)

The Crater Ironworks building loan maturities are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rates
2020	\$ 71,610	\$ 4,550	\$ 76,161	2.500%
2021	71,610	2,725	74,336	2.500%
2022	71,611	910	72,521	2.500%
	<u>\$ 214,831</u>	<u>\$ 8,185</u>	<u>\$ 223,018</u>	

Asante Building Loan. The District entered into a loan with Banner Bank on June 1, 2018 in the amount of \$1,927,721. The loan began in June of 2018 and carries a 3.75% fixed interest rate. The loan proceeds were used to purchase Property in Central Point, Oregon. The loan is secured by any and all of its legally available taxes, revenue and other funds as authorized by ORS 271.390. The agreement contains a provision that in an event upon the occurrence of Default, the Bank may exercise any remedy available at law or in equity; however, the amounts due are not subject to acceleration. In addition, if the continuance of default continues, the Bank may in addition to pursuing other remedies, at the Banks election increase the interest rate by 1.50 percent. The loan matures on June 1, 2023. At June 30, 2019 the District's commitment for the loan not included in the Statement of Net Position under the cash basis of accounting is \$1,570,367. Interest paid on the building loan during the year ended June 30, 2019 totaled \$73,293.

The Asante building loan maturities are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rates
2020	\$ 370,777	\$ 59,870	\$ 430,647	3.750%
2021	385,038	45,610	430,648	3.750%
2022	399,678	30,970	430,648	3.750%
2023	414,874	15,774	430,648	3.750%
	<u>\$ 1,570,367</u>	<u>\$ 152,224</u>	<u>\$ 1,722,591</u>	

CraterWorks Building Loan. The District entered into a construction loan with Banner Bank on April 12, 2019 in the amount of \$2,700,000. The draw period for the loan ends on November 15, 2019. Payments of principal and interest are at a 3.75% fixed rate and begin on December 15, 2019. The loan proceeds were used to redevelop the CraterWorks building in Central Point, Oregon. The loan is secured by any and all of its legally available taxes, revenue and other funds as authorized by ORS 271.390. The agreement contains a provision that in an event of default, the Bank may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration. The loan matures on June 15, 2026. At June 30, 2019 the District had taken all draws and the related commitment for the loan not included in the Statement of Net Position under the cash basis of accounting is \$2,700,000.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 3 – Long-Term Debt (continued)

The CraterWorks building loan maturities are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rates
2020	\$ 278,770	\$ 118,476	\$ 397,246	3.750%
2021	308,079	89,167	397,246	3.750%
2022	319,904	77,352	397,256	3.750%
2023	332,182	65,063	397,245	3.750%
2024	344,798	52,448	397,246	3.750%
2025-2026	1,116,267	75,468	1,191,735	3.750%
	<u>\$ 2,700,000</u>	<u>\$ 477,974</u>	<u>\$ 3,177,974</u>	

The changes in long-term debt for the year ended June 30, 2019 are as follows:

	Original Issue	Outstanding July 1, 2018	Issued	Matured and Redeemed	Outstanding June 30, 2019	Due in One Year
General Obligation Bonds						
2013 Series	\$ 15,685,000	\$ 5,930,000	\$ -	\$ (2,890,000)	\$ 3,040,000	\$ 3,040,000
Total General Obligation	<u>\$ 15,685,000</u>	<u>\$ 5,930,000</u>	<u>\$ -</u>	<u>\$ (2,890,000)</u>	<u>\$ 3,040,000</u>	<u>\$ 3,040,000</u>
Loans Payable						
Crater Ironworks (direct borrowing)	\$ 827,569	\$ 827,569	\$ -	\$ (612,738)	\$ 214,831	\$ 71,610
Asante Building (direct borrowing)	1,927,721	1,927,721	-	(357,354)	1,570,367	370,777
CraterWorks (direct borrowing)	2,700,000	2,700,000	-	-	2,700,000	278,770
Total Loans Payable	<u>\$ 5,455,290</u>	<u>\$ 5,455,290</u>	<u>\$ -</u>	<u>\$ (970,092)</u>	<u>\$ 4,485,198</u>	<u>\$ 721,157</u>
Total Long Term Debt	<u>\$ 21,140,290</u>	<u>\$ 11,385,290</u>	<u>\$ -</u>	<u>\$ (3,860,092)</u>	<u>\$ 7,525,198</u>	<u>\$ 3,761,157</u>

Note 4 – Operating Leases

The District leases equipment under non-cancelable operating leases. Total costs for such leases were \$68,484 for the fiscal year ended June 30, 2019. The future minimum lease payments for these leases are as follows:

Year Ending June 30,	
2020	\$ 58,643
2021	58,643
2022	58,386
2023	58,243
	<u>58,243</u>
Total	<u>\$ 233,915</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 5 – 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 and different contracts govern eligibility. Additionally, the District contributes to the State of Oregon's PERS cost-sharing multiple employer defined benefit plan.

Single-Employer Defined Benefit Health Care Plan

Plan Description. The District operates a single-employer defined benefit post-retirement health benefits program which provides explicit and implicit realized benefits.

For implicit medical benefits, all classes of employee are available to continue medical coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for medical coverage. Medical coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible). There is an implicit subsidy for retired employees because the medical premium rates charged for medical coverage typically are less than actual expected retiree claims costs. This is due to medical premium rates being determined by blending both active employee and retiree experience.

For explicit medical benefits, different contracts govern different classes of employees. Administrators must have been hired prior to August 1, 2014, and have at least five years of service with the District. The Superintendent must meet PERS eligibility requirements. Classified employees and Supervisors are not eligible. Confidential employees must have been hired prior to July 1, 2016 and have at least ten years of service with the District as a Confidential employee. Licensed employees are eligible if they retired prior to August 26, 2007 with at least eight years of service as of June 30, 2007. Qualified spouses, domestic partners, and children may qualify for coverage. The benefit amount is equal to the medical/prescription drug, dental and vision premiums paid by the District to the extent covered for their active counterparts. However, the District will pay 100% of medical/prescription drug and vision premiums for Licensed retirees who retired prior to August 26, 2004 with at least ten years of service, or who have at least 13 years of service as of June 30, 2007.

The last premium payment is made in the month preceding the earlier of the participant's 65th birthday, or death. However, payments to spouses end at the earlier of their death, their age 65 (or Medicare eligibility), or the participants age 65 (or the date the participant would have been age 65 should the participant predecease the spouse). Total number of payments is not to exceed 120 (months).

Monthly District-paid caps for the 2018-2019 fiscal year are as follows: Administrators/Superintendent, Confidential employees, and Supervisors \$1,350, and Licensed employees \$1,347. Licensed caps may be slightly lower than shown here depending on plan choice.

Employees Covered by Benefit Terms. At June 30, 2019, the following employees were covered by the explicit benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	38
Inactive employees entitled to but not yet receiving benefit payments	-
Active plan members	417
	<hr/>
Total number of participants	455
	<hr/>

Total OPEB Liability. The District's total OPEB liability of \$5,456,660 has a measurement date of June 30, 2019, and was determined by an actuarial valuation date at July 1, 2018.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 5 – Post-Employment Health Care Benefits (OPEB) (continued)

Single-Employer Defined Benefit Health Care Plan (continued)

Actuarial Assumptions and Other Inputs. The actuarial valuation used for the OPEB liability is identical to the actuarial valuation details related to the Early Retirement Stipend Pension Plan disclosed in *Note 6 – Pension and Retirement Plans*.

Changes in the Total OPEB Liability.

Total OPEB Liability at June 30, 2018	\$ 6,435,175
Changes for the year:	
Service cost	210,051
Interest	223,689
Differences between expected and actual experience	(722,268)
Changes of assumptions or other input	(181,747)
Benefit payments	(508,240)
Total OPEB Liability at June 30, 2019	<u>\$ 5,456,660</u>

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

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
Total OPEB Liability	\$ 5,814,209	\$ 5,456,660	\$ 5,118,255

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 6.0% Graded Down to 4%	Current Trend Rate 7.0% Graded Down to 5%	1% Increase 8.0% Graded Down to 6%
Total OPEB Liability	\$ 4,942,244	\$ 5,456,660	\$ 6,050,013

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. Under the cash basis of accounting, for the year ended June 30, 2019, the District did not recognize OPEB expense from the following sources:

	Deferred Outflow s of Resources	Deferred Inflow s of Resources
Difference between expected and actual experience	\$ -	\$ 631,985
Changes of assumptions	-	159,029
Total	<u>\$ -</u>	<u>\$ 791,014</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 5 – Post-Employment Health Care Benefits (OPEB) (continued)

Single-Employer Defined Benefit Health Care Plan (continued)

Other amounts not reported under the cash basis of accounting as deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

Year Ended June 30	Deferred Outflow / (Inflow) of Resources
2020	\$ (113,001)
2021	(113,001)
2022	(113,001)
2023	(113,001)
2024	(113,001)
Thereafter	(226,008)
Total	<u>\$ (791,014)</u>

Retirement Health Insurance Account (RHIA)

Plan Description. As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004.

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

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

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

Participating school districts 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, 2019 for the OPEB program were: Tier1/Tier 2 – 0.50%, and OPSRP general service – 0.43%. The District contributed \$121,128 for the year ended June 30, 2019.

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 5 – Post-Employment Benefits Health Care Benefits (OPEB) (continued)

Retirement Health Insurance Account (RHIA) (continued)

Pension Plan Comprehensive Annual Financial Report (CAFR)

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

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Actuarial Valuation. The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in *Note 6 Pension and Retirement Plans* except for the table listed below:

Actuarial assumptions:	
Retiree healthcare participation	Healthy retirees: 38%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

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, 2019, the District has \$258,053 as its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2016. The District's proportion of the net OPEB asset was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the District's proportion was approximately 0.2312 percent. Under the cash basis of accounting the asset is not included on the Statement of Net Position.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 5 – Post-Employment Benefits Health Care Benefits (OPEB) (continued)

Retirement Health Insurance Account (RHIA) (continued)

Under the cash basis of accounting, for the year ended June 30, 2019, the District did not report deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow s of Resources	Deferred Inflow s of Resources
Difference between expected and actual experience	\$ -	\$ 14,625
Changes of assumptions	-	819
Net difference between projected and actual earning on investments	-	55,636
Changes in proportionate share	-	3,044
Difference between employer contributions and employer's proportionate share of system contributions	-	-
Contributions subsequent to the measurement date	121,128	-
	<hr/>	<hr/>
Total	<u>\$ 121,128</u>	<u>\$ 74,124</u>

Other amounts not reported under the cash basis of accounting as deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

Year Ended June 30,	Deferred Outflow / (Inflow) of Resources prior to post- measurement date Contributions
2020	\$ (24,751)
2021	(24,737)
2022	(19,104)
2023	(5,532)
	<hr/>
Total	<u>\$ (74,124)</u>

Sensitivity for the District's Proportionate Share of the Net OPEB Asset to Changes in Discount Rate. The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (6.20 percent) or 1-percentage point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1 % Increase (8.20%)
Defined Benefit OPEB Liability/ (Asset)	\$ (150,251)	\$ (258,053)	\$ (349,814)

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. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 6 – 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.

Early Retirement Stipend Pension Plan

Plan Description. The District provides a single-employer defined benefit early retirement stipend benefit for certain employees until the participants are age 65, or death. Benefits and eligibility for members are established through the collective bargaining agreements and employment contracts. Different contracts govern the employees.

Eligible Administrators must have at least five or more years of service and be hired prior to July 1, 2014. Supervisors must retire on or after the age of 58 with at least five years of District service, or have at least thirty years of PERS service, where at least five of which were with the District. Monthly benefit amounts for eligible Administrators and Supervisors is based on years of service and range between \$275 and \$550 per month. The Superintendent must meet PERS eligibility requirements. The benefit duration is dependent on date of retirement and monthly payments range between \$0 and \$1,000. Licensed staff that retired prior to August 26, 2004 with at least ten years of service in the District are eligible to receive \$200 per month up to the age of 58, then \$275 per month for the remaining payments. Licensed staff that retired between August 26, 2004 and August 25, 2007 are eligible to receive \$230 per month. Licensed staff that retire on or after August 26, 2007 are not eligible for stipend benefits. For all classes of retirees, the last stipend payment is made in the month preceding the earlier of the participant's 65th birthday, or death. Total number of payments is not to exceed 120 (months). Confidential and Classified employees are not eligible.

Employees Covered by Benefit Terms. At June 30, 2019, the following employees were covered by the stipend benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	1
Active plan members	<u>18</u>
Total number of participants	<u><u>24</u></u>

Total Stipend Pension Liability. The Districts total stipend pension liability of \$257,716 has a measurement date of June 30, 2019, and was determined by an actuarial valuation date at July 1, 2018.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 6 – 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	Entry 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	2.5% per year
Salary Scale	3.5% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit
Annual Premium Increase Rate	Between 4.4% and 7% annually
Mortality Rates	RP 2014, Employee/Healthy Annuitant, sex distinct, generational
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	Assumed 50% of married future retirees will cover children until both retiree and spouse have attained age 60

Changes in the Total Stipend Pension Liability.

Total stipend pension liability at June 30, 2018	\$ 217,704
Changes for the year:	
Service cost	7,788
Interest	7,472
Differences between expected and actual experience	50,999
Changes of assumptions or other input	(2,237)
Benefit payments	(24,010)
Total stipend pension liability at June 30, 2019	<u>\$ 257,716</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 (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
Total Stipend Pension Liability	<u>\$ 273,418</u>	<u>\$ 257,716</u>	<u>\$ 242,650</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 6 – Pension and Retirement Plans (continued)

Early Retirement Stipend Pension Plan (continued)

Stipend Pension Plan, Deferred Outflows of Resources, and Deferred Inflows of Resources. Under the cash basis of accounting, for the year ended June 30, 2019, the District did not recognize stipend pension expense from the following sources:

	Deferred Outflow s of Resources	Deferred Inflow s of Resources
Difference between expected and actual experience	\$ 43,713	\$ -
Changes of assumptions	-	1,917
Total	<u>\$ 43,713</u>	<u>\$ 1,917</u>

Other amounts not reported under the cash basis of accounting as deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

Year Ended June 30	Deferred Outflow / (Inflow) of Resources
2020	\$ 6,966
2021	6,966
2022	6,966
2023	6,966
2024	6,966
Thereafter	6,966
Total	<u>\$ 41,795</u>

Changes in Assumptions and Methods

- Premium increase rates were modified to reflect anticipated experience and current Oregon law
- The participation assumption for employees eligible for District-paid medical benefits was changed to reflect observed and anticipated experience
- Assumptions regarding coverage of dependent children were introduced to reflect anticipated experience
- Demographic assumptions were revised to match 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 23A, and Internal Revenue Service Code Section 401(a).

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 6 – Pension and Retirement Plans (continued)

OPERS Plan (continued)

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPSRP is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The ORS Chapter 238 Defined Benefit Plan was closed to new members hired on or after August 29, 2003. In 1995, the Oregon Legislature created a second tier of benefits for those who became OPERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.

Beginning January 1, 2004, all employees who were active members of OPERS became members of the OPSRP IAP Program. OPERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. OPERS plan members retain their existing OPERS accounts; however, member contributions after January 1, 2004 are deposited in the member's IAP, not into the member's OPERS account

Plan Benefits. All benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapter 238 and 238A.

Tier One/Tier Two Retirement Benefit (Chapter 238)

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan was closed to new members hired on or after August 29, 2003.

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

- Member was employed by a 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 a OPERS-covered job, or
- Member was on an official leave of absence from an OPERS-covered job at the time of death.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 6 – Pension and Retirement Plans (continued)

OPERS Plan (continued)

Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled from other than duty connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

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

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

OPSRP Pension Program (Chapter 238A)

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

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

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

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

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

Funding Policy. 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.

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

Note 6 – Pension and Retirement Plans (continued)

OPERS Plan (continued)

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

The District's employer contributions for the year ended June 30, 2019 were \$6,233,916, excluding amounts to fund employer specific liabilities. The contribution rates in effect for the fiscal year ended June 30, 2019 for each pension program were: Tier1/Tier 2 – 27.20%, and OPSRP general service – 21.87%.

Pension Plan Comprehensive Annual Financial Report (CAFR). This report is available on the PERS website at

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Actuarial Valuation. The employer contribution rates effective July 1, 2017, through June 30, 2019, 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 their date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation date	December 31, 2016
Measurement date	June 30, 2018
Experience Study	2016, published July 26, 2017
Actuarial assumptions:	
Actuarial cost method	Entry age normal
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.

Mortality

Healthy retirees and beneficiaries:

RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.

Active members:

RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.

Disabled retirees:

RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 6 – Pension and Retirement Plans (continued)

OPERS Plan (continued)

Actuarial valuation (continued)

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 above are based on the 2016 Experience Study, which reviewed experience for the four-year period ending on December 31, 2016.

Discount Rate. The discount rate used to measure the total pension liability was 7.2 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed Asset Allocation

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.00%
Debt securities	20.00%
Public equity	37.50%
Private equity	17.50%
Real estate	12.50%
Alternative equity	12.50%
Opportunity portfolio	0.00%
Total	<u>100.00%</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 6 – Pension and Retirement Plans (continued)

OPERS Plan (continued)

Investment Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the OPERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compounded Annual Return
Core fixed income	8.00%	3.49%
Short-term bonds	8.00%	3.38%
Intermediate-term bonds	3.00%	5.09%
High yield bonds	1.00%	6.45%
Large/mid cap US equities	15.75%	6.30%
Small cap US equities	1.31%	6.69%
Micro cap US equities	1.31%	6.80%
Developed foreign equities	13.13%	6.71%
Emerging market equities	4.13%	7.45%
Non-US small cap equities	1.88%	7.01%
Private equities	17.50%	7.82%
Real estate (property)	10.00%	5.51%
Real estate (REITS)	2.50%	6.37%
Hedge fund of funds - diversified	2.50%	4.09%
Hedge fund - event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Total	<u>100.00%</u>	
Assumed inflation - means		2.50%

Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the District has \$44,906,304 as its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. 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, 2019, the District's proportion was approximately 0.2964 percent. Under the cash basis of accounting, the pension liability is not included in the Statement of Net Position.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 6 – 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 (continued)

Under the cash basis of accounting, for the year ended June 30, 2019, the District did not report deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow s of Resources	Deferred Inflow s of Resources
Difference between expected and actual experience	\$ 1,527,578	\$ -
Changes of assumptions	10,440,630	-
Net difference between projected and actual earning on investments	-	1,994,094
Changes in proportionate share	28,970	2,962,120
Difference between employer contributions and employer's proportionate share of system contributions	2,325,021	15,023
Contributions subsequent to the measurement date	6,233,916	-
Total	<u>\$ 20,556,115</u>	<u>\$ 4,971,237</u>

Other amounts not reported under the cash basis of accounting as deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

Year Ended June 30	Deferred Outflow / (Inflow) of Resources prior to post- measurement date contributions
2020	\$ 5,310,791
2021	3,627,023
2022	(563,488)
2023	676,300
2024	300,336
Total	<u>\$ 9,350,962</u>

Sensitivity for the District's Proportionate Share of the Net Pension Liability to Changes in Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.20 percent) or 1-percentage point higher (8.20 percent) than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
fin ed Benefit Pension Plan Liability/(Asset)	\$ 75,046,918	\$ 44,906,304	\$ 20,027,694

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 6 – Pension and Retirement Plans (continued)

OPERS Plan (continued)

Changes in Assumptions. A summary of key changes implemented since the December 31, 2015 valuation can be found in the 2016 Experience Study for the System, which can be found at:

<http://www.oregon.gov/PERS/Documents/Financials/Actuarial/2015/Experience-Study.pdf>

- Assumed average annual future long-term investment return was lowered from 7.50 percent to 7.20 percent
- Interest crediting on regular and variable member accounts was also lowered to 7.20 percent
- Assumed administrative expenses were updated to both Tier 1/Tier 2 and OPSRP
- Mortality assumptions were changed to reflect updated base tables and mortality improvement projection scales for all groups
- Termination, disability and retirement rates were updated for some groups to more closely match observed experience
- Assumptions for merit increases, annual sick leave, and vacation pay were updated
- The assumed healthcare cost trend rates for the RHIPA program as well as the participation assumptions for both RHIA and RHIPA were updated
- The percentages used for allocating accrued liability for Tier 1/Tier 2 active members who have earned service with multiple OPERS employers were updated

Defined Contribution Plan - Individual Account Program (IAP)

Pension Benefits. Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. All covered employees are required by State statute to contribute 6% of their salary to the plan. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5, 10, 15, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

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

Contributions - During 2019, the District, as an employee benefit, paid the employees portion of the contribution. For 2019, the District paid \$1,584,734 for this contribution.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 7 – Contingencies

Amounts received/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, is named as a defendant in various lawsuits.

The likely outcome of these lawsuits is not presently determinable, although the District believes it will prevail.

Note 8 – 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 9 – 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; 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 three fiscal years ending June 30, 2019.

Note 10 – Tax Abatements

As of June 30, 2019, Jackson County provides tax abatements through the Enterprise Zone program.

Enterprise Zone (ORS 285C.175)

The Oregon Enterprise Zone program is a State of Oregon economic development program, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating entities are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program provides qualified entities that will be making a substantial new capital investment within the defined enterprise zone, a waiver of 100% of the amount of real property taxes attributable to the new investment for a period of five years following completion of the new investment. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

For the fiscal year ended June 30, 2019, Central Point School District's abated property taxes totaled \$33,145 under the Enterprise Zone.

Note 11 – CraterWorks LLC Agreement

On February 12, 2019 the District signed an Operating Agreement with Direct Involvement Recreation Teaching (DIRT) for CraterWorks LLC, an Oregon Limited Liability Company. The membership of CraterWorks LLC, is divided 50 percent to DIRT and 50 percent to the District. The District leases property to CraterWorks LLC commencing May 18, 2019 and ending May 18, 2022, including a renewal option of up to 3 consecutive terms of 2 years each. Base rent for the property is \$5,000 per month. On the second anniversary, and annually, thereafter, the base rent will increase 2.5 percent throughout the initial term of the lease. The District provided \$72,210 as start-up funds for the LLC.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 12 – Deficit Fund Equity

Oregon state law requires fund disclosure of deficit fund balances/total net position. At June 30, 2019, one fund reported a deficit fund balance in the cash basis special purpose framework financial statements.

The special revenue fund reported a deficit unassigned fund balance of \$1,667,057 in the statement of cash basis assets and fund balance. The deficit was the result of the timing of grants reimbursements. Nearly all of the District's grants are reimbursable, which requires the District to pay the expenditures prior to billing the grantor agencies and receiving reimbursement. The special revenue fund reported an overall fund balance of \$238,579

Note 13 – Subsequent Events

Management of the District has evaluated events and transactions occurring after June 30, 2019 through the date of the financial statements were available for issuance for recognition and/or disclosure in the financial statements.

Series 2019 Bond

On May 21, 2019 the citizens of Central Point, Oregon authorized the issuance of \$82,000,000 in general obligation bonds. On July 24, 2019 the District issued \$53,730,000 Series 2019A (current interest bonds) and \$28,269,023 Series 2019B bonds (deferred interest bonds) for a total issuance of \$81,999,023.

SUPPLEMENTARY INFORMATION

JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
CASH COLLECTED:				
Local sources				
Property taxes	\$ 11,933,122	\$ 11,933,122	\$ 11,487,569	\$ (445,553)
Charges for services	388,500	388,500	263,924	(124,576)
Interest on investments	60,000	60,000	207,439	147,439
Donations	-	-	199	199
Miscellaneous	220,000	220,000	219,168	(832)
Intermediate sources				
Intergovernmental	906,451	906,451	1,050,438	143,987
State sources				
State school support	33,538,916	33,538,916	34,033,857	494,941
Intergovernmental	475,847	475,847	460,049	(15,798)
Federal sources				
Intergovernmental	25,000	25,000	51,331	26,331
TOTAL CASH COLLECTED	47,547,836	47,547,836	47,773,974	226,138
EXPENDITURES PAID:				
Current:				
Instruction	31,374,517	31,133,517	30,266,679	866,838
Support services	17,879,902	17,879,902	17,748,633	131,269
Enterprise and community services	3,500	3,500	-	3,500
Facilities acquisition and construction	1,120,950	1,360,950	1,332,022	28,928
Debt service	647,561	648,561	648,236	325
Contingency	1,728,790	1,728,790	-	1,728,790
TOTAL EXPENDITURES PAID	52,755,220	52,755,220	49,995,570	2,759,650
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,207,384)	(5,207,384)	(2,221,596)	2,985,788
NET CHANGE IN FUND BALANCE	(5,207,384)	(5,207,384)	(2,221,596)	2,985,788
CASH BASIS FUND BALANCE, July 1, 2018	5,207,384	5,207,384	5,433,938	226,554
CASH BASIS FUND BALANCE, June 30, 2019	\$ -	\$ -	\$ 3,212,342	\$ 3,212,342

JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2019

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
CASH COLLECTED:				
Local sources				
Construction excise tax	\$ 220,000	\$ 220,000	\$ 192,850	\$ (27,150)
Charges for services	1,062,834	1,062,834	1,137,738	74,904
Interest on investments	755	755	-	(755)
Donations	510,000	510,000	205,454	(304,546)
Miscellaneous	203,500	203,500	253,856	50,356
State sources				
Intergovernmental	2,821,229	2,821,229	374,723	(2,446,506)
Federal sources				
Intergovernmental	3,712,391	3,712,391	3,643,231	(69,160)
TOTAL CASH COLLECTED	8,530,709	8,530,709	5,807,852	(2,722,857)
EXPENDITURES PAID:				
Current:				
Instruction	4,669,762	3,669,762	2,829,390	840,372
Support services	1,201,573	951,573	524,997	426,576
Enterprise and community services	2,328,309	2,328,309	2,218,559	109,750
Facilities acquisition and construction	2,230,100	4,350,100	3,999,409	350,691
Debt Service	-	480,000	413,637	66,363
TOTAL EXPENDITURES PAID	10,429,744	11,779,744	9,985,992	1,793,752
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,899,035)	(3,249,035)	(4,178,140)	(929,105)
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of long term debt	-	1,350,000	2,700,000	1,350,000
TOTAL OTHER FINANCING SOURCES (USES)	-	1,350,000	2,700,000	1,350,000
NET CHANGE IN FUND BALANCE	(1,899,035)	(1,899,035)	(1,478,140)	420,895
CASH BASIS FUND BALANCE, July 1, 2018	1,899,035	1,899,035	1,716,719	(182,316)
CASH BASIS FUND BALANCE, June 30, 2019	\$ -	\$ -	\$ 238,579	\$ 238,579

JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
CASH COLLECTED:				
Local sources				
Property taxes	\$ 3,059,300	\$ 3,059,300	\$ 2,964,857	\$ (94,443)
Interest on investments	15,000	15,000	48,119	33,119
TOTAL CASH COLLECTED	3,074,300	3,074,300	3,012,976	(61,324)
EXPENDITURES PAID:				
Debt service	3,174,300	3,174,300	2,998,685	175,615
TOTAL EXPENDITURES PAID	3,174,300	3,174,300	2,998,685	175,615
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(100,000)	(100,000)	14,291	114,291
CASH BASIS FUND BALANCE, July 1, 2018	100,000	100,000	137,616	37,616
CASH BASIS FUND BALANCE, June 30, 2019	\$ -	\$ -	\$ 151,907	\$ 151,907

JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN CASH BASIS FIDUCIARY NET POSITION - BUDGET AND ACTUAL
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2019

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
CASH COLLECTED:				
Local sources				
Interest	\$ 5	\$ 5	\$ -	\$ (5)
Contributions	16,500	16,500	16,500	-
TOTAL CASH COLLECTED	16,505	16,505	16,500	(5)
EXPENDITURES PAID:				
Support services	50	50	-	50
Enterprise and community services	22,105	22,105	21,900	205
TOTAL EXPENDITURES PAID	22,155	22,155	21,900	255
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(5,650)	(5,650)	(5,400)	250
NET POSITION, July 1, 2018	5,650	5,650	6,650	1,000
NET POSITION, June 30, 2019	\$ -	\$ -	\$ 1,250	\$ 1,250

SCHOOL DISTRICT FINANCIAL
ACCOUNTING SUMMARIES

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
2018-2019 DISTRICT AUDIT REVENUE SUMMARY**

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	\$11,483,113	\$0	\$2,963,644	\$0	\$0	\$0	\$0
1120 Local Option Ad Valorem Taxes Levied by District	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1130 Construction Excise Tax	\$0	\$192,850	\$0	\$0	\$0	\$0	\$0
1190 Penalties and Interest on Taxes	\$4,456	\$0	\$1,213	\$0	\$0	\$0	\$0
1200 Revenue from Local Governmental Units Other Than Districts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1311 Regular Day School Tuition - From Individuals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1312 Regular Day School Tuition - Other Dist Within State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1313 Regular Day School Tuition - Other Districts Outside	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1320 Adult/Continuing Education Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1330 Summer School Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1411 Transportation Fees - From Individuals	\$25,839	\$0	\$0	\$0	\$0	\$0	\$0
1412 Transportation Fees - Other Dist Within State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1413 Transportation Fees - Other Districts Outside	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1414 Transportation Fees - Foster Children	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1420 Summer School Transportation Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1500 Earnings on Investments	\$207,439	\$0	\$48,119	\$0	\$0	\$0	\$0
1600 Food Service	\$0	\$212,150	\$0	\$0	\$0	\$0	\$0
1700 Extracurricular Activities	\$79,840	\$876,164	\$0	\$0	\$0	\$0	\$0
1800 Community Services Activities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1910 Rentals	\$28,410	\$49,424	\$0	\$0	\$0	\$0	\$0
1920 Contributions and Donations From Private Sources	\$199	\$205,454	\$0	\$0	\$0	\$0	\$16,500
1930 Rental or Lease Payments From Private Contractors	\$72,900	\$0	\$0	\$0	\$0	\$0	\$0
1940 Services Provided Other Local Education Agencies	\$54,750	\$0	\$0	\$0	\$0	\$0	\$0
1950 Textbook Sales and Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1960 Recovery of Prior Years' Expenditure	\$12,270	\$0	\$0	\$0	\$0	\$0	\$0
1970 Services Provided Other Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1980 Fees Charged to Grants	\$2,185	\$0	\$0	\$0	\$0	\$0	\$0
1990 Miscellaneous	\$206,898	\$253,856	\$0	\$0	\$0	\$0	\$0
Total Revenue from Local Sources	\$12,178,299	\$1,789,898	\$3,012,976	\$0	\$0	\$0	\$16,500

Revenue from Intermediate Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2102 General ESD Revenue	\$1,050,438	\$0	\$0	\$0	\$0	\$0	\$0
2103 Excess ESD Local Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2105 Natural Gas, Oil, and Mineral Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2110 Intermediate "I" Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2199 Other Intermediate Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2200 Restricted Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2800 Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2900 Revenue for/on Behalf of the District	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from Intermediate Sources	\$1,050,438	\$0	\$0	\$0	\$0	\$0	\$0

Revenue from State Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$33,887,717	\$0	\$0	\$0	\$0	\$0	\$0
3102 State School Fund - School Lunch Match	\$0	\$20,929	\$0	\$0	\$0	\$0	\$0
3103 Common School Fund	\$460,049	\$0	\$0	\$0	\$0	\$0	\$0
3104 State Managed County Timber	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3106 State School Fund - Accrual	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3199 Other Unrestricted Grants-in-Aid	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3204 Driver Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3222 State School Fund (SSF) Transportation Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3299 Other Restricted Grants-in-Aid	\$146,140	\$353,794	\$0	\$0	\$0	\$0	\$0
3800 Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3900 Revenue for/on Behalf of the District	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from State Sources	\$34,493,906	\$374,723	\$0	\$0	\$0	\$0	\$0

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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4200 Unrestricted Revenue From the Federal Government Through the State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4300 Restricted Revenue From the Federal Government	\$0	\$1,616	\$0	\$0	\$0	\$0	\$0
4500 Restricted Revenue From the Federal Government Through the State	\$0	\$3,469,478	\$0	\$0	\$0	\$0	\$0
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4801 Federal Forest Fees	\$51,331	\$0	\$0	\$0	\$0	\$0	\$0
4802 Impact Aid to School Districts for Operation (PL 874)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4803 Coos Bay Wagon Road Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4899 Other Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4900 Revenue for/on Behalf of the District	\$0	\$172,137	\$0	\$0	\$0	\$0	\$0
Total Revenue from Federal Sources	\$51,331	\$3,643,231	\$0	\$0	\$0	\$0	\$0

Revenue from Other Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	\$0	\$2,700,000	\$0	\$0	\$0	\$0	\$0
5200 Interfund Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Sale of or Compensation for Loss of Fixed Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 Resources - Beginning Fund Balance	\$5,433,938	\$1,716,719	\$137,616	\$0	\$0	\$0	\$6,650
Total Revenue from Other Sources	\$5,433,938	\$4,416,719	\$137,616	\$0	\$0	\$0	\$6,650

Grand Totals

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Grand Totals	\$53,207,912	\$10,224,571	\$3,150,592	\$0	\$0	\$0	\$23,150

JACKSON COUNTY SCHOOL DISTRICT NO. 6
2018-2019 DISTRICT AUDIT EXPENDITURE SUMMARY

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	\$11,843,771	\$7,362,053	\$3,991,903	\$269,115	\$220,580	\$0	\$119	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$5,637,880	\$3,425,726	\$1,946,383	\$147,764	\$117,681	\$0	\$325	\$0
1122 Middle/Junior High School Extracurricular	\$174,034	\$114,327	\$37,188	\$14,262	\$7,508	\$0	\$750	\$0
1131 High School Programs	\$6,290,703	\$3,703,470	\$2,158,978	\$249,729	\$178,090	\$0	\$435	\$0
1132 High School Extracurricular	\$836,452	\$478,267	\$155,457	\$131,816	\$65,991	\$0	\$4,920	\$0
1140 Pre-Kindergarten Programs	\$85,810	\$0	\$0	\$85,704	\$106	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$10,754	\$7,255	\$3,082	\$0	\$417	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$3,047,875	\$1,836,320	\$1,067,259	\$130,194	\$14,102	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$1,592,183	\$963,729	\$615,552	\$7,675	\$5,227	\$0	\$0	\$0
1260 Treatment and Habilitation	\$134,705	\$85,247	\$46,571	\$1,038	\$1,850	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$6,664	\$3,858	\$1,392	\$0	\$759	\$0	\$655	\$0
1280 Alternative Education	\$167,753	\$89,443	\$55,274	\$20,947	\$2,089	\$0	\$0	\$0
1291 English Language Learner - Within ELL Programs	\$422,733	\$255,665	\$165,155	\$999	\$914	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$15,362	\$8,262	\$3,017	\$3,020	\$1,063	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1295 English Language Learner - Not Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$30,266,679	\$18,333,623	\$10,247,211	\$1,062,263	\$616,377	\$0	\$7,204	\$0

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$223,885	\$54,887	\$57,019	\$93,980	\$17,999	\$0	\$0	\$0
2120 Guidance Services	\$780,607	\$511,642	\$268,332	\$634	\$0	\$0	\$0	\$0
2130 Health Services	\$130,593	\$56,174	\$34,614	\$37,727	\$2,079	\$0	\$0	\$0
2140 Psychological Services	\$632,594	\$406,659	\$208,154	\$9,837	\$7,944	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$749,387	\$485,115	\$254,017	\$4,332	\$5,473	\$0	\$450	\$0
2160 Other Student Treatment Services	\$3,675	\$0	\$0	\$3,675	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$359,367	\$226,509	\$104,408	\$18,500	\$8,459	\$0	\$1,490	\$0
2210 Improvement of Instruction Services	\$371,375	\$247,600	\$106,260	\$16,030	\$802	\$0	\$684	\$0
2220 Educational Media Services	\$491,251	\$247,193	\$191,889	\$125	\$51,714	\$0	\$330	\$0
2230 Assessment & Testing	\$105,441	\$65,157	\$40,283	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$110,410	\$26,807	\$15,937	\$56,769	\$9,916	\$0	\$980	\$0
2310 Board of Education Services	\$126,678	\$0	\$0	\$111,194	\$4,854	\$0	\$10,630	\$0
2320 Executive Administration Services	\$443,548	\$274,806	\$134,989	\$25,371	\$5,593	\$0	\$2,789	\$0
2410 Office of the Principal Services	\$3,897,933	\$2,333,497	\$1,433,999	\$61,566	\$58,183	\$0	\$10,689	\$0
2490 Other Support Services - School Administration	\$3,506	\$0	\$0	\$0	\$1,294	\$0	\$2,212	\$0
2510 Direction of Business Support Services	\$403,118	\$205,406	\$126,113	\$36,700	\$13,134	\$0	\$21,764	\$0
2520 Fiscal Services	\$351,772	\$181,822	\$109,819	\$0	\$55,756	\$0	\$4,375	\$0
2540 Operation and Maintenance of Plant Services	\$4,241,382	\$1,517,601	\$894,856	\$1,157,894	\$259,915	\$52,339	\$358,778	\$0
2550 Student Transportation Services	\$2,321,644	\$0	\$0	\$2,119,191	\$202,454	\$0	\$0	\$0
2570 Internal Services	\$1,077	\$763	\$314	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$2,985	\$0	\$0	\$2,985	\$0	\$0	\$0	\$0
2630 Information Services	\$66,281	\$36,443	\$26,197	\$0	\$3,557	\$0	\$85	\$0
2640 Staff Services	\$392,973	\$200,629	\$126,256	\$38,722	\$25,022	\$0	\$2,344	\$0
2660 Technology Services	\$1,120,121	\$243,338	\$135,788	\$224,896	\$302,988	\$212,481	\$630	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680 Interpretation and Translation Services	\$5,278	\$3,906	\$1,372	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$411,752	\$29,639	\$382,113	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$17,748,633	\$7,355,592	\$4,652,730	\$4,020,126	\$1,037,134	\$264,820	\$418,231	\$0

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$1,332,022	\$0	\$0	\$354,466	\$0	\$977,557	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$1,332,022	\$0	\$0	\$354,466	\$0	\$977,557	\$0	\$0

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$648,236	\$0	\$0	\$0	\$0	\$0	\$648,236	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$648,236	\$0	\$0	\$0	\$0	\$0	\$648,236	\$0

Grand Total

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
\$49,995,570	\$25,689,215	\$14,899,941	\$5,436,855	\$1,653,511	\$1,242,377	\$1,073,672	\$0

JACKSON COUNTY SCHOOL DISTRICT NO. 6
2018-2019 DISTRICT AUDIT EXPENDITURE SUMMARY

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	\$43,159	\$9,074	\$4,044	\$10,377	\$19,166	\$0	\$499	\$0
1113 Elementary Extracurricular	\$215,112	\$3,247	\$266	\$47,458	\$162,008	\$0	\$2,132	\$0
1121 Middle/Junior High Programs	\$23,475	\$55	\$20	\$5,318	\$18,082	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$176,738	\$5,944	\$1,783	\$38,658	\$121,504	\$6,635	\$2,215	\$0
1131 High School Programs	\$114,269	\$1,246	\$461	\$18,551	\$71,060	\$22,952	\$0	\$0
1132 High School Extracurricular	\$493,240	\$4,464	\$1,238	\$168,319	\$304,875	\$7,432	\$6,913	\$0
1140 Pre-Kindergarten Programs	\$46,440	\$10,139	\$2,726	\$6,961	\$26,615	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$428,390	\$221,261	\$202,251	\$4,055	\$788	\$0	\$35	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$277,874	\$140,324	\$137,550	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$983,390	\$638,507	\$314,187	\$8,922	\$21,776	\$0	\$0	\$0
1280 Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Language Learner - Within ELL Programs	\$3,251	\$0	\$0	\$1,251	\$2,000	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$24,052	\$15,775	\$5,819	\$1,936	\$523	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1295 English Language Learner - Not Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$2,829,390	\$1,050,035	\$670,343	\$311,806	\$748,397	\$37,020	\$11,794	\$0

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$6,111	\$0	\$0	\$0	\$6,111	\$0	\$0	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$85,416	\$0	\$0	\$85,416	\$0	\$0	\$0	\$0
2140 Psychological Services	\$3,400	\$0	\$0	\$3,400	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$122,916	\$78,831	\$42,790	\$1,000	\$295	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$72,763	\$16,411	\$5,512	\$49,747	\$0	\$0	\$1,092	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$4,605	\$0	\$0	\$51	\$4,553	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$13,225	\$0	\$0	\$0	\$0	\$0	\$13,225	\$0
2520 Fiscal Services	\$2,185	\$0	\$0	\$0	\$0	\$0	\$2,185	\$0
2540 Operation and Maintenance of Plant Services	\$213,734	\$0	\$0	\$181,018	\$17,215	\$15,499	\$0	\$0
2550 Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$642	\$0	\$0	\$323	\$319	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680 Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$524,997	\$95,242	\$48,302	\$320,956	\$28,493	\$15,499	\$16,503	\$0

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$2,142,819	\$748,513	\$427,471	\$12,720	\$927,821	\$0	\$26,291	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$75,740	\$0	\$0	\$72,410	\$3,330	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$2,218,559	\$748,513	\$427,471	\$84,385	\$931,151	\$0	\$26,291	\$0

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$101,763	\$0	\$0	\$0	\$0	\$101,763	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$3,897,646	\$0	\$0	\$8,293	\$84,385	\$3,804,170	\$800	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$3,999,409	\$0	\$0	\$8,293	\$84,385	\$3,905,933	\$800	\$0

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$413,637	\$0	\$0	\$0	\$0	\$0	\$413,637	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$413,637	\$0	\$0	\$0	\$0	\$0	\$413,637	\$0

Grand Total

\$9,985,992	\$1,893,790	\$1,146,116	\$726,184	\$1,792,426	\$3,958,452	\$469,025	\$0
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JACKSON COUNTY SCHOOL DISTRICT NO. 6
2018-2019 DISTRICT AUDIT EXPENDITURE SUMMARY

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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132 High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Language Learner - Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1295 English Language Learner - Not Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Support Services Expenditures

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550 Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680 Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Enterprise and Community Services Expenditures

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Facilities Acquisition and Construction Expenditures

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Other Uses Expenditures

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$2,998,685	\$0	\$0	\$0	\$0	\$2,998,685	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$2,998,685	\$0	\$0	\$0	\$0	\$2,998,685	\$0

Grand Total

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
\$2,998,685	\$0	\$0	\$0	\$0	\$0	\$2,998,685	\$0

JACKSON COUNTY SCHOOL DISTRICT NO. 6
2018-2019 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 700 Trust and Agency 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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132 High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Language Learner - Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1295 English Language Learner - Not Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550 Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680 Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$21,900	\$0	\$0	\$21,900	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$21,900	\$0	\$0	\$21,900	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$21,900	\$0	\$0	\$21,900	\$0	\$0	\$0	\$0

SUPPLEMENTAL INFORMATION, 2018-2019

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	\$766,504
Function 2550	\$0

B. Replacement of Equipment – General Fund:

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

Exclude these functions:

\$0

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

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

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

To the Board of Directors
Jackson County School District No. 6
Central Point, Oregon

We have audited the basic financial statements of the Jackson County School District No. 6 (the District) as of and for the year ended June 30, 2019, and have issued our report thereon dated December 23, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-0000 through 162-10-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our audit, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-10-0000 through 162-10-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our 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 Board of Directors and management of the District and the State of Oregon and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Stewart Parmele CPA, Partner". The signature is written in a cursive, flowing style.

Stewart Parmele, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 20, 2019

**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 Directors
Jackson County School District No. 6
Central Point, 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, each major fund, and the fiduciary fund information of the Jackson County School District No. 6 (the District), as of and for the year ended June 30, 2019, 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 20, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Stewart Parmele CPA, Partner".

Stewart Parmele, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 20, 2019

**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 Directors
Jackson County School District No. 6
Central Point, Oregon

Report on Compliance for Each Major Federal Program

We have audited Jackson County School District No. 6's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We have not identified any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Stewart Parmele CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 20, 2019

JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Grant / Contract Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed through Oregon State Department of Education:			
National School Lunch/Snack	10.555		\$ 1,231,211
National School Lunch/Snack Commodities	10.555		171,660
National School Breakfast	10.553		391,126
Summer Food Service	10.559		55,203
Summer Food Service Commodities	10.559		477
Total Child Nutrition Cluster			<u>1,849,677</u>
Food Distribution Program Fee Refund	10.560		750
Total CFDA 10.560			<u>750</u>
Fresh Fruit and Vegetable Program	10.582		54,062
Total CFDA 10.582			<u>54,062</u>
Passed through Southern Oregon Education Service District:			
Schools and Roads - Grants to Counties	10.666		51,331
Total Forest Service Schools and Roads Cluster			<u>51,331</u>
Total U.S. Department of Agriculture			\$ 1,955,820
Department of the Interior:			
Direct Award:			
Secure Rural Schools and Community Self-Determination	15.234		\$ 1,010
Total CFDA 15.234			<u>1,010</u>
Total U.S. Department of the Interior			\$ 1,010
U.S. Department of Education:			
Passed through Oregon State Department of Education:			
Title I Grants to Local Educational Agencies (17-18)	84.010	45560	\$ 214,266
Title I Grants to Local Educational Agencies (18-19)	84.010	50358	737,159
Total CFDA 84.010			<u>951,425</u>
Special Education - Grants to States (17-18)	84.027	45145	216,716
Special Education - Grants to States (18-19)	84.027	49849	408,767
Special Education - Grants to States (SPR & I 18-19)	84.027	49473	4,817
Special Education - Grants to States (Extended Assessment 18-19)	84.027	49118	549
Special Education - Grants to States (Enhancement 18-19)	84.027	51223	7,957
Special Education - Preschool Grants (16-17)	84.173	40564	2,990
Special Education - Preschool Grants (17-18)	84.173	45353	4,917
Total Special Education Cluster (IDEA)			<u>646,713</u>
Career and Technical Education - Basic Grants to States	84.048	48907	39,607
Total CFDA 84.048			<u>39,607</u>
Passed through State of Oregon Department of Human Services:			
Youth Transition Program (17-19)	84.126A		43,159
Total CFDA 84.126A			<u>43,159</u>
Passed through Oregon State Department of Education:			
English Language Acquisition State Grants (17-18)	84.365	44203	9,552
English Language Acquisition State Grants (18-19)	84.365	50236	6,880
Total CFDA 84.365			<u>16,432</u>
Improving Effective Instruction State Grant (17-18)	84.367	45774	39,433
Improving Effective Instruction State Grant (18-19)	84.367	49272	96,083
Total CFDA 84.367			<u>135,516</u>
Student Support and Academic Enrichment State Grant (17-19)	84.424	47688	12,315
Student Support and Academic Enrichment State Grant (18-19)	84.424	50688	63,501
Total CFDA 84.424			<u>75,816</u>
Total U.S. Department of Education			\$ 1,908,668
Total Federal Financial Assistance			\$ 3,865,498

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

NOTE A – BASIS OF PRESENTATION

The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Jackson County School District No. 6 (the District) under programs of the federal government for the year ended June 30, 2019. 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 cash 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% de minimis indirect cost rate as 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, 2019, the District received food commodities totaling \$172,137.

NOTE E – SUBRECIPIENTS

There were no awards passed through subrecipients.

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

1. The auditor’s report expresses an unmodified opinion on whether the basic financial statements of Jackson County School District No. 6 (District).
2. No significant deficiencies or material weaknesses in internal controls were disclosed by the audit of the basic financial statements of the District.
3. No instances of noncompliance material to the financial statements of the District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

Federal Awards

4. No significant deficiencies or material weaknesses relating to the audit of the major federal award program are reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The Independent Auditor’s Report on Compliance for Each Major Program over Compliance and on Internal Control over Compliance Required by the Uniform Guidance.
6. There were no audit findings that are required to be reported in accordance with the Uniform Guidance in this Schedule.
7. The programs tested as major program include:

Child Nutrition Cluster (CFDA #10.553, #10.555, and #10.559)
8. The threshold for distinguishing Types A and B Programs was \$750,000.
9. The District did not qualify as a low-risk auditee under the criteria specified in the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None