

JACKSON COUNTY SCHOOL DISTRICT NO. 6

Central Point, Oregon

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**FISCAL YEAR ENDED JUNE 30, 2017
WITH
INDEPENDENT AUDITOR'S REPORTS**



JACKSON COUNTY SCHOOL DISTRICT NO. 6

June 30, 2017

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

BOARD OF DIRECTORS AS OF JUNE 30, 2017

Bret Moore P.O. Box 3577, Central Point, Oregon 97502	Director
Cathy Salmon 647 Cedar Street, Central Point, Oregon 97502	2 nd Vice-Chair
Jolee Wallace 40 North River Road, Gold Hill, Oregon 97525	Director
Tracy Jackson 260 Applewood Drive, Central Point, Oregon 97502	Vice Chair
Cindy Tilley-Case 3295 Galls Creek Road, Gold Hill, OR 97525	Chairman

ADMINISTRATIVE STAFF

Samantha Steele	Superintendent-Clerk
Todd Bennett	Director of Education
Spencer Davenport	Chief Financial Officer
Mike Meunier	Director of Human Resources
Brock Rowley	Director of Special Programs

JACKSON COUNTY SCHOOL DISTRICT NO. 6

June 30, 2017

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June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

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

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, Oregon, (the District), as of and for the year ended June 30, 2017, 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 fraud or error.

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, 2017, 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 that 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 revenues 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 revenues 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 - cash basis, 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 revenues collected, expenses paid and changes in fund balance - cash basis - budget and actual, the other financial schedules, and the schedule of expenditures of federal awards - cash basis, 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 18, 2017, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by *Oregon State Regulations*

In accordance with Oregon State Regulations, we have also issued our report dated December 18, 2017 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-10-0000 through 162-10-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Stewart Parmele, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 18, 2017

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Management's Discussion and Analysis
June 30, 2017

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, 2017, 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.

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Management's Discussion and Analysis
June 30, 2017

BASIC FINANCIAL STATEMENTS (continued)

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 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 Assets Liabilities and Fund Balance and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Special 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.

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 and detail of certain assets/deferred outflows and liabilities/deferred inflows 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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Management's Discussion and Analysis
June 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

During the current fiscal year, the District's net position increased by \$1,999,808. This increase can be attributed to a higher level of revenue which was primarily the result of increased enrollment. This is the second consecutive year the District has experienced an increase in net position, however this trend also represents a departure from what the district experienced in prior years. Only recently has the district experienced a true growth in enrollment. This growth along with cost management strategies, including, but not limited to, negotiating wage and benefit levels through collective bargaining, energy costs saving programs, outsourcing, and effective use of technology have helped reverse the prior trend of declines in net position.

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

	Governmental Activities		Increase (Decrease) From
	June 30, 2017	June 30, 2016	June 30, 2016
Assets:			
Cash and investments	\$ 7,861	\$ 5,861	\$ 2,000
Total assets	7,861	5,861	2,000
Net position:			
Restricted for debt service	129	139	(10)
Unrestricted	7,732	5,722	2,010
Total net position	\$ 7,861	\$ 5,861	\$ 2,000

Governmental Activities

The key elements of the change in the District's net position for the year ended June 30, 2017 are as follows:

- Oregon State School Fund increased by \$559 thousand (2.0%) during the fiscal year. This increase was primarily the result of higher enrollment, however improving financial conditions for the State of Oregon also contributed to the overall increase.
- Property tax revenue increase by \$580 thousand (4.5%), due to an increase in the District's assessed property values. Assessed value is allowed to increase up to 3% annually.
- As seen during the previous year overall revenues continued to exceed overall expenditures.
- Governmental program expenses increased by \$1.9 million from the prior year. The increase from the prior year can be primarily attributed to increases in staffing and negotiated contract increases with District labor groups.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Management's Discussion and Analysis
June 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

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

	Governmental Activities		Increase (Decrease) From
	June 30, 2017	June 30, 2016	June 30, 2016
Revenues:			
Program revenues:			
Charges for service	\$ 1,324	\$ 1,395	\$ (71)
Operating grants and contributions	4,421	3,513	908
General revenues:			
Property taxes	13,496	12,916	580
State school fund - general support	29,139	28,580	559
Other federal, state and local sources	1,511	1,211	300
Earnings on investments	110	57	53
Total revenues	<u>50,001</u>	<u>47,672</u>	<u>2,329</u>
Expenses:			
Instruction	27,857	26,317	1,540
Support services	15,146	15,332	(186)
Enterprise and community services	1,920	1,737	183
Facilities acquisition and construction	250	-	250
Principal and interest on long-term debt	2,828	2,722	106
Total expenses	<u>48,001</u>	<u>46,108</u>	<u>1,893</u>
Change in net position	<u>\$ 2,000</u>	<u>\$ 1,564</u>	<u>\$ 436</u>

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, 2017, the District's governmental funds reported combined ending fund balance of \$7.8 million, an increase of \$2.0 million from the prior year. Approximately \$5.9 million (76%) of the ending fund balance constitutes unassigned *ending 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, 2017, the unassigned fund balance was \$5.9 million. This is an increase of about \$1.9 million (46%) over the previous year. The general fund unassigned balance represents 15% percent of total general fund expenditures. This balance represents a healthy financial position and 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 \$1.8 million is assigned to associated student body programs and activities, and grant related activities. This is an increase of about \$138 thousand (8.4%) from the previous year and primarily represents various increases in revenue from local, state, and federal sources.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Management's Discussion and Analysis
June 30, 2017

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

Debt Service Fund. The Debt Service Fund has a total fund balance of \$129 thousand which is restricted for the payment of general obligation bond debt service. The decrease in fund balance during the current year was about \$10 thousand or (7.1%). This decrease represents the District's continued efforts 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. Recovery from the "Great Recession" continues to encourage 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. Utilization of a significant portion of the District's accumulated fund balance, in addition to the return of "normal" funding levels from the state provided the resources needed to support these activities. The 2015-16 school year represented a turning point for the District in that economic conditions sustained funding from the State, in addition to growth in enrollment within the District. This growth in enrollment continued during the 2016-17 school year and is a welcomed departure from the District's prior trend of flat to declining enrollment. The District plans to maintain its current service level in addition to re-investment in programs, staffing, and facilities to meet the needs in enrollment growth. However, this re-investment will be dependent upon steady to increasing enrollment and the resources (i.e. SSF) made available during the 2017-2018 year and beyond.

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, 2017**

	<u>Governmental Activities</u>
ASSETS:	
Cash and investments	\$ 7,861,185
TOTAL ASSETS	<u>\$ 7,861,185</u>
NET POSITION:	
Restricted for debt service	\$ 129,377
Unrestricted	<u>7,731,808</u>
TOTAL NET POSITION	<u><u>\$ 7,861,185</u></u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF ACTIVITIES - CASH BASIS
FISCAL YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenditures	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 27,856,928	\$ 820,644	\$ 2,222,854	\$ (24,813,430)
Supporting services	15,146,332	446,059	694,956	(14,005,317)
Enterprise and community services	1,919,857	56,916	1,355,349	(507,592)
Facilities acquisition and construction	249,862	-	147,925	(101,937)
Principal and interest on long-term debt	2,827,703	-	-	(2,827,703)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total government activities	<u>\$ 48,000,682</u>	<u>\$ 1,323,619</u>	<u>\$ 4,421,084</u>	<u>(42,255,979)</u>
General revenues:				
				10,694,680
				2,800,884
				29,138,653
				579,398
				23,177
				164,317
				110,007
				3,495
				244,919
				496,257
				<u>44,255,787</u>
CHANGE IN NET POSITION				1,999,808
				<u>5,861,377</u>
				<u>\$ 7,861,185</u>

FUND FINANCIAL STATEMENTS

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CASH BASIS ASSETS, LIABILITIES AND FUND BALANCE
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
ASSETS				
Equity in pooled cash and investments	\$ 5,941,401	\$ 1,790,407	\$ 129,377	\$ 7,861,185
	<u>\$ 5,941,401</u>	<u>\$ 1,790,407</u>	<u>\$ 129,377</u>	<u>\$ 7,861,185</u>
TOTAL ASSETS				
FUND BALANCES:				
Restricted - Debt Service	-	-	129,377	129,377
Assigned	-	1,790,407	-	1,790,407
Unassigned	5,941,401	-	-	5,941,401
	<u>5,941,401</u>	<u>1,790,407</u>	<u>129,377</u>	<u>7,861,185</u>
Total fund balances	<u>5,941,401</u>	<u>1,790,407</u>	<u>129,377</u>	<u>7,861,185</u>
TOTAL FUND BALANCES	<u>\$ 5,941,401</u>	<u>\$ 1,790,407</u>	<u>\$ 129,377</u>	<u>\$ 7,861,185</u>
Reconciliation to Statement of Net Position:				
Net position of governmental activities				<u>\$ 7,861,185</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CASH COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - CASH BASIS
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
REVENUES				
Property and other taxes	\$ 10,694,680	\$ 164,317	\$ 2,800,884	\$ 13,659,881
Intergovernmental	30,175,991	3,986,321	-	34,162,312
Charges for services	177,509	1,146,110	-	1,323,619
Interest on investments	93,176	-	16,831	110,007
Donations	180	244,739	-	244,919
Miscellaneous	248,656	247,601	-	496,257
TOTAL REVENUES	<u>41,390,192</u>	<u>5,789,088</u>	<u>2,817,715</u>	<u>49,996,995</u>
EXPENDITURES				
Instruction	25,096,471	2,760,457	-	27,856,928
Support services	14,385,609	760,723	-	15,146,332
Enterprise and community services	-	1,919,857	-	1,919,857
Facilities acq. and construction	40,775	209,087	-	249,862
Debt service	-	-	2,827,703	2,827,703
TOTAL EXPENDITURES	<u>39,522,855</u>	<u>5,650,124</u>	<u>2,827,703</u>	<u>48,000,682</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,867,337</u>	<u>138,964</u>	<u>(9,988)</u>	<u>1,996,313</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	3,495	-	-	3,495
Interfund Transfer	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,495</u>	<u>-</u>	<u>-</u>	<u>3,495</u>
NET CHANGE IN FUND BALANCE	1,870,832	138,964	(9,988)	1,999,808
FUND BALANCE, July 1, 2016	<u>4,070,569</u>	<u>1,651,443</u>	<u>139,365</u>	<u>5,861,377</u>
FUND BALANCE, June 30, 2017	<u>\$ 5,941,401</u>	<u>\$ 1,790,407</u>	<u>\$ 129,377</u>	<u>\$ 7,861,185</u>

Reconciliation to Statement of Net Position:

Net position of governmental activities \$ 7,861,185

FIDUCIARY FUND FINANCIAL STATEMENTS

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
 STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
 FIDUCIARY FUND
 JUNE 30, 2017**

	<u>Scholarship Fund</u>
ASSETS:	
Cash and investments	\$ 4,050
TOTAL ASSETS	<u>\$ 4,050</u>
NET POSITION:	
Restricted - scholarships	\$ 4,050
TOTAL NET POSITION	<u>\$ 4,050</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUND
FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Scholarship Fund</u>
ADDITIONS	
Contributions	\$ 16,500
Investment earnings	<u>1</u>
TOTAL ADDITIONS	<u>16,501</u>
DEDUCTIONS	
Supporting Services	6
Community services	<u>53,561</u>
TOTAL DEDUCTIONS	<u>53,567</u>
CHANGE IN NET POSITION	(37,066)
NET POSITION, July 1, 2016	<u>41,116</u>
NET POSITION, June 30, 2017	<u><u>\$ 4,050</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

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 Directors (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. All activities, on a cash basis, of the District have been included in the basic financial statements.

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

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

Basis of Presentation

Government-wide Financial Statements

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or others for tuition, fees, rentals, 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 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 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 Basic Financial Statements
June 30, 2017

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 revenues and expenditures except those required to be accounted for in another fund. The principal resources are property taxes and the state school support funds from the State of Oregon.

Special Revenue Fund - This fund accounts for revenues and expenditures of federal grants, student activities, athletics, and food services. Principal revenue sources are government grants, food sales and student fees.

Debt Service Fund – This fund provides for the payment of principal and interest on debt. Principal revenue sources are property taxes.

Additionally, the District reports the following fiduciary fund:

Scholarship Fund - This fund accounts for resources 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. Revenues are recorded when collected and expenses 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.

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. Fair value of the LGIP is the same as the District's value in the pool shares.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Cash, Cash Equivalents and Investments (continued)

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 capital outlay expenditures in the Statement of Activities. In the government-wide financial statements such costs would, under generally accepted accounting principles, 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 capital outlay expenditures 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 revenue 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.

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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

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 three components:

Net investment in Capital Assets – Consists of the cost of capital assets less the accumulated depreciation less any outstanding principal related to the capital asset.

Restricted net position – Consists of net position 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.

Unrestricted net position – All other remaining net position that does not meet the definition of the above two components and is available for general use by the District.

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

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

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

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

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

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

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 generally accepted accounting principles (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.

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. Budget amounts are as originally adopted and as amended by the Board of Directors. Appropriations lapse at the end of each fiscal year. The District did not exceed its appropriations for the year ended June 30, 2017.

New GASB Pronouncements Adopted

During the fiscal year ended June 30, 2017, the District implemented the following GASB Pronouncements:

GASB Statement No. 72, *Fair Value Measurement and Application*. Issued February 2015 this statement establishes accounting and financial reporting standards for fair value measurements, the level of fair value hierarchy, and valuation techniques. GASB Statement No. 72 was implemented for the District for fiscal year ending June 30, 2017. Since the District invests in short-term investments that are traded in active markets, implementation did not result in a change in valuation; but *Note 2. Cash and Investments* has been modified to provide the new disclosures required by this Statement.

GASB Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, supersedes certain paragraphs and footnotes of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contributions Plans*; and all remaining requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*. The principal objective of GASB 73 is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees (both active and inactive) are provided with pensions that are not within the scope of Statement No. 68 (i.e. Stipend Benefits). GASB 73 is generally effective for financial statements for fiscal years beginning after June 15, 2016.

GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, supersedes GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

New GASB Pronouncements Adopted (continued)

The principal objective of GASB 75 is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees (both active and inactive) are provided with postemployment benefits other than pensions (i.e. Medical Benefit). GASB 75 is effective for financial statements for fiscal years beginning after June 15, 2017 (earlier application was encouraged).

GASB Statement No. 77, *Tax Abatement Disclosures*. Issued August 2015, this statement requires governments that enter into tax abatement agreements to disclose information about those agreements. GASB Statement No. 77 was implemented by the District for the fiscal year ended June 30, 2017.

Future GASB Pronouncements

The following GASB pronouncements have been issued, but are not effective as of June 30, 2017:

GASB Statement No. 80, *Blending Requirements for Certain Component Units*. Issued January 2016, this statement improves financial reporting by clarifying the financial statement presentation requirements for certain component units.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. Issued March 2016, this statement improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. GASB 81 will be effective for the District, fiscal year ending June 30, 2018.

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 83 will be effective for the District, fiscal year ending 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. 85, *Omnibus 2017*. Issued March 2017, this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as good will and "negative" goodwill
- Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest-earning investment contract at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Future GASB Pronouncements (continued)

- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

GASB Statement No. 85 will be effective for the District, fiscal year ending June 30, 2018.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*. Issued May 2017, the purpose of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is deceased in substance. GASB Statement No. 86 will be effective for the District, fiscal year ending June 30, 2018.

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.

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.

Note 2 – Equity in Pooled Cash and Investments

Cash and investments are comprised of the following as of June 30, 2017:

Petty cash	\$	817
Carrying amount of demand deposits		1,179,033
Carrying amount of investments		6,685,385
		6,685,385
	\$	7,865,235

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

Statement of Net Position - Cash Basis		
Equity in pooled cash and investments	\$	7,861,185
Statement of Fiduciary Net Position - Cash Basis		
Cash and investments		4,050
		4,050
Total cash and investments	\$	7,865,235

Deposits. The Governmental Accounting Standards Boards has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2017. 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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

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

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, 2017, the carrying amounts of the District deposits in various qualifying financial institutions were \$1,179,033. The bank balances at June 30, 2017 were \$2,241,642.

Of this balance, FDIC covered \$250,000 and the remainder was considered un-collateralized, however, these funds were deposited in an approved depository 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 has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2016-2017. 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.

As of June 30, 2017 and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

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

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.

As of June 30, 2017, the District had the following investments:

Investments Measured at Fair Value:	Totals as of 6/30/2017	Level One	Level Two	Level Three	Amortized Cost Not Measured at Fair Value
Local Government Investment Pool	\$6,685,385	-	-	-	\$6,685,385
	<u>\$6,685,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$6,685,385</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. At June 30, 2017, the District’s commitment for general obligation bonds outstanding not included in the Statement of Net Position under the cash basis of accounting is \$8,685,000.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 3 – Long-Term Debt (continued)

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, 2017 totaled \$177,702.

The 2013 Series bond maturities are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rates
2018	\$ 2,755,000	\$ 147,916	\$ 2,902,916	1.703%
2019	2,890,000	108,685	2,998,685	1.833%
2020	3,040,000	60,162	3,100,162	1.979%
	<u>\$ 8,685,000</u>	<u>\$ 316,763</u>	<u>\$ 9,001,763</u>	

Full faith and credit obligation bonds

The District approved a full faith and credit obligation bond in June 2014 in the amount of \$800,000. These bonds were sold on June 10, 2014 with a fixed interest rate of 2.40% and maturities from 2015-2018. Bond proceeds were used to upgrade the District's network and storage infrastructure. At June 30, 2017, the District's commitment for the full faith and credit obligations outstanding not included in the Statement of Net Position under the cash basis of accounting is \$207,238. Interest paid on the full faith and credit obligation bonds during the year ended June 30, 2017 totaled \$9,830.

The 2014 Series bond maturities are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rates
2018	\$ 207,238	\$ 4,974	\$ 212,212	2.400%
	<u>\$ 207,238</u>	<u>\$ 4,974</u>	<u>\$ 212,212</u>	

Note 4 – Post-Employment Benefits Other Than Pensions (OPEB)

Single-Employer Defined Benefit Health Care Plan

Plan Description. The District maintains a single-employer defined benefit OPEB plan that provides post-employment health benefits to eligible employees and their dependents. Generally, the program covers all who meet Oregon PERS retirement eligibility by receiving benefits from Oregon PERS. For Tier 1 or 2 members they may retire earlier of age 55, or any age with 30 years of service. OPSRP members must be age 55 with 5 years of service. The program covers Administrative, Confidential, Licensed, and Superintendent. Administrative staff must be hired prior to July 1, 2014 and have 5 or more years of service with the District. Confidential staff must have at least 10 years of service with the District as a Confidential employee. Licensed staff must retire before August 26, 2007, or with at least 8 years of service as of June 30, 2007. The Superintendent must meet PERS eligibility requirements.

Different contracts govern the employees. An eligible employee qualifies for medical/prescription drug, dental and vision premiums paid by the District to the extent covered for their active counterparts.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 4 – Post-Employment Benefits Other Than Pensions (OPEB)

However, the District will pay medical/prescription drug and vision premiums for Licensed retirees who retired prior to August 26, 2004 with at least 10 years of service, or who have at least 13 years of service as of June 30, 2007. Qualified spouses, domestic partners, and children may qualify for coverage.

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 participant's age 65 (or the date the participant would have been age 65 should the participant pre-decease the spouse). Total number of payments not to exceed 120 (months). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Monthly District-paid caps for 2017 are \$1,250 for Administrative, Confidential, and Superintendent, and \$1,165.74 for Licensed. These caps are expected to inflate in future years.

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

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

Employees Covered by Benefit Terms. At June 30, 2017, the following employees were covered by the explicit benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	58
Inactive employees entitled to but not yet receiving benefit payments	-
Active plan members	479
	537
	537

Total OPEB Liability. The districts total OPEB liability of \$6,618,977 was measured as of June 30, 2017, and was determined by an actuarial valuation date as of July 1, 2016.

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 4 – Post-Employment Benefits Other Than Pensions (OPEB) (continued)

Input	Assumption
Actuarial Cost Method	Early age normal, level percent of salary
Interest Rate Utilized for Discounting	3.5% per year, based on all years discounted at municipal bond rate
General Inflation	2.5% per year
Salary Scale	3.0% per year
Salary Merit Scale	Total payroll increase is overall payroll growth
Annual Premium Increase Rate	Between 5% and 6.5% annually
Mortality Rates	RP 2000 male and female tables, projected generationally with Scale BB, combined active/healthy annuitant, setback 24 months
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	We have assumed no impact of dependent children on the implicit subsidy

Changes in the Total OPEB Liability.

OPEB Liability at June 30, 2016	\$ 6,861,038
Changes for the year:	
Service cost	204,928
Interest	231,843
Benefit payments	<u>(678,832)</u>
OPEB Liability at June 30, 2017	<u>\$ 6,618,977</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 Rate 2.5%	Current Discount Rate 3.5%	1% Increase Rate 4.5%
Total OPEB Liability	\$ 7,078,887	\$ 6,618,977	\$ 6,189,158

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 5.5% Graded Down to 4%	Current Trend Rate 6.5% Graded Down to 5% Trend Rates	1% Increase 7.5% Graded Down to 6%
Total OPEB Liability	\$ 6,009,264	\$ 6,618,977	\$ 7,323,338

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 4 – Post-Employment Benefits Other Than Pensions (OPEB) (continued)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended June 30, 2017, the District recognized OPEB expense of \$436,771. At June 30, 2017, the District reported no deferred outflows or inflows associated with its OPEB plan.

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, and the District currently contributes 0.49% of annual covered OPERF payroll and 0.10% of OPSRP payroll. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2015, 2016 and 2017 were (\$105,020, \$99,979, and \$106,114) which equaled the required contributions each year.

Note 5 – Pension and Retirement Plans

Early Retirement Stipend Pension Plan

Plan Description. The District provides a single-employer defined benefit early retirement supplement program for certain employees until the participants are eligible for full Social Security benefits. Benefits and eligibility for members are established through the collective bargaining agreements and employment contracts. Different contracts govern the employees.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 5 – Pension and Retirement Plans (continued)

Eligible administrative staff must have at least ten years of service with the District and Supervisors must have at least thirty years of PERS service. Monthly benefit amounts for eligible Administrative staff and Supervisors is based on years of service.

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, the \$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.

Confidential and Classified employees are not eligible.

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).

Funding Policy. The District pays for all the benefits. The contributions are financed on a pay-as-you-go basis. During fiscal year 2017 the District recognized, on a budgetary basis, expenditures of approximately \$45,095 for the early retirement supplement program.

Employees Covered by Benefit Terms. At June 30, 2017, the following employees were covered by the stipend benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Inactive employees entitled to but not yet receiving benefit payments	-
Active plan members	-
	8
	8

Total Stipend Pension Liability. The districts total stipend pension liability of \$224,090 was measured as of June 30, 2017, and was determined by an actuarial valuation date as of July 1, 2016.

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

Input	Assumption
Actuarial Cost Method	Early age normal, level percent of salary
Interest Rate Utilized for Discounting	3.5% per year, based on all years discounted at municipal bond rate
General Inflation	2.5% per year
Salary Scale	3.0% per year
Salary Merit Scale	Total payroll increase is overall payroll growth
Annual Premium Increase Rate	Between 5% and 6.5% annually
Mortality Rates	RP 2000 male and female tables, projected generationally with Scale BB, combined active/healthy annuitant, setback 24 months
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	We have assumed no impact of dependent children on the implicit subsidy

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 5 – Pension and Retirement Plans (continued)

Changes in the Stipend Pension Liability.

Stipend Pension Liability at June 30, 2016	\$	254,714
Changes for the year:		
Service cost		6,236
Interest		8,235
Benefit payments		(45,095)
Stipend Pension Liability at June 30, 2017	\$	224,090

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

	1% Decrease Rate 2.5%	Current Discount Rate 3.5%	1% Increase Rate 4.5%
Total Stipend Pension Liability	\$ 240,754	\$ 224,090	\$ 208,323

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

For the year ended June 30, 2017, the District recognized stipend pension expense of \$14,471. At June 30, 2017, the District reported no deferred outflows or inflows associated with its stipend pension plan.

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).

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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 5 – Pension and Retirement Plans (continued)

OPERS Plan - (continued)

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 a OPERS-covered job at the time of death.

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% of the member's salary determined as of the last full month of employment before the disability occurred.

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:

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 5 – Pension and Retirement Plans (continued)

OPERS Plan - (continued)

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%.

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, 2017 were \$4,203,936, excluding amounts to fund employer specific liabilities. The contribution rates in effect for the fiscal year ended June 30, 2017 for each pension program were: Tier1/Tier 2 – 22.33%, and OPSRP general service – 17.64%.

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/section/financial_reports/financials.aspx.

Actuarial Valuation

The employer contribution rates effective July 1, 2015, through June 30, 2017, 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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 5 – Pension and Retirement Plans (continued)

OPERS Plan - (continued)

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation date	December 31, 2014
Measurement date	June 30, 2016
Experience Study	2014, published September 2015
Actuarial assumptions:	
Inflation rate	2.50 percent (reduced from 2.75%)
Long-term expected rate of return	7.50 percent (reduced from 7.75%)
Discount rate	7.50 percent (reduced from 7.75%)
Projected salary increases	3.50 percent (reduced from 3.75%)
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><i>Healthy retirees and beneficiaries:</i> RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p><i>Active members:</i> Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p><i>Disabled retirees:</i> Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 5 – 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 PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means; see PERS’ audited financial statements at:

http://www.oregon.gov/pers/docs/financial_reports/2016_cafr.pdf.

Pension Liabilities/Assets and Pension Expense

At June 30, 2017, Oregon PERS reported the District had a liability of \$49,369,235 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. 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, 2017, the District’s proportion was approximately 0.3289 percent. Under the cash basis of accounting, the pension liability is reported as an expense in the period paid. Accordingly, the liability is not included in the Statement of Net Pension.

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 7.50 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 (6.50 percent) or 1-percentage point higher (8.50 percent) than the current rate:

District’s Net Pension Asset/(Liability)	1% Decrease (6.50)	Current Discount Rate	1% Increase (8.50%)
Defined Benefit Pension Plan	\$ 79,714,853	\$ 49,369,235	\$ 24,005,607

Changes in Assumptions –

A summary of key changes implemented since the December 31, 2013 valuation can be found in the 2014 Experience Study for the System, which can be found at:

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 5 – Pension and Retirement Plans (continued)

OPERS Plan - (continued)

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.

Note 6 – Operating Leases

The District leases equipment under non-cancelable operating leases. Total costs for such leases were \$149,614 for the fiscal year ended June 30, 2017. The future minimum lease payments for these leases are as follows:

Fiscal Year Ending June 30	
2018	\$ 127,669
2019	114,862
2020	9,528
Total	<u>\$ 252,059</u>

Note 7 – Self-Insurance

The District is self-insured for unemployment benefits. The Board of Directors establishes the annual charges necessary to cover any expected benefit payments. Unemployment benefits claims are charged to expense when paid. The District paid \$9,228 in benefit claims in total for the year.

Note 8 – Contingencies

Amounts received 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, if any, is not presently determinable.

Note 9 – 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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 9 – Current Vulnerability Due to Certain Concentrations (continued)

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 10 – 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 had one instance where they were required to pay a settlement in excess of insurance coverage during the past three fiscal years ending June 30, 2017.

Note 11 – Tax Abatements

As of June 30, 2017, Jackson county provides tax abatement through the Enterprize 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 firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program provides qualified firms 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, 2017, Central Point School District's abated property taxes totaling \$23,436 under the Enterprise Zone program.

Note 12 – Economic Dependency

Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenue. The Basic School Support funding provided by the state to all public school systems in Oregon is primarily based on student enrollment. The State provided \$29,138,653 to the District, which represents approximately 58.2% of the District's total general revenues for the year.

Note 13 – Subsequent Events

Management of the District has evaluated events and transactions occurring after June 30, 2017 through December 18, 2017 the date of the financial statements were available for issuance, for recognition and/or disclosure in the financial statements.

Changes in OPERS Pension Plan Provisions -

At its July 28, 2017 meeting, the PERS Board lowered its effective "assumed rate" from 7.5% to 7.2% effective, January 1, 2018. The assumed rate is the rate of investment return (including inflation) that the PERS Fund's regular account is expected to earn over the long term.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2017

Note 13 – Subsequent Events (continued)

Oregon Administrative Rule 459-007-0001(2) states that the assumed rate "means the actuarial assumed rate of return on investments as adopted by the Board for the most recent actuarial valuation."

The lowered rate is expected to increase the PERS net pension liability by an estimated \$2.0 to \$2.4 billion. Of this increase, the District's portion is estimated at \$6.6 to \$7.9 million.

SUPPLEMENTARY INFORMATION

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget
				Positive (Negative)
REVENUES				
Local sources				
Property taxes	\$ 10,868,006	\$ 10,868,006	\$ 10,694,680	\$ (173,326)
Charges for services	285,000	285,000	177,509	(107,491)
Interest on investments	35,000	35,000	93,176	58,176
Donations	1,000	1,000	180	(820)
Miscellaneous	200,000	200,000	248,656	48,656
Intermediate sources				
State sources				
State school support	28,184,281	28,184,281	29,138,653	954,372
Intergovernmental	420,000	420,000	1,014,161	594,161
Federal sources				
Intergovernmental	-	-	23,177	23,177
TOTAL REVENUES	39,993,287	39,993,287	41,390,192	1,396,905
EXPENDITURES				
Instruction	26,296,939	26,196,939	25,096,471	1,100,468
Support services	14,908,995	14,908,995	14,385,609	523,386
Enterprise and community services	3,500	3,500	-	3,500
Facilities acq. and construction	150,000	250,000	40,775	209,225
Contingency	1,972,617	1,972,617	-	1,972,617
TOTAL EXPENDITURES	43,332,051	43,332,051	39,522,855	3,809,196
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,338,764)	(3,338,764)	1,867,337	5,206,101
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	3,495	3,495
TOTAL OTHER FINANCING SOURCES (USES)	-	-	3,495	3,495
NET CHANGE IN FUND BALANCE	(3,338,764)	(3,338,764)	1,870,832	5,209,596
FUND BALANCE, July 1, 2016	3,338,764	3,338,764	4,070,569	731,805
FUND BALANCE, June 30, 2017	\$ -	\$ -	\$ 5,941,401	\$ 5,941,401

JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FISCAL YEAR ENDED JUNE 30, 2017

	Budget		Actual	Variance with
	Adopted	Final		Final Budget
				Positive
				(Negative)
REVENUES				
Local sources				
Construction excise tax	\$ 240,000	\$ 240,000	\$ 164,317	\$ (75,683)
Charges for services	897,835	897,835	1,146,110	248,275
Intergovernmental	1,000	1,000	-	(1,000)
Interest on investments	750	750	-	(750)
Donations	282,780	282,780	244,739	(38,041)
Miscellaneous	176,500	176,500	247,601	71,101
State sources				
Intergovernmental	130,535	130,535	271,613	141,078
Federal sources				
Intergovernmental	3,511,238	3,511,238	3,714,708	203,470
TOTAL REVENUES	5,240,638	5,240,638	5,789,088	548,450
EXPENDITURES				
Instruction	3,458,457	3,458,457	2,760,457	698,000
Support services	1,108,487	1,108,487	760,723	347,764
Enterprise and community services	1,981,457	1,981,457	1,919,857	61,600
Facilities acq. and construction	329,400	329,400	209,087	120,313
Contingency	408,787	408,787	-	408,787
TOTAL EXPENDITURES	7,286,588	7,286,588	5,650,124	1,636,464
EXCESS (DEFICIENCY) OF				
 REVENUES OVER EXPENDITURES	(2,045,950)	(2,045,950)	138,964	2,184,914
FUND BALANCE, July 1, 2016	2,045,950	2,045,950	1,651,443	(394,507)
FUND BALANCE, June 30, 2017	\$ -	\$ -	\$ 1,790,407	\$ 1,790,407

JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL
DEBT SERVICE FUND
FISCAL YEAR ENDED JUNE 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Local sources				
Property taxes	\$ 2,886,065	\$ 2,886,065	\$ 2,800,884	\$ (85,181)
Interest on investments	8,000	8,000	16,831	8,831
TOTAL REVENUES	<u>2,894,065</u>	<u>2,894,065</u>	<u>2,817,715</u>	<u>(76,350)</u>
EXPENDITURES				
Debt service	<u>3,039,065</u>	<u>3,039,065</u>	<u>2,827,703</u>	<u>211,362</u>
TOTAL EXPENDITURES	<u>3,039,065</u>	<u>3,039,065</u>	<u>2,827,703</u>	<u>211,362</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(145,000)	(145,000)	(9,988)	135,012
FUND BALANCE, July 1, 2016	<u>145,000</u>	<u>145,000</u>	<u>139,365</u>	<u>(5,635)</u>
FUND BALANCE, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,377</u>	<u>\$ 129,377</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL
FIDUCIARY TRUST & AGENCY FUND
FISCAL YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Local sources				
Interest	\$ 30	\$ 30	\$ 1	\$ (29)
Contributions	16,500	16,500	16,500	-
TOTAL REVENUES	16,530	16,530	16,501	(29)
EXPENDITURES				
Current				
Supporting services	50	50	6	44
Community services	56,430	56,430	53,561	2,869
TOTAL EXPENDITURES	56,480	56,480	53,567	2,913
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(39,950)	(39,950)	(37,066)	2,884
NET CHANGE IN FUND BALANCE	(39,950)	(39,950)	(37,066)	2,884
FUND BALANCE, July 1, 2016	39,950	39,950	41,116	1,166
FUND BALANCE, June 30, 2017	\$ -	\$ -	\$ 4,050	\$ 4,050

SCHOOL DISTRICT FINANCIAL
ACCOUNTING SUMMARIES

JACKSON COUNTY SCHOOL DISTRICT NO 6
2016 - 17 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	\$10,691,253	\$0	\$2,799,932	\$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	\$164,317	\$0	\$0	\$0	\$0	\$0
1190 Penalties and Interest on Taxes	\$3,427	\$0	\$952	\$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	\$20,898	\$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
1420 Summer School Transportation Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1500 Earnings on Investments	\$93,176	\$0	\$16,831	\$0	\$0	\$0	\$1
1600 Food Service	\$0	\$202,030	\$0	\$0	\$0	\$0	\$0
1700 Extracurricular Activities	\$78,703	\$905,647	\$0	\$0	\$0	\$0	\$0
1800 Community Services Activities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1910 Rentals	\$0	\$38,433	\$0	\$0	\$0	\$0	\$0
1920 Contributions and Donations From Private Sources	\$180	\$244,739	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1950 Textbook Sales and Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1960 Recovery of Prior Years' Expenditure	\$12,984	\$103,420	\$0	\$0	\$0	\$0	\$0
1970 Services Provided Other Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1980 Fees Charged to Grants	\$5,008	\$0	\$0	\$0	\$0	\$0	\$0
1990 Miscellaneous	\$235,672	\$144,181	\$0	\$0	\$0	\$0	\$0
Total Revenue from Local Sources	\$11,214,201	\$1,802,767	\$2,817,715	\$0	\$0	\$0	\$16,501

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	\$0	\$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	\$0	\$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	\$29,138,653	\$0	\$0	\$0	\$0	\$0	\$0
3102 State School Fund - School Lunch Match	\$0	\$18,355	\$0	\$0	\$0	\$0	\$0
3103 Common School Fund	\$579,398	\$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	\$23,700	\$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	\$411,063	\$253,258	\$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	\$30,152,814	\$271,613	\$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	\$0	\$0	\$0	\$0	\$0	\$0
4500 Restricted Revenue From the Federal Government Through the State	\$0	\$3,569,794	\$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	\$23,177	\$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	\$144,914	\$0	\$0	\$0	\$0	\$0
Total Revenue from Federal Sources	\$23,177	\$3,714,708	\$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	\$0	\$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	\$3,495	\$0	\$0	\$0	\$0	\$0	\$0
5400 Resources - Beginning Fund Balance	\$4,070,569	\$1,651,443	\$139,365	\$0	\$0	\$0	\$41,116
Total Revenue from Other Sources	\$4,074,064	\$1,651,443	\$139,365	\$0	\$0	\$0	\$41,116
Grand Totals	\$45,464,256	\$7,440,531	\$2,957,080	\$0	\$0	\$0	\$57,617

JACKSON COUNTY SCHOOL DISTRICT NO 6
2016 - 17 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	\$9,699,957	\$6,254,110	\$3,062,169	\$224,356	\$159,322	\$0	\$0	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$4,313,589	\$2,692,779	\$1,387,930	\$147,980	\$84,451	\$0	\$449	\$0
1122 Middle/Junior High School Extracurricular	\$134,161	\$94,638	\$22,343	\$12,797	\$3,983	\$0	\$400	\$0
1131 High School Programs	\$5,716,478	\$3,592,163	\$1,836,770	\$194,780	\$91,661	\$0	\$1,104	\$0
1132 High School Extracurricular	\$747,871	\$460,481	\$121,988	\$96,836	\$63,369	\$0	\$5,197	\$0
1140 Pre-Kindergarten Programs	\$88,334	\$0	\$0	\$88,334	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$7,344	\$6,369	\$772	\$0	\$203	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$1,992,653	\$973,047	\$491,323	\$506,664	\$21,619	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$1,681,360	\$1,059,386	\$604,817	\$3,082	\$14,075	\$0	\$0	\$0
1260 Treatment and Habilitation	\$106,816	\$70,485	\$36,331	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$5,308	\$3,981	\$1,281	\$0	\$46	\$0	\$0	\$0
1280 Alternative Education	\$151,482	\$87,903	\$48,610	\$13,969	\$1,000	\$0	\$0	\$0
1291 English Second Language Programs	\$449,686	\$292,763	\$156,496	\$427	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$1,432	\$1,180	\$252	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$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	\$25,096,471	\$15,589,285	\$7,771,082	\$1,289,225	\$439,729	\$0	\$7,150	\$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	\$174,437	\$40,684	\$45,540	\$86,979	\$1,234	\$0	\$0	\$0
2120 Guidance Services	\$676,482	\$449,908	\$226,574	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$116,874	\$9,655	\$793	\$104,654	\$1,772	\$0	\$0	\$0
2140 Psychological Services	\$379,050	\$96,731	\$36,870	\$240,120	\$5,329	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$441,510	\$221,183	\$93,717	\$123,907	\$2,478	\$0	\$225	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$231,355	\$142,902	\$61,121	\$17,641	\$6,977	\$0	\$2,714	\$0
2210 Improvement of Instruction Services	\$242,443	\$144,279	\$67,378	\$24,142	\$5,193	\$0	\$1,451	\$0
2220 Educational Media Services	\$436,223	\$226,321	\$185,727	\$0	\$24,115	\$0	\$60	\$0
2230 Assessment & Testing	\$87,830	\$55,162	\$32,668	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$88,613	\$20,766	\$13,109	\$53,126	\$812	\$0	\$800	\$0
2310 Board of Education Services	\$82,078	\$0	\$0	\$65,598	\$5,850	\$0	\$10,630	\$0
2320 Executive Administration Services	\$369,185	\$224,919	\$109,862	\$21,349	\$9,372	\$0	\$3,683	\$0
2410 Office of the Principal Services	\$3,111,780	\$1,843,977	\$1,115,009	\$98,400	\$45,162	\$0	\$9,232	\$0
2490 Other Support Services - School Administration	\$6,405	\$0	\$0	\$1,558	\$1,447	\$0	\$3,400	\$0
2510 Direction of Business Support Services	\$370,772	\$191,283	\$103,880	\$31,418	\$31,801	\$0	\$12,390	\$0
2520 Fiscal Services	\$277,357	\$154,126	\$87,271	\$0	\$31,686	\$0	\$4,274	\$0
2540 Operation and Maintenance of Plant Services	\$3,424,188	\$1,315,976	\$767,629	\$1,054,225	\$219,841	\$50,977	\$15,540	\$0
2550 Student Transportation Services	\$2,189,267	\$0	\$0	\$2,030,023	\$159,244	\$0	\$0	\$0
2570 Internal Services	\$609	\$446	\$163	\$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	\$6,495	\$0	\$0	\$6,495	\$0	\$0	\$0	\$0
2630 Information Services	\$56,181	\$28,815	\$22,159	\$4,995	\$212	\$0	\$0	\$0
2640 Staff Services	\$311,004	\$177,703	\$85,360	\$26,522	\$19,254	\$0	\$2,165	\$0
2660 Technology Services	\$729,550	\$159,747	\$96,914	\$235,101	\$237,671	\$0	\$117	\$0
2670 Records Management 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	\$575,921	\$43,770	\$532,151	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$14,385,609	\$5,548,353	\$3,683,895	\$4,226,253	\$809,450	\$50,977	\$66,681	\$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	\$40,775	\$0	\$0	\$8,000	\$0	\$32,775	\$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	\$40,775	\$0	\$0	\$8,000	\$0	\$32,775	\$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	\$39,522,855	\$21,137,638	\$11,454,977	\$5,523,478	\$1,249,179	\$83,752	\$73,831	\$0

JACKSON COUNTY SCHOOL DISTRICT NO 6
2016 - 17 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 200 Special Revenue Funds

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$11,553	\$5,403	\$584	\$0	\$5,566	\$0	\$0	\$0
1113 Elementary Extracurricular	\$198,550	\$342	\$61	\$39,337	\$150,813	\$0	\$7,997	\$0
1121 Middle/Junior High Programs	\$19,509	\$0	\$0	\$1,500	\$18,009	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$151,304	\$0	\$0	\$34,436	\$115,949	\$0	\$919	\$0
1131 High School Programs	\$64,048	\$2,938	\$488	\$8,145	\$50,931	\$0	\$1,546	\$0
1132 High School Extracurricular	\$559,748	\$4,263	\$1,007	\$250,287	\$300,197	\$0	\$3,994	\$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	\$476,083	\$244,416	\$187,784	\$18,860	\$22,953	\$0	\$2,070	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$319,703	\$157,642	\$162,061	\$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	\$941,856	\$647,025	\$279,589	\$0	\$15,242	\$0	\$0	\$0
1280 Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Second Language Programs	\$2,600	\$0	\$0	\$1,776	\$824	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$15,503	\$11,198	\$3,665	\$0	\$640	\$0	\$0	\$0
1294 Youth Corrections Education	\$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	\$2,760,457	\$1,073,227	\$635,239	\$354,341	\$681,124	\$0	\$16,526	\$0
Support Services Expenditures								
2110 Attendance and Social Work Services	\$5,629	\$251	\$21	\$750	\$4,607	\$0	\$0	\$0
2120 Guidance Services	\$39,003	\$36,060	\$2,943	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$38,038	\$0	\$0	\$38,038	\$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	\$95,934	\$65,790	\$30,144	\$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	\$99,728	\$9,444	\$1,831	\$76,874	\$317	\$0	\$11,262	\$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	\$5,008	\$0	\$0	\$0	\$0	\$0	\$5,008	\$0
2540 Operation and Maintenance of Plant Services	\$260,763	\$0	\$0	\$116,571	\$63,725	\$80,467	\$0	\$0
2550 Student Transportation Services	\$4,409	\$0	\$0	\$4,409	\$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	\$212,211	\$0	\$0	\$0	\$0	\$0	\$212,211	\$0
2670 Records Management 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	\$760,723	\$111,545	\$34,939	\$236,642	\$68,649	\$80,467	\$228,481	\$0
Enterprise and Community Services Expenditures								
3100 Food Services	\$1,914,759	\$616,733	\$339,128	\$20,699	\$921,206	\$0	\$16,993	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$5,098	\$400	\$33	\$0	\$4,665	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$1,919,857	\$617,133	\$339,161	\$20,699	\$925,871	\$0	\$16,993	\$0
Facilities Acquisition and Construction Expenditures								
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	\$209,087	\$0	\$0	\$0	\$0	\$209,087	\$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	\$209,087	\$0	\$0	\$0	\$0	\$209,087	\$0	\$0
Other Uses Expenditures								
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	\$5,650,124	\$1,801,905	\$1,009,339	\$611,682	\$1,675,644	\$289,554	\$262,000	\$0

JACKSON COUNTY SCHOOL DISTRICT NO 6
2016 - 17 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 300 Debt Service Funds

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
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 Second Language 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
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								
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
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								
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								
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								
5100 Debt Service	\$2,827,703	\$0	\$0	\$0	\$0	\$0	\$2,827,703	\$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	\$2,827,703	\$0	\$0	\$0	\$0	\$0	\$2,827,703	\$0
Grand Total	\$2,827,703	\$0	\$0	\$0	\$0	\$0	\$2,827,703	\$0

JACKSON COUNTY SCHOOL DISTRICT NO 6
2016 - 17 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 700 Trust and Agency Funds

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
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 Second Language 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
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								
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	\$1	\$0	\$0	\$0	\$1	\$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	\$5	\$0	\$0	\$0	\$0	\$0	\$5	\$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
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	\$6	\$0	\$0	\$0	\$1	\$0	\$5	\$0
Enterprise and Community Services Expenditures								
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	\$53,561	\$0	\$0	\$53,561	\$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	\$53,561	\$0	\$0	\$53,561	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures								
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								
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	\$53,567	\$0	\$0	\$53,561	\$1	\$0	\$5	\$0

JACKSON COUNTY SCHOOL DISTRICT NO 6

SUPPLEMENTAL INFORMATION, 2016-2017

School District Business Managers and Auditors:

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

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

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

	Objects 325 & 326
Function 2540	\$ 602,491
Function 2550	\$ 0

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

\$ 0

Exclude these functions:

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

Exclude these functions:

4150 Construction
 2550 Pupil Transportation
 3100 Food Service
 3300 Community Services

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, Oregon, (the District) as of and for the year ended June 30, 2017, and have issued our report thereon dated December 18, 2017. 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 grant agreements, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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, Division of Audits and is not intended to be and should not be used by anyone other than these specified parties.

Stewart Parmele CPA, Partner

Stewart Parmele, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 18, 2017

Items required by Uniform Guidance

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

To the Board of 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, 2017, 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 18, 2017.

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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been 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 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 18, 2017

**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 the District's major federal program for the year ended June 30, 2017. The District's major federal program is 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 the major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the 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 its major federal program for the year ended June 30, 2017.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the 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 did not identify 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 18, 2017

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS
YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Grant/Contract Number	Federal Expenditures
U.S. Department of Agriculture				
Passed Through Oregon Department of Education:				
School Breakfast Program (SBP)	10.553		N/A	\$ 342,436
National School Lunch Program (NSLP)	10.555		N/A	1,134,145
Commodities NSLP	10.555		N/A	144,914
Summer Food Service Program for Children (SFSPC)	10.559		N/A	39,477
Total Child Nutrition Cluster				<u>1,660,972</u>
Food Distribution Program Fee Refund	10.560		N/A	2,481
Total CFDA 10.558				<u>2,481</u>
Fresh Fruit and Vegetable Program	10.582		N/A	54,625
Total CFDA 10.582				<u>54,625</u>
Passed through Southern Oregon Education Service District:				
Schools and Roads - Grants to Counties	10.666		N/A	23,177
Total CFDA 10.665				<u>23,177</u>
Total U.S. Department of Agriculture				<u>\$ 1,741,255</u>
U.S. Department of the Interior Bureau of Land Management				
Direct Award				
BLM - Secure Rural Schools	15.234		N/A	\$ 661
Total CFDA 15.234				<u>661</u>
Total U.S. Department of the Interior Bureau of Land Management				<u>\$ 661</u>
U.S. Department of Health and Human Services				
Direct Award				
YTP (15-17)	84.126A		N/A	\$ 68,912
Total CFDA 84.126A				<u>68,912</u>
Total U.S. Department of Health and Human Services				<u>\$ 68,912</u>
U.S. Department of Education				
Passed Through Oregon Department of Education:				
Title I Grants to Local Educational Agencies (15-16)	84.010		35939	\$ 220,340
Title I Grants to Local Educational Agencies (16-17)	84.010		41023	768,229
Total CFDA 84.010				<u>988,569</u>
Passed Through Oregon Department of Education:				
Special Education - Grants to States (15-16)	84.027		36822	63,108
Special Education - Grants to States (16-17)	84.027		41480	539,600
Special Education - Grants to States (SPR & I 16-17)	84.027		40779	2,858
Special Education - Grants to States (Extended Assessment 16-17)	84.027		41943	900
Special Education - Grants to States (Enhancement 16-17)	84.027		42608	7,957
Special Education - Preschool Grants (15-16)	84.173		37137	1,545
Total Special Education Cluster (IDEA)				<u>615,968</u>
Passed Through Oregon Department of Education:				
English Language Acquisition State Grants (15-16)	84.365		36311	5,996
English Language Acquisition State Grants (16-17)	84.365		41747	14,268
Total CFDA 84.365				<u>20,264</u>
Improving Effective Instruction State Grant (16-17)	84.367		41278	103,223
Total CFDA 84.367				<u>103,223</u>
Total U.S. Department of Education				<u>\$ 1,728,024</u>
Total Expenditures of Federal Awards				<u>\$ 3,538,852</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CASH BASIS
JUNE 30, 2017

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, 2017. 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 net position 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 a basis of accounting other than the cost principles contained in the Uniform Guidance.

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 the fair market value of the commodities received and disbursed. For the year ended June 30, 2017, the District received food commodities totaling \$144,914.

NOTE E – SUBRECIPIENTS

There were no awards passed through to subrecipients.

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

1. The auditor’s report expresses an unmodified opinion on 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 in internal control over compliance for the major federal program was disclosed.
5. The auditor’s report on compliance for the major federal award program for the District expresses an unmodified opinion on the major federal program.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this Schedule.
7. The program tested as a major federal program was:

U.S. Department of Agriculture

Child Nutrition Cluster (CFDA #10.553, 10.555, 10.559)

8. The threshold for distinguishing between Type 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

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2016**

SECTION IV – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

US Department of Agriculture

Child Nutrition Cluster – CFDA #10.553, 10.555, 10.559

2016-1 Special Tests and Provisions – Significant Deficiency

Annual Verification

Criteria: In accordance with 7 CFR Section 245.6a, the local educational agency must verify eligibility of children in a sample of household applications approved for free and reduced meal benefits for that school year. Sources of information for verification may include written evidence, collateral contacts, and systems of records or participation in programs for which a case number may be provided in lieu of income information. Based upon the verification activities, the local educational agency shall make appropriate modifications to the eligibility determinations made initially.

Statement of Condition: The District completed the annual verification within the required timeline; however, District personnel miscalculated the monthly income for one of the applications within the sample verified. The actual income exceeded the limits for reduced meal benefits.

Current Status: The recommendation was adopted and no similar findings were noted in the 2017 audit.