

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
Central Point, Oregon**

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

FISCAL YEAR ENDED JUNE 30, 2014

WITH

INDEPENDENT AUDITOR'S REPORTS

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
Central Point, Oregon
June 30, 2014**

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

BOARD OF DIRECTORS AS OF JUNE 30, 2014

Cindy Tilley-Case 3295 Galls Creek Road, Gold Hill, OR 97525	Chair
Bret Moore 1020 Shake Drive, Central Point, Oregon 97502	Vice-Chair
Ed Lindbloom 752 Jean Louise Circle, Central Point, OR 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	Director

ADMINISTRATIVE STAFF

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6

Central Point, Oregon

For the Fiscal Year Ended June 30, 2014

Table of Contents

	<u>Page</u>
Independent Auditor's Report	A-1 – A-3
Management Discussion and Analysis	B-1 – B-5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position - Cash Basis	1
Statement of Activities - Cash Basis	2
Fund Financial Statements:	
Statement of Cash Basis Assets, Liabilities and Fund Balance - Governmental Funds	3
Reconciliation of Governmental Funds Statement of Cash Basis Assets, Liabilities and Fund Balances to Statement of Net Position - Cash Basis	4
Statement of Cash Collected, Expenditures Paid and Changes in Fund Balance - Cash Basis - Governmental Funds	5
Reconciliation of the Statement of Cash Collected, Expenditures Paid and Changes in Fund Balance of Governmental Funds to the Statement of Activities - Cash Basis	6
Statement of Net Position - Cash Basis - Internal Service Fund	7
Statement of Cash Received, Expenditures Paid, and Changes in Fund Net Position - Cash Basis - Internal Service Fund	8
Statement of Cash Flows - Cash Basis - Internal Service Fund	9
Statement of Fiduciary Net Position - Cash Basis - Fiduciary Fund	10
Statement of Changes in Fiduciary Net Position - Cash Basis - Fiduciary Fund	11
 Notes to the Basic Financial Statements	 12 – 29
 Supplementary Information:	
Schedule of Funding Progress - Other Postemployment Benefits	30
Schedule of Cash Collected, Expenditures Paid and Changes in Fund Balance - Cash Basis - Budget and Actual - General Fund	31
Schedule of Cash Collected, Expenditures Paid and Changes in Fund Balance - Cash Basis - Budget and Actual - Special Revenue Fund	32
Schedule of Cash Collected, Expenditures Paid and Changes in Fund Balance - Cash Basis - Budget and Actual - Federal Programs Fund	33
Schedule of Cash Collected, Expenditures Paid and Changes in Fund Balance - Cash Basis - Budget and Actual - Student Body Fund	34
Schedule of Cash Collected, Expenditures Paid and Changes in Fund Balance - Cash Basis - Budget and Actual - Food Service Fund	35

JACKSON COUNTY SCHOOL DISTRICT NO. 6

Table of Contents (continued)

	<u>Page</u>
Supplementary Information (Continued):	
Schedule of Cash Collected, Expenditures Paid and Changes in Fund Balance - Cash Basis - Budget and Actual - Debt Service Fund	36
Other Individual Fund Schedules:	
Schedule of Cash Collected, Expenditures Paid, and Changes in Fund Balance - Cash Basis - Budget and Actual: Internal Service Fund	37
Fiduciary Funds:	
Schedule of Cash Collected, Expenditures Paid, and Changes in Fund Balance - Cash Basis - Budget and Actual - Fiduciary Trust & Agency Fund	38
Other Financial Schedules:	
Schedule of Property Tax Transactions	39
School District Financial Accounting Summaries	40 – 46
Independent Auditor's Report Required by State Regulations	47 – 48
Items Required by the Single Audit Act	
Amendments of 1996 for Federal Awards Programs:	
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 <i>Government Auditing Standards</i>	49 – 50
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by <i>OMB Circular A-133</i>	51 – 52
Schedule of Expenditures of Federal Awards	53
Schedule of Findings and Questioned Costs	54 – 56



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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, the business type activities, each major fund and the aggregate remaining fund information of Jackson County School District No. 6 (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion 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 financial position - cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jackson County School District No. 6, Central Point, Oregon, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows, 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 District's basic financial statements. The Supplementary Information as listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The management's discussion and analysis, schedule of funding progress - other postemployment benefits, budget and actual fund schedules, and other financial schedules as listed in the Table of Contents are the responsibility of management, and are presented for purposes of additional analysis and are not a required part of the basic financial statements. We have applied certain limited procedures to the management's discussion and analysis and the schedule of funding progress - other postemployment benefits 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, expenses paid and changes in fund balance - cash basis - budget and actual, and the other financial schedules 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, and the other financial schedules as listed in the table of contents are fairly stated in all material aspects, in relation to the basic financial statements as a whole.

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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards* and *Oregon State Regulations*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014, on our consideration of the Jackson County School District No. 6'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 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 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 Jackson County School District No. 6's internal control over financial reporting and compliance.

In accordance with Oregon State Regulation, we have also issued our report dated December 19, 2014 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 162-10-000 through 162-10-320 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
KDCO Piels, Certified Public Accountants, LLP
Medford, Oregon
December 19, 2014

Jackson County School District No. 6
Management's Discussion and Analysis
June 30, 2014

The discussion and analysis of Jackson County School District No. 6's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2014, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of the District's financial performance.

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.

Reporting the District as a whole

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The government-wide financial statements (Statement of Net Position – cash basis and Statement of Activities – cash basis) provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. These statements include all the financial activities of the District, except for the fiduciary funds. The fiduciary funds are only reported in the Statement of Net Position - Cash Basis - Fiduciary Funds and supporting statements. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of Jackson County School District No. 6, there were no funds classified as non-major funds. The General Fund is the District's most significant fund along with the Special Revenue Fund, the Federal Programs Fund, the Student Body Fund, the Food Service Fund, and the Debt Service Fund.

Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis

The Statement of Net Position and the Statement of Activities include all assets and liabilities resulting from the use of the cash basis of accounting.

These two statements report the District's net position and changes in that position. Because of the limitations of the cash basis of accounting, the District's net position — the difference between assets and liabilities — is one way to measure the District's financial health or financial position. Over time, increases or decreases in net position is one indicator of whether the District's financial health is

Jackson County School District No. 6
 Management's Discussion and Analysis
 June 30, 2014

improving or deteriorating. The reported change in financial condition is actually a change in cash position and not a change in the economic condition of the District.

In the Statement of Net Position – cash basis and the Statement of Activities – cash basis, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, facilities acquisition and construction, operation and maintenance, pupil transportation, debt service and extracurricular activities.

Reporting the District's most significant funds

Fund Financial Statements

The analysis of the District's major funds begins on page 3 (governmental fund statement of cash basis assets and fund balance). Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund, the Special Revenue Fund, the Federal Programs Fund, the Student Body Fund, the Food Service Fund and the Debt Service Fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances remaining at year-end available for spending in future periods. These funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities reported in the Statement of Net Position – cash basis and the Statement of Activities – cash basis and governmental funds is reconciled in the financial statements.

The District as a whole

The following summaries present comparative data for the current and prior fiscal years. The Statement of Net Position, resulting from cash basis transactions, provides the perspective of the District as a whole.

Statement of Net Position Summary – Cash Basis

	2013	2014
ASSETS:		
Cash and investments	\$ 3,893,333	\$ 4,587,477
NET POSITION:		
Restricted for debt service	\$ 226,665	\$ 293,675
Unrestricted	3,666,668	4,293,802
TOTAL NET POSITION:	\$ 3,893,333	\$ 4,587,477

The increase in the District's net position of \$694,144 over the prior year is due to a combination of factors. These include higher levels of general revenues, the District's receipt of \$850,071 in funds from the dissolution of the Jackson County Urban Renewal Agency, and \$800,800 in proceeds from the issuance of long term debt to finance network upgrades. Removing the receipts from the Urban Renewal

Jackson County School District No. 6
Management's Discussion and Analysis
June 30, 2014

Agency and the bond proceeds provide a more precise figure for the District's net position from regular activities and this adjusted figure shows the District's net position decreased \$956,727 during 2013-2014.

Changes in Net Position – Cash Basis

	2013	2014
Revenues		
Program Revenues:		
Charges for services	\$ 1,304,003	\$ 1,296,560
Operating grants and contributions	3,133,012	3,230,991
Capital grants and contributions	-	-
General Revenues:		
Property taxes	11,662,934	12,047,603
Grants and entitlements	21,598,892	25,085,649
Other	1,210,748	3,046,875
Total Revenues	38,909,589	44,707,678
 Expenses		
Program expenses		
Instruction	23,084,168	24,642,063
Support services	14,326,719	14,625,510
Community services	1,592,142	1,587,566
Facilities acquisition and construction	566,036	616,977
Debt service	2,647,206	2,541,418
Total expenditures:	42,216,271	44,013,534
Change in Net Position	\$ (3,306,682)	\$ 694,144

Governmental Activities

K-12 education in Oregon is State funded. While the District still levies a fixed amount per \$1,000 of assessed value, this revenue is included in the State's calculation of overall funding. Property taxes made up over 21% of revenues for governmental activities (excluding taxes levied for debt service) for the District in fiscal year 2013-2014.

Instruction comprises approximately 56% of District expenses. Support services make up almost 33% of the total expenses of the District. However, it should be noted that the support service function includes services to students. Some of the services to students included in this function category are educational media services, guidance services, school psychology and speech pathology services. The remaining 11% of District expenses are comprised of community services, facility acquisition and construction, and debt service.

Regular programs include activities directly dealing with the teaching of students and the interaction between teacher and student.

Jackson County School District No. 6
Management's Discussion and Analysis
June 30, 2014

Special programs include activities directly dealing with the teaching of students in programs with restrictions, talented and gifted and alternative education programs.

Student and instructional staff support includes supporting services for direct instruction programs including guidance services, psychological and speech pathology services, media services and improvement of instruction services.

Administration, fiscal and business services provided include expenses associated with administrative and financial supervision of the District. Included in this category is the Office of the Principal services and the District's supplemental retirement program.

Central activities include expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

General Fund Budgeting Highlights

The District's budget is prepared according to Oregon law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. All funds are budgeted but the most significant budgeted funds are the General Fund, Special Revenue Fund, Federal Programs Fund, Student Body Fund, and the Food Service Fund. Budgeted amounts for the General Fund are as follows:

	Budget		Actual	Variance
	Original	Final		
Instruction	\$ 21,946,262	\$ 22,146,626	\$ 22,104,233	\$ 42,393
Support Services	14,118,647	13,858,647	13,755,086	103,561
Enterprise and Community Svcs.	-	-	-	-
Facilities Acq. And Construction	320,000	380,000	369,699	10,301
Contingency	1,900,000	1,900,000	-	1,900,000
Transfers	-	-	-	-
	<u>\$ 38,284,909</u>	<u>\$ 38,285,273</u>	<u>\$ 36,229,018</u>	<u>\$ 2,056,255</u>

Capital Assets – cash basis

Capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Debt Administration

The District passed a general obligation bond in September 2000, in the amount of \$29,804,705. The major portion of these funds were used to replace an existing elementary school, add a major addition to Hanby Middle School, remodel the 1908 building that was part of Central Point Elementary into administration offices, build a new auditorium at the high school and other miscellaneous projects throughout the District. The bonds were sold on October 17, 2000 with various maturities and interest rates with the final payments occurring in June 2020. In September 2004, the District issued bonds for the purpose of advance refunding some of the October 2000 series bonds. This advance refunding was followed by a second round of advance refunding in March 2013. Each advanced refunding was completed in order to obtain lower interest rates resulting in savings in current and future debt service payments. Current estimates indicate the District will experience savings of more than \$2.7 million by 2020 as a result of its refunding efforts.

Current financial issues and concerns

As mentioned in the governmental activities paragraph, K-12 education in Oregon has become a State funded program. The severe economic events that began in 2005 and stretched through 2012 had a tremendous impact on Oregon's ability to fund K-12. Even with federal stimulus help in the form of the American Recovery and Reinvestment Act (ARRA) and Edu-Jobs legislation, significant expenditure reductions were required. However, beginning with the 12-13 school year, economic and financial information suggested that the state had hit bottom and was starting to climb back towards pre-recession levels, albeit at a very slow and fragile pace. This trend continued through the 13-14 school year and has encouraged the District to continue to add back service levels lost during the great recession. Beginning in 12-13 the District began reinstating operational days, hiring staff, and completing various maintenance projects. Utilization of a significant portion of the District's accumulated fund balance provided the resources needed to support these activities. The District plans to continue to build back service levels lost during the great recession, but this will be dependent upon the resources made available during the 2015-2017 biennium.

Contacting the District's financial management

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 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, Financial Services Manager 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, 2014**

	<u>Governmental Activities</u>
ASSETS:	
Cash and investments	\$ <u>4,587,477</u>
TOTAL ASSETS	<u>\$ 4,587,477</u>
NET POSITION:	
Restricted for debt service	293,675
Unrestricted	\$ <u>4,293,802</u>
TOTAL NET POSITION	<u>\$ 4,587,477</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF ACTIVITIES - CASH BASIS
FISCAL YEAR ENDED JUNE 30, 2014**

Functions/Programs	Expenditures	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 24,642,063	\$ 870,049	\$ 1,600,082	\$ (22,171,932)
Supporting services	14,625,510	76,364	276,195	(14,272,951)
Enterprise and community services	1,587,566	245,663	1,354,714	12,811
Facilities acquisition and construction	616,977	104,484	-	(512,493)
Principal and interest on long-term debt	2,541,418	-	-	(2,541,418)
	<u>\$ 44,013,534</u>	<u>\$ 1,296,560</u>	<u>\$ 3,230,991</u>	<u>(39,485,983)</u>
Total government activities				
General revenues:				
Property taxes levied for general purposes				9,447,178
Property taxes levied for debt service				2,600,425
State school fund - general support				24,596,117
Common school fund				414,809
Federal forest fees				74,723
Construction excise tax				168,082
Unrestricted state and local sources				25,561
Earnings on investments				42,650
Proceeds from issuance of long term debt				800,800
Miscellaneous				1,159,711
Total general revenues				<u>39,330,056</u>
Extraordinary Item:				
Urban Renewal Agency Termination				<u>850,071</u>
Total general revenues and extraordinary item				<u>40,180,127</u>
CHANGE IN NET POSITION				694,144
Net Position - July 1, 2013				<u>3,893,333</u>
Net Position - June 30, 2014				<u>\$ 4,587,477</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CASH BASIS ASSETS, LIABILITIES AND FUND BALANCE
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Special Revenue Fund	Federal Programs Fund	Student Body Fund	Food Service Fund	Debt Service Fund	Total
ASSETS							
Equity in pooled cash and investments	\$ 1,008,828	\$ 2,287,368	\$ -	\$ 683,680	\$ 286,511	\$ 293,675	\$ 4,560,062
Interfund receivable	631,896	-	-	-	-	-	631,896
TOTAL ASSETS	<u>\$ 1,640,724</u>	<u>\$ 2,287,368</u>	<u>\$ -</u>	<u>\$ 683,680</u>	<u>\$ 286,511</u>	<u>\$ 293,675</u>	<u>\$ 5,191,958</u>
LIABILITIES							
Interfund payable	\$ -	\$ -	\$ 631,896	\$ -	\$ -	\$ -	\$ 631,896
FUND BALANCES:							
Restricted - Debt Service	-	-	-	-	-	293,675	293,675
Assigned	-	2,287,368	-	683,680	286,511	-	3,257,559
Unassigned	1,640,724	-	(631,896)	-	-	-	1,008,828
Total fund balances	<u>1,640,724</u>	<u>2,287,368</u>	<u>(631,896)</u>	<u>683,680</u>	<u>286,511</u>	<u>293,675</u>	<u>4,560,062</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,640,724</u>	<u>\$ 2,287,368</u>	<u>\$ -</u>	<u>\$ 683,680</u>	<u>\$ 286,511</u>	<u>\$ 293,675</u>	<u>\$ 5,191,958</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT
OF CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
TO STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2014**

TOTAL FUND BALANCES \$ 4,560,062

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

Internal service funds are used by the District to charge the costs of unemployment benefits. The assets of the internal service fund are included in governmental activities in the Statement of Net Position.

27,415

TOTAL NET POSITION \$ 4,587,477

**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, 2014**

	General Fund	Special Revenue Fund	Federal Programs Fund	Student Body Fund	Food Service Fund	Debt Service Fund	Total
REVENUES							
Local sources							
Property taxes	\$ 9,447,178	\$ -	\$ -	\$ -	\$ -	\$ 2,600,425	\$ 12,047,603
Construction excise tax	-	168,082	-	-	-	-	168,082
Tuition	-	3,644	-	-	-	-	3,644
Interest	33,854	152	-	2	619	8,003	42,630
Transportation fees	8,933	-	-	-	-	-	8,933
Food Service	-	-	-	-	245,663	-	245,663
Co-curricular	98,693	-	-	767,712	-	-	866,405
Rentals	72,900	31,584	-	-	-	-	104,484
Contributions	505	97,130	-	53,267	-	-	150,902
Services provided other districts	67,431	-	-	-	-	-	67,431
Miscellaneous	176,277	938,741	6,824	19,950	17,919	-	1,159,711
State sources							
School support fund	24,578,823	-	-	-	17,294	-	24,596,117
Common school fund	414,809	-	-	-	-	-	414,809
Other restricted grants-in-aid	25,561	19,547	8,162	-	4,640	-	57,910
Federal Sources							
Federal grants	-	30,000	1,668,171	-	1,256,102	-	2,954,273
Federal forest fees	74,723	-	-	-	-	-	74,723
Commodities	-	-	-	-	93,467	-	93,467
TOTAL REVENUES	34,999,687	1,288,880	1,683,157	840,931	1,635,704	2,608,428	43,056,787
EXPENDITURES							
Current							
Instruction	22,104,233	73,947	1,632,575	831,308	-	-	24,642,063
Support services	13,755,086	559,596	271,727	-	-	-	14,586,409
Enterprise and community services	-	-	-	-	1,587,566	-	1,587,566
Facilities acq. and construction	369,699	247,278	-	-	-	-	616,977
Debt service	-	-	-	-	-	2,541,418	2,541,418
TOTAL EXPENDITURES	36,229,018	880,821	1,904,302	831,308	1,587,566	2,541,418	43,974,433
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,229,331)	408,059	(221,145)	9,623	48,138	67,010	(917,646)
OTHER FINANCING SOURCES (USES):							
Proceeds from issuance of long term debt	-	800,800	-	-	-	-	800,800
EXTRAORDINARY ITEM							
Urban renewal agency termination	-	850,071	-	-	-	-	850,071
NET CHANGE IN FUND BALANCE	(1,229,331)	2,058,930	(221,145)	9,623	48,138	67,010	733,225
FUND BALANCE, July 1, 2013	2,870,055	223,146	(405,459)	674,057	238,373	226,665	3,826,837
Reclassification of Beginning Fund Balances	-	5,292	(5,292)	-	-	-	-
Fund Balance, July 1, 2013, as restated	2,870,055	228,438	(410,751)	674,057	238,373	226,665	3,826,837
FUND BALANCE, June 30, 2014	\$ 1,640,724	\$ 2,287,368	\$ (631,896)	\$ 683,680	\$ 286,511	\$ 293,675	\$ 4,560,062

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
RECONCILIATION OF THE STATEMENT OF CASH COLLECTED, EXPENDITURES
PAID AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES - CASH BASIS
FISCAL YEAR ENDED JUNE 30, 2014**

NET CHANGE IN FUND BALANCE	\$ 733,225
 Amounts reported for governmental activities in the Statement of Activities are different because:	
 Internal service fund are used by the District to charge the costs of insurance premiums and claims to the individual funds. The change in net position in the internal service fund is reported with the governmental activities.	 <u>(39,081)</u>
CHANGE IN NET POSITION	 <u><u>\$ 694,144</u></u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF NET POSITION - CASH BASIS
INTERNAL SERVICE FUND
JUNE 30, 2014**

	<u>Internal Service Fund</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 27,415
TOTAL ASSETS	<u>\$ 27,415</u>
NET POSITION:	
Unrestricted	\$ 27,415
TOTAL NET POSITION	<u>\$ 27,415</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CASH RECEIVED, EXPENDITURES PAID, AND CHANGES IN
FUND NET POSITION - CASH BASIS
INTERNAL SERVICE FUND
FISCAL YEAR ENDED JUNE 30, 2014**

	Internal Service Fund
OPERATING EXPENSES:	
Support services	\$ 39,101
OPERATING LOSS	<u>(39,101)</u>
NONOPERATING REVENUES (EXPENSES):	
Investment earnings	<u>20</u>
CHANGE IN NET POSITION	(39,081)
NET POSITION, July 1, 2013	<u>66,496</u>
NET POSITION, June 30, 2014	<u><u>\$ 27,415</u></u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CASH FLOWS - CASH BASIS
INTERNAL SERVICE FUND
FISCAL YEAR ENDED JUNE 30, 2014**

	Internal Service Fund
Cash Flows From Operating Activities	
Payments to suppliers	\$ (39,101)
Net Cash Provided By Operating Activities	<u>(39,101)</u>
Cash Flows From Investing Activities	
Interest and dividends received	<u>20</u>
Net Cash Used By Investing Activities	<u>20</u>
Net Increase (Decrease) In Cash And Cash Equivalents	(39,081)
Cash and Cash Equivalents - July 1, 2013	<u>66,496</u>
Cash and Cash Equivalents - June 30, 2014	<u><u>\$ 27,415</u></u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
 STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
 FIDUCIARY FUND
 JUNE 30, 2014**

	<u>Scholarship Fund</u>
ASSETS:	
Cash and investments	\$ 38,436
TOTAL ASSETS	<u>\$ 38,436</u>
NET POSITION:	
Restricted - scholarships	\$ 26,000
Committed - scholarships	<u>12,436</u>
TOTAL NET POSITION	<u>\$ 38,436</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUND
FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Scholarship Fund</u>
ADDITIONS	
Contributions	\$ 16,500
Investment earnings	<u>20</u>
TOTAL ADDITIONS	<u>16,520</u>
 DEDUCTIONS	
Supporting Services	371
Community services	<u>20,198</u>
TOTAL DEDUCTIONS	<u>20,569</u>
 CHANGE IN NET POSITION	 (4,049)
 NET POSITION, July 1, 2013	 <u>42,485</u>
 NET POSITION, June 30, 2014	 <u>\$ 38,436</u>

NOTES TO BASIC FINANCIAL STATEMENTS

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

Note 1 – Summary of Significant Accounting Policies

The Reporting Entity

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

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, internal service funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements.

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

Fund Financial Statements

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

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 state and local agencies. The primary sources of revenues are construction excise taxes, payments from Jackson County and miscellaneous revenues.

Federal Programs Fund - This fund accounts for revenues and expenditures of federal agencies. The primary source of revenue is restricted Federal revenue.

Food Service Fund - The School Lunch Fund is used to account for the resources and payment of special program costs. The primary sources of revenues are charges for services and federal grant funds.

Student Body Fund - The Student Body Fund is used to account for the revenues and expenditures related to activity from each school within the District. The primary source of revenue is co-curricular activities.

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

Additionally, the District reports the following fund types:

Internal Service Fund - The Internal Service Fund accounts for costs incurred by the District under its self-insurance program for unemployment compensation benefit services. The principal revenue source is interest earned on accumulated assets.

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. Within this fund, there is permanently restricted trust corpus which must remain intact under the provisions of the trust agreements. The permanently restricted amount is \$26,000.

Funds included in this category are:

Grace Browlee Scholarship Non-expendable Trust Fund – \$10,000
Barkhurst Scholarship Non-expendable Trust Fund – \$16,000

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

Note 1 – Summary of Significant Accounting Policies (continued)

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. Short-term investments are stated at cost which approximates fair value.

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

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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 benefit claims are charged to expense as paid.

The activities of the self-insurance program are accounted for in the Unemployment Fund, a proprietary fund type, an internal service fund.

Retirement Plan

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, 2014

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 expires with each fiscal year end if not used. 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:

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

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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

Note 1 – Summary of Significant Accounting Policies (continued)

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

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. The District did not exceed its appropriations for the year ended June 30, 2014.

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

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers within a fund between the levels of control (major function levels) with Board approval. Appropriations lapse at the end of each fiscal year.

The District had a deficit fund balance in the Federal Projects Fund of \$631,896. The District expects this deficit fund balance to be short term until the reimbursements for various federal grants are received.

Use of Estimates

The preparation of basic financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

Note 2 – Equity in Pooled Cash and Investments

Cash and investments are comprised of the following as of June 30, 2014:

Carrying amount of demand deposits	\$ 2,291,750
Petty cash	300
Time certificate of deposit	10,810
Local government investment pool	2,323,053
	\$ 4,625,913

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

Statement of Net Position - Cash Basis	
Cash and investments	\$ 4,587,477
Statement of Fiduciary Net Position - Cash Basis	
Cash and investments	38,436
Cash and investments	\$ 4,625,913

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, 2014. If bank deposits at year end are not entirely insured or collateralized with securities held by the District or by its agent in the District's name, the District must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. For deposits in excess of federal depository insurance, Oregon Revised Statutes require depository institutions to be in compliance with ORS 295. For the fiscal year ended June 30, 2014, the carrying amounts of the District deposits in various qualifying financial institutions were \$2,291,750. The bank balances at June 30, 2014 were \$3,727,970. Of this balance, FDIC covered \$250,214 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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

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

Investments. 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 2014. The Oregon Short-term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an external investment pool managed by the State Treasurer’s office, which allow governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB statement No. 40. LGIP is not rated.

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

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

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers’ acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer’s Local Government Investment Pool. As of June 30, 2014 and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

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

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

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

As of June 30, 2014, the District had the following investments:

	Fair Value	Investment Maturities	
		0-12 months	12-120 months
Certificates of Deposit	<u>\$ 10,810</u>	<u>\$ 10,810</u>	<u>\$ -</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

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

<u>Investment Type</u>	<u>Maturity</u>	<u>Percentage of Portfolio</u>	<u>Fair Value</u>
Local Government Investment Pool	1 day	100%	<u>\$ 2,323,053</u>

Note 3 – Other Postemployment Benefits

Postemployment Health Insurance Subsidy (Implicit Benefit)

The District implemented GASB Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB) for the fiscal year ended June 30, 2009. The implementation allows the District to report its liability for other postemployment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements. The District does not issue a stand-alone report for this plan.

Plan Description. The District operates a single-employer defined benefit post-retirement health benefits program. The District may pay all or a portion of a retiree's postemployment health, dental, vision, and life insurance benefits until Medicare eligibility. This explicit benefit is required to be valued under GASB Statement 45. There are 347 active and 67 retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements and employment contracts.

Different contracts govern the employees. Eligible administrative staff must have at least ten years of service with the District. Supervisors have no additional service requirements. Confidential employees must have at least ten years of service with the District as a confidential employee. Licensed employees are eligible if they retired prior to August 26, 2007 as PERS eligible retirees, or with at least eight years of service as of June 30, 2007. However, the District will pay 100% of medical/prescription drug and vision premiums for licensed retirees who retired prior to August 26, 2004 with at least ten years of service, or who have at least 13 years of service as of June 30, 2007. Classified employees are not eligible. 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 participants age 65 (or the date the participant would have been age 65 should the participant pre-decease the spouse). Total number of payments is not to exceed 120 (months).

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, 2014

Note 3 – Other Postemployment Benefits (continued)

Based on the actuarial report issued October 29, 2013, the monthly tiered premiums for the 2012 – 2013 year, blended to reflect the October 1 plan year, are as follows:

	<u>Single</u>	<u>Couple</u>	<u>Composite</u>
ODS Med 3	\$ 688.99	\$ 1,515.78	\$ 1,639.83
ODS Med 5	\$ 571.56	\$ 1,257.49	\$ 1,360.36
ODS Med 6	\$ 517.35	\$ 1,138.16	\$ 1,231.28
ODS Med 7	\$ 471.50	\$ 1,037.33	\$ 1,122.19
ODS Med 8	\$ 414.52	\$ 911.97	\$ 986.59
ODS Med 9	\$ 312.40	\$ 687.30	\$ 743.53
ODS Den 1	\$ 60.14	\$ 119.12	\$ 144.30
ODS Den 2	\$ 53.62	\$ 106.16	\$ 129.28
ODS Den 3	\$ 52.46	\$ 103.89	\$ 126.61
ODS Den 4	\$ 49.36	\$ 97.77	\$ 119.52
ODS Den 6	\$ 39.88	\$ 78.93	\$ 91.66
Willamette Dental 8	\$ 40.51	\$ 80.21	\$ 103.06
ODS Vis 1	\$ 10.40	\$ 22.90	\$ 23.77
ODS Vis 2	\$ 13.66	\$ 30.08	\$ 31.22
ODS Vis 3	\$ 15.41	\$ 33.91	\$ 35.20
ODS Vis 4	\$ 18.03	\$ 39.66	\$ 41.17

Monthly District-paid caps for the 2012 – 2013 plan year are as follows:

Administrative	\$ 1,276.24
Confidential	\$ 1,276.24
Licensed	\$ 1,180.74
Classified	\$ 1,114.13
Supervisor	\$ 1,276.24

For the 2013-14 year, the monthly Classified cap is \$1,120.

In addition to the explicit medical benefits for certain retirees, continued medical coverage is offered to the District's eligible retirees and their spouses and dependents until Medicare eligibility. The active premium rate (whether paid by the District or by the retiree) still applies. However, in some cases the premium itself does not represent the full cost of covering these retirees (since they are older than the active population, retirees can be expected to generate higher medical claims and therefore higher premiums for the active population). This additional cost is called the "implicit subsidy", and is required to be valued under GASB Statement No. 45.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

Note 3 – Other Postemployment Benefits (continued)

However, an implicit subsidy does not exist in arrangements that are deemed to be “community rated” by a qualified actuary. In general, a community rated situation is one in which the health care claims experience of the employer is not expected to impact the premiums being charged the employer. For example, the District participates in the Oregon Educators Benefit Board (OEBB) health plans, along with many other school districts, community colleges, and educational service districts. For plans in which the District’s claims experience represents only a very small percentage of the total claims experience of the plans as a whole, the arrangement is deemed community related. The District’s participation in ODS Health Plans does not constitute a community rated arrangement; therefore, there is an implicit subsidy to value.

This program was established in accordance with Oregon Revised Statutes (ORS) 243.303, which requires that all eligible retirees be allowed to continue receiving health insurance benefits, at their cost, until age 65 or they become otherwise eligible for Medicare. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based upon all plan members, including active members and retirees. Due to medical premium rates being determined by blending both active employee and retiree experience, there is an implicit medical benefit to retirees because the medical premium rates charged for coverage typically are less than actual expected retiree claim costs. Qualified spouses, domestic partners, and children may qualify for coverage. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District’s implicit employer contribution.

Funding Policy. The benefits from this program 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. During fiscal year 2014 the District recognized, on a budgetary basis, expenditures of approximately \$1.182 million for the post-employment healthcare benefits.

Annual OPEB Cost and Net OPEB Obligation. The District’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 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) over a period not to exceed 30 years. The following table shows the components of the District’s annual OPEB cost for the year ending June 30, 2014, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation.

Annual required contribution (ARC) and annual OPEB cost (expense)	\$ 1,351,156
Less: Contributions made	<u>(1,181,857)</u>
Increase in net OPEB obligation	169,299
Net OPEB obligation - beginning of year	<u>602,660</u>
Net OPEB obligation - end of year	<u><u>\$ 771,959</u></u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

Note 3 – Other Postemployment Benefits (continued)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014 are:

Fiscal year	Annual OPEB Cost	Contributions	Funded Ratio	Net OPEB Obligation
2014	\$1,351,156	1,181,857	78%	\$ 771,959
2013	303,749	1,026,137	78%	602,660
2012	1,627,592	1,033,778	64%	1,325,048

Actuarial methods and assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial assumptions included: (1) an assumed inflation rate of 4.00% and an assumed overall payroll growth rate of 3.25% per year, (2) annual premium increase rate which ranges from 7.5% in 2013-2014 to 5% in 2030-2031 and later, (3) annual increase in District paid caps of 5.0% per year, (4) turnover and disability rates by age and years of service, as developed by Oregon PERS, (5) range of retirement ages for employees with fewer, and more, than 30 years of service, (6) marital status, (7) coverage of eligible children, (8) age 64 health claim costs, which are assumed to be \$10,821, (9) the impact of age to the claims cost which range from 5% per year under age 40 to 4.2% per year for ages 60-64, and (10) no investment return, due to lack of assets set aside to fund this program.

Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to actuarial accrued liabilities for benefits.

Schedule of Funding Progress – Postemployment Health Care Benefits:

Valuation Date	Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL ÷ Payroll
7/1/2008	\$ -	\$12,986,155	\$12,986,155	0%	\$20,638,632	62.92%
7/1/2010	-	12,155,305	12,155,305	0%	19,191,126	63.34%
7/1/2012	-	10,220,382	10,220,382	0%	18,196,857	56.17%

For the District's initial valuation the Projected Unit Credit Method was the valuation method used to determine the District's OPEB liability. The Projected Unit Credit Method is comprised of two components: normal cost, and amortization payments. In its application of this method the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

Note 3 – Other Postemployment Benefits (continued)

The present value of benefits accrued in as of the valuation date is called the accrued liability. The difference between the accrued liability and the actuarial value of plan assets is called the unfunded actuarial accrued liability (UAAL). All changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial data are amortized separately. In additions, all gains or losses may be amortized each year. The UAAL is being amortized as a level percentage of payroll over future open periods.

Funded Status and Funding Progress. As of July 1, 2012 the actuarial accrued liability for benefits was \$10,220,382, and the actuarial value of assets was \$0, resulting in a UAAL of \$10,220,382. The covered payroll (annual payroll of active employees covered by the plan) was \$18.1 million for fiscal year 2012 and the ratio of the UAAL to the covered payroll was 56%. Using a 30-year amortization period the Annual Required Contribution (ARC) for 2014 has been actuarially determined to be \$1.35 million.

STIPEND

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. This pension-type benefit is required to be valued under GASB Statement 27.

Benefits and eligibility for members are established through the collective bargaining agreements and employment contracts. Different contracts govern the employees.

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

Years	Amount
Five to ten	\$ 275
Eleven to fifteen	\$ 415
Fifteen or more	\$ 550

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 2014 the District recognized, on a budgetary basis, expenditures of approximately \$142,125 for the early retirement supplement program.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

Note 3 – Other Postemployment Benefits (continued)

Annual Pension Cost and Net Pension Obligation. The District's annual pension cost (expense) is calculated on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 27. 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) over a period not to exceed 4 years. An amortization base of 4 years was used due to the large number of retirees currently receiving a stipend benefit. Given the current population, the District expects that number to decrease in future years. The following table shows the components of the District's annual pension cost for the year ending June 30, 2014, the amount actually contributed to the plan, and changes in the District's net pension obligation.

Annual required contribution (ARC) and annual pension cost (expense)	\$ 142,655
Less: Contributions made	<u>(142,125)</u>
Increase in net pension obligation	530
Net pension obligation - beginning of year	<u>72,947</u>
Net pension obligation - end of year	<u><u>\$ 73,477</u></u>

The District's annual pension cost, the percentage of annual pension cost contributed to the plan and the net pension obligation for 2014 are:

Fiscal year	Annual Required Contribution	Percentage Contributed	Contribution Made
2014	\$ 142,655	99.6%	142,125
2013	138,402	129.4%	179,128
2012	238,762	85.8%	204,921

Actuarial methods and assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial assumptions included: (1) an assumed inflation rate of 4.00% and an assumed overall payroll growth rate of 3.25% per year, (2) annual premium increase rate which ranges from 7.5% in 2013-2014 to 5% in 2030-2031 and later, (3) annual increase in District paid caps of 5.0% per year, (4) turnover and disability rates by age and years of service, as developed by Oregon PERS, (5) range of retirement ages for employees with fewer, and more, than 30 years of service, (6) marital status, (7) coverage of eligible children, (8) age 64 health claim costs, which are assumed to be \$10,821, (9) the impact of age to the claims cost which range from 5% per year under age 40 to 4.2% per year for ages 60-64, and (10) and no investment return, due to lack of assets set aside to fund this program.

Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to actuarial accrued liabilities for benefits.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

Note 3 – Other Postemployment Benefits (continued)

Schedule of Funding Progress – Postemployment Stipend Benefits:

Valuation Date	Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL ÷ Payroll
7/1/2008	\$ -	\$ 1,227,866	\$ 1,227,866	0%	\$ 20,638,632	5.95%
7/1/2010	-	910,171	910,171	0%	19,191,126	4.74%
7/1/2012	-	577,650	577,650	0%	18,196,857	3.17%

For the District's initial valuation the Projected Unit Credit Method was the valuation method used to determine the District's pension liability. The Projected Unit Credit Method is comprised of two components: normal cost, and amortization payments. In its application of this method the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year.

The present value of benefits accrued in as of the valuation date is called the accrued liability. The difference between the accrued liability and the actuarial value of plan assets is called the unfunded actuarial accrued liability (UAAL). All changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial data are amortized separately. In additions, all gains or losses may be amortized each year. The UAAL is being amortized as a level percentage of payroll over future open periods.

Funded Status and Funding Progress. As of July 1, 2012 the actuarial accrued liability for stipend benefits was \$577,650, and the actuarial value of assets was \$0, resulting in a UAAL of \$577,650. The covered payroll (annual payroll of active employees covered by the plan) was \$18.1 million for fiscal year 2012 and the ratio of the UAAL to the covered payroll was 3%. Using a 4-year amortization period the Annual Required Contribution (ARC) for 2014 has been actuarially determined to be \$164,215.

Note 4 – Long-term debt

General obligation bonds

The District passed a general obligation bond in September 2000 in the amount of \$29,804,705. These bonds were sold on October 17, 2000 with various interest rates and maturities from 2001-2020. Bond proceeds were used to remodel the 1908 building that was part of Central Point Elementary into administration offices; build a new auditorium at the high school; construct a new elementary school; provide for major additions at Hanby Middle School; and various other construction projects throughout the District. In September 2004, the District defeased general obligation bonds in the amount of \$23,725,000 to advance refund the 2011-2020 maturities of the Series 2000 bonds and placed the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. 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 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, 2014, the District's commitment for general obligation bonds outstanding not included in the Statement of Net Position under the cash basis of accounting is \$16,280,000.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

Note 4 – 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, 2014 totaled \$286,418.

The 2013 Series bond maturities are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rates</u>
2015	\$ 2,420,000	\$ 209,760	\$ 2,629,760	0.538%
2016	2,525,000	196,740	2,721,740	0.754%
2017	2,650,000	177,702	2,827,702	1.124%
2018	2,755,000	147,916	2,902,916	1.424%
2019	2,890,000	108,685	2,998,685	1.679%
2020	3,040,000	60,162	3,100,162	1.979%
	<u>\$ 16,280,000</u>	<u>\$ 900,965</u>	<u>\$ 17,180,965</u>	

Full faith and credit obligation bonds

The District approved a full faith and credit obligation bond in June 2014 in the amount of \$800,800. 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. Issuance costs of \$800 were reported as a current year expenditure for these issuance costs.

The 2014 Series bond maturities are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rates</u>
2015	\$ 192,937	\$ 19,486	\$ 212,423	2.400%
2016	197,835	14,589	212,424	2.400%
2017	202,583	9,841	212,424	2.400%
2018	207,445	4,979	212,424	2.400%
	<u>\$ 800,800</u>	<u>\$ 48,895</u>	<u>\$ 849,695</u>	

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

Note 5 – Operating Leases

The District leases equipment under non-cancelable operating leases. Total costs for such leases were \$110,996 for the fiscal year ended June 30, 2014. The future minimum lease payments for these leases are as follows:

Fiscal Year Ending June 30	
2015	\$ 121,634
2016	49,669
2017	<u>14,569</u>
	<u>\$ 185,872</u>

Note 6 – Pension Plan

The District contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the District's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Oregon Public Employees Retirement Board (OPERB) as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377.

Covered employees are required by state statute to contribute 6.00% of their annual salary to the system, but the employer is allowed to pay any or all of the employees' contribution in addition to the required employers' contribution. The District elected to contribute the 6.00% "pick-up" for the year ended June 30, 2014. The District is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2012 were 22.29% and 20.29% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. The District's contributions to PERS for the years ending June 30, 2014, 2013, and 2012, were \$5,063,284, \$4,378,135, and \$4,239,622, respectively, equal to the required contributions for each year.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2014

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 activities of the self-insurance program are accounted for in the internal service fund. The District paid \$39,101 in benefit claims in total for the year.

Note 8 – Contingencies

Amounts received/receivable from grantor agencies are subject to compliance audits by grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial. The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable, although the District believes it will prevail.

Note 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. 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 not been required to pay any settlements in excess of insurance coverage during the past three fiscal years ending June 30, 2014.

Note 11 – Reclassifications

Certain accounts have been reclassified from the prior year's financial statements. In the current fiscal year, fund balance of \$5,292 was reclassified between the Special Revenue Fund and the Federal Programs Fund to comply with the District's budget presentation.

Note 12 – Subsequent Events

Management of the District has evaluated events and transactions occurring after June 30, 2014 through the date of the financial statements were available for issuance, for recognition and/or disclosure in the financial statements. There were no additional events and/or transactions that required recognition and disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2014**

Actuarial Valuation	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) unit credit (b)	Unfunded (funded) AAL (b - a)	Funded ratio (a / b)	Covered Payroll (c)	UAAL as a percentage of covered payroll [(b - a) / c]
7/1/2008	-	\$ 14,214,021	\$ 14,214,021	0%	\$ 20,638,632	69%
7/1/2010	-	13,065,476	13,065,476	0%	19,191,126	68%
7/1/2012	-	10,798,032	10,798,032	0%	18,196,857	59%

The above table represents the most recent actuarial valuation for the District's other postemployment benefits and provides information that approximates the funding progress of the plan.

The AAL reported above is comprised of:

	7/1/2008
Stipend	\$ 1,227,866
Explicit & Implicit	12,986,155
Total	\$ 14,214,021

	7/1/2010
Stipend	\$ 910,171
Explicit & Implicit	12,155,305
Total	\$ 13,065,476

	7/1/2012
Stipend	\$ 577,650
Explicit & Implicit	10,220,382
Total	\$ 10,798,032

FUND FINANCIAL STATEMENTS

**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, 2014**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget
				Positive (Negative)
REVENUES				
Local sources				
Property taxes	\$ 9,002,732	\$ 9,002,732	\$ 9,447,178	\$ 444,446
Interest	45,000	45,000	33,854	(11,146)
Transportation fees	-	-	8,933	8,933
Co-curricular	150,000	150,000	98,693	(51,307)
Contributions	1,000	1,000	505	(495)
Rentals	74,000	74,000	72,900	(1,100)
Services provided other districts	10,000	10,000	67,431	57,431
Miscellaneous	370,550	370,550	176,277	(194,273)
State sources				
School support fund	25,078,847	25,078,847	24,578,823	(500,024)
Common school fund	366,370	366,370	414,809	48,439
Other restricted grants-in-aid	-	-	25,561	25,561
Federal sources				
Federal Forest Fees	-	-	74,723	74,723
TOTAL REVENUES	35,098,499	35,098,499	34,999,687	(98,812)
EXPENDITURES				
Current				
Instruction	21,946,626	22,146,626	22,104,233	42,393
Support services	14,118,647	13,858,647	13,755,086	103,561
Facilities acq. and construction	320,000	380,000	369,699	10,301
Contingency	1,900,000	1,900,000	-	1,900,000
TOTAL EXPENDITURES	38,285,273	38,285,273	36,229,018	2,056,255
NET CHANGE IN FUND BALANCE	(3,186,774)	(3,186,774)	(1,229,331)	1,957,443
FUND BALANCE, July 1, 2013	3,186,774	3,186,774	2,870,055	(316,719)
FUND BALANCE, June 30, 2014	\$ -	\$ -	\$ 1,640,724	\$ 1,640,724

**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, 2014**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Local sources				
Construction excise tax	\$ 90,000	\$ 90,000	\$ 168,082	\$ 78,082
Other local government	-	-	850,071	850,071
Tuition	5,000	5,000	3,644	(1,356)
Interest	150	150	152	2
Rentals	25,000	25,000	31,584	6,584
Contributions	100,000	100,000	97,130	(2,870)
Miscellaneous	625,000	625,000	938,741	313,741
State sources				
Other restricted grants-in-aid	-	-	19,547	19,547
Federal sources				
Federal grants	20,000	20,000	30,000	10,000
TOTAL REVENUES	865,150	865,150	2,138,951	1,273,801
EXPENDITURES				
Current				
Instruction	47,240	92,240	73,947	18,293
Support services	1,097,910	997,910	559,596	438,314
Facilities acq. and construction	200,000	255,000	247,278	7,722
TOTAL EXPENDITURES	1,345,150	1,345,150	880,821	464,329
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(480,000)	(480,000)	1,258,130	1,738,130
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of long term debt	-	-	800,800	800,800
TOTAL OTHER FINANCING SOURCES (USES)	-	-	800,800	800,800
NET CHANGE IN FUND BALANCE	(480,000)	(480,000)	2,058,930	2,538,930
FUND BALANCE, July 1, 2013	480,000	480,000	223,146	(256,854)
Reclassification of Beginning Fund Balance	-	-	5,292	5,292
Fund Balance, July 1, 2013, as restated	480,000	480,000	228,438	(251,562)
FUND BALANCE, June 30, 2014	\$ -	\$ -	\$ 2,287,368	\$ 2,287,368

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCE - CASH BASIS
BUDGET AND ACTUAL
FEDERAL PROGRAMS FUND
FISCAL YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Positive (Negative)
REVENUES				
Local sources				
Miscellaneous	\$ -	\$ -	\$ 6,824	\$ 6,824
State sources				
Other restricted grants-in-aid	185,000	185,000	8,162	(176,838)
Federal sources				
Federal grants	1,734,000	1,734,000	1,668,171	(65,829)
TOTAL REVENUES	1,919,000	1,919,000	1,683,157	(235,843)
EXPENDITURES				
Instruction	1,633,278	1,633,278	1,632,575	703
Support services	278,222	278,222	271,727	6,495
Enterprise and community services	7,500	7,500	-	7,500
TOTAL EXPENDITURES	1,919,000	1,919,000	1,904,302	14,698
NET CHANGE IN FUND BALANCE	-	-	(221,145)	(221,145)
FUND BALANCE, July 1, 2013	-	-	(405,459)	(405,459)
Reclassification of Beginning Fund Balance	-	-	(5,292)	(5,292)
Fund Balance, July 1, 2013, as restated	-	-	(410,751)	(410,751)
FUND BALANCE, June 30, 2014	\$ -	\$ -	\$ (631,896)	\$ (631,896)

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL
STUDENT BODY FUND
FISCAL YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Positive (Negative)
REVENUES				
Local sources				
Interest	\$ 500	\$ 500	\$ 2	\$ (498)
Co-curricular	1,055,000	1,055,000	767,712	(287,288)
Contributions	5,000	5,000	53,267	48,267
Recovery of prior year expenditure	-	-	2,584	2,584
Miscellaneous	5,000	5,000	17,366	12,366
TOTAL REVENUES	1,065,500	1,065,500	840,931	(224,569)
EXPENDITURES				
Current				
Instruction	1,635,500	1,635,500	831,308	804,192
Support services	15,000	15,000	-	15,000
Enterprise and community services	15,000	15,000	-	15,000
TOTAL EXPENDITURES	1,665,500	1,665,500	831,308	834,192
NET CHANGE IN FUND BALANCE	(600,000)	(600,000)	9,623	609,623
FUND BALANCE, July 1, 2013	600,000	600,000	674,057	74,057
FUND BALANCE, June 30, 2014	\$ -	\$ -	\$ 683,680	\$ 683,680

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL
FOOD SERVICE FUND
FISCAL YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Positive (Negative)
REVENUES				
Local sources				
Interest	\$ 500	\$ 500	\$ 619	\$ 119
Food Service	298,028	298,028	245,663	(52,365)
Miscellaneous	6,000	6,000	17,919	11,919
State sources				
School support fund	15,808	15,808	17,294	1,486
Other restricted grants-in-aid	-	-	4,640	4,640
Federal sources				
Federal grants	1,143,000	1,143,000	1,256,102	113,102
Commodities	97,467	97,467	93,467	(4,000)
TOTAL REVENUES	1,560,803	1,560,803	1,635,704	74,901
EXPENDITURES				
Current				
Enterprise and community services	1,800,515	1,800,515	1,587,566	212,949
TOTAL EXPENDITURES	1,800,515	1,800,515	1,587,566	212,949
NET CHANGE IN FUND BALANCE	(239,712)	(239,712)	48,138	287,850
FUND BALANCE, July 1, 2013	239,712	239,712	238,373	(1,339)
FUND BALANCE, June 30, 2014	\$ -	\$ -	\$ 286,511	\$ 286,511

**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, 2014**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Local sources				
Property taxes	\$ 2,515,572	\$ 2,515,572	\$ 2,600,425	\$ 84,853
Interest	7,500	7,500	8,003	503
TOTAL REVENUES	<u>2,523,072</u>	<u>2,523,072</u>	<u>2,608,428</u>	<u>85,356</u>
EXPENDITURES				
Debt service	<u>2,648,072</u>	<u>2,648,072</u>	<u>2,541,418</u>	<u>106,654</u>
TOTAL EXPENDITURES	<u>2,648,072</u>	<u>2,648,072</u>	<u>2,541,418</u>	<u>106,654</u>
NET CHANGE IN FUND BALANCE	(125,000)	(125,000)	67,010	192,010
FUND BALANCE, July 1, 2013	<u>125,000</u>	<u>125,000</u>	<u>226,665</u>	<u>101,665</u>
FUND BALANCE, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,675</u>	<u>\$ 293,675</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL
INTERNAL SERVICE FUND
FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Local sources				
Interest	\$ 25	\$ 25	\$ 20	\$ (5)
TOTAL REVENUES	<u>25</u>	<u>25</u>	<u>20</u>	<u>(5)</u>
EXPENDITURES				
Current				
Supporting services	<u>66,525</u>	<u>66,525</u>	<u>39,101</u>	<u>27,424</u>
TOTAL EXPENDITURES	<u>66,525</u>	<u>66,525</u>	<u>39,101</u>	<u>27,424</u>
NET CHANGE IN FUND BALANCE	(66,500)	(66,500)	(39,081)	27,419
FUND BALANCE, July 1, 2013	<u>66,500</u>	<u>66,500</u>	<u>66,496</u>	<u>(4)</u>
FUND BALANCE, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,415</u>	<u>\$ 27,415</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, 2014**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Local sources				
Interest	\$ 25	\$ 25	\$ 20	\$ (5)
Contributions	<u>25,000</u>	<u>25,000</u>	<u>16,500</u>	<u>(8,500)</u>
TOTAL REVENUES	<u>25,025</u>	<u>25,025</u>	<u>16,520</u>	<u>(8,505)</u>
EXPENDITURES				
Current				
Supporting services	100	600	371	229
Community services	<u>40,000</u>	<u>39,500</u>	<u>20,198</u>	<u>19,302</u>
TOTAL EXPENDITURES	<u>40,100</u>	<u>40,100</u>	<u>20,569</u>	<u>19,531</u>
NET CHANGE IN FUND BALANCE	(15,075)	(15,075)	(4,049)	11,026
FUND BALANCE, July 1, 2013	<u>43,500</u>	<u>43,500</u>	<u>42,485</u>	<u>(1,015)</u>
FUND BALANCE, June 30, 2014	<u>\$ 28,425</u>	<u>\$ 28,425</u>	<u>\$ 38,436</u>	<u>\$ 10,011</u>

OTHER FINANCIAL SCHEDULES

**JACKSON COUNTY SCHOOL DISTRICT NO.6
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2014**

	Tax Year	Uncollected July 1, 2013	Levy as Extended by Assessor	Discounts and Adjustments	Collections Per Treasurer	Uncollected June 30, 2014
GENERAL FUND:						
Current	2013-14		\$ 9,586,889	\$ (221,307)	\$ (8,998,617)	\$ 366,965
Prior	2012-13	\$ 436,032		(71,851)	(193,786)	170,395
	2011-12	194,891		23,970	(109,555)	109,306
	2010-11	114,419		19,099	(83,074)	50,444
	2009-10	45,212		10,042	(40,491)	14,763
	2008-09	14,129		2,194	(7,649)	8,674
	Prior	19,797		13,056	(12,033)	20,821
Total prior		824,480	-	(3,489)	(446,588)	374,402
TOTAL GENERAL FUND		\$ 824,480	\$ 9,586,889	\$ (224,797)	\$ (9,445,205)	\$ 741,367
DEBT SERVICE:						
Current	2013-14		\$ 2,634,041	\$ (60,806)	\$ (2,472,410)	\$ 100,825
Prior	2012-13	\$ 127,014		(21,926)	(55,919)	49,169
	2011-12	52,863		10,890	(31,913)	31,840
	2010-11	30,163		6,053	(22,533)	13,683
	2009-10	13,466		1,100	(10,674)	3,892
	2008-09	4,199		662	(2,278)	2,583
	Prior	3,389		6,376	(3,576)	6,189
Total prior		231,094	-	3,155	(126,893)	107,356
TOTAL DEBT SERVICE FUND		\$ 231,094	\$ 2,634,041	\$ (57,651)	\$ (2,599,303)	\$ 208,181

SCHOOL DISTRICT FINANCIAL
ACCOUNTING SUMMARIES

2013 - 14 DISTRICT AUDIT REVENUE SUMMARY
Jackson County School District #6

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Local Sources							
1110 Ad Valorem Taxes Levied by District	\$ 9,447,178	\$ -	\$ 2,660,425	\$ -	\$ -	\$ -	\$ -
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-
1130 Construction Excise Tax	-	168,082	-	-	-	-	-
1190 Penalties and Interest on Taxes	2,256	-	623	-	-	-	-
1200 Revenue from Local Governmental Units Other Than Districts	-	850,071	-	-	-	-	-
1311 Regular Day School Tuition - From Individuals	-	-	-	-	-	-	-
1312 Regular Day School Tuition - Other Dist Within State	-	-	-	-	-	-	-
1313 Regular Day School Tuition - Other Districts Outside	-	-	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	3,644	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-
1411 Transportation Fees - From Individuals	8,933	-	-	-	-	-	-
1412 Transportation Fees - Other Dist Within State	-	-	-	-	-	-	-
1413 Transportation Fees - Other Districts Outside	-	-	-	-	-	-	-
1420 Summer School Transportation Fees	-	-	-	-	-	-	-
1500 Earnings on Investments	31,598	773	7,380	-	-	20	20
1600 Food Service	-	245,664	-	-	-	-	-
1700 Extracurricular Activities	98,693	767,712	-	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-	-
1910 Rentals	-	31,583	-	-	-	-	-
1920 Contributions and Donations From Private Sources	505	150,397	-	-	-	-	16,500
1930 Rental or Lease Payments From Private Contractors	72,900	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	67,431	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	11,267	4,283	-	-	-	-	-
1970 Services Provided Other Funds	-	-	-	-	-	-	-
1980 Fees Charged to Grants	7,216	-	-	-	-	-	-
1990 Miscellaneous	157,794	979,151	-	-	-	-	-
Total Revenue from Local Sources	9,905,771	3,201,360	2,668,428	-	-	20	16,520
Revenue from Intermediate Sources							
2101 County School Funds	-	-	-	-	-	-	-
2102 General ESD Revenue	-	-	-	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-
2110 Intermediate "I" Tax	-	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-	-
2200 Restricted Revenue	-	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from Intermediate Sources	-	-	-	-	-	-	-
Revenue from State Sources							
3101 State School Fund - General Support	24,578,823	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	-	17,294	-	-	-	-	-
3103 Common School Fund	414,809	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	-	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	25,561	32,349	-	-	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from State Sources	25,019,193	49,643	-	-	-	-	-
Revenue from Federal Sources							
4100 Unrestricted Revenue Direct From the Federal Government	-	-	-	-	-	-	-
4200 Unrestricted Revenue From the Federal Government Through the State	-	-	-	-	-	-	-
4300 Restricted Revenue From the Federal Government	-	-	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	-	2,954,273	-	-	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-	-	-	-	-	-	-
4801 Federal Forest Fees	74,723	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	-	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	-	93,467	-	-	-	-	-
Total Revenue from Federal Sources	74,723	3,047,740	-	-	-	-	-
Revenue from Other Sources							
5100 Long Term Debt Financing Sources	-	800,800	-	-	-	-	-
5200 Interfund Transfers	-	-	-	-	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	2,870,055	730,117	226,665	-	-	66,496	-
Total Revenue from Other Sources	2,870,055	1,530,917	226,665	-	-	66,496	-
Grand Totals	\$37,869,742	\$7,829,660	\$2,895,093	\$0	\$0	\$66,516	\$16,520

**2013 - 14 DISTRICT AUDIT EXPENDITURE SUMMARY
Jackson County School District #6**

Fund: 100 General Fund

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ 7,670,678	\$4,622,651	\$ 2,617,986	\$ 250,474	\$ 179,567	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	4,015,200	2,395,472	1,399,837	149,190	70,506	-	195	-
1122 Middle/Junior High School Extracurricular	131,784	85,402	28,839	11,784	5,430	-	329	-
1131 High School Programs	5,798,749	3,377,398	1,997,047	259,683	128,848	34,849	924	-
1132 High School Extracurricular	651,948	406,697	137,172	74,656	29,252	-	4,171	-
1140 Pre-Kindergarten Programs	66,794	-	-	66,794	-	-	-	-
1210 Programs for the Talented and Gifted	7,701	5,170	1,877	-	616	-	38	-
1220 Restrictive Programs for Students with Disabilities	1,009,662	419,829	284,480	299,686	5,595	-	72	-
1250 Less Restrictive Programs for Students with Disabilities	1,737,170	1,018,572	643,840	68,275	6,483	-	-	-
1260 Treatment and Habilitation	83,612	51,837	31,775	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	1,090	811	279	-	-	-	-	-
1280 Alternative Education	420,300	257,568	143,401	16,369	2,962	-	-	-
1291 English Second Language Programs	505,700	312,929	191,464	1,307	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	3,845	2,853	992	-	-	-	-	-
Total Instruction Expenditures	22,104,233	12,957,189	7,478,989	1,198,218	429,259	34,849	5,729	-
Support Services Expenditures								
2110 Attendance and Social Work Services	110,431	23,687	20,816	65,928	-	-	-	-
2120 Guidance Services	620,004	406,961	212,637	62	344	-	-	-
2130 Health Services	64,629	-	-	63,142	1,487	-	-	-
2140 Psychological Services	338,503	213,791	115,908	4,047	4,757	-	-	-
2150 Speech Pathology and Audiology Services	288,337	181,561	85,436	17,547	3,358	-	435	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	253,891	147,402	82,272	10,639	12,767	-	811	-
2210 Improvement of Instruction Services	195,067	122,433	59,908	9,450	2,681	-	595	-
2220 Educational Media Services	435,663	208,635	188,667	12	37,881	-	468	-
2230 Assessment & Testing	51,468	32,451	19,017	-	-	-	-	-
2240 Instructional Staff Development	9,505	-	-	9,409	96	-	-	-
2310 Board of Education Services	83,796	-	-	68,265	7,596	-	7,935	-
2320 Executive Administration Services	312,671	193,138	92,583	19,628	5,085	-	2,237	-
2410 Office of the Principal Services	2,873,466	1,669,469	1,062,086	69,958	65,348	-	6,605	-
2490 Other Support Services - School Administration	5,497	-	-	-	1,872	-	3,625	-
2510 Direction of Business Support Services	304,628	167,123	90,075	28,386	10,948	-	8,096	-
2520 Fiscal Services	223,159	105,389	67,913	-	45,690	-	4,167	-
2540 Operation and Maintenance of Plant Services	3,467,255	1,169,610	825,867	1,012,843	141,693	7,065	310,177	-
2550 Student Transportation Services	2,041,222	-	-	1,766,173	275,049	-	-	-
2570 Internal Services	2,266	1,449	528	242	47	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	9,246	-	-	9,246	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	270,585	159,434	89,807	13,492	6,774	-	1,078	-
2660 Technology Services	722,222	149,430	87,983	197,740	222,473	64,260	336	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	1,071,575	156,688	914,887	-	-	-	-	-
Total Support Services Expenditures	13,755,086	5,108,651	4,016,390	3,366,209	845,946	71,325	346,565	-
Enterprise and Community Services Expenditures								
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement	369,699	-	-	20,648	-	349,051	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	369,699	-	-	20,648	-	349,051	-	-
Other Uses Expenditures								
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	-	-	-	-	-	-	-	-
Grand Total	36,229,018	18,065,840	11,495,379	4,585,075	1,275,205	455,225	352,294	-

**2013 - 14 DISTRICT AUDIT EXPENDITURE SUMMARY
Jackson County School District #6**

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	\$ 33,954	\$ 13,218	\$ 4,414	\$ 9,118	\$ 7,204	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	120,527	-	-	20,832	94,753	-	4,942	-
1121 Middle/Junior High Programs	7,245	1,034	357	4,801	1,053	-	-	-
1122 Middle/Junior High School Extracurricular	127,829	2,978	247	21,823	102,731	-	50	-
1131 High School Programs	15,866	3,108	1,049	-	11,709	-	-	-
1132 High School Extracurricular	582,952	3,895	649	196,404	377,047	-	4,957	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	473,001	116,246	129,487	226,888	380	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	355,609	171,951	183,658	-	-	-	-	-
1260 Treatment and Habilitation	1,500	-	-	-	1,500	-	-	-
1271 Remediation	3,090	2,298	792	-	-	-	-	-
1272 Title I	794,584	571,768	217,154	3,669	1,993	-	-	-
1280 Alternative Education	2,817	2,123	694	-	-	-	-	-
1291 English Second Language Programs	7,657	-	-	597	7,060	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	11,199	8,150	2,864	-	185	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	2,537,830	896,769	541,365	484,132	605,615	-	9,949	-
Support Services Expenditures								
2110 Attendance and Social Work Services	12,299	2,708	223	12	9,356	-	-	-
2120 Guidance Services	1,350	-	-	1,350	-	-	-	-
2130 Health Services	89,212	-	-	89,212	-	-	-	-
2140 Psychological Services	79,745	34,674	18,532	26,000	539	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	116,385	60,076	31,689	7,642	16,978	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	70,458	987	1,670	59,840	7,742	-	219	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	800	-	-	-	-	-	800	-
2520 Fiscal Services	7,216	-	-	-	-	-	7,216	-
2540 Operation and Maintenance of Plant Services	453,813	-	-	413,122	40,691	-	-	-
2550 Student Transportation Services	45	-	-	45	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	831,323	98,445	52,114	597,223	75,306	-	8,235	-
Enterprise and Community Services Expenditures								
3100 Food Services	1,587,566	489,912	342,497	23,471	701,824	14,700	15,162	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	1,587,566	489,912	342,497	23,471	701,824	14,700	15,162	-
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	247,278	-	-	-	-	247,278	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	247,278	-	-	-	-	247,278	-	-
Other Uses Expenditures								
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	-	-	-	-	-	-	-	-
Grand Total	\$ 5,203,997	\$ 1,485,126	\$ 935,976	\$ 1,104,826	\$ 1,382,745	\$ 261,978	\$ 33,346	\$ -

**2013 - 14 DISTRICT AUDIT EXPENDITURE SUMMARY
Jackson County School District #6**

Fund: 300 Debt Service Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	-	-	-	-	-	-	-	-
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	-	-	-	-	-	-	-	-
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	-	-	-	-	-	-	-	-
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ 2,541,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,541,418	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	2,541,418	-	-	-	-	-	2,541,418	-
Grand Total	\$2,541,418	\$0	\$0	\$0	\$0	\$0	\$2,541,418	\$0

2013 - 14 DISTRICT AUDIT EXPENDITURE SUMMARY
Jackson County School District #6

Fund: 600 Internal Service Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	-	-	-	-	-	-	-	-
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	\$ 39,101	\$ -	\$ 39,101	\$ -	\$ -	\$ -	\$ -	\$ -
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	39,101	-	39,101	-	-	-	-	-
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	-	-	-	-	-	-	-	-
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	-	-	-	-	-	-	-	-
Grand Total	\$ 39,101	\$ -	\$ 39,101	\$ -	\$ -	\$ -	\$ -	\$ -

**2013 - 14 DISTRICT AUDIT EXPENDITURE SUMMARY
Jackson County School District #6**

Fund: 700 Trust and Agency Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	-	-	-	-	-	-	-	-
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	\$ 251	\$ -	\$ -	\$ -	\$ 251	\$ -	\$ -	\$ -
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	120	-	-	-	-	-	120	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	371	-	-	-	251	-	120	-
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	20,198	-	-	20,198	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	20,198	-	-	20,198	-	-	-	-
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	-	-	-	-	-	-	-	-
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	-	-	-	-	-	-	-	-
Grand Total	\$ 20,569	\$ -	\$ -	\$ 20,198	\$ 251	\$ -	\$ 120	\$ -

SUPPLEMENTAL INFORMATION, 2013-2014

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	\$584,702
Function 2550	\$

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

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

\$68,488

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



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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

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

We have audited the basic financial statements of the Jackson County School District No. 6 (the District) as of and for the year ended June 30, 2014, and have issued our report thereon dated December 19, 2014. 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 of the United States.

Compliance

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

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

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

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

Budget Compliance

We reviewed the preparation, adoption, and execution of the budget for the current year and the preparation and adoption of the ensuing year's budget. Based on our procedures, the District appears to have complied with statutory requirements for the current year and the ensuing year's budget.

A resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Appropriations are established by functions in the all funds (Instruction, Supporting Services, Debt Service, Facilities Acquisition and Construction, Transfers and Contingency). The District did not exceed its appropriations for the year ended June 30, 2014.

Budget Compliance (Continued)

The District's Federal Programs fund had a deficit fund balance of \$631,896 at year end. Management expects these deficits to be rectified when reimbursements are received for various qualifying federal grant expenditures.

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 or over compliance.

No material weakness relating to the audit of the basic financial statements are reported in the report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

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
KDCO Piels, Certified Public Accountants, LLP
Medford, Oregon
December 19, 2014

**Items Required by the Single Audit Act
Amendments of 1996 for Federal Award Programs**



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**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, the business-type activities, each major fund, and the aggregate remaining fund information of the Jackson County School District No. 6 (the District), as of and for the year ended June 30, 2014, 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 19, 2014.

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 District's financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses 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
KDCO Piels, Certified Public Accountants, LLP
Medford, Oregon
December 19, 2014



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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 Circular A-133 Compliance Supplement* that could have direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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. and therefore, material weaknesses or significant deficiencies may exist that were not 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Stewart Parmele, CPA, Partner
KDCO Piels, Certified Public Accountants, LLP
Medford, Oregon
December 19, 2014

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Central Point, Oregon

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

Federal Pass through Grantor	Program Title	Grant Period	Sub Grant Number	CFDA Number	Grant Amount	Prior Year Receivable	2013-14 Receipts	2013-14 Expenditures	Current Year Receivable
U.S. Department of Education:									
Passed through Oregon State Department of Education:									
	Title I 12-13	07/01/12-09/30/13	25216	84.010	\$ 845,242	\$ (202,922)	\$ 394,850	\$ 220,392	\$ (28,464)
	Title I 13-14	07/01/13-09/30/14	28096	84.010	807,619	-	347,553	587,675	(240,122)
					1,652,861	(202,922)	742,403	808,067	(268,586)
	IDEA 12-13	07/01/12-09/30/14	26649	84.027	689,225	(188,672)	188,828	156	-
	IDEA 13-14	07/01/13-09/30/15	28408	84.027	635,602	-	522,734	632,468	(109,734)
	SPR & I 13-14	08/01/13-06/30/14	27817	84.027	3,452	-	-	3,452	(3,452)
	IDEA Extended Assessment	07/01/13-06/30/14	27621	84.027	900	-	900	900	-
	IDEA Enhancement 12-13	10/01/12-09/30/13	26428	84.027	7,957	(7,277)	7,277	-	-
	IDEA Enhancement 13-14	10/01/13-09/30/14	29732	84.027	7,957	-	7,957	7,957	-
	LTCT 13-15-IDEA	07/01/13-06/30/15	29657	84.027	2,500	(6,597)	6,597	14,290	(14,290)
	IDEA 619 Preschool Grant 11-12	07/01/11-09/30/13	24160	84.173	10,033	(771)	771	-	-
	IDEA 619 Preschool Grant 12-13	07/01/12-09/30/14	26231	84.173	9,248	-	7,417	9,248.23	(1,831)
	IDEA 619 Preschool Grant 13-14	07/01/13-09/30/15	28819	84.173	9,651	-	-	459.23	(459)
	Total Program Cluster				1,376,525	(203,317)	742,481	668,930	(129,766)
	Title IIA Teacher Quality 12-13	07/01/12-09/30/13	25438	84.367	124,817	(30,436)	90,182	59,747	(1)
	Title IIA Teacher Quality 13-14	07/01/13-09/30/14	28608	84.367	114,999	-	69,710	104,454	(34,744)
					239,816	(30,436)	159,892	164,201	(34,745)
	Title III English Language Acquisition 12-13	07/01/12-09/30/13	25671	84.365	14,475	(3,446)	14,475	11,029	-
	Title III English Language Acquisition 13-14	07/01/13-09/30/14	29996	84.365	15,808	-	4,859	6,506	(1,647)
					30,283	(3,446)	19,334	17,535	(1,647)
	ARRA Early Childhood-Kinder Readiness	03/01/12-09/20/13	27432	93.708	1,500	-	1,500	1,500	-
	LTCT 13-15-Title I	07/01/13-06/30/15		84.013	15,469	(2,561)	2,561	25,017	(25,017)
	Total U.S. Department of Education				3,316,454	(442,682)	1,668,171	1,685,250	(459,761)
Department of Health and Human Services									
Direct Award:									
	Healthy Tomorrows Partnership for Children Program			93.110	30,000	(5,775)	30,000	31,725	(7,500)
	Total U.S. Department of Health and Human Services				30,000	(5,775)	30,000	31,725	(7,500)
U.S. Department of Agriculture:									
Passed through Oregon State Department of Education:									
	National School Lunch/Snack	07/01/13-06/30/14	10.555	10.555	965,365	(143,596)	965,365	854,519	(32,750)
	National School Breakfast	07/01/13-06/30/14	10.553	10.553	253,658	(40,888)	253,658	220,986	(8,216)
	Summer Food Service	07/01/13-06/30/14	10.559	10.559	23,990	(2,884)	23,990	24,982	(3,876)
	Commodities	07/01/13-06/30/14	10.555	10.555	93,467	-	93,467	93,467	-
	Total Program Cluster				1,336,480	(187,368)	1,336,480	1,193,954	(44,842)
	Fresh Fruit and Vegetable Program	07/01/13-06/30/14	29029/30119	10.582	11,372	(425)	13,089	12,664	-
	Passed through Southern Oregon ESD:								
	Federal Forest Fees	07/01/13-06/30/14		10.666	74,723	-	74,723	74,723	-
	Total U.S. Department of Agriculture				74,723	-	74,723	74,723	-
	Total Federal Financial Assistance				\$ 4,769,029	\$ (636,250)	\$ 3,122,463	\$ 2,998,316	\$ (512,103)

Note A - Significant accounting policies

The accompanying schedule of expenditures of federal award is a summary of the activity of the District's federal award programs presented on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

Note B - Food distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014**

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.
2. No significant deficiencies or material weaknesses in internal controls were disclosed by the audit of the basic financial statements of Jackson County School District No. 6.
3. No instances of noncompliance material to the basic financial statements of Jackson County School District No. 4 were disclosed during the audit.

Federal Awards

4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.
5. The auditor’s report on compliance for the major federal award programs for Jackson County School District No. 6 expresses an unmodified opinion.
6. There were no audit findings that are required to be reported in accordance with section 510(a) of OMB Circular A-133 reported in this schedule.
7. The programs tested as major programs include:

U.S. Department of Agriculture	CFDA Numbers
Food Service Program Cluster	10.553, 10.555 and 10.559
U.S. Department of Education	
IDEA Cluster	84.027 and 84.173

8. The threshold for distinguishing Types A and B Programs was \$300,000.
9. Jackson County School District No. 6 did not qualify as a low-risk auditee under the criteria specified in OMB Circular A -133.

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDINGS – FINANCIAL STATEMENTS AUDIT – PRIOR YEAR

2013-1 Cash management - student body funds

Criteria: Proper controls should be in place and monitored to ensure that all cash received and disbursed is properly recorded at the various schools within the District’s boundaries. At a minimum, documentation should include the following information: Payer(s) name, form of payment, amounts

paid or received, date, account code, and the initials of person approving the transactions.

Statement of Condition: Adequate controls were not in place to ensure the cash collections and disbursements were properly approved and recorded at the District's schools. There was to be the review of bank reconciliations, review of the bank deposits, and review and sign off by the principals for expenditures. This review process was not evident and needs to be made a priority.

Effect or Potential Effect: Without adequate controls or procedures in place to properly record cash transactions, the likelihood of an intentional error or irregularity existing and not being detected over time could result in a material misstatement in the financial statements.

Perspective Information: Of the 35 items tested for expenditures, supporting documentation for 3 was incomplete and 26 were purchased prior to approval. This leaves the District, the school, and the employee vulnerable to questions of cash management and accountability.

Cause: The District did not follow its own policies included in the Student Body Handbook.

Recommendations: The District was to review and re-issue the student body handbook for this fiscal year. We recommend the District follow the Student Body Handbook.

The District's leadership team plans to take the following corrective action:

- Student body accounting for elementary and middle schools will be brought into the District Office and subjected to the internal control system of the District as a whole.
- Revise and re-issue student-body handbook to all remaining sites.
- Review internal control and financial compliance procedures during administrator meetings throughout the year.
- Review internal control and financial compliance procedures during the annual meeting with site secretaries/bookkeepers.
- Monthly review of bank reconciliations, bank deposits, and expenditure approval by site administrators to be performed by Financial Services Manager or his/her designee.
- Random annual on-site audit of each school by the Financial Services Manager or his/her designee.
- Document occurrences, areas, and/or personnel failing to meet proper internal controls and financial compliance.
- Correct and/or take disciplinary action in accordance with State and Federal law, Board Policy, and Employee Contracts.

The District has implemented its corrective action plan, and all of the accounting for the Student Body funds are handled within District Office. We did not have similar findings in the current fiscal year.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT – PRIOR FISCAL YEAR

Federal Programs

Title 1 – CFDA #84.010

IDEA – CFDA #84.027

IDEA, 619 Preschool Grant – CFDA #84.173

2013-2 Time and Effort Documentation

Criteria: In accordance with OMB Circular A-87, the costs of compensation for personnel services are allowable if adequate support exists. When employees are expected to work solely on a single Federal Award or cost objective, charges for their salary and/or wages will be supported by periodic certification that the employees worked solely on that program for the period covered by the certification. When the employee works on multiple activities or cost objectives, a distribution of their

salaries or wages will be supported by personnel activity reports or equivalent documentation.

Statement of Condition: The District was not in compliance with OMB Circular A-87 for payroll costs charged to Federal grants as listed above. There was a lack of evidence to support the time and effort reports for the Federal program payroll expenditures.

Perspective Information: The identified instances of noncompliance may have an impact to the District because the District may have to refund the granting agency for those related payroll expenditures.

Questioned Costs: There was \$1,419,990 in payroll and payroll related costs charged to these Federal programs.

Effect or Potential Effect: The lack of the time and effort logs could require the District to have to pay back the monies received under the various Federal programs that require time and effort records.

Cause: Management revised its payroll timecards to use as its time and effort log. However, the timecards did not fully break out the different areas of responsibilities for the individual being paid. This finding is a repeat from the prior year. The District is in the process of developing an appropriate template and has been working with ODE to generate a log that works for their payroll procedures and also fulfills the time and effort requirements.

Recommendations: We recommended the District to complete the process of identifying time charges to federal programs for finalizing the time and effort logs.

The District's leadership team plans to take the following corrective actions:

- Revise District time-sheet in order to meet federal program time and effort requirements.
- Review time and effort process and progress with site-administrators during administrator meetings throughout the year.
- Review time and effort procedures during the annual meeting with site secretaries/bookkeepers.
- Regular and recurring review of time and effort documentation throughout the year by District Office staff.

The District has implemented its corrective action plan; the time-sheets have been revised and implemented District-wide. We did not have similar findings in the current fiscal year.