JACKSON COUNTY SCHOOL DISTRICT NO. 35
ROGUE RIVER, OREGON

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024
WITH
INDEPENDENT AUDITOR'S REPORT

Certified Public Accountants, LLP
audit | tax | advisory | valuation

JACKSON COUNTY SCHOOL DISTRICT NO. 35
ROGUE RIVER, OREGON
JUNE 30, 2024

Board of Directors

Bruce Sund, Chairman

Heather Friend, Vice - Chairman

Jay Chick, Director

Mysti Jacob, Director

Erin Poston, Director

All Board Members receive mail at the address listed below.

Administrative Staff

Patrick Lee, Superintendent

Don Sweeney, Business Manager

Address of Jackson County School District No. 35
Administrative Offices
1898 E. Evans Creek Road
Rogue River, OR 97537

JACKSON COUNTY SCHOOL DISTRICT NO. 35
ROGUE RIVER, OREGON
JUNE 30, 2024

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June 30, 2024

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Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jackson County School District No. 35
Rogue River, Oregon

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the internal service fund of Jackson County School District No. 35, Oregon, (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the internal service fund of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards).* Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, certain pension schedules, certain other post-employment benefit schedules, and the general and major special revenue governmental funds budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, pension schedules, and other post-employment benefit schedules 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 management's discussion and analysis, certain pension schedules, and other certain post-employment benefit schedules because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The general and special revenue major governmental funds budgetary comparison information 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 general and major special revenue governmental funds budgetary comparison information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by the State of Oregon

In accordance with Oregon State Regulations, we have also issued our report dated December 13, 2024 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 162-010-0000 through 162-010-0330 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.

Aria Bettinger, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 13, 2024

Management's Discussion and Analysis

JACKSON COUNTY SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

As management of Rogue River School District No. 35 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes to those financial statements. It should also be noted that all amounts included in text below are rounded for ease of reading.

FINANCIAL HIGHLIGHTS

• In the government-wide statements, the assets and deferred outflows of the District exceeded its liabilities and deferred inflows at June 30, 2024 by $6.5 million. Of this amount, $5.2 million represents the District's net investment in capital assets, $28 thousand is restricted for debt service, $45 thousand is restricted for scholarships, $8 thousand is restricted for grants, $4.5 million is restricted for capital projects, $226 thousand is restricted for the student body, $141 thousand is restricted for food service, and $149 thousand restricted for RHIA, leaving a negative $3.8 million balance in unrestricted net position.

• For the fiscal year ended June 30, 2024, the District's total net position increased by $466 thousand. In the prior year, the District's total net position increased by $537 thousand.

• The District's total expenditures increased from the prior year, $17.9 million to $19.2 million. In addition, District revenues increased from $18.45 million to $19.69 million.

• The District's governmental funds reported combined ending fund balance of $8.2 million, a increase of $4.3 million in comparison to the prior year. Approximately 26 percent of this total amount, $2.1 million, is available for spending to meet ongoing commitments and obligations of the District.

• At the end of the fiscal year, fund balance for the General Fund was $2.2 million, down $99 thousand from the prior year, an decrease of about 5 percent. Unassigned fund balance in the General Fund represented about 12.7 percent of total General Fund expenditures, down from 17.2 percent in the prior year.

On July 27, 2023, the District issued General Obligation Bond, Series 2023, in the amount of $4,465,000. The purpose of the bond is to finance safety improvements, school facilities preservation, renovations, construction and bond issuance costs.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components:

1) Government-wide financial statements
2) Fund financial statements
3) Notes to the basic financial statements

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

Government-wide financial statements

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

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The Statement of Net Position. The *Statement of Net Position* presents information on all of the assets, deferred outflows, liabilities and deferred inflows of the District at year end. Net position is what remains after the liabilities and deferred inflows have been paid or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

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

The government-wide financial statements can be found as listed in the Table of Contents of this report.

Fund financial statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Special Revenue, Debt Service, and Capital Projects Funds, all of which are considered to be major funds.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Internal service funds. This fund type is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District maintains one internal service fund to account for claims and other risk management costs not otherwise covered through unemployment costs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements and internal activity has been eliminated. The basic internal service fund financial statements can be found as listed in the table of contents of this report. Individual fund data for the internal service fund is provided as Supplemental Information in this report.

Notes to the basic financial statements

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found as listed in the Table of Contents of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* displaying certain budgetary comparison schedules and benefit schedules. Required Supplementary Information can be found as listed in the Table of Contents of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's assets/deferred outflows exceeded liabilities/deferred inflows by $6.5 million at June 30, 2024. At June 30, 2023 District assets/deferred outflows exceeded liabilities/deferred inflows by $5.83 million.

	Governmental Activities (in thousands)		Increase (Decrease) From
	June 30, 2024	June 30, 2023	June 30, 2023
Assets:			
Current assets	$ 9,769	$ 5,342	$ 4,427
Capital assets	10,766	9,264	1,502
Other assets	149	141	8
Total assets	20,684	14,747	5,937
Deferred outflows	4,796	4,691	105
Total assets and deferred outflows	25,480	19,438	6,042
Liabilities:			
Current liabilities	1,154	1,024	130
Other liabilities	11,532	9,287	1,626
Long-term liabilities	5,548	573	5,594
Total liabilities	18,234	10,884	7,350
Deferred inflows	749	2,523	(1,774)
Total liabilities and deferred inflows	18,983	13,407	5,576
Net position:			
Net investment in capital assets	5,218	8,691	(3,473)
Restricted	5,096	770	4,326
Unrestricted	(3,817)	(3,430)	(387)
Total net position	$ 6,497	$ 6,031	$ 466

As noted previously, net position may serve over time as a useful indicator of a government's financial position. Net position increased by $466 thousand from the prior year.

Capital assets, which consist of the District's land, buildings and improvements, vehicles and equipment, right-of-use assets, and right-of use subscription assets represent about 42 percent of total assets/deferred outflows. The remaining assets consist mainly of cash and investments, grants and property taxes receivable, prepaid expenses and deferred outflows related to pensions and other postemployment benefits. Deferred amounts related to pensions and other postemployment benefits of $4.80 million represent 18% of total assets and deferred outflows.

On July 27, 2023, the District issued General Obligation Bond, Series 2023, in the amount of $4,465,000. During the year June 30, 2024, the District made its first principal payment of $435,000. See *Note 9* of the Notes to the Financial Statements for more information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The District's largest liability is the net pension liability (OPERS), it represents 58 percent of the total liabilities and deferred inflows of resources. The remaining liabilities/deferred inflows are made up of short-term accounts payable, deposits payable, unearned grant revenue, accrued salaries and benefits, leases and IT subscription payables, and deferred amounts related to pensions and other postemployment benefits.

A large portion of the District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental activities. As previously stated, all District activities are governmental in nature, and during the current fiscal year, the District's net position increased by $466 thousand. The increase can be primarily attributed to the increase in operating grants and contributions.

	Governmental Activities (in thousands)		Increase (Decrease) From
	June 30, 2024	June 30, 2023	June 30, 2023
Revenues:			
Program revenues:			
Charges for service	$ 185	$ 147	$ 38
Operating grants and contributions	4,233	4,151	82
General revenues:			
Property taxes	4,679	4,538	140
State school fund - general support	9,710	9,215	495
Other federal, state and local sources	315	156	159
Earnings on investments	489	163	326
Miscellaneous	76	80	(4)
Total revenues	19,687	18,450	1,236
Expenses:			
Instruction	11,209	10,910	299
Support services	7,149	6,401	748
Enterprise and community services	593	573	20
Facilities acquisition and construction	109	-	109
Interest on long-term debt	161	29	133
Total expenses	19,221	17,913	1,309
Change in net position	$ 466	$ 537	$ (73)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

At June 30, 2024, the District's governmental funds reported combined ending fund balances of $8.24 million, an increase of $4.26 million in comparison with the prior year. About $3.2 million (39 percent) of the ending fund balance constitutes amounts which are available for spending at the District's discretion. About 55 percent of combined ending fund balance is restricted for capital projects ($4.5 million).

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2024, fund balance was $2.16 million. The fund balance decreased by approximately $100 thousand during the current fiscal year. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Unassigned fund balance of $2.11 million represents about 12.7 percent of total General Fund expenditures.

Special Revenue Fund. The Special Revenue Fund had a total fund balance of $1.70 million, of which none is unassigned. The net increase in fund balance during the current year was $151 thousand. The Committed fund balance of $571 thousand represents amounts reserved for capital improvements and pension reserve. The Assigned fund balance of $564 thousand represents amounts held for school improvement. The remaining $565 thousand is legally restricted for specific purposes.

Debt Service Fund. The Debt Service Fund had a total fund balance of $28 thousand, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year was $18 thousand.

Capital Projects Fund. The Capital Projects Fund had a total fund balance of $4.35 million, all of which is restricted. The fund was established during the 2018 fiscal year in connection with the issuance of general obligation debt.

CURRENT ECONOMIC FACTORS

The district has transitioned away from ESSER funds for the 2024-2025 school year with no disruption in services and virtually no layoffs. The district is in a solid place financially in terms of its ending fund balance. The district's major construction projects related to the Early Learning Center, the Junior High expansion, and the single point of entry at the elementary school are all projected to come in on or under budget.

The major issue facing the district in the next few years is elementary enrollment. Elementary enrollment has been on a slight decline over the last four years. Currently, Rogue River Elementary has 390 students, which represents a downward trend of roughly 27 students in the last three years. More parents have opted to homeschool their kids over the last five years. The district needs to reverse this declining enrollment trend at the elementary level. Currently, the Early Learning Center, which is slated to open in August 2025, could help. The Early Learning Center should provide free pre-K education to kids aged 3-5. Hopefully, this interaction with families at an early age will lead more parents to send their kids to school in the district instead of home schooling.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Business Manager at 1898 E. Evans Creek Road, Rogue River, Oregon 97537.

Basic Financial Statements

Government-Wide Financial Statements

JACKSON COUNTY SCHOOL DISTRICT NO. 35
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS:	
Cash, cash equivalents and investments	$ 8,556,097
Receivables	1,164,294
Prepaid expenses	49,001
Capital assets, net	10,765,577
Other post-employment asset (RHIA)	148,827
TOTAL ASSETS	20,683,796
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows related to pensions (OPERS)	4,646,511
Deferred outflows related to pensions (early retirement stipend pension plan)	13,029
Deferred outflows related to other post-employment benefits (single-employer defined health care plan)	134,193
Deferred outflows related to other post-employment benefits (RHIA)	2,446
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,796,179
TOTAL ASSETS AND DEFERRED OUTFLOWS	25,479,975
LIABILITIES:	
Accounts payable	446,868
Accrued salaries and benefits	696,737
Unearned revenue	9,589
Deposits payable	500
Other post-employment benefit obligation (single-employer defined benefit health care plan)	
Due within one year	64,131
Due in more than one year	508,204
Early retirement stipend pension plan obligation	
Due within one year	6,846
Due in more than one year	40,165
Subscription liability	
Due within one year	32,326
Due in more than one year	87,815
Lease liability	
Due within one year	274,467
Due in more than one year	1,123,205
Bonds payable	
Due within one year	445,000
Due in more than one year	3,585,000
Net pension liability (OPERS)	10,913,195
TOTAL LIABILITIES	18,234,048
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows related to pensions (OPERS)	637,344
Deferred inflows related to other post-employment benefits (single-employer defined benefit health care plan)	104,798
Deferred inflows related to other post-employment benefits (RHIA)	6,934
TOTAL DEFERRED INFLOWS OF RESOURCES	749,076
TOTAL LIABILITIES AND DEFERRED INFLOWS	18,983,124
NET POSITION:	
Net investment in capital assets	5,217,764
Restricted for debt service	28,176
Restricted for scholarships	45,025
Restricted for grants	8,273
Restricted for capital projects	4,499,802
Restricted for student body	225,543
Restricted for food service	140,868
Restricted for RHIA	148,827
Unrestricted	(3,817,427)
TOTAL NET POSITION	$ 6,496,851

JACKSON COUNTY SCHOOL DISTRICT NO. 35
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:				
Instruction	$ 11,208,855	$ 121,953	$ 2,719,745	$ (8,367,157)
Supporting services	7,148,600	40,042	988,257	(6,120,301)
Enterprise and community services	593,109	23,058	524,768	(45,283)
Facilities and acquisition	108,947	-	-	(108,947)
Interest on long-term debt	161,566	-	-	(161,566)
Total governmental activities	$ 19,221,077	$ 185,053	$ 4,232,770	(14,803,254)
General revenues:				
Property taxes levied for general purposes				4,094,964
Property taxes levied for debt service				583,496
Construction excise tax				29,422
State school fund - general support				9,710,444
County and intermediate sources- general support				157,808
Common school fund				116,951
Federal forest fees				10,698
Earnings on investments				489,211
Miscellaneous				75,515
Total general revenues				15,268,509
CHANGE IN NET POSITION				465,255
NET POSITION - JULY 1, 2023				6,031,596
NET POSITION - JUNE 30, 2024				$ 6,496,851

Fund Financial Statements

JACKSON COUNTY SCHOOL DISTRICT NO. 35
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:					
Equity in pooled cash, cash equivalents and investments	$ 2,747,916	$ 1,033,207	$ 22,769	$ 4,495,952	$ 8,299,844
Property taxes receivable	157,099	-	22,402	-	179,501
Receivables	155,106	829,687	-	-	984,793
Prepaid	49,001	-	-	-	49,001
TOTAL ASSETS	$ 3,109,122	$ 1,862,894	$ 45,171	$ 4,495,952	$ 9,513,139
LIABILITIES:					
Accounts payable	$ 137,332	$ 153,477	$ -	$ 141,799	$ 432,608
Accrued salaries and benefits	696,737	-	-	-	696,737
Deposits payable	500	-	-	-	500
Unearned revenue	-	9,589	-	-	9,589
TOTAL LIABILITIES	834,569	163,066	-	141,799	1,139,434
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	119,180	-	16,995	-	136,175
TOTAL DEFERRED INFLOWS OF RESOURCES	119,180	-	16,995	-	136,175
Non-spendable	49,001	-	-	-	49,001
Restricted:					
Debt service	-	-	28,176	-	28,176
Scholarships	-	45,025	-	-	45,025
Grants	-	8,273	-	-	8,273
Student body	-	225,543	-	-	225,543
Capital projects	-	145,649	-	4,354,153	4,499,802
Food service	-	140,868	-	-	140,868
Committed:					
PERS reserve	-	500,000	-	-	500,000
Capital outlay	-	70,847	-	-	70,847
Assigned	-	563,623	-	-	563,623
Unassigned	2,106,372	-	-		2,106,372
Total fund balances	2,155,373	1,699,828	28,176	4,354,153	8,237,530
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 3,109,122	$ 1,862,894	$ 45,171	$ 4,495,952	$ 9,513,139

See notes to basic financial statements

JACKSON COUNTY SCHOOL DISTRICT NO. 35
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2024

TOTAL FUND BALANCES		$ 8,237,530
Capital assets are not financial resources and therefore are not reported in the governmental funds.		
Cost	$ 21,786,362	
Accumulated depreciation and amortization	(11,020,785)	
		10,765,577
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		136,175
The combined net position of the internal service fund is not part of the governmental fund balance, but it is controlled by the District, and therefore included on the government-wide Statement of Net Position.		241,993
The asset associated with the District's other post-employment benefit (RHIA) is not recorded in the governmental funds as it is not available currently.		148,827
The net deferred outflow/(inflow) associated with the District's pension and other post-employment benefits is not recorded in the governmental funds as it is not available nor payable currently.		4,047,103
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather recognized as an expenditure when due.		
These liabilities consist of:		
Long-term debt obligations	$ (4,030,000)	
Lease liability	(1,397,672)	
Subscription liability	(120,141)	
Net pension liability	(10,913,195)	
Other post-employment benefits	(572,335)	
Early retirement benefits (stipend)	(47,011)	
		(17,080,354)
TOTAL NET POSITION		$ 6,496,851

JACKSON COUNTY SCHOOL DISTRICT NO. 35
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES					
Construction excise taxes	$ -	$ 29,422	$ -	$ -	$ 29,422
Property taxes	4,108,624	-	587,003	-	4,695,627
Basic school support	9,706,281	4,163	-	-	9,710,444
Intergovernmental	419,810	4,050,264	-	-	4,470,074
Charges for services	4,706	180,347	-	-	185,053
Donations	-	51,726	-	-	51,726
Interest on investments	238,365	6,225	14,639	229,982	489,211
Miscellaneous	30,935	41,006	-	-	71,941
TOTAL REVENUES	14,508,721	4,363,153	601,642	229,982	19,703,498
EXPENDITURES					
Current					
Instruction	7,734,078	2,941,525	-	-	10,675,603
Support services	5,673,733	1,151,231	-	78,079	6,903,043
Enterprise and community services	-	606,539	-	-	606,539
Facilities and acquisition	1,461,912	182,229	-	427,389	2,071,530
Debt service	413,787	-	583,298	-	997,085
TOTAL EXPENDITURES	15,283,510	4,881,524	583,298	505,468	21,253,800
Excess (Deficiency) of Revenues Over Expenditures	(774,789)	(518,371)	18,344	(275,486)	(1,550,302)
OTHER FINANCING SOURCES (USES):					
Issuance of debt	-	-	-	4,465,000	4,465,000
Issuance of leases	1,107,187	-	-	-	1,107,187
Issuance of SBITAS	237,742	-	-	-	237,742
Interfund transfers	(670,000)	670,000	-	-	-
TOTAL OTHER FINANCING SOURCES	674,929	670,000	-	4,465,000	5,809,929
NET CHANGE IN FUND BALANCE	(99,860)	151,629	18,344	4,189,514	4,259,627
FUND BALANCE, JULY 1, 2023	2,255,233	1,548,199	9,832	164,639	3,977,903
FUND BALANCE, JUNE 30, 2024	$ 2,155,373	$ 1,699,828	$ 28,176	$ 4,354,153	$ 8,237,530

See notes to basic financial statements

JACKSON COUNTY SCHOOL DISTRICT NO. 35
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

NET CHANGE IN FUND BALANCE			$ 4,259,627
Amounts reported for governmental activities in the Statement of Activities are different because:			
Government funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which expenditures exceeded depreciation and amortization.			
Expenditures for capital assets	$	2,347,753	
Gain/Loss on sale of fixed assets		(24,255)	
Less: Current year depreciation and amortization		(822,060)	
			1,501,438
Long-term debt, lease and subscription proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt, leases and subscriptions increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.			
Debt proceeds	$	(4,465,000)	
Lease proceeds		(1,107,187)	
Subscription proceeds		(237,742)	
Debt principal paid		435,000	
Leases principal paid		273,109	
Subscription principal paid		127,410	
			(4,974,410)
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.			(17,167)
The change in net position from the activity in the internal service fund is not included in the governmental fund financial statements, but is included in the government-wide Statement of Activities as the District has control of the funds.			55,441
Government funds report pension and OPEB contributions as expenditures. In the Statement of Activities, the cost of pension and OPEB benefits earned (actuarially determined) net of employee contributions is reported as pension and OPEB expense.			(359,674)
CHANGE IN NET POSITION			$ 465,255

JACKSON COUNTY SCHOOL DISTRICT NO. 35
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
JUNE 30, 2024

	Internal Service Fund
ASSETS:	
Equity in pooled cash, cash equivalents and investments	$ 256,253
TOTAL ASSETS	$ 256,253
LIABILITIES:	
Accounts payable	$ 14,260
TOTAL LIABILITIES	14,260
NET POSITION:	
Fund Balances:	
Unrestricted	241,993
TOTAL NET POSITION	$ 241,993

See notes to basic financial statements

JACKSON COUNTY SCHOOL DISTRICT NO. 35
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2024

	Internal Service Fund
OPERATING REVENUES:	
Charges for services (interfund)	$ 69,701
TOTAL OPERATING REVENUES	69,701
OPERATING EXPENDITURES	
Current:	
Support services	14,260
TOTAL OPERATING EXPENDITURES	14,260
CHANGE IN NET POSITION	55,441
NET POSITION, July 1, 2023	186,552
NET POSITION, June 30, 2024	$ 241,993

JACKSON COUNTY SCHOOL DISTRICT NO. 35
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2024

	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash from interfund services provided	$ 69,701
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	69,701
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	69,701
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	186,552
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 256,253
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH	
PROVIDED BY OPERATING INCOME	
Operating income (loss)	$ 55,441
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Change in assets and liabilities:	
Accounts payable	14,260
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 69,701

Notes to Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies

The financial statements of Jackson County School District No. 35 (the District), Oregon have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. The more significant of the District's accounting policies are described below.

The Reporting Entity

Jackson County School District No. 35, Rogue River, 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. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various other 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. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

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

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

Fund Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Financial Statements (continued)

The District reports the following as major governmental funds:

General Fund - The General Fund is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. Principal revenue sources are state school funds and property taxes.

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

Debt Service Fund - This Debt Service Fund provides for the payment of principal and interest on general obligation bonded debt. Principal revenue source is property taxes.

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

Additionally, the District reports the following proprietary fund:

Internal Service Fund - This fund is used to report activities that provide supplies and services on a cost reimbursement basis for the District's other programs and activities. The District currently has one internal service fund - the Unemployment Fund. Internal activity is eliminated on the government-wide financial statements.

Measurement Focus and Basis of Accounting

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

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

The Internal Service Fund is reported using the economic resources measurement focus and the accrual basis of accounting

Note 1 - Summary of Significant Accounting Policies (continued)

Cash, Cash Equivalents and Investments

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

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

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

Property Taxes Receivable

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

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

Accounts and Other Receivables

Accounts receivable and other receivables consist primarily of charges for services, claims for reimbursement of costs under various federal and state grant programs and refunds of prior year expenditures. Due to the nature of the receivables and the likelihood of collection, no provision for uncollected receivables has been made.

Grants

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

Leases

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

Leases (continued)

The District has chosen not to implement GASB 87 for the budgetary basis of accounting. For both the budgetary basis of accounting and for leases that do not meet the criteria for valuation under GASB 87, the District will report inflows of cash for lessor leases and outflows of cash for lessee leases.

Subscription-based IT Arrangements

The District leases various subscription-based IT arrangement (SBITA) assets requiring recognition. A right-to-use subscription asset is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract, with a noncancelable term greater than one year in an exchange or exchange-like transaction.

At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any lease incentives). The subscription liability is reduced by the principal portion of payments made. The right-to-use subscription asset is measured at the initial subscription liability amount payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The right-to-use subscription asset is amortized on a straight-line basis over the course of the subscription term.

Key Estimates and Judgements

Subscription-based IT arrangement accounting includes estimates and judgments for determining the (1) rate used to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The District uses the interest rate stated in the subscription contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the District uses its estimated incremental borrowing rate as the discount rate for the subscriptions.

- The lease term includes the noncancellable period of the subscription, the option renewal periods if the government is reasonably expected to exercise, certain periods covered by options to extend or terminate to reflect how long the subscription is expected to be in effect, with terms and conditions varying by the type of underlying asset.

- Fixed and certain variable payments as well as capitalizable implementation costs and certain other payments less subscription incentives are included in the measurement of the subscription liability and asset.

The District monitors changes in circumstances that would require a remeasurement or modification of its subscription liabilities. The District will remeasure the subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. The District will also update the discount rate as part of the remeasurement if there is a change in the subscription term and that change is expected to significantly affect the amount of the subscription liability.

The District has chosen not to implement GASB 96 for the budgetary basis of accounting. For both the budgetary basis of accounting and for leases that do not meet the criteria for valuation under GASB 96, the District will report inflows of cash for lessor leases and outflows of cash for lessee leases.

Note 1 - Summary of Significant Accounting Policies (continued)

Capital Assets

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

Buildings and improvements	-	10 to 40 years
Vehicles and equipment	-	5 to 10 years
Right-of-use assets	-	Depends on life of the lease or subscription

Self-Insurance

The Internal Service Fund (Unemployment Fund) addresses the various types of risk faced by the District. The District provides currently for potential losses to be incurred from pending claims.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Post-Employment Stipend Benefits

Eligible employees who elect early retirement are entitled to stipend payments. Such costs are recorded as expenses in the General Fund and funded as stipend benefits become due.

Post-Employment Health Care Benefits

Eligible employees who elect early retirement are entitled to payment of group medical insurance premiums. In the Government-wide financial statements, the District reports its liability for other post-employment 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. Such costs are recorded as expenses in the Governmental Funds and funded as premiums become due.

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

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. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued when earned in the District-wide financial statements. A liability for these amounts is reported in the governmental funds once they have matured.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition on net position that applies to a future period and so will not be recognized as an inflow of resources (of revenue) until that time.

Additionally, the District has one type of deferred inflow which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund's balance sheet.

Long-term Debt

The District reports long-term debt of governmental activities at face value in the Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, government fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums and discounts received on debt issuances, and deferred charges are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Note 1 - Summary of Significant Accounting Policies (continued)

Net Position/Fund Balance

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

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

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

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

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when expenditure is incurred for purposes for which both restricted and unrestricted net position are available.

In the fund financial statements, governmental fund balance 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 Directors, by formal board action.

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

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

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

The District has established a policy to maintain a minimum of 10% of the General Fund's annual operating expenditures in fund balance at year end. The District believes a reserve of this level is prudent to maintain a high bond rating, to provide for unexpected emergencies, and to protect the District from the effects of fluctuations in state and federal funding.

Note 1 - Summary of Significant Accounting Policies (continued)

Budget

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

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

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

The Board may authorize some transfers of appropriation authority by passing a resolution or ordinance. A transfer of appropriation authority is a decrease of one existing appropriation and a corresponding increase of another existing appropriation, with no net change in the total amount of all appropriations. However, a resolution may not be used to authorize the creation of a new appropriation category that does not already exist without approving a supplemental budget.

During the fiscal year ended June 30, 2024, the District was in compliance with the Local Budget Law except as follows:

The District exceeded its appropriation authority in the following category:

Capital Projects Fund	
Support Services	$78,079

Use of Estimates

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

Adoption of New GASB Pronouncements

During the year ended June 30, 2024, the District implemented the following GASB Pronouncement:

GASB Statement No. 100, *Accounting Changes and Error Corrections.* This Statement clarifies the presentation and disclosure requirements for prior period adjustments to beginning net position. There is no effect on the District's financial statements as a result of this Statement.

Note 1 - Summary of Significant Accounting Policies (continued)

Future Adoption of GASB Pronouncements

The following GASB pronouncements have been issued, but are not effective as of June 30, 2024:

GASB Statement No. 101, *Compensated Absences*. Issued in June 2022, this Statement updates recognition and measurement guidelines for compensated absences and is effective for the District for the fiscal year ending June 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*. This standard requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. This Statement will be effective for the District for fiscal year ending June 30, 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will be effective for the District for fiscal year ending June 30, 2026.

GASB Statement No. 104, *Capital Assets Held for Sale.* This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. This Statement also requires additional disclosures for assets held for sale. This Statement will be effective for the District for fiscal year ending June 30, 2026.

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

Note 2 - Cash and Investments

Cash and investments are comprised of the following at June 30, 2024:

Petty cash	$	1,322
Carrying amount of demand deposits		603,952
Certificates of deposit		32,455
Carrying amount of investments		7,918,368
Total cash and investments	$	8,556,097

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, 2024. 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 and certificates of deposit. For the year ended June 30, 2024, the bank balances were $1,325,948. All deposits are held in the name of the District. At June 30, 2024, the District had $1,075,948 in deposits that were not covered by FDIC insurance. However, the balance is covered by the State of Oregon shared liability structure for participating bank depositories in Oregon.

Note 1 - Summary of Significant Accounting Policies (continued)

Deposits (continued)

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

Custodial Credit Risk

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

Investments

The District has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2024. Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board. Investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at $1.00 per share, it is possible to lose money by investing in the pool.

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

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 294.180. These funds are held in the District's name and are not subject to collateralization requirements of 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, 2024, and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

Note 2 - Cash and Investment (continued)

Credit Risk

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

Concentration of Credit Risk

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

Interest Rate Risk

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

Disclosures about Fair Value of Assets

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

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

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

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

At June 30, 2024, the District's investments had the following fair value measurements:

Investments Measured at Fair Value:	Totals at June 30, 2024	Level One	Level Two	Level Three	Amortized Cost Measurement Not Measured at Fair Value
Local Government Investment Pool	$ 7,918,368	$ -	$ -	$ -	$ 7,918,368
Certificates of deposit	32,455	-	-	-	32,455
	$ 7,950,823	$ -	$ -	$ -	$ 7,950,823

Note 2 - Cash and Investment (continued)

Disclosures about Fair Value of Assets *(continued)*

At June 30, 2024, the District's investments had the following maturities:

	Investments	Investment Maturities		
		Less than 1 year	1-5 years	6-10 years
Local Government Investment Pool	$ 7,918,368	$ 7,918,368	$ -	$ -
Certificates of deposit	32,455	-	32,455	-
	$ 7,950,823	$ 7,918,368	$ 32,455	$ -

Note 3 - Receivables

At June 30, 2024, the District's receivables are comprised of the following:

	Property Taxes	Grants/Other	Total
General Fund	$ 157,099	$ 155,106	$ 312,205
Special Revenue Fund	-	829,687	829,687
Debt Service Fund	22,402	-	22,402
	$ 179,501	$ 984,793	$ 1,164,294

Note 4 - Capital Assets

The changes in capital assets for the year ended June 30, 2024, are as follows:

	Balance June 30, 2023 (as restated)	Additions	Transfers/ Deletions	Balance June 30, 2024
Capital assets not being depreciated or amortized				
Land	$ 286,801	$ -	$ -	$ 286,801
Construction in progress	-	349,099	-	349,099
Total capital assets not being depreciated or amortized	286,801	349,099	-	635,900
Capital assets being depreciated or amortized				
Buildings and improvements	18,373,411	594,613	(34,650)	18,933,374
Vehicles and equipment	287,169	59,112	-	346,281
Right-of-use	1,072,882	1,344,929	(547,004)	1,870,807
Total capital assets being depreciated or amortized	19,733,462	1,998,654	(581,654)	21,150,462
Less accumulated depreciation or amortization for				
Buildings and improvements	(10,078,980)	(476,934)	10,395	(10,545,519)
Vehicles and equipment	(148,761)	(27,854)	-	(176,615)
Right-of-use	(528,383)	(317,272)	547,004	(298,651)
Total accumulated depreciation or amortization	(10,756,124)	(822,060)	557,399	(11,020,785)
Total capital assets (net)				
Land	286,801	-	-	286,801
Construction in Progress	-	349,099	-	349,099
Buildings and improvements	8,294,431	117,679	(24,255)	8,387,855
Vehicles and Equipment	138,408	31,258	-	169,666
Right-of-use	544,499	1,027,657	-	1,572,156
Total capital assets (net)	$ 9,264,139	$ 1,525,693	$ (24,255)	$ 10,765,577

Depreciation and amortization expense for the fiscal year was $822,060 and was allocated to the various functions as follows:

Instruction	$ 476,606
Supporting Services	320,648
Community Services	24,806
Total	$ 822,060

Right-of-Use Assets

A lease is defined as a contract that conveys control of the right of use of another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The District is party to a variety of lease contracts as lessee for which this right-of-use (ROU) has been recognized as an asset on the balance sheet. Further information on these transactions can be found in Note 6.

Note 4 - Capital Assets (continued)

Right-of-Use Assets (continued)

A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The District is party to a variety of SBITA contracts as lessee for which this ROU has been recognized as an asset on the balance sheet. Further information on these transactions can be found in Note 7.

Lease and subscription right-of-use assets for the year ended June 30, 2024 consisted of the following:

	Balance June 30, 2023	Additions	Transfers/ Deletions	Balance June 30, 2024
Leased and subscription assets being amortized				
Buildings and improvements	$ 456,903	$ -	$ -	$ 456,903
Vehicles and equipment	598,785	1,107,187	(547,004)	1,158,968
Subscriptions	17,194	237,742	-	254,936
Total leased and subscription assets being amortized	1,072,882	1,344,929	(547,004)	1,870,807
Less accumulated amortization for:				
Buildings and improvements	(132,716)	(66,370)	-	(199,086)
Vehicles and equipment	(389,935)	(197,628)	547,004	(40,559)
Subscriptions	(5,732)	(53,274)	-	(59,006)
Total accumulated amortization	(528,383)	(317,272)	547,004	(298,651)
Total leased and subscription assets (net)				
Buildings and improvements	324,187	(66,370)	-	257,817
Vehicles and equipment	208,850	909,559	-	1,118,409
Subscriptions	11,462	184,468	-	195,930
Total leased and subscription assets (net)	$ 544,499	$ 1,027,657	$ -	$ 1,572,156

Note 5 - Interfund Transfers

Interfund transfers for the year ended June 30, 2024 are as follows:

	Transfers In	Transfers Out
General Fund	$ -	$ 670,000
Special Revenue Fund	670,000	-
Total Transfers	$ 670,000	$ 670,000

The District made transfers from the General Fund to the Special Revenue Fund to fund repairs to the buildings of both the minor and major variety.

Note 6 - Leases Payable

The District is the lessee under various non-cancellable lease agreements related to buildings, student transportation, copiers and postage machines. Of these, all are qualified leases under GASB Statement No. 87 with periods covering various ranges and the latest expiring on June 30, 2029, including extension options which are expected to be exercised. Monthly payments for the current year range from $106 to $18,667, with an interest rate of 1.97% to 3.76%.

During the year ended June 30, 2024, lease principal and interest payments of $273,109 and $8,866 were made, respectively. Future minimum lease payments for these leases are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 274,467	$ 42,404	$ 316,871
2026	281,673	33,314	314,987
2027	267,753	24,098	291,851
2028	280,890	14,604	295,494
2029	292,889	4,658	297,547
	$ 1,397,672	$ 119,078	$ 1,516,750

The changes in lease liability for the year ended June 30, 2024 consisted of the following:

	Balance at June 30, 2023	Additions	Principal Payments	Balance at June 30, 2024
Lease liability	$ 563,594	$ 1,107,187	$ (273,109)	$ 1,397,672

Variable payments related to lease agreements that are qualified leases under GASB 87 are not included in the measurement of the lease liability. During the year ended June 30, 2024, the District paid $866,805 in variable payments related to the qualified lease for student transportation services and $12,407 for copiers.

Note 7 - Subscription-Based Information Technology Arrangements (SBITA)

The District is the lessee under two non-cancellable lease agreements related to software licenses. The agreements are qualified as subscription-based information technology agreements under GASB Statement No. 96 covering a period of July 1, 2022 through June 30, 2028. The arrangements include extensions expected to be exercised. Principal and interest payments made for the current year were $127,410 and $4,404, respectively, with an interest rate of 3.26% and 3.76%.

Changes in subscription liability in the statement of Net Position for the year ended June 30, 2024 are as follows:

	Balance at June 30, 2023	Additions	Principal Payments	Balance at June 30, 2024
Subscription liability	$ 9,809	$ 237,742	$ (127,410)	$ 120,141

Note 7– Subscription-Based Information Technology Arrangements (SBITA) (continued)

The future principal and interest subscription liability payments are as follows:

Year ending June 30,	Principal	Interest	Total
2025	$ 32,326	$ 3,236	$ 35,562
2026	28,334	2,192	30,526
2027	29,417	1,108	30,525
2028	30,064	-	30,064
	$ 120,141	$ 6,536	$ 126,677

Variable payments related to subscription-based information technology arrangements that are qualified subscriptions under GASB 96 are not included in the measurement of the subscription liability. During the year ended June 30, 2024, the District paid $20,299 in variable payments for subscription-based information technology arrangements.

Note 8 - Unavailable/Unearned Revenues

Governmental funds report deferred inflows of resources in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Amounts received in advance of the period in which services are performed are recorded in unearned revenue. At June 30, 2024, the various components of unavailable and unearned revenue included in the governmental funds' Balance Sheet consists of the following:

	Unavailable	Unearned	Total
General Fund			
Property taxes	$ 119,180	$ -	$ 119,180
Special Revenue Fund			
Grants	-	9,589	9,589
Debt Service Fund			
Property taxes	16,995	-	16,995
Total	$ 136,175	$ 9,589	$ 145,764

Note 9 - Long-Term Debt

On July 27, 2023, the District issued $4,465,000 General Obligation Bond Series 2023. The purpose of the bond was to finance safety improvements, school facilities preservation, renovations, and construction. The agreement contains a provision that in an event of default, the Bank may exercise any remedy available at law, however the payments are not subject to acceleration. The Bond is a general obligation of the District. Pursuant to ORS 287A.315, the District pledges its full faith and credit and taxing power to pay the Bond. The District covenants for the benefit of the Bank that the District shall levy annually, as necessary, a direct ad valorem tax upon all of the taxable property within the District which is sufficient, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes and other legally available amounts, to pay all Bond principal and interest when due.

Note 9 - Long-Term Debt (continued)

Principal payments are due annually on June 15 for eight years, ending in fiscal year 2031. Interest is fixed at 3.76% and is paid semi-annually, in June and December. Principal and interest paid on the loan during the year ended June 30, 2024 totaled $435,000 and $148,298 respectively. Future maturities of the General Obligation Bond are as follows:

Year Ended June 30,	Principal	Interest
2025	$ 445,000	$ 151,528
2026	495,000	134,796
2027	535,000	116,184
2028	575,000	96,068
2029	615,000	74,448
Thereafter	1,365,000	77,832
	$ 4,030,000	$ 650,856

The changes in long-term debt for the year ended June 30, 2024 are as follows:

	Outstanding July 1, 2023	Issued	Matured	Outstanding June 30, 2024	Due in One Year
General Obligation Bonds					
G.O. Bond Series 2023	$ -	$ 4,465,000	$ (435,000)	$ 4,030,000	$ 445,000

Note 10 - Defined Benefit Pension Plan

Tax Sheltered Annuity Plan

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

Early Retirement Stipend Pension Plan

Plan Description

The District provides a single-employer defined benefit early retirement supplemental plan. This plan covers all eligible Certified employees that were hired by the District prior to July 1, 1995, and retiring with at least 15 years of service with the District. Benefits for all employees continue for a maximum of 7 years and cease at age 65 or upon death of the retiree. The monthly benefit is 0.75% of the last year's teaching salary which does not include extra duty or extended day contracts. This program was established in accordance with negotiated employment contracts. The District does not issue a stand-alone report for this plan.

Note 10 - Defined Benefit Pension Plan (continued)

Funding Policy

The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required.

Employees Covered by Benefit Terms

As of the measurement date, the following employees were covered by the explicit benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Active plan members	-
	3

Total Stipend Pension Liability

The District's total stipend pension liability of $47,011 was measured as of June 30, 2023 and was determined by an actuarial valuation date as of July 1, 2023.

Actuarial Methods and Assumptions

The actuarial valuation used for the early retirement stipend pension plan is identical to the actuarial valuation details related to the single employer defined benefit health plan disclosed in *Note 11 – Postemployment Benefits Other Than Pensions (OPEB).*

Changes in the Total Stipend Pension Liability

Total stipend pension liability at June 30, 2023	$	45,133
Service cost		437
Interest on total pension liability		1,370
Effect of economic/demographic gains or losses		14,075
Changes of assumptions		(149)
Benefit payments		(13,855)
Total stipend pension liability at June 30, 2024	$	47,011

Note 10 - Defined Benefit Pension Plan (continued)

Sensitivity of the Total Stipend Pension Liability to Changes in the Discount Rate

The following presents the total stipend pension liability of the District, as well as what the District's total pension stipend liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total stipend pension liability	$ (48,381)	$ (47,011)	$ (45,710)

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

For the year ended June 30, 2024, the District recognized an increase in stipend pension expense of $2,704. The increase of pension expense was treated as an increase of payroll related expense in the Statement of Activities and allocated to Instruction, Support Services, and Enterprise and Community Services using allocation percentages of 65.5%, 34.4%, and 0.1% respectively.

At June 30, 2024, the District reported the following deferred outflows or inflows associated with its stipend pension plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -	$ -
Benefit Payments	13,029	-
Total	$ 13,029	$ -

Changes since prior valuation

Discount Rates	Updated to reflect the requirement of GASB 75 as well as economic conditions as of the measurement dates.
Expected Claims and Premiums	Updated to reflect changes in available benefits and premium levels. Expected retiree and dependent costs were updated to reflect current health cost guidelines.
Health Care Cost Trend	Health care cost trend was revised to reflect recent economic conditions, and is based on a model circulated by the Society of Actuaries.
Mortality, Retirement and Withdrawal Rates	Updated to reflect assumptions used in the Oregon PERS December 31, 2022 Actuarial Valuation.
Future Retiree Coverage	In the prior valuation, 50% of members not eligible for Employer-paid health benefits were assumed to elect coverage upon retirement and 60% of those male members who elect coverage were assumed to elect spouse coverage.

OPERS Plan

Employees are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Service Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage the System.

Note 10 - Defined Benefit Pension Plan (continued)

OPERS Plan (continued)

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

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

The 2003 Legislature enacted House Bill 2021, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program and the Individual Account Program. Membership includes public employees hired on or after August 29, 2003. OPSRP is part of PERS and is administered by the Board. The PERS Board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS purposes.

Beginning January 1, 2004, OPERS active Tier One and Tier Two members became members of the Individual Account Program (IAP) or OPSRP. OPERS members retain their existing Regular or Variable (if applicable) accounts, but member contributions are now deposited into the member's IAP account. Accounts are credited with earnings and losses net of administrative expenses.

Tier One/Tier Two (Chapter 238)

Pension Benefits - The OPERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is most commonly based on years of service and final average salary. A percentage (2.0 percent for Police and Fire employees, 1.67 percent for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of $200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which they are entitled.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit was equal to $255,533 as of January 1, 2023, and it is indexed with inflation every year.

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

Note 10 - Defined Benefit Pension Plan (continued)

Tier One/Tier Two (Chapter 238) (continued)

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

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

As of 2020, the Legislature introduced an Optional Spouse Death Benefit (OSDB) which may provide higher survivor benefit than the standard per-retirement death benefit described above. To be eligible for the OSDB, the member must have died before retiring, named their spouse or other person who is constitutionally required to be treated in the same manner as the spouse as their pre-retirement beneficiary, and met the following conditions:

- Member's date of death must be on or after January 1, 2020.
- Member's account must be eligible for the employer-matching death benefit (as described above).
- Member must have a surviving spouse.
- Surviving spouse must be member's sole beneficiary as determined by a valid Tier One/Tier Two Pre-retirement Beneficiary Designation form on file with PERS.

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

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

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0 percent.

Note 10 - Defined Benefit Pension Plan (continued)

OPSRP Pension Program (Chapter 238A)

Pension Benefits – This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age.

> *Police and Fire* – 1.8 percent multiplied by the number of years of service and the final average salary. Normal retirement age for a Police and Fire members is age 60 or age 53 with 25 years of retirement credit. To retire under the Police and Fire classification, the individual's last 60 months of retirement credit preceding retirement eligibility must be classified as retirement credit for service as a police officer or a firefighter.
>
> *General Service* – 1.5 percent multiplied by the number of years of service and the final average salary. Normal retirement age for General Service members is age 65, or age 58 with 30 years of retirement credit.

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit was equal to $225,533 as of January 1, 2023, and is indexed with inflation every year.

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

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

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

Contributions

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

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

Note 10 - Defined Benefit Pension Plan (continued)

Contributions (continued)

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

The District's employer contributions for the year ended June 30, 2024 were $1,739,006, excluding amounts to fund employer specific liabilities. The contribution rates in effect for the period July 1, 2023 through June 30, 2024 for each pension program were: Tier1/Tier 2 – 27.87%, and OPSRP General Service – 25.03%.

Pension Plan Annual Comprehensive Financial Report (ACFR)

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

OPERS produces an independently audited ACFR which includes the OPEB plans and can be found at: https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf.

Actuarial Valuation

The employer contribution rates effective July 1, 2023 through June 30, 2025, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

Note 10 - Defined Benefit Pension Plan (continued)

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience study	2020, published July 20, 2021
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return1	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service.
Mortality	***Healthy retirees and beneficiaries:*** Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Active members:*** Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Disabled retirees:*** Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study, which reviewed experience for the four-year period ending on December 31, 2020.

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

Note 10 - Defined Benefit Pension Plan (continued)

Assumed Asset Allocation

Asset Class	Target Allocation
Cash	0.0%
Debt securities	25.0%
Public equity	27.5%
Private equity	20.0%
Real estate	12.5%
Real assets	7.5%
Diversifying strategies	7.5%
Total	100.0%

Long-term Expected Rate of Return

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

The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation. The OIC's description of each asset was used to map the target allocation to the asset classes shown below:

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
Total	100.0%	
Assumed Inflation - Mean		2.35%

Note 10 - Defined Benefit Pension Plan (continued)

Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a liability of $10,913,195 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The District's proportion of the net pension liability was based on the District's long-term contribution effort to the pension plan compared with the total projected long-term contribution effort of all participating employers, actuarially determined. At June 30, 2023 (measurement date), the District's proportion was approximately 0.05826372 percent.

For the year ended June 30, 2024, the District recognized an increase in pension expense of $406,738. The $406,730 was treated as an increase of payroll related expense in the Statement of Activities and allocated to Instruction, Support Services, and Enterprise and Community Services using allocation percentages of 65.5%, 34.4%, and 0.1%, respectively.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPERS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience:	$ 533,689	$ 43,272
Changes of assumptions:	969,464	7,228
Net difference between projected and actual earnings on investments:	196,155	-
Changes in proportionate share:	787,127	115,926
Differences between employer contributions and employer's proportionate share of system contributions:	421,070	470,918
Contributions subsequent to measurement date:	1,739,006	-
Total	$ 4,646,511	$ 637,344

The $1,739,006 reported as deferred outflows of resources related to OPERS pension resulting from District contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025.

Note 10 - Defined Benefit Pension Plan (continued)

Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

Year Ended June 30,	Deferred Outflow/(Inflow) of Resources
2025	$ 455,535
2026	(74,589)
2027	1,304,101
2028	518,454
2029	66,660
Thereafter	-
Total	$ 2,270,161

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

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

District's Net Pension Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Defined Benefit Pension	$ (18,026,542)	$ (10,913,195)	$ (4,960,076)

Changes in Assumptions and Methods

A summary of key changes implemented since the December 31, 2021 valuation are noted below. Additional detail and list of changes can be found in the December 31, 2022 Actuarial Valuation, which can be found at:

https://www.oregon.gov/pers/Documents/Financials/Actuarial/2022/12312022%20Actuarial%20Valuation.pdf

Note 10 - Defined Benefit Pension Plan (continued)

Assumption Changes

- The merit/longevity component assumption of individual member salary increases were updated for all groups.
- Assumed administrative expenses were updated and changed to a combined assumption of $64 million for Tier One/Tier Two and OPSRP.
- The assumed healthcare cost trend rates for the RHIPA program were updated.
- The mortality improvement projection scale applied to all groups is based on 60-year unisex average mortality improvement rates by age. The assumption was updated to reflect the most recent publicly available data at the time of the latest experience study.
- Termination, disability and retirement rates were updated for some groups to more closely match observed and anticipated future experience.
- Assumptions for unused sick leave and vacation pay were updated.
- Participation assumptions for both RHIA and RHIPA were updated

Actuarial Method Changes

- An adjustment was added to the side account amortization calculations and Pre-SLGRP liability and surplus calculations to reflect the delay between when a rate is calculated and when it takes effect.
- The timing of the amortization period for Pre-SLGRP liabilities and surpluses for SLGRP employers was revised to align the biennial rate-setting cycle.

Plan Changes

- There were no changes to plan provisions valued since the December 31, 2021 actuarial valuation.

Defined Contribution Plan - Individual Account Program (IAP)

Benefit Terms – The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established. Employers have the option to make employer contributions for a member under ORS 238A.340. Contributions for these accounts are deposited into a separate employer-funded account. The member becomes vested in this optional employer-funded account on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 414(k).

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

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

Note 10 - Defined Benefit Pension Plan (continued)

Defined Contribution Plan - Individual Account Program (IAP) (continued)

Contributions –Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. In 2023, if a member earns more than $3,570 per month, 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to help fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

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

During 2024, the District, as an employee benefit, paid the employee portion of the contribution. Employer contributions for the year ended June 30, 2024 were $395,842, of which $340,879 were deposited into the individual members' accounts.

Note 11 - Post-Employment Benefits Other Than Pensions (OPEB)

The District has two separate other post-employment benefits (OPEB) plans. The District provides a single employer defined benefit health care plan to staff that were hired before July 1, 2005 and the District contributes to the State of Oregon's PERS cost-sharing multiple employer defined benefit plan.

Single-Employer Defined Benefit Health Care Plan

Plan Description

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

For implicit medical benefits, the District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.03, which requires that all eligible retirees and their dependents under age 65 are allowed to receive the same health care coverage as active employees. Employees must retire from active service while eligible for a pension benefit payable immediately under Oregon PERS. The implicit subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged for that coverage. The subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare.

Generally, for explicit medical benefits, the program covers retirees under the following eligibility criteria: Confidential and Administrative Employees hired before September 1, 1998 retiring with at least 8 years of service, Certified Employees hired before April 1, 1999 and retiring with at least 15 years of service, and full-time Classified Employees hired before July 1, 2005 and retiring with at least 20 years of service. The coverage is paid for seven years or until Medicare eligibility, whichever comes first. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Administrative and Confidential employees, as well as Certified Employees hired prior to July 1, 1995 receive 100% coverage for District-paid family medical, dental, and vision insurance. Certified Employees hired between July 1, 1995 and April 1, 1999, are subject to the District contribution cap of $552 for employee or $1,822 for family benefits for the fiscal year ended June 30, 2024. These caps are expected to inflate in future years. Classified Employees received a monthly benefit of $225 toward payment of health care premiums.

Note 11 - Post-Employment Benefits Other Than Pensions (OPEB)

Plan Description (continued)

For confidential employees hired prior to September 1, 1998, and retiring with at least 8 years of service, the District will pay for term life insurance coverage in the amount the retiree was receiving prior to retirement (generally $50,000). These benefits continue for a maximum of 7 years and will cease at age 65.

Funding Policy

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

The explicit benefit for the single-employer defined benefit OPEB plan was ceased to all employees hired subsequent to July 1, 2005. As a result, the total plan members receiving the explicit benefit will decrease over time. At June 30, 2024, the following employees were covered by the explicit benefit terms:

Employees Covered by Benefit Terms

Active plan members	120
Inactive employees or beneficiaries currently receiving benefit payments	7
Spouses entitled to but not yet receiving benefit payments	-
	127

Total OPEB Liability

The districts total OPEB liability of $572,335 was measured as of June 30, 2023, and was determined by an actuarial valuation date as of July 1, 2023.

Note 11 - Post-Employment Benefits Other Than Pensions (OPEB) (continued)

Actuarial Assumptions and Other Inputs

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

Input	Assumption
Actuarial Cost Method	Entry age normal
Interest Rate Utilized for Discounting	3.65% for year ended 2024. Amounts reflect 20-year GO Bond Index
Health Care Cost Trend	Between 3.50% and 5.75% annually
General Inflation	2.40% per year
Annual Salary Increases	3.40% per year
Future Stipend Increases	Maximum stipend amounts were not assumed to increase in future years.
Future Life Insurance	Life insurance coverage amounts were not assumed to increase in future years.
Mortality Rates	PUB-2010 Teacher Employee and Healthy Retiree tables
Withdrawal	Based upon OPERS assumption, annual rates are based on gender and duration of employment.
Retirement	Based upon OPERS assumption, annual rates are based on age, Tier / OPSRP, and duration of service.
Excluded Employees	Part-time employees not eligible to participate in OPERS or not eligible for health care benefits were generally excluded from valuation.
Past PERS Service	PERS service as of the valuation date was generally estimated based upon information provided by the District
Future PERS Service	Projected PERS service for retirement eligibility is generally assumed to accrue at a rate of 1.0 per year until retirement.
Future Retiree Coverage	100% of active members eligible for District-paid health coverage are assumed to elect coverage upon retirement until age 65. 80% of these members are also assumed to elect spouse coverage.
Payment of Benefits	Stipend Benefits were assumed to be paid as cash, and therefore subject to an additional 7.65% FICA tax.
Lapse Rate	Retirees for whom the District will never pay any portion of the health care premiums are assumed to have a 5% probability of lapsing (dropping) coverage per year.
Spouse Age	Female spouses are assumed to be two years younger than male spouses. Male spouses were assumed to be two years older than their female spouses.

Changes in the Total OPEB Liability

Total OPEB Liability at June 30, 2023	$	616,349
Changes for the year:		
Service cost		63,105
Interest		22,121
Effect on economic/demographic gains or losses		(23,735)
Assumptions or other input		4,561
Benefit payments		(110,066)
Total OPEB Liability at June 30, 2024	$	572,335

Changes since prior valuation

Actuarial Assumptions and Other Inputs – The changes in assumptions used for the total OPEB liability in the actuarial valuation are identical to the changes in assumptions related to the stipend pension liability disclosed in *Note 10 – Defined Benefit Pension Plan.*

Note 11 - Post-Employment Benefits Other Than Pensions (OPEB) (continued)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended June 30, 2024, the District recognized a reduction of OPEB expense of $37,238. The reduction of OPEB expense are treated as reduction of payroll related expense in the Statement of Activities and allocated to Instruction, Support Services, and Enterprise and Community Services using allocation percentages of 65.5%, 34.4%, and 0.1% respectively.

As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 72,913
Changes of assumptions or other input	32,404	31,885
Benefit payments	101,789	-
Total	$ 134,193	$ 104,798

Amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement contributions) related to OPEB will be recognized in OPEB expense or (expense reduction) as follows:

Year Ended June 30,	Deferred Outflow/(Inflow) of Resources
2025	$ (19,683)
2026	(18,251)
2027	(5,761)
2028	(9,430)
2029	(9,264)
Thereafter	(10,005)
Total	$ (72,394)

Note 11 - Post-Employment Benefits Other Than Pensions (OPEB) (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	$ (614,992)	$ (572,335)	$ (535,327)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ (525,326)	$ (572,335)	$ (629,489)

Retirement Health Insurance Account (RHIA)

Plan Description

As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by OPERS. ORS 238.420 established the RHIA and authorizes a payment of up to $60 from RHIA toward the monthly cost of health insurance for eligible OPERS members. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium costs, the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a OPERS-sponsored health plan.

A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions

Employer Contributions – OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and OPEB plans. The contribution rates in effect for the period July 1, 2023 through June 30, 2024 for the OPEB program were: Tier1/Tier 2 – 0%, and OPSRP general service – 0%. The District contributed $87 for the year ended June 30, 2024.

Note 11 - Post-Employment Benefits Other Than Pensions (OPEB) (continued)

Actuarial Valuation

The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in *Note 10 Defined Benefit Pension Plan* except for the table listed below:

Actuarial assumptions:	
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15.0%
Healthcare cost trend rate	Not applicable
Cost-of-living adjustments (COLA)	Not applicable

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the District reported $148,827 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. The District's proportion of the net OPEB asset was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023 (measurement date) the District's proportion was approximately 0.04064475 percent.

For the year ended June 30, 2024, the District recognized a reduction of OPEB expense related to RHIA of $12,440. The $12,440 was treated as a reduction of payroll related expense in the Statement of Activities and allocated to Instruction, Support Services, and Enterprise and Community Services using allocation percentages of 65.5%, 34.4%, and 0.1%, respectively.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 3,736
Changes of assumptions	-	1,605
Net difference between projected and actual earning on investments	422	-
Changes in proportionate share	1,937	1,593
Differences between employer contributions and employers proportionate share of system contributions	-	-
Contributions subsequent to measurement date	87	-
Total	$ 2,446	$ 6,934

The $87 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2025.

Note 11 - Post-Employment Benefits Other Than Pensions (OPEB) (continued)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB) (continued)

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

Year Ended June 30,	Deferred Outflow/(Inflow) of Resources
2025	$ (6,084)
2026	(5,964)
2027	5,500
2028	1,973
2029	-
Thereafter	-
Total	$ (4,575)

Sensitivity of District's Proportionate Share of the Net OPEB Asset to Changes in Discount Rate

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

District's Net OPEB Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Retirement Health Insurance Account	$ 135,284	$ 148,827	$ 160,447

Sensitivity of District's Proportionate Share of the Net OPEB Asset to Changes in Healthcare Cost Trend Rate

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

Changes in Assumptions and Methods

The changes in assumptions used for RHIA are identical to the changes in assumptions related to the OPERS plan disclosed in *Note 10 - Defined Benefit Pension Plan.*

Note 12 - Contingencies

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

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

Note 13 - 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 14 - 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, 2024.

Note 15 - Tax Abatements

As of June 30, 2024, Jackson County provides tax abatements through one program, the Enterprise Zone, which affects the district. For the year ended June 30, 2024, taxes of $33,538 were abated through this program.

Note 16 - Subsequent Events

Management of the District has evaluated events and transactions occurring after June 30, 2024 through the date the financial statements were available to be issued, for recognition and/or disclosure in the financial statements.

Required Supplementary Information

JACKSON COUNTY SCHOOL DISTRICT NO. 35
SCHEDULE OF THE DISTRICTS PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST 10 FISCAL YEARS ENDING JUNE 30

Jackson County School District No. 35 Proportionate Share of Net Pension Asset/(Liability) at the measurement date

	2024	2023	2022	2021	2020
District proportion of the net pension asset/(liability)	0.05826372%	0.05632893%	0.05128538%	0.05228326%	0.05340311%
District's proportion of the net pension asset/(liability)	$ (10,913,195)	$ (8,625,089)	$ (6,137,055)	$ (11,410,006)	$ (9,237,459)
District's covered-employee payroll	$ 7,002,280	$ 6,771,017	$ 5,104,224	$ 4,475,590	$ 4,475,590
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	155.85%	127.38%	120.23%	254.94%	206.40%
Plan fiduciary net position as a percentage of the total pension liability	81.70%	84.50%	87.57%	75.79%	80.20%

	2019	2018	2017	2016	2015
District proportion of the net pension asset/(liability)	0.05053152%	0.0505495%	0.0556241%	0.0664374%	0.0755239%
District's proportion of the net pension asset/(liability)	$ (7,654,860)	$ (6,814,088)	$ (8,350,472)	$ (3,814,478)	$ 1,711,910
District's covered-employee payroll	$ 4,237,304	$ 3,975,788	$ 3,520,668	$ 3,318,212	$ 3,264,244
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	180.65%	171.39%	237.18%	114.96%	-52.44%
Plan fiduciary net position as a percentage of the total pension liability	82.07%	83.12%	80.53%	91.88%	103.59%

Jackson County School District No. 35 Contributions

	2024	2023	2022	2021	2020
Contractually required contributions	$ 1,739,006	$ 1,616,859	$ 1,538,619	$ 1,497,833	$ 1,382,532
Contribution in relation to the contractually required	(1,739,006)	(1,616,859)	(1,538,619)	(1,497,833)	(1,382,532)
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 7,004,456	$ 7,002,280	$ 6,771,017	$ 5,104,224	$ 4,475,590
Contributions as a percentage of covered-employee payroll	24.83%	23.09%	22.72%	29.34%	30.89%

	2019	2018	2017	2016	2015
Contractually required contributions	$ 1,016,835	$ 945,200	$ 781,832	$ 656,387	$ 711,811
Contribution in relation to the contractually required	(1,016,835)	(945,200)	(781,832)	(656,387)	(711,811)
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 4,475,590	$ 4,237,304	$ 3,975,788	$ 3,520,668	$ 3,318,212
Contributions as a percentage of covered-employee payroll	22.72%	22.31%	19.66%	18.64%	21.45%

Notes to Schedule -

A summary of key changes implemented since the December 31, 2021 valuation are described in *Note 10* in the Notes to the Basic Financial Statements.

JACKSON COUNTY SCHOOL DISTRICT NO. 35
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information Available)

Total Pension Liability (Stipend):	**2024**	**2023**	**2022**	**2021**
Service cost	$ 437	$ 575	$ 549	$ 403
Interest on total pension liability	1,370	1,241	1,837	3,901
Effect of economic/demographic gains or losses	14,075	-	1,365	-
Effect of assumptions changes or inputs	(149)	(1,598)	111	2,514
Benefit payments	(13,855)	(23,843)	(35,178)	(35,304)
Net change in total pension liability (Stipend)	1,878	(23,625)	(31,316)	(28,486)
Total pension liability (stipend) - beginning	45,133	68,758	100,074	128,560
Total pension liability (stipend) - ending	$ 47,011	$ 45,133	$ 68,758	$ 100,074
Estimated covered - employee payroll	$ 7,004,456	$ 7,002,280	$ 6,771,017	$ 5,589,807
Total pension liability (stipend) as a percentage of estimated covered - employee payroll	0.67%	0.64%	1.02%	1.79%

	2020	**2019**	**2018**	**2017**
Service cost	$ 1,704	$ 1,722	$ 2,905	$ 2,381
Interest on total pension liability	5,708	6,338	5,800	8,635
Effect of economic/demographic gains or losses	(6,979)	-	5,065	-
Effect of assumptions changes or inputs	1,182	(1,388)	(4,381)	7,021
Benefit payments	(37,316)	(35,148)	(34,243)	(44,300)
Net change in total pension liability (Stipend)	(35,701)	(28,476)	(24,854)	(26,263)
Total pension liability (stipend) - beginning	164,261	192,737	217,591	243,854
Total pension liability (stipend) - ending	$ 128,560	$ 164,261	$ 192,737	$ 217,591
Estimated covered - employee payroll	$ 5,104,224	$ 4,475,590	$ 4,237,304	$ 3,975,788
Total pension liability (stipend) as a percentage of estimated covered - employee payroll	2.52%	3.67%	4.55%	5.47%

Notes to Schedule -

A summary of actuarial methods and assumptions are outlined in *Note 10* to the financial statements. No assets are accumulated in a trust to pay related benefits.

Changes in benefit terms:
None noted.

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

JACKSON COUNTY SCHOOL DISTRICT NO. 35
SCHEDULE OF THE DISTRICTS PROPORTIONATE SHARE OF THE NET OPEB - RHIA ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
OPERS RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)

Jackson County School District No. 35 Proportionate Share of Net OPEB - RHIA Asset/(Liability) at the measurement date

	2024	2023	2022	2021
District proportion of the net OPEB asset/(liability)	0.04064475%	0.03973399%	0.04354860%	0.04808991%
District's proportion of the net OPEB asset/(liability)	$ 148,827	$ 141,189	$ 149,546	$ 97,988
District's covered-employee payroll	$ 7,002,280	$ 6,771,017	$ 5,589,807	$ 5,104,224
District's proportionate share of the net OPEB asset/(liability) as a percentage of its covered-employee payroll	2.13%	2.09%	2.68%	1.92%
Plan fiduciary net position as a percentage of the total OPEB liability	201.60%	194.60%	183.90%	150.10%

	2020	2019	2018
District proportion of the net OPEB asset/(liability)	0.04071557%	0.03926122%	0.03844079%
District's proportion of the net OPEB asset/(liability)	$ 78,677	$ 43,826	$ 16,043
District's covered-employee payroll	$ 4,475,590	$ 4,237,304	$ 3,975,788
District's proportionate share of the net OPEB asset/(liability) as a percentage of its covered-employee payroll	1.92%	1.03%	0.40%
Plan fiduciary net position as a percentage of the total OPEB liability	144.40%	124.00%	108.88%

Jackson County School District No. 35 Contributions

	2024	2023	2022	2021
Contractually required contributions	$ 87	$ 801	$ 979	$ 1,165
Contribution in relation to the contractually required	(87)	(801)	(979)	(1,165)
Contributions deficiency (excess)	$ -	$ -	$ -	$ -
District's covered - employee payroll	$ 7,004,456	$ 7,002,280	$ 6,771,017	$ 5,589,807
Contributions as a percentage of covered-employee payroll	0.00%	0.01%	0.01%	0.02%

	2020	2019	2018
Contractually required contributions	$ 3,434	$ 20,179	$ 19,010
Contribution in relation to the contractually required	(3,434)	(20,179)	(19,010)
Contributions deficiency (excess)	$ -	$ -	$ -
District's covered - employee payroll	$ 5,104,224	$ 4,475,590	$ 4,237,304
Contributions as a percentage of covered-employee payroll	0.07%	0.45%	0.45%

Notes to Schedule -

A summary of key changes implemented since the December 31, 2021 valuation are described in *Note 11* in the Notes to the Basic Financial Statements.

Other Information:

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 75 during fiscal 2018, as a result, only seven years of information is presented.

JACKSON COUNTY SCHOOL DISTRICT NO. 35
SCHEDULE OF THE DISTRICTS TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)

Total OPEB Liability:	**2024**	**2023**	**2022**	**2021**
Service cost	$ 63,105	$ 73,031	$ 63,147	$ 54,716
Interest	22,121	15,555	17,629	28,957
Differences between expected and actual experience	-	-	-	-
Effect of economic/demographic gains or losses	(23,735)	-	(31,027)	-
Changes of assumptions of other inputs	4,561	(42,693)	17,697	28,149
Benefit payments	(110,066)	(152,466)	(157,316)	(142,075)
Net change in total OPEB liability	(44,014)	(106,573)	(89,870)	(30,253)
Total OPEB liability - beginning	616,349	722,922	812,792	843,045
Total OPEB liability - ending	$ 572,335	$ 616,349	$ 722,922	$ 812,792
Estimated covered - employee payroll	$ 7,004,456	$ 7,002,280	$ 6,771,017	$ 5,589,807
Total OPEB liability as a percentage of estimated covered - employee payroll	8.17%	8.80%	10.68%	14.54%

Total OPEB Liability:	**2020**	**2019**	**2018**
Service cost	$ 46,025	$ 45,412	$ 47,583
Interest	38,434	38,936	34,229
Differences between expected and actual experience	(119,217)	-	-
Effect of economic/demographic gains or losses	-	-	-
Changes of assumptions of other inputs	20,318	(11,892)	(32,667)
Benefit payments	(177,565)	(157,780)	(163,258)
Net change in total OPEB liability	(192,005)	(85,324)	(114,113)
Total OPEB liability - beginning	1,035,050	1,120,374	1,234,487
Total OPEB liability - ending	$ 843,045	$ 1,035,050	$ 1,120,374
Estimated covered - employee payroll	$ 5,104,224	$ 4,475,590	$ 4,237,304
Total OPEB liability as a percentage of estimated covered - employee payroll	16.52%	23.13%	26.44%

Notes to Schedule -

A summary of actuarial methods and assumptions are outlined in *Note 11* to the financial statements. No assets are accumulated in a trust to pay related benefits.

Changes in benefit terms:
None noted.

Other information:
This schedule is presented to illustrate required supplementary information for a 10 year period. The District has adopted GASB 75 during fiscal 2018, as a result, only seven years of information is presented.

JACKSON COUNTY SCHOOL DISTRICT NO. 35
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Local sources				
Property taxes	$ 3,990,796	$ 4,080,812	$ 4,108,624	$ 27,812
Charges for services	2,000	2,000	4,706	2,706
Donations	1,000	1,000	-	(1,000)
Interest on investments	80,000	165,000	238,365	73,365
Miscellaneous	30,000	30,000	30,935	935
Intermediate sources				
Intergovernmental	185,000	185,000	161,381	(23,619)
State sources				
Basic school support	9,720,605	9,765,297	9,706,281	(59,016)
Intergovernmental	167,663	170,715	247,731	77,016
Federal sources				
Intergovernmental	10,000	10,000	10,698	698
TOTAL REVENUES	14,187,064	14,409,824	14,508,721	98,897
EXPENDITURES				
Current				
Instruction	8,092,191	7,967,191	7,734,078	233,113
Support services	5,961,675	6,234,435	6,087,520	146,915
Facilities acquisition and construction	65,000	140,000	116,983	23,017
Contingency	1,548,198	1,548,198	-	1,548,198
TOTAL EXPENDITURES	15,667,064	15,889,824	13,938,581	1,951,243
Excess (Deficiency) of Revenues Over Expenditures	(1,480,000)	(1,480,000)	570,140	2,050,140
OTHER FINANCING SOURCES (USES):				
Transfers out	(670,000)	(670,000)	(670,000)	-
TOTAL OTHER FINANCING SOURCES	(670,000)	(670,000)	(670,000)	-
NET CHANGE IN FUND BALANCE	(2,150,000)	(2,150,000)	(99,860)	2,050,140
FUND BALANCE, JULY 1, 2023	2,150,000	2,150,000	2,255,233	105,233
FUND BALANCE, JUNE 30, 2024	$ -	$ -	$ 2,155,373	$ 2,155,373

JACKSON COUNTY SCHOOL DISTRICT NO. 35
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Local sources				
Construction excise taxes	$ 25,000	$ 25,000	$ 29,422	$ 4,422
Charges for services	108,500	108,500	180,347	71,847
Donations	132,000	132,000	51,726	(80,274)
Interest on investments	1,800	1,800	6,225	4,425
Miscellaneous	33,000	33,000	41,006	8,006
State sources				
Basic school support	4,000	4,000	4,163	163
Intergovernmental	4,318,864	4,318,864	1,793,871	(2,524,993)
Federal sources				
Intergovernmental	2,349,609	2,349,609	2,256,393	(93,216)
TOTAL REVENUES	6,972,773	6,972,773	4,363,153	(2,609,620)
EXPENDITURES				
Current				
Instruction	3,700,811	3,700,811	2,941,525	759,286
Support services	1,155,961	1,155,961	1,151,231	4,730
Enterprise and community services	606,545	606,545	606,539	6
Facilities acquisition and construction	3,070,001	3,070,001	182,229	2,887,772
Contingency	534,455	534,455	-	534,455
TOTAL EXPENDITURES	9,067,773	9,067,773	4,881,524	4,186,249
Excess (Deficiency) of Revenues Over Expenditures	(2,095,000)	(2,095,000)	(518,371)	1,576,629
OTHER FINANCING SOURCES (USES):				
Transfers in	670,000	670,000	670,000	-
TOTAL OTHER FINANCING SOURCES	670,000	670,000	670,000	-
NET CHANGE IN FUND BALANCE	(1,425,000)	(1,425,000)	151,629	1,576,629
FUND BALANCE, JULY 1, 2023	1,425,000	1,425,000	1,548,199	123,199
FUND BALANCE, JUNE 30, 2024	$ -	$ -	$ 1,699,828	$ 1,699,828

Other Supplementary Information

JACKSON COUNTY SCHOOL DISTRICT NO. 35
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Local sources				
Property taxes	$ 638,000	$ 638,000	$ 587,003	$ (50,997)
Interest on investments	-	-	14,639	14,639
TOTAL REVENUES	638,000	638,000	601,642	(36,358)
EXPENDITURES				
Debt service	638,000	638,000	583,298	54,702
TOTAL EXPENDITURES	638,000	638,000	583,298	54,702
Excess (Deficiency) of Revenues Over Expenditures	-	-	18,344	18,344
FUND BALANCE, JULY 1, 2023	-	-	9,832	9,832
FUND BALANCE, JUNE 30, 2024	$ -	$ -	$ 28,176	$ 28,176

JACKSON COUNTY SCHOOL DISTRICT NO. 35
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Local sources				
Interest on investments	$ 1,500	$ 1,500	$ 229,982	$ 228,482
State sources				
Intergovernmental	4,000,000	4,000,000	-	(4,000,000)
TOTAL REVENUES	4,001,500	4,001,500	229,982	(3,771,518)
EXPENDITURES				
Current				
Support services	-	-	78,079	(78,079)
Facilities acquisition and construction	8,161,500	8,161,500	427,389	7,734,111
TOTAL EXPENDITURES	8,161,500	8,161,500	505,468	7,656,032
Excess (Deficiency) of Revenues Over Expenditures	(4,160,000)	(4,160,000)	(275,486)	3,884,514
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of debt	4,000,000	4,000,000	4,465,000	465,000
TOTAL OTHER FINANCING SOURCES (USES)	4,000,000	4,000,000	4,465,000	4,465,000
NET CHANGE IN FUND BALANCE	(160,000)	(160,000)	4,189,514	4,189,514
FUND BALANCE, JULY 1, 2023	160,000	160,000	164,639	4,639
FUND BALANCE, JUNE 30, 2024	$ -	$ -	$ 4,354,153	$ 4,354,153

JACKSON COUNTY SCHOOL DISTRICT NO. 35
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Local sources				
Interest on investments	$ 1,000	$ 1,000	$ -	$ (1,000)
Charges for services (interfund)	24,500	24,500	69,701	45,201
TOTAL REVENUES	25,500	25,500	69,701	44,201
EXPENDITURES				
Current				
Support services	210,115	210,115	14,260	195,855
TOTAL EXPENDITURES	210,115	210,115	14,260	195,855
Excess (Deficiency) of Revenues Over Expenditures	(184,615)	(184,615)	55,441	240,056
FUND BALANCE, JULY 1, 2023	184,615	184,615	186,552	1,937
FUND BALANCE, JUNE 30, 2024	$ -	$ -	$ 241,993	$ 241,993

School District Financial Accounting Summaries

JACKSON COUNTY SCHOOL DISTRICT NO. 35
2023-24 DISTRICT AUDIT REVENUE SUMMARY

Revenue from Local Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	4,108,624	-	587,003	-	-	-	-
1111 Current Years Taxes	-	-	-	-	-	-	-
1112 Prior Years Taxes	-	-	-	-	-	-	-
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-
1130 Construction Excise Tax	-	29,422	-	-	-	-	-
1190 Penalties and Interest on Taxes	-	-	-	-	-	-	-
1200 Revenue from Local Governmental Units Other Than Districts	-	-	-	-	-	-	-
1311 Regular Day School Tuition - From Individuals	-	-	-	-	-	-	-
1312 Regular Day School Tuition - Other Dist Within State	-	-	-	-	-	-	-
1313 Regular Day School Tuition - Other Districts Outside	-	-	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-
1411 Transportation Fees - From Individuals	-	-	-	-	-	-	-
1412 Transportation Fees - Other Dist Within State	-	-	-	-	-	-	-
1413 Transportation Fees - Other Districts Outside	-	-	-	-	-	-	-
1420 Summer School Transportation Fees	-	-	-		-	-	-
1500 Earnings on Investments	238,365	6,225	14,639	229,982		-	-
1510 Interest	-	-	-	-	-	-	-
1600 Food Service	-	30,097	-	-	-	-	-
1610 Food Service Reimbursable Sales	-	-	-	-	-	-	-
1620 Adult Sales	-	-	-	-	-	-	-
1700 Extracurricular Activiies	2,156	150,250	-	-	-	-	-
1760 Fund Raising	-	-	-	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-	-
1910 Rentals	2,550	-	-	-	-	-	-
1920 Contributions and Donations From Private Sources	-	51,726	-	-	-	-	-
1930 Rental or Lease Payments From Private Contractors	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	-	-	-	-	-	69,701	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	-	1,432	-	-	-	-	-
1970 Services Provided Other Funds	-	-	-	-	-	-	-
1980 Fees Charged to Grants	-	-	-	-	-	-	-
1990 Miscellaneous	30,935	39,574	-	-	-	-	-
Total Revenue from Local Sources	4,382,630	308,726	601,642	229,982	-	69,701	-

Revenue from Intermediate Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	-	-	-	-	-	-	-
2102 General ESD Revenue	157,808	-	-	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-
2110 Intermediate "I" Tax	3,573	-	-	-	-	-	-
2199 Other Intemediate Sources	-	-	-	-	-	-	-
2200 Restricted Revenue	-	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from Intermediate Sources	161,381	-	-	-	-	-	-

Revenue from State Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	9,706,281	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	-	4,163	-	-	-	-	-
3103 Common School Fund	116,951	-	-	-	-	-	-
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	130,780	1,793,871	-	-	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from State Sources	9,954,012	1,798,034	-	-	-	-	-

Revenue from Federal Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government	-	-	-	-	-	-	-
4200 Unrestricted Revenue From the Federal Government Through the State	-	-	-	-	-	-	-
4300 Restricted Revenue From the Federal Government	-	-	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	-	2,235,716	-	-	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-	-	-	-	-	-	-
4801 Federal Forest Fees	10,698	-	-	-	-	-	-
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		20,677					
4910 Commodities/USDA Donations	-	-	-	-	-	-	-
Total Revenue from Federal Sources	10,698	2,256,393	-	-	-	-	-

Revenue from Other Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	-	-	-	4,465,000	-	-	-
5200 Interfund Transfers	-	670,000	-	-	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	2,255,233	1,548,199	9,832	164,639	-	186,552	-
Total Revenue from Other Sources	2,255,233	2,218,199	9,832	4,629,639	-	186,552	-

Grand Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
	$ 16,763,954	$ 6,581,352	$ 611,474	$ 4,859,621	$ -	$ 256,253	$ -

JACKSON COUNTY SCHOOL DISTRICT NO. 35
2023-24 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 100 General Fund

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	2,219,293	1,304,486	807,585	54,083	53,139	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	563,468	335,016	206,988	14,928	6,151	-	385	-
1122 Middle/Junior High School Extracurricular	40	-	-	-	-	-	40	-
1131 High School Programs	1,245,869	699,822	424,054	56,561	64,867	-	565	-
1132 High School Extracurricular	176,739	81,062	36,828	18,734	27,581	-	12,534	-
1139 SSF Correction	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	28,891	16,974	6,886	2,983	48	-	2,000	-
1226 Home Instruction	-	-	-	-	-	-	-	-
1227 Extended School Year Programs	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	915,049	540,687	352,777	14,073	7,512	-	-	-
1260 Treatment and Habilitation	24,374	-	-	24,374	-	-	-	-
1272 Title I	7,592	5,513	2,061	-	18	-	-	-
1280 Alternative Education	704,970	421,338	222,755	12,179	44,347	-	4,351	-
1284 Alternative Education Home Tutor Programs	-	-	-	-	-	-	-	-
1288 Charter School Programs	1,813,884	-	-	1,813,884	-	-	-	-
1291 English Second Language Programs	20,267	11,144	5,429	97	3,597	-	-	-
1292 Teen Parent Program	13,642	8,933	4,709	-	-	-	-	-
1420 Summer Programs	-	-	-	-	-	-	-	-
1430 Summer Programs	-	-	-	-	-	-	-	-
Total Instruction	7,734,078	3,424,975	2,070,072	2,011,896	207,260	-	19,875	-

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	214,754	103,626	63,274	42,854	5,000	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	168,074	37,889	14,404	115,781	-	-	-	-
2152 Speech Pathology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	269,751	152,528	97,387	17,313	1,878	-	645	-
2210 Improvement of Instruction Services	11,232	6,220	2,687	2,225	100	-	-	-
2213 Curriclum Development	-	-	-	-	-	-	-	-
2220 Educational Media Services	127,303	71,567	44,823	6,606	4,307	-	-	-
2222 School Library Service	-	-	-	-	-	-	-	-
2230 Assessment & Testing	3,444	2,093	1,351	-	-	-	-	-
2240 Instructional Staff Development	12,178	-	-	12,178	-	-	-	-
2310 Board of Education Services	305,386	29,784	23,978	74,792	29,430	-	147,402	-
2312 Board Secretary Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2321 Board Secretary Services	494,661	248,353	164,187	44,460	27,831	-	9,830	-
2410 Office of the Principal Services	1,053,207	615,178	385,382	11,558	36,220	-	4,869	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	416,991	238,156	142,300	6,582	16,792	-	13,161	-
2540 Operation and Maintenance of Plant Services	1,504,729	462,148	276,744	576,808	150,463	37,923	643	-
2542 Care & Upkeep-Bldg	-	-	-	-	-	-	-	-
2543 Care & Upkeep-Grounds	-	-	-	-	-	-	-	-
2545 Vehicle Purch., Service, Maintenance	-	-	-	-	-	-	-	-
2550 Student Transportation Services	1,019,318	-	-	1,018,818	500	-	-	-
2552 Vehicle Operation	-	-	-	-	-	-	-	-
2558 Special Education Transportation Serv	-	-	-	-	-	-	-	-
2570 Internal Services	22,225	-	-	22,225	-	-	-	-
2574 Printing, Publishing and Duplicating	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	18,000	-	-	18,000	-	-	-	-
2660 Technology Services	396,276	103,660	68,512	200,994	20,140	-	2,970	-
2665 Communication Services	-	-	-	-	-	-	-	-
2669 Other Communication Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	49,991	12,121	37,870	-	-	-	-	-
Total Support Services	6,087,520	2,083,323	1,322,899	2,171,194	292,661	37,923	179,520	-

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	-	-	-	-	-	-	-	-

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	116,983	-	-	-	-	116,983	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction	116,983	-	-	-	-	116,983	-	-

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	670,000	-	-	-	-	-	-	670,000
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Requirements	670,000	-	-	-	-	-	-	670,000

Grand Total	$ 14,608,581	$ 5,508,298	$ 3,392,971	$ 4,183,090	$ 499,921	$ 154,906	$ 199,395	$ 670,000

JACKSON COUNTY SCHOOL DISTRICT NO. 35
2023-24 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 200 Special Revenue Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	475,067	177,075	134,142	41,560	122,290	-	-	-
1113 Elementary Extracurricular	12,860	-	-	-	12,860	-	-	-
1121 Middle/Junior High Programs	109,640	55,115	31,426	6,231	16,868	-	-	-
1122 Middle/Junior High School Extracurricular	13,547	10,925	1,722	-	-	-	900	-
1131 High School Programs	400,715	175,290	131,314	29,805	62,516	-	1,790	-
1132 High School Extracurricular	398,115	137,585	48,132	37,996	128,661	-	45,741	-
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	288,191	182,894	103,767	-	1,530	-	-	-
1260 Treatment and Habilitation	1,520	-	-	1,520	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	457,545	280,328	175,389	-	1,828	-	-	-
1280 Alternative Education	255,757	134,870	97,262	9,209	14,416	-	-	-
1288 Charter Schools	400,384	-	-	400,384	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1291 ESL Programs	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
1410 K8 Summer	-	-	-	-	-	-	-	-
1420 9-12 Summer	-	-	-	-	-	-	-	-
1430 Summer School Programs	128,184	57,932	23,620	45,637	995	-	-	-
Total Instruction	2,941,525	1,212,014	746,774	572,342	361,964	-	48,431	-

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	144,227	58,934	62,407	22,886	-	-	-	-
2120 Guidance Services	127,536	47,919	39,040	40,577	-	-	-	-
2121 Guidance Direction	-	-	-	-	-	-	-	-
2122 Counseling Services	-	-	-	-	-	-	-	-
2130 Health Services	184,663	-	-	184,663	-	-	-	-
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	28,830	6,509	2,059	17,019	3,243	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	2,511	-	-	-	2,511	-	-	-
2410 Office of the Principal Services	103,348	61,590	40,183	525	1,050	-	-	-
2490 Other Support Services - School Administration	3,000	-	-	3,000	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	1,919	-	-	-	1,919	-	-	-
2540 Operation and Maintenance of Plant Services	412,958	41,947	39,004	100,389	31,618	200,000	-	-
2542 Care & Upkeep Bldg	-	-	-	-	-	-	-	-
2543 Care & Upkeep Grounds	-	-	-	-	-	-	-	-
2549 Oth Oper & Maint 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	20,750	13,550	7,200	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	121,489	48,852	42,122	-	30,515	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services	1,151,231	279,301	232,015	369,059	70,856	200,000	-	-

Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	586,844	3,406	1,362	454,976	88,800	38,300	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	19,695	2,048	2,047	7,629	7,971	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services	606,539	5,454	3,409	462,605	96,771	38,300	-	-

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	182,229	-	-	-	-	182,229	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction	182,229	-	-	-	-	182,229	-	-

Other Uses Expenditures	Totals	1648186	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 Requirements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total	$ 4,881,524	$ 1,496,769	$ 982,198	$ 1,404,006	$ 529,591	$ 420,529	$ 48,431	$ -

JACKSON COUNTY SCHOOL DISTRICT NO. 35
2023-24 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 300 Debt Service Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-

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	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-

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	-	-	-	-	-	-	-	-

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	-	-	-	-	-	-	-	-

Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	583,298	-	-	-	-	-	583,298	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Requirements	583,298	-	-	-	-	-	583,298	-
Grand Total	$ 583,298	$ -	$ -	$ -	$ -	$ -	$ 583,298	$ -

JACKSON COUNTY SCHOOL DISTRICT NO. 35
2023-24 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 400 Capital Projects Fund

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-

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	78,079	-	-	-	-	-	78,079	-
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	-	-	-	-	-	-	-	-
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	78,079	-	-	-	-	-	78,079	-

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	-	-	-	-	-	-	-	-

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	427,389	-	-	-	-	427,389	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction	427,389	-	-	-	-	427,389	-	-

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 Requirements	-	-	-	-	-	-	-	-
Grand Total	$ 505,468	$ -	$ -	$ -	$ -	$ 427,389	$ 78,079	$ -

JACKSON COUNTY SCHOOL DISTRICT NO. 35
2023-24 DISTRICT AUDIT EXPENDITURE SUMMARY

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	-	-	-	-	-	-	-	-

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	14,260	-	14,260	-	-	-	-	-
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	-	-	-	-	-	-	-	-
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	14,260	-	14,260	-	-	-	-	-

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	-	-	-	-	-	-	-	-

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	-	-	-	-	-	-	-	-

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 Requirements	-	-	-	-	-	-	-	-

Grand Total	$ 14,260	$ -	$ 14,260	$ -	$ -	$ -	$ -	$ -

JACKSON COUNTY SCHOOL DISTRICT NO. 35
2023-24 SUPPLEMENTAL INFORMATION

School District Business Managers and Auditors:

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

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

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

	Objects 325 & 326 & ***327**
Function 2540	$273,216
Function 2550	$2,537

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

$0

Exclude these functions:

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

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

Independent Auditor's Report Required By State Regulations

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INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Jackson County School District No. 35
Rogue River, Oregon

We have audited the basic financial statements of Jackson County School District No. 35 (the District) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 13, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 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 under ORS Chapter 294.
- Public contracts and purchasing under ORS Chapters 279A, 279B, 279C.
- State school fund factors and calculation.

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as noted in Note 1 to the financial statements.

OAR 162-010-0230 Internal Control

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

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

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

Restrictions on Use

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

Aria Bettinger, CPA
KDP Certified Public Accountants
Medford, Oregon
December 13, 2024

Items required by the Uniform Guidance

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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*

Board of Directors
Jackson County School District No. 35
Rogue River, 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 *(Government Auditing Standards)*, the financial statements of the governmental activities of each major fund, and the internal service fund of Jackson County School District No. 35 (the District) as of and for the year ended June 30, 2024 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 13, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aria Bettinger, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
December 13, 2024

Certified Public Accountants, LLP
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Jackson County School District No. 35
Rogue River, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jackson County School District No. 35's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2024. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Aria Bettinger, CPA
KDP Certified Public Accountants
Medford, Oregon
December 13, 2024

JACKSON COUNTY SCHOOL DISTRICT NO. 35
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Grant/Contract Number	Federal Expenditures
U.S. Department of Agriculture			
Passed Through Oregon Department of Education:			
School Breakfast Program (SBP)	10.553	N/A	$ 128,786
National School Lunch Program (NSLP)	10.555	N/A	300,627
Commodities NSLP	10.555	N/A	20,677
Total Child Nutrition Cluster			450,090
COVID-19 State (P-EBT) Administrative Costs Grant			
Total AL 10.649	10.649	N/A	653
			653
Passed through Southern Oregon Education Service District:			
Schools and Roads - Grants to States	10.665	N/A	10,698
Total Forest Services Schools and Roads Cluster			10,698
	Total U.S. Department of Agriculture		**$ 461,441**
U.S. Department of Education			
Passed Through Oregon Department of Education:			
Title I Grants to Local Educational Agencies (22-23)	84.010	72605	$ 32,972
Title I Grants to Local Educational Agencies (23-24)	84.010	76570	315,930
Total AL 84.010			348,902
Special Education - Grants to States	84.027	68473	7,157
Special Education - Grants to States	84.027	74118	28,728
Special Education - Grants to States	84.027	75379	1,530
Special Education - Grants to States	84.027	78054	183,895
Special Education - Preschool Grants	84.173	74296	1,520
Total Special Education (IDEA) Cluster			222,830
Supporting Effective Instruction State Grants	84.367	76767	44,919
Total AL 84.367			44,919
Student Support and Academic Enrichment	84.424	72999	19,795
Student Support and Academic Enrichment	84.424	77186	24,335
Total AL 84.424			44,130
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	64979	1,132,387
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Homeless Children and Youth	84.425W	69395	9,399
Total AL 84.425			1,141,786
Passed through Southern Oregon Education Service District:			
Career and Technical Education - Basic Grants to States	84.048	N/A	2,338
Total AL 84.048			2,338
English Language Acquisition State Grants	84.365	N/A	745
Total AL 84.365			745
	Total U.S. Department of Education		**$ 1,805,650**
	Total Expenditures of Federal Awards		**$ 2,267,091**

JACKSON COUNTY SCHOOL DISTRICT NO. 35
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

NOTE A – BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

NOTE C – INDIRECT COST RATE:

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

NOTE D – FOOD DISTRIBUTION:

Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2024, the District received food commodities totaling $20,677.

NOTE E – SUBRECIPIENTS:

The District did not have any federal awards that were passed through to subrecipients for the year ended June 30, 2024.

NOTE F – SCHOOLS AND ROADS – GRANTS TO STATES:

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

JACKSON COUNTY SCHOOL DISTRICT NO. 35
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. The auditor's report expresses an unmodified opinion on whether the basic financial statements of Jackson County School District No. 35 (the District) were prepared in accordance with GAAP.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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*.

3. No instances of noncompliance material to the basic financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

Federal Awards

4. No significant deficiencies and no material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance.

5. The Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance for the major federal award programs for the District expressed an unmodified opinion.

6. There were no audit findings that are required to be reported in accordance with the Uniform Guidance reported in this Schedule.

7. The program tested as a major program was:

   U.S. Department of Education

Education Stabilization Fund	AL # 84.425

8. The threshold for distinguishing between Type A and B Programs was $750,000.

9. The district qualified as a low-risk auditee under the criteria specified in the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None