



Financial Statements

Jackson County School District No. 6

Central Point, Oregon

Includes Supplemental Information
Year Ended June 30, 2025

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

BOARD OF DIRECTORS AT JUNE 30, 2025

CJ Shipley P.O. Box 5404, Central Point, OR 97502	Chairman
Cindy Tilley-Case 3295 Galls Creek Road, Gold Hill, Oregon 97525	1st Vice-Chair
Bret Moore P.O. Box 3577, Central Point, Oregon 97502	2nd Vice-Chair
Cathy Salmon 647 Cedar Street, Central Point, Oregon 97502	Director
Jolee Wallace 40 North River Road, Gold Hill, Oregon 97525	Director

ADMINISTRATIVE STAFF

Walt Davenport	District Superintendent-Clerk
Tom Rambo	Director of HR
Christine Beck	Director of Education
Ryan Munn	Director of Student Service
Daniel Weaver	Chief Financial Officer

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JACKSON COUNTY SCHOOL DISTRICT NO. 6

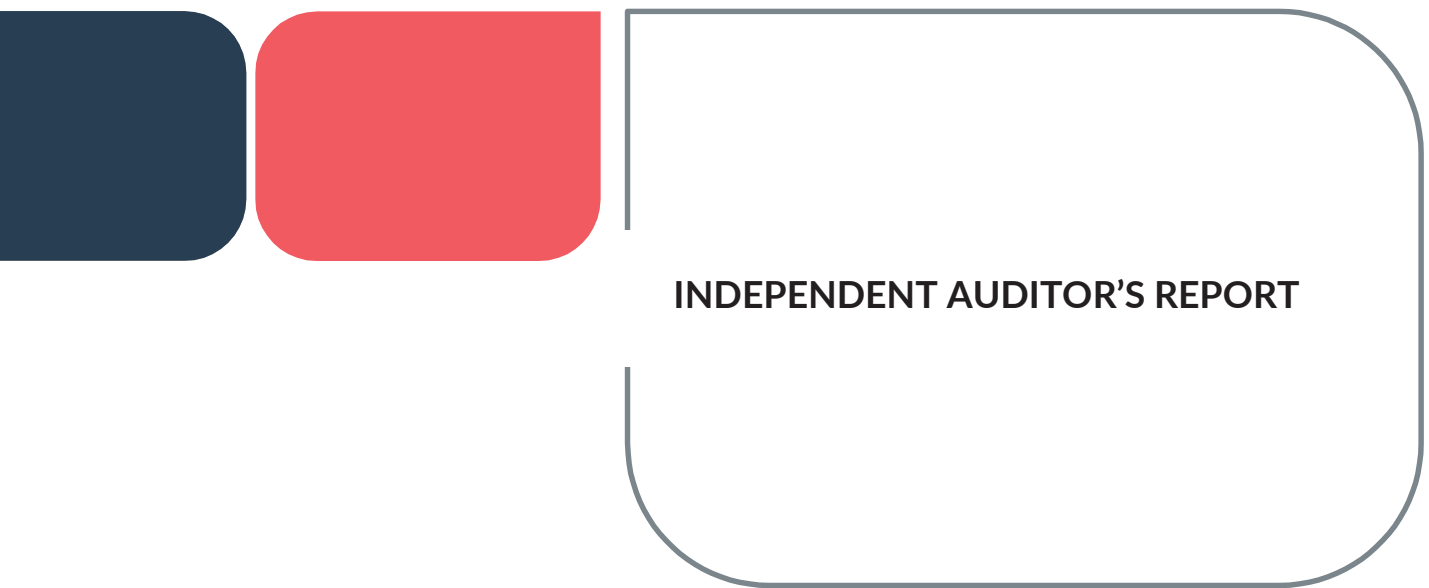
YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Jackson County School District No. 6 (the District), as of and for the year ended June 30, 2025, 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 aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

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.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended June 30, 2025, the District implemented Government Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

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 error or fraud.

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

The general fund and major special revenue fund budgetary comparison information 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 fund and major special revenue fund 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* 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 other 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 January 15, 2026 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with *Oregon State Regulations*, we have also issued our report dated January 15, 2026 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, 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
Sorren CPAs, P.C.
Medford, Oregon
January 15, 2026



MANAGEMENT'S DISCUSSION AND ANALYSIS

JACKSON COUNTY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

As management of Jackson County School District No. 6 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2025. 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 resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2025 by \$3.05 million (net position).
- At June 30, 2025, the District has restricted net position of \$14.67 million which is comprised of \$2.6 million for food service, \$637 thousand for debt service, \$9.4 million for capital projects, \$878 thousand for student body, \$108 thousand for grants and \$938 thousand for the OPEB asset of the RHIA plan.
- For the fiscal year ended June 30, 2025, the District's total current and other assets increased by \$3.6 million or 15.1%.
- The District implemented GASB Statement No. 101, *Compensated Absences*, during the current year. This resulted in a reduction to beginning net position of \$2.96 million.
- The District's combined General Fund and PERS Reserve Fund reports ending fund balance of \$2.19 million, an increase of \$182 thousand in comparison to last year.

BASIC FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements.

The District's basic financial statements consist of three components:

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

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

Government-wide Financial Statements

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

Statement of Net Position. The *Statement of Net Position* includes all assets and deferred outflows of the District (including infrastructure) as well as all liabilities and deferred inflows (including long-term debt). Net position is the difference between assets and deferred outflows, and liabilities and deferred inflows, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position may be an indicator of whether its financial health is improving or deteriorating.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

BASIC FINANCIAL STATEMENTS (continued)

Statement of Activities. The *Statement of Activities* presents information showing how the net position of the District changed over the most recent fiscal 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.

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

Governmental Activities. Most of the District's basic functions are shown here, such as instruction, support services, enterprise and community services, facilities acquisition and construction, and principal and interest on long-term debt. These activities are financed primarily through property taxes, Oregon's State School Fund and other intergovernmental revenues.

Fund Financial Statements

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

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

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

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

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

BASIC FINANCIAL STATEMENTS (continued)

Notes to the Basic Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

During the current fiscal year, the District's net position decreased by \$3.95 million prior to the restatement. This can largely be attributed to the District's adoption of GASB 101, compensated absences.

	Governmental Activities		Increase (Decrease) From
	June 30, 2025	June 30, 2024*	June 30, 2024
Assets:			
Current and other assets	\$ 27,760	\$ 24,111	\$ 3,649
Capital assets	129,180	128,920	260
Total assets	<u>156,940</u>	<u>153,031</u>	<u>3,909</u>
Deferred outflows	<u>26,709</u>	<u>20,087</u>	<u>6,622</u>
Total assets and deferred outflows	<u>183,649</u>	<u>173,118</u>	<u>10,531</u>
Liabilities:			
Current liabilities	17,081	15,668	1,413
Long-term liabilities	155,171	142,898	12,273
Total liabilities	<u>172,252</u>	<u>158,566</u>	<u>13,686</u>
Deferred inflows	<u>8,339</u>	<u>7,541</u>	<u>798</u>
Total liabilities and deferred inflows	<u>180,591</u>	<u>166,107</u>	<u>14,484</u>
Net position:			
Net investment in capital assets	41,163	44,488	(3,325)
Restricted	14,671	11,288	3,383
Unrestricted	(52,776)	(48,765)	(4,011)
Total net position	<u>\$ 3,058</u>	<u>\$ 7,011</u>	<u>\$ (3,953)</u>

**Prior to the restatement*

JACKSON COUNTY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Governmental Activities

As noted previously, net position may serve over time as a useful indicator of a government's financial position. Net position decreased by \$3.95 million from the prior year, prior to the restatement.

Capital assets, which consist of the District's land, construction in progress, buildings, building improvements, vehicles and equipment, right of use assets, and software represent about 70.3% of total assets/deferred outflows. The remaining assets consist mainly of cash and investments, grants and property taxes receivable, inventory, prepaids, RHIA, and deferred outflows related to pensions and other postemployment benefits.

The District's largest liabilities consist of debt obligations, and unfunded post employment benefit obligations. Other more current liabilities consist of payables on accounts, accrued salaries and benefits, unearned revenue, and accrued interest.

A large portion of the District's net position reflect its investment in capital assets (e.g., land, buildings, vehicles and equipment), 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 and state school fund support), since the capital assets themselves cannot be used to liquidate these liabilities.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The key elements of the change in the District's net position for the year ended June 30, 2025, are as follows:

	Governmental Activities		Increase (Decrease) From
	June 30, 2025	June 30, 2024*	June 30, 2024
REVENUES			
Program revenues:			
Charges for service	\$ 1,712	\$ 1,782	\$ (70)
Operating grants and contributions	17,042	13,755	3,287
Capital grants and contributions	1,232	141	1,091
General revenues:			
Property taxes	18,312	18,115	197
State school fund - general support	43,841	42,226	1,615
Other federal, state and local sources	1,607	1,391	216
Earnings on investments	1,027	1,417	(390)
Total revenues	<u>84,773</u>	<u>78,827</u>	<u>5,946</u>
EXPENSES:			
Instruction	48,631	45,145	3,486
Support services	29,618	27,361	2,257
Enterprise and community services	3,999	3,707	292
Facilities acquisition and construction	693	166	527
Interest on long-term debt	2,822	2,747	75
Total expenses	<u>85,763</u>	<u>79,126</u>	<u>6,637</u>
CHANGE IN NET POSITION	<u>\$ (990)</u>	<u>\$ (299)</u>	<u>\$ (691)</u>

**Prior to the restatement*

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

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

At June 30, 2025, the District's governmental funds reported combined ending fund balance of \$15.4 million, an increase of \$3.2 million from the prior year fund balance. Approximately \$849 thousand excess of the ending fund balance constitutes *unassigned fund balance*. A positive ending unassigned fund balance represents what would be available for spending at the District's discretion.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

General Fund. The General Fund is the primary operating fund of the District. As of June 30, 2025, the ending fund balance was \$2.19 million. This is an increase of approximately \$182 thousand over the previous year's fund balance. The general fund fund balance represents 3.5% of total general fund expenditures.

Special Revenue Fund. The Special Revenue Fund is used to account for Federal, State, and Local grants, as well as food service and associated student body funds. All funds are utilized to carry out specific programs and are restricted for associated food service programs and activities, capital projects, student body, and grant related activities. There is an increase of about \$6.00 million from the previous year's fund balance. This is primarily due to proceeds from the issuance of a Full Faith and Credit Financing Agreement.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$512 thousand which is restricted for the payment of general obligation bond debt service. The decrease in fund balance during the current year was about \$39 thousand. However, the District has consistently maintained a low fund balance relative to required debt service payments (i.e., 5%) in a continued effort to avoid unnecessary burdens on its tax base by over-levying taxes.

Capital Project Fund. The Capital Project Fund has a total fund balance of \$3.06 million which is restricted for payment of various capital projects within the District. The fund balance decreased by \$2.91 million from the previous year's fund balance resulting from the spend down of bond proceeds.

General Fund Budgetary Highlights

During the fiscal year, the Board adopted one resolution for appropriation transfers in the General Fund. This resolution increased budgeted expenditures in the General Fund for support services by \$1,500,000, facilities acquisitions by \$100,000 and decreased contingency by \$1,600,000. During the year, all General Fund expenditures were within budget in accordance with final appropriations.

Capital Assets and Debt Administration

Capital assets. The District's investment in capital assets includes land, buildings, building improvements, vehicles and equipment, and subscription and right-of use assets. As of June 30, 2025, the District had invested approximately \$129.1 million in capital assets, net of depreciation. Additional information on the District's capital assets can be found in Note 1 and Note 4 of the notes to the basic financial statements as listed in the table of contents of this report.

Long-term debt. At the end of the current fiscal year, the District had \$87.7 million in outstanding long-term debt. Total long-term debt increased during the year by \$3.80 million due to the issuance of a Full Faith and Credit agreement in the amount of \$6.00 million and through reductions of scheduled principal repayments of \$1.55 million and bond premium amortization of \$641 thousand. Additional information on the District's long-term debt can be found in Note 1 and Note 9 of the notes to the basic financial statements as listed in the table of contents of this report. Notes 7 and 8 include information on leases payable accounted for under GASB 87 and subscription liabilities accounted for under GASB 96, respectively.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

CURRENT ECONOMIC FACTORS

The fiscal year 2024-2025 was our third year of reporting on a modified accrual basis. The District continues to implement more effective systems to meet this reporting standard.

The State School Fund (SSF) allotment determines a majority of CPSD6's annual revenues. This is largely a product of enrollment, or more accurately, ADMr (Average Daily Membership, resident). ADMr is the average number of full-time students enrolled in District programs every day over the course of the entire school year. Demographic shifts in the State of Oregon and our region continue to impact ADMr in unpredictable ways. As such, the District will need to prioritize reserves to provide flexibility during increasingly uncertain economic environments. Uncertainty regarding legislative funding may materially impact the District.

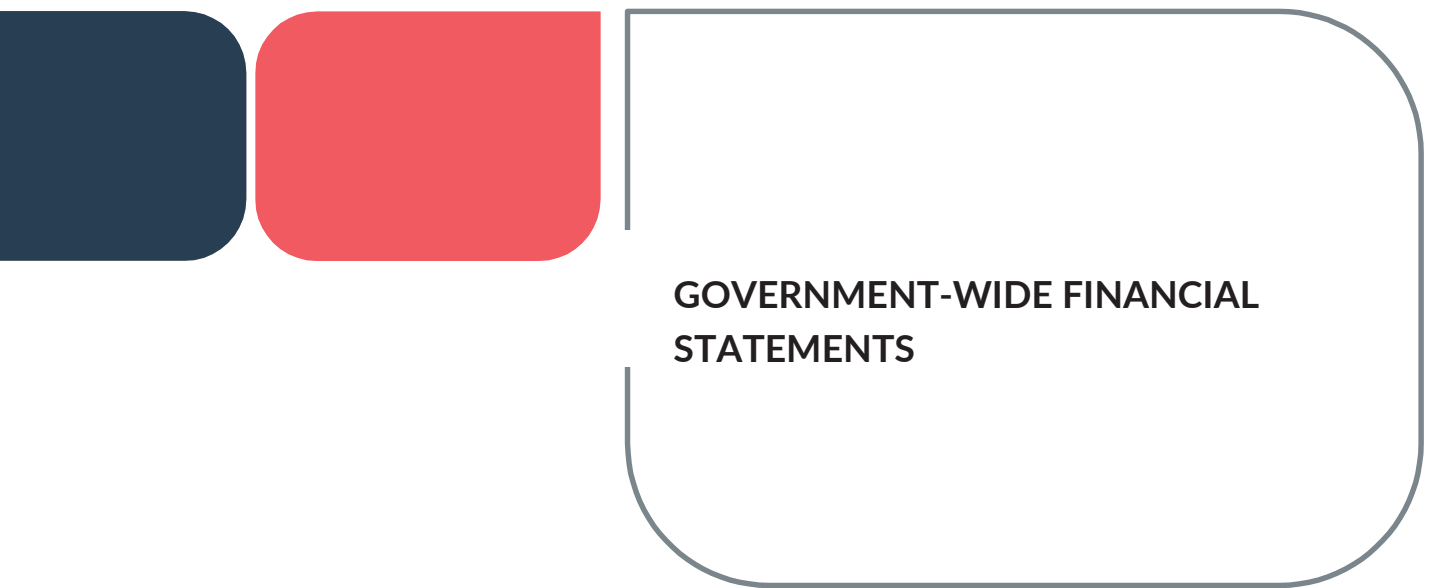
Grant funding will continue to be reviewed to best serve student learning and support. This primarily includes funding allocations pertaining to the Student Success Act, Measure 98, and Early Literacy investments. These grants provide vital additional resources and unforeseen economic or legislative developments could materially impact CPSD6.

REQUESTS FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS



**GOVERNMENT-WIDE FINANCIAL
STATEMENTS**

JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
ASSETS:	
Cash and investments	\$ 21,947,201
Receivables	4,734,305
Prepaid expenses	33,622
Inventories	107,111
Capital assets, net of accumulated depreciation/amortization	129,179,633
OPEB asset (RHIA)	937,743
TOTAL ASSETS	156,939,615
DEFERRED OUTFLOWS OF RESOURCES:	
Pension related deferrals (OPERS)	25,326,007
Pension related deferrals (Stipend)	75,881
OPEB related deferrals (RHIA)	26,662
OPEB related deferrals (Health care plan)	1,280,229
TOTAL DEFERRED OUTFLOWS OF RESOURCES	26,708,779
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	183,648,394
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	
LIABILITIES:	
Accounts payable	1,921,488
Accrued payroll liabilities	8,691,833
Accrued interest payable	6,467,753
Accrued compensated absences	
Due within one year	930,995
Due in more than one year	2,631,888
Total pension liability (Stipend)	
Due within one year	31,980
Due in more than one year	295,498
Total OPEB liability (Health care plan)	
Due within one year	559,728
Due in more than one year	4,438,450
Lease payable	
Due within one year	141,882
Due in more than one year	57,298
Subscriptions payable	
Due within one year	19,505
Due in more than one year	20,064
Long-term debt, net of unamortized premium/discount	
Due within one year	2,622,586
Due in more than one year	85,155,892
Net pension liability (OPERS plan) (due in more than one year)	58,265,049
TOTAL LIABILITIES	172,251,889
DEFERRED INFLOWS OF RESOURCES:	
Pension related deferrals (OPERS)	6,256,964
Pension related deferrals (Stipend)	60,937
OPEB related deferrals (RHIA)	48,662
OPEB related deferrals (Health care plan)	1,972,199
TOTAL DEFERRED INFLOWS OF RESOURCES	8,338,762
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	180,590,651
NET POSITION:	
Net investment in capital assets	41,162,406
Restricted	14,671,107
Unrestricted (deficit)	(52,775,770)
TOTAL NET POSITION	\$ 3,057,743

See notes to basic financial statements

JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 48,630,816	\$ 804,531	\$ 7,571,038	\$ -	\$ (40,255,247)
Supporting services	29,617,693	572,378	5,604,461	-	(23,440,854)
Enterprise and community services	3,999,249	335,184	3,866,325	-	202,260
Facilities acquisition and construction	692,609	-	-	1,232,455	539,846
Interest on long-term debt	2,821,631	-	-	-	(2,821,631)
Total governmental activities	<u>\$ 85,761,999</u>	<u>\$ 1,712,093</u>	<u>\$ 17,041,824</u>	<u>\$ 1,232,455</u>	<u>(65,775,627)</u>
General revenues:					
Property taxes levied for general purposes					14,761,510
Property taxes levied for debt service					3,550,365
State school fund - general support					43,841,537
Common school fund					652,279
Federal forest fees					14,544
Construction excise tax					129,469
Earnings on investments					1,026,704
Miscellaneous					<u>810,259</u>
Total general revenues					<u>64,786,667</u>
CHANGE IN NET POSITION					(988,960)
NET POSITION - July 1, 2024, as restated					<u>4,046,703</u>
NET POSITION - June 30, 2025					<u><u>\$ 3,057,743</u></u>



FUND FINANCIAL STATEMENTS

JACKSON COUNTY SCHOOL DISTRICT NO. 6
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
ASSETS					
Cash and investments	\$ 9,551,608	\$ 8,177,263	\$ 484,043	\$ 3,734,287	\$ 21,947,201
Receivables	984,078	3,597,140	153,087	-	4,734,305
Prepays	-	33,622	-	-	33,622
TOTAL ASSETS	\$ 10,535,686	\$ 11,808,025	\$ 637,130	\$ 3,734,287	\$ 26,715,128
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 301,987	\$ 952,386	\$ -	\$ 667,115	\$ 1,921,488
Accrued payroll liabilities	7,514,124	1,176,275	-	1,434	8,691,833
TOTAL LIABILITIES	7,816,111	2,128,661	-	668,549	10,613,321
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	523,627	-	124,186	-	647,813
TOTAL DEFERRED INFLOWS	523,627	-	124,186	-	647,813
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	8,339,738	2,128,661	124,186	668,549	11,261,134
FUND BALANCES					
Nonspendable	-	33,622	-	-	33,622
Restricted					
Food service	-	2,657,460	-	-	2,657,460
Debt service	-	-	512,944	-	512,944
Capital projects	-	6,386,027	-	3,065,738	9,451,765
Student body	-	878,748	-	-	878,748
Grants	-	108,261	-	-	108,261
Committed					
PERS reserve	962,183	-	-	-	962,183
Unassigned	1,233,765	(384,754)	-	-	849,011
TOTAL FUND BALANCES	2,195,948	9,679,364	512,944	3,065,738	15,453,994
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 10,535,686	\$ 11,808,025	\$ 637,130	\$ 3,734,287	\$ 26,715,128

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

TOTAL FUND BALANCES		\$ 15,453,994
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are not current financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 166,859,052	
Accumulated depreciation and amortization	<u>(37,679,419)</u>	
		129,179,633
In the governmental funds, inventory is accounted for under the purchase method and the current value is not reported in the fund balance sheet.		107,111
Net OPEB assets (RHIA) do not provide current financial resources and are therefore not reported in the governmental funds.		937,743
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.		647,813
The net deferred outflow/(inflow) associated with the District's pension and OPEB plans are not recorded in the governmental funds as they do not provide or require current financial resources. This is the net impact of these amounts.		18,370,017
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather recognized as an expenditure when due. These liabilities consist of:		
Accrued interest payable	\$ (6,467,753)	
Long-term debt, net of bond premium	(87,778,478)	
Leases payable	(199,180)	
Subscriptions payable	(39,569)	
Compensated absences	<u>(3,562,883)</u>	
		(98,047,863)
The net pension liability (OPERS) is not reported with the governmental funds as it does not require payment with current financial resources.		(58,265,049)
The total pension liability (Stipend) is not reported with the governmental funds as it does not require payment with current financial resources.		(327,478)
The total OPEB liability (Health care plan) is not reported with the governmental funds as it does not require payment with current financial resources.		<u>(4,998,178)</u>
TOTAL NET POSITION		<u><u>\$ 3,057,743</u></u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
REVENUES					
Property and other taxes	\$ 14,709,372	\$ 129,469	\$ 3,539,591	\$ -	\$ 18,378,432
Intergovernmental	46,658,393	15,816,601	-	-	62,474,994
Charges for services	424,174	1,287,919	-	-	1,712,093
Investment income	673,306	-	98,378	255,020	1,026,704
Donations	-	134,422	-	-	134,422
Miscellaneous	310,868	648,356	-	24,258	983,482
TOTAL REVENUES	62,776,113	18,016,767	3,637,969	279,278	84,710,127
EXPENDITURES					
Current:					
Instruction	39,445,192	6,120,037	-	-	45,565,229
Support services	23,066,509	5,086,920	-	-	28,153,429
Enterprise and community services	-	4,232,834	-	-	4,232,834
Facilities acquisition and construction	13,854	2,406,082	-	3,057,297	5,477,233
Debt service	68,208	166,213	3,677,700	139,032	4,051,153
TOTAL EXPENDITURES	62,593,763	18,012,086	3,677,700	3,196,329	87,479,878
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	182,350	4,681	(39,731)	(2,917,051)	(2,769,751)
OTHER FINANCING SOURCES (USES):					
Proceeds from issuance of long term debt	-	6,000,000	-	-	6,000,000
TOTAL OTHER FINANCING SOURCES (USES)	-	6,000,000	-	-	6,000,000
NET CHANGE IN FUND BALANCE	182,350	6,004,681	(39,731)	(2,917,051)	3,230,249
BEGINNING FUND BALANCE, JULY 1, 2024	2,013,598	3,674,683	552,675	5,982,789	12,223,745
ENDING FUND BALANCE, JUNE 30, 2025	\$ 2,195,948	\$ 9,679,364	\$ 512,944	\$ 3,065,738	\$ 15,453,994

JACKSON COUNTY SCHOOL DISTRICT NO. 6
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

NET CHANGE IN FUND BALANCE \$ 3,230,249

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 or amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Expenditures for capital assets	\$ 4,900,006	
Less current year depreciation and amortization	(4,640,671)	
		259,335

The issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds.

Debt proceeds	\$ (6,000,000)	
Debt principal repaid	1,550,575	
Lease principal repaid	197,414	
Subscription principal repaid	25,286	
		(4,226,725)

In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due.

Interest paid	\$ 2,208,097	
Interest expense, net of premium and debt issuance costs	(2,740,631)	
		(532,534)

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. This is the change in unavailable revenue.

62,912

Compensated absences do not require the use of current financial resources and are not reported by governmental funds. This is the change in compensated absences.

(263,965)

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

73,076

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

(13,050)

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

290,564

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

131,178

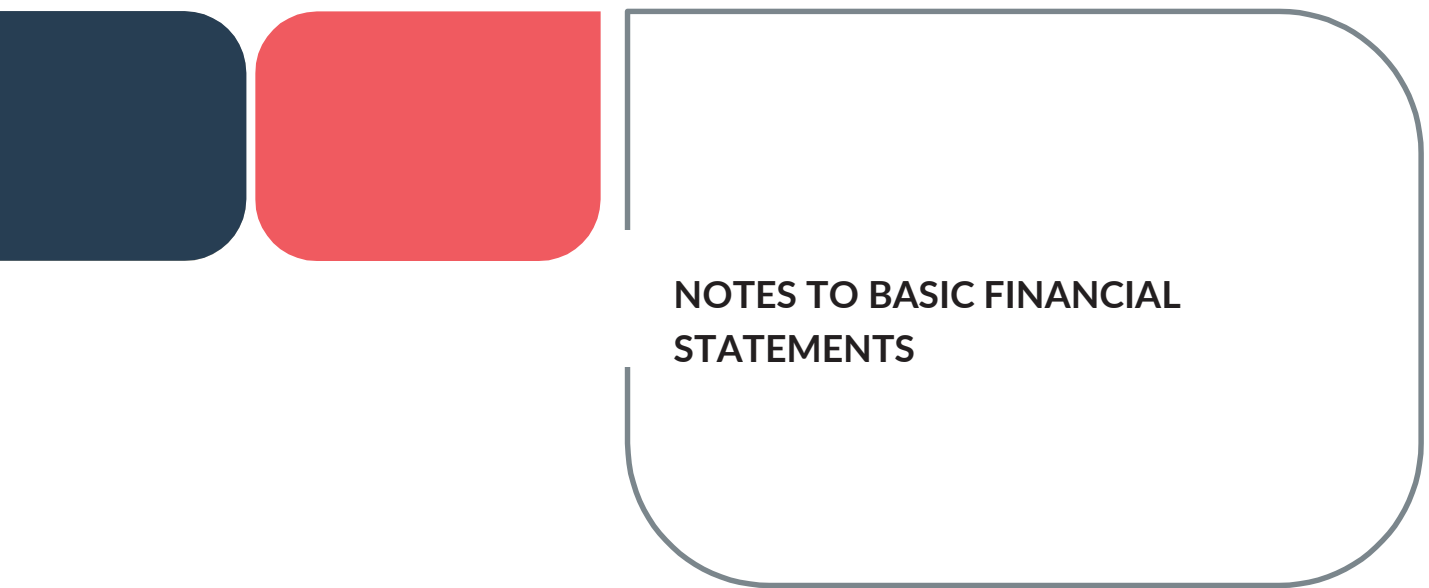
CHANGE IN NET POSITION	\$	(988,960)
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**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2025**

	Scholarship Fund
ASSETS	
Cash	\$ -
TOTAL ASSETS	-
NET POSITION:	
Restricted - scholarships	-
TOTAL NET POSITION	\$ -

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2025**

	<u>Scholarship Fund</u>
REVENUES	
Contributions	<u>\$ 16,500</u>
TOTAL REVENUES	<u>16,500</u>
EXPENDITURES	
Current:	
Enterprise and community services	<u>16,500</u>
TOTAL EXPENDITURES	<u>16,500</u>
CHANGE IN NET POSITION	-
BEGINNING FUND BALANCE, JULY 1, 2024	<u>-</u>
ENDING FUND BALANCE, JUNE 30, 2025	<u><u>\$ -</u></u>



**NOTES TO BASIC FINANCIAL
STATEMENTS**

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 - Summary of Significant Accounting Policies

The Reporting Entity

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

The financial statements of the District have been prepared in conformity with accounting standards 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 accounting and financial reporting standards.

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

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

Basis of Presentation

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 - Summary of Significant Accounting Policies (continued)

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. The principal revenue resources are property taxes and the state school support funds from the State of Oregon. The PERS Reserve Fund was established to address the anticipated increase in mandated PERS contributions by the District. The PERS Reserve Fund combines with the General Fund for external reporting.

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

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

Capital Projects Fund - The Capital Projects 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 fiduciary fund:

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

Measurement Focus and Basis of Accounting.

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

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 - Summary of Significant Accounting Policies (continued)

Cash and Investments

The District's cash consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less.

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

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

Earnings on pooled cash and investments are credited to each fund monthly based on the average daily balance of each participating fund. Pooled cash and investments have the general characteristics of a demand deposit account in that any participating fund may deposit additional cash at any time and may also withdraw cash at any time without prior notice or penalty.

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.

Grants Receivable

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 - Summary of Significant Accounting Policies (continued)

Inventories

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

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

Prepays

Prepays consist of payments to vendors in advance of services provided or assets received in both the government-wide and fund financial statements.

Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at acquisition value plus ancillary charges, if any, 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 – 30 to 50 years
Vehicles and equipment – 3 to 7 years
Right-of-use assets – depends on term of the lease or subscription

Retainage Payable

Retainage payable is accrued on the Statement of Net Position for projects that are not substantially complete as of year-end. As these amounts do not require current financial resources, the District does not record retainage payable on the fund financial statements.

Pension and Retirement Plans

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

The District offers its employees a tax deferred annuity plan established pursuant to section 403(b) of the Internal Revenue Code and deferred compensation plan pursuant to Section 457 of the Internal Revenue Code.

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 - Summary of Significant Accounting Policies (continued)

Post-Employment Health Care Benefits

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.

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

Compensated Absences

It is the District's policy to permit certain employees to accumulate earned but unused vacation and sick pay benefits. Vacation accrues during the year and up to five days may be carried over unless stated otherwise contractually. The portion of sick pay estimated to be more likely than not paid to employees over their remaining term of employment is accrued and reported when earned in the government-wide financial statements.

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.

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 include fixed payments. The right-to-use asset is initially recorded at the amount of the lease liability plus prepayments less any lease incentives received prior to lease commencement and is subsequently amortized over the life of the lease.

In the government-wide financial statements, deferred inflows related to leases and any respective right-to-use assets are reported in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources and facilities acquisition. Thereafter, lease payments are recorded as debt service payments.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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 has noncancellable subscription-based information technology arrangements. The District recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The District recognizes subscription liabilities with an initial, annual value of \$5,000 or more.

At the commencement of a subscription, the District initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) subscription term, and (3) subscription payments. The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancellable period of the subscription plus any options the District is reasonably certain it will exercise. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price (if applicable) that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and subscription liability if certain changes occur that are 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 SBITAs that do not meet the criteria for valuation under GASB 96, the District will report outflows of cash for subscription payments.

Long-term Debt

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

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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

Unrestricted net position – All other remaining net position that does not meet the definition of restricted and are available for general use of the District.

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

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

Nonspendable – Includes amounts that are either not in a spendable form or are legally or contractually required to remain intact.

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.

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 five percent of the General Fund's adopted revenues 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. At June 30, 2025, the General Fund's fund balance, including the amount committed for PERS reserve, was three and a half percent and the District was not in compliance with its policy.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

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

Outstanding balances between funds are reported as due to or due from other funds and result primarily from a time lag between the dates that reimbursable expenditures occur, and payments between funds are made. These are reported as due to and due from other funds in the fund financial statements.

Budget

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

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

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

During the fiscal year ended June 30, 2025, the District was in compliance with Local Budget Law, except as follows:

- A supplemental budget is required when transferring appropriation authority to an appropriation category that doesn't already exist in the adopted budget. During the year, a budget resolution passed for the Special Revenue Fund, which added Debt Service as a new appropriation category; however, a supplemental budget was not performed.
- Expenditures exceeded appropriations as follows:

	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
Special Revenue Fund			
Debt Service	\$ 75,000	\$ 148,068	\$ (73,068)

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 - Summary of Significant Accounting Policies (continued)

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.

Reclassifications

Certain amounts presented in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on the previously reported net position, fund balance, or changes in net position/fund balance.

Adoption of New GASB Pronouncements

The District has adopted and implemented the following GASB Statements which have become effective for the fiscal year ended June 30, 2025:

GASB Statement No. 101, *Compensated Absences*. Issued in June 2022, this Statement updates recognition and measurement guidelines for compensated absences. The implementation of this Statement is reflected in accrued compensated absences in the Statement of Net Position.

GASB Statement No. 102, *Certain Risk Disclosures*. Issued in December 2023, this Statement requires governments to provide essential information about risks related to vulnerabilities due to certain concentrations or constraints that may limit the ability to acquire resources or control spending. This Statement had no material impact on the District.

Future GASB Pronouncements

The following GASB pronouncements have been issued, but are not effective as of June 30, 2025:

GASB Statement No. 103, *Financial Reporting Model Improvements*. Issued in April 2024, this Statement updates key components of the financial reporting model to enhance the effectiveness of providing information essential for decision making and assessing accountability. This Statement will be effective for the District for the fiscal year ending June 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. Issued in September 2024, this Statement requires certain information regarding capital assets to be presented by major class. This Statement will be effective for the District for the 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 on the District's financial statements.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 - Summary of Significant Accounting Policies (continued)

Restatement for Implementation of GASB Statement No. 101, *Compensated Absences*

As required by this Statement, leave which is attributable to services already rendered, accumulates, and is more likely than not to be used should be accrued as a compensated absence. The District provides sick leave benefits to employees which qualifies for accrual. Implementation resulted in the following changes in net position as of July 1, 2024.

	Balance June 30, 2024 as previously reported	Restatement	Balance June 30, 2024 as restated
Governmental Activities:			
Net position, beginning of year	\$ 7,011,197	\$ (2,964,494)	\$ 4,046,703

Note 2 – Cash and Investments

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments".

Cash and investments are comprised of the following at June 30, 2025:

Carrying amount of demand deposits	\$ 8,841,231
Investments	<u>13,105,970</u>
Total cash and investments	<u><u>\$ 21,947,201</u></u>

Deposits

The Governmental Accounting Standards Boards has adopted GAAP, which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2025. If bank deposits at year end are not entirely insured or collateralized with securities held by the District or by its agent in the District's name, the District must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. For deposits in excess of federal depository insurance, Oregon Revised Statutes require depository institutions to be in compliance with ORS 295. For the fiscal year ended June 30, 2025, the carrying amounts of the District deposits in various qualifying financial institutions were \$8,841,231. The bank balances at June 30, 2025 were \$10,026,247. All deposits are held in the name of the District. Of the total bank balance all but \$9,526,247 was not covered by FDIC insurance. However, the balance is covered by the State of Oregon shared liability structure for participating bank depositories in Oregon as identified by the State's Treasurer.

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 2 – Cash and Investments (continued)

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 2025. 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.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 294. These funds are held in the District's name and are not subject to collateralization requirements or ORS 295.015. Investments are stated at amortized cost, which approximates fair value.

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.

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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 2 – Cash and Investments (continued)

Disclosures about Fair Value of Assets

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

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

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

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

At June 30, 2025, the District had the following investments measured at fair value:

Investments Measured at Fair Value:	Totals at June 30, 2025	Level One	Level Two	Level Three	Amortized Cost Measurement Not Measured at Fair Value
Local Government Investment Pool	\$ 13,105,970	\$ -	\$ -	\$ -	\$ 13,105,970
	<u>\$ 13,105,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,105,970</u>

At June 30, 2025, the District had the following investments and maturities:

Investment Type	Maturity	Percentage of Portfolio	Fair Value	Rating
Local Government Investment Pool	1 day	100%	\$ 13,105,970	N/A

Note 3 – Receivables

Receivables are comprised of the following at June 30, 2025:

	Property Taxes	Grants	Total
General Fund	\$ 645,489	\$ 338,589	\$ 984,078
Special Revenue Fund	-	3,597,140	3,597,140
Debt Service Fund	153,087	-	153,087
	<u>\$ 798,576</u>	<u>\$ 3,935,729</u>	<u>\$ 4,734,305</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 4 - Capital Assets

The changes in capital assets for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024 (as reclassified)	Additions	Disposals / Transfers	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 2,677,792	\$ -	\$ -	\$ 2,677,792
Construction in progress	2,066,975	3,006,718	-	5,073,693
Total capital assets not being depreciated	<u>4,744,767</u>	<u>3,006,718</u>	<u>-</u>	<u>7,751,485</u>
Capital assets being depreciated and amortized:				
Building and improvements	155,200,310	1,082,133	-	156,282,443
Vehicles and equipment	1,394,276	811,155	-	2,205,431
Intangible assets:				
Subscription software	133,552	-	(24,478)	109,074
Right-of-use asset:				
Buildings	270,437	-	-	270,437
Equipment	245,323	-	(5,141)	240,182
Total capital assets being depreciated and amortized	<u>157,243,898</u>	<u>1,893,288</u>	<u>(29,619)</u>	<u>159,107,567</u>
Less accumulated depreciation and amortization for:				
Building and improvements	(32,109,679)	(4,052,905)	-	(36,162,584)
Vehicles and equipment	(785,215)	(360,192)	-	(1,145,407)
Intangible assets:				
Subscription software	(45,863)	(29,975)	24,478	(51,360)
Right-of-use asset:				
Buildings	(57,538)	(138,093)	-	(195,631)
Equipment	(70,072)	(59,506)	5,141	(124,437)
Total accumulated depreciation and amortization	<u>(33,068,367)</u>	<u>(4,640,671)</u>	<u>29,619</u>	<u>(37,679,419)</u>
Total capital assets (net):				
Land	2,677,792	-	-	2,677,792
Construction in progress	2,066,975	3,006,718	-	5,073,693
Building and improvements	123,090,631	(2,970,772)	-	120,119,859
Vehicles and equipment	609,061	450,963	-	1,060,024
Intangible assets:				
Subscription software	87,689	(29,975)	-	57,714
Right-of-use asset:				
Buildings	212,899	(138,093)	-	74,806
Equipment	175,251	(59,506)	-	115,745
Total capital assets (net)	<u>\$ 128,920,298</u>	<u>\$ 259,335</u>	<u>\$ -</u>	<u>\$ 129,179,633</u>

Depreciation and amortization expense for the fiscal year was \$4,640,671 and was allocated to the various functions as follows:

Instruction	\$ 2,737,996
Supporting Services	1,670,641
Community Services	232,034
Total	<u>\$ 4,640,671</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 4 - Capital Assets (continued)

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 7*.

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. Further information on these transactions can be found in *Note 8*.

Note 5 - Unavailable/Unearned Revenues

Governmental funds report deferred inflows of resources in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Amounts received in advance of the period in which services are performed are recorded as unearned revenue. At June 30, 2025, the various components of unavailable and unearned revenue included in the governmental funds' Balance Sheet consists of property tax revenue in the General Fund and Debt Service Fund.

Note 6 – Accrued Compensated Absences

The changes in accrued compensated absences for the year ended June 30, 2025 are as follows:

	Accrued July 1, 2024 as restated	Net Change	Accrued June 30, 2025	Due within one year
Governmental Activities	\$ 3,298,918	\$ 263,965	\$ 3,562,883	\$ 930,995

Note 7 – Leases Payable

The District is the lessee under various non-cancellable lease agreements related to buildings, communications equipment, copiers and postage machines. Of these, all are qualified leases under GASB Statement No. 87 with period covering various ranges with the latest expiring on November 30, 2027, including extensions which are expected to be exercised. Monthly payments for the current year range from \$19 to \$2,000, with interest rates of 1.77% to 4.55%.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 7 – Leases Payable (continued)

During the year ended June 30, 2025, lease principal and interest payments for \$197,414 and \$12,030 were made, respectively. Future maturities of the leases payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 141,882	\$ 4,236	\$ 146,118
2027	56,240	942	57,182
2028	1,058	11	1,069
	<u>\$ 199,180</u>	<u>\$ 5,189</u>	<u>\$ 204,369</u>

Changes in leases payable in the government-wide financial statements for the fiscal year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due in One Year
Leases payable	<u>\$ 396,594</u>	<u>\$ -</u>	<u>\$ (197,414)</u>	<u>\$ 199,180</u>	<u>\$ 141,882</u>

Note 8 – Subscription-Based Information Technology Arrangements (SBITA)

As of June 30, 2025, the District is the lessee under a non-cancellable lease agreement related to software licensing. The agreement qualifies as a subscription-based information technology agreement under GASB Statement No. 96 covering a period of February 1, 2023 through February 1, 2028.

During the year ended June 30, 2025, subscription principal and interest payments of \$25,286 and \$1,874 were made, respectively. The future principal and interest subscription liability payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 19,505	\$ 1,145	\$ 20,650
2027	20,064	427	20,491
	<u>\$ 39,569</u>	<u>\$ 1,572</u>	<u>\$ 41,141</u>

Changes in subscriptions payable in the government-wide financial statements for the fiscal year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due in one year
Subscriptions payable	<u>\$ 64,855</u>	<u>\$ -</u>	<u>\$ (25,286)</u>	<u>\$ 39,569</u>	<u>\$ 19,505</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 9 - Long-Term Debt

Tax-Exempt Installment Purchase Agreement

On October 5, 2020, the District (Purchaser) entered into a purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. (Seller) in the amount of \$542,833. The purchase agreement carries an interest rate of 1.81%. The proceeds are for certain energy saving equipment, and the purchase agreement is secured by the equipment. The agreement contains a provision that in the event of default, the Seller may exercise any remedy available at law or in equity, including declaring all installment payments due. The District made an initial principal payment on the agreement on June 25, 2021 in the amount of \$254,244. The loan matures on December 25, 2025.

At June 30, 2025 the District's commitment for the loan is \$33,233. Interest paid on the loan during the year ended June 30, 2025 totaled \$1,493.

The purchase agreement maturities are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rates
2026	\$ 33,233	\$ 301	\$ 33,534	3.750%
	<u>\$ 33,233</u>	<u>\$ 301</u>	<u>\$ 33,534</u>	

Series 2019 General Obligation Bonds

On June 27, 2019, the District issued \$53,730,000 General Obligation Bonds, Series 2019A (Tax-Exempt Current Interest Bonds) and \$28,269,023 General Obligation Bonds, Series 2019B (Tax-Exempt Deferred Interest Bonds), collectively the "Bonds". The Bonds have interest rates ranging between 3.36% and 5.00%. They were issued at a premium of \$9,601,986 and incurred issuance cost of \$477,552. The \$91,601,009 proceeds from the sale of the Bonds will be used to finance capital costs (Project), deposit for a Bond interest fund, and to pay the costs of issuance of the Bonds. Specifics on the Project include: 1) safety and security enhancements, 2) HVAC and mechanical/electrical/plumbing upgrades, 3) conversion of District building to an early learning center, 4) construction of new gyms and multipurpose rooms, and 5) remodeling and improvements to District learning spaces.

At June 30, 2025, the District's commitment for the Bonds is \$76,199,023. Additionally, at June 30, 2025, the 2019 Series B Bonds carried an accreted interest balance of \$6,377,880. Interest paid on the 2019 Series A bonds come from the debt service fund and was \$2,192,700.

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 9 - Long-Term Debt (continued)

The 2019A Series bond maturities are as follows:

Year Ending June 30,	Principal	Interest	Premium	Total	Interest Rates
2026	\$ 1,680,000	\$ 2,118,450	\$ 622,386	\$ 4,420,836	5.00%
2027	1,890,000	2,034,450	600,570	4,525,020	5.00%
2028	2,110,000	1,939,950	576,028	4,625,978	5.00%
2029	2,350,000	1,834,450	548,630	4,733,080	5.00%
2030	2,600,000	1,716,950	518,114	4,835,064	5.00%
2031-2035	17,395,000	6,388,700	2,010,386	25,794,086	5.00%
2036-2039	19,905,000	2,064,200	670,108	22,639,308	4.00%-5.00%
	<u>\$ 47,930,000</u>	<u>\$ 18,097,150</u>	<u>\$ 5,546,222</u>	<u>\$ 71,573,372</u>	

The 2019B Series bond maturities are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rates
2026	\$ -	\$ -	\$ -	N/A
2027	-	-	-	N/A
2028	-	-	-	N/A
2029	-	-	-	N/A
2030	-	-	-	N/A
2031-2035	-	-	-	N/A
2036-2040	2,933,731	2,951,269	5,885,000	3.36%
2041-2045	14,300,002	18,124,998	32,425,000	3.40%-3.48%
2046-2049	11,035,290	18,914,710	29,950,000	3.49%-3.56%
	<u>\$ 28,269,023</u>	<u>\$ 39,990,977</u>	<u>\$ 68,260,000</u>	

Full Faith and Credit Non-Revolving Credit Facility and Note, Series 2025

On June 12, 2025, the District entered into a Full Faith and Credit Financing Agreement (Note) with Banner Bank in the amount of \$6,000,000. The purpose of this Note is to provide financing for improvements to Crater High and to pay the debt issuance costs of \$81,000. The interest rate is 4.20% per annum on the outstanding balance to the maturity date or date of prepayment in full. Interest is payable semiannually in June and December of each year and principal is paid annually in June with a final maturity in June 2040. The agreement contains a provision that in an event of default, the Bank may exercise any remedy at law or in equity. The Lender may, in addition to pursuing other remedies, at its election increase the interest rate applicable to the outstanding balance under this financing agreement by 200 basis points (2.00%). However, the amounts due from the District under this Note shall not be subject to acceleration.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 9 - Long-Term Debt (continued)

The Note maturities are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rates
2026	\$ 286,967	\$ 244,300	\$ 531,267	4.20%
2027	308,065	239,947	548,012	4.20%
2028	321,004	227,009	548,013	4.20%
2029	334,486	213,527	548,013	4.20%
2030	348,534	199,478	548,012	4.20%
2031-2035	1,974,937	765,124	2,740,061	4.20%
2036-2040	2,426,007	314,054	2,740,061	4.20%
	<u>\$ 6,000,000</u>	<u>\$ 2,203,439</u>	<u>\$ 8,203,439</u>	

The changes in long-term debt for the year ended June 30, 2025 are as follows:

	Original Issue	Balance at June 30, 2024	Issued	Matured and Redeemed	Balance at June 30, 2025	Due in One Year
<i>General Obligation Bonds</i>						
2019A Series	\$ 53,730,000	\$ 49,415,000	\$ -	\$ (1,485,000)	\$ 47,930,000	\$ 1,680,000
2019B Series	28,269,023	28,269,023	-	-	28,269,023	-
Total premium on bonds	9,601,986	6,187,890	-	(641,668)	5,546,222	622,386
Total General Obligation Bonds	<u>91,601,009</u>	<u>83,871,913</u>	<u>-</u>	<u>(2,126,668)</u>	<u>81,745,245</u>	<u>2,302,386</u>
<i>Loans Payable</i>						
Full Faith Credit	6,000,000	-	6,000,000	-	6,000,000	286,967
US Bank (direct borrowing)	542,833	98,808	-	(65,575)	33,233	33,233
Total Loans Payable	<u>6,542,833</u>	<u>98,808</u>	<u>6,000,000</u>	<u>(65,575)</u>	<u>6,033,233</u>	<u>320,200</u>
Total Long Term Debt	<u>\$ 98,143,842</u>	<u>\$ 83,970,721</u>	<u>\$ 6,000,000</u>	<u>\$ (2,192,243)</u>	<u>\$ 87,778,478</u>	<u>\$ 2,622,586</u>

Note 10 - Pension and Retirement Plans

Tax Sheltered Annuity Plan

The District offers its employees a tax deferred annuity program established pursuant to Section 403(b) of the Internal Revenue Code (the Code), and deferred compensation program pursuant to Section 457 of the Internal Revenue Code. Contributions are made through salary reductions from participating employees up to the amounts specified in the Code. During 2025, the District provided \$221,383 in employer matching contributions for the 403(b) plan. No matching contributions are provided for the 457 plan.

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

Note 10 - Pension and Retirement Plans (continued)

Early Retirement Stipend Pension Plan

Plan Description

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

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

Funding Policy

The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. The District funds this benefit as it comes due. There are no assets accumulated in a trust.

Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the stipend benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Active plan members	<u>17</u>
	<u><u>22</u></u>

Total Stipend Pension Liability

The Districts total stipend pension liability of \$327,478 has a measurement date of June 30, 2025, and was determined by an actuarial valuation date at July 1, 2024.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 10 - Pension and Retirement Plans (continued)

Early Retirement Stipend Pension Plan (continued)

Actuarial Assumptions and Other Inputs

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

Input	Assumption
Actuarial Cost Method	Entry age normal, level percent of salary
Interest Rate Utilized for Discounting	5.25% per year, based on all years discounted at municipal bond rate
General Inflation	2.5% per year
Payroll Growth	3.5% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit
Annual Premium Increase Rate	Between 4.0% and 5.8% annually
Mortality Rates	As developed for the valuation of benefits under Oregon PERS
Turnover Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled, if any
Marital Status	50% of future retirees electing coverage are assumed to cover a spouse as well
Coverage of Eligible Children	Assumed 50% of married future retirees will cover children until both retiree and spouse have attained age 60

Changes in the Total Stipend Pension Liability

Total stipend pension liability at June 30, 2024	\$ 389,915
Changes for the year:	
Service cost	8,033
Interest	15,088
Changes in benefit terms	(87)
Differences between expected and actual experience	(27,799)
Changes of assumptions or other input	(25,692)
Benefit payments	(31,980)
Total stipend pension liability at June 30, 2025	<u>\$ 327,478</u>

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

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

	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Total Stipend Pension Liability	\$ 343,028	\$ 327,478	\$ 312,362

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

For the year ended June 30, 2025, the District recognized an increase in stipend pension expense of \$13,050. 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 67%, 30%, and 3% respectively.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 10 - Pension and Retirement Plans (continued)

Early Retirement Stipend Pension Plan (continued)

For the year ended June 30, 2025, the District recognized stipend pension expense from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 70,555	\$ (18,430)
Changes of assumptions	5,326	(42,507)
Total	<u>\$ 75,881</u>	<u>\$ (60,937)</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 15,826
2027	13,139
2028	(3,480)
2029	(10,541)
2030	-
Total	<u>\$ 14,944</u>

Changes in Assumptions and Methods Since Prior Valuation

- The interest rate for discounting future liabilities was changed to reflect current municipal bond rates.
- Premium increase rates were modified to better reflect anticipated experience and current Oregon law.
- Aging Factors were revised to better align with prevalent actuarial practice.
- Health care claims costs were revised to reflect current OEBB demographics and total premiums.
- The percentage of future retirees covering a spouse on the plan was decreased to reflect anticipated experience.
- Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

OPERS Plan

Plan Description. Employees are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan 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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

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

The 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 Retirement Benefit (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 (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 \$232,976 as of January 1, 2024, 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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (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 a 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.

As of January 1, 2024, the Legislature modified the rules such that, in order to be eligible for the Optional Spouse Death Benefit, a surviving spouse must make a written election no later than 60 days after the date of the estimate that OPERS provides to a member's spouse. For members who die before their earliest retirement date, the OSDB is the actuarial equivalent of 50% of the service retirement that would have been paid to the member, calculated as if the member became inactive on their date of death and retired at their earliest retirement date. For members who die after their earliest retirement date but before normal retirement age, the OSDB is the actuarial equivalent of the service retirement that would have been paid to the member calculated as if they retired on the first day of the month following their death. For members who die after their normal retirement age, the OSDB is the actuarial equivalent of the benefit that would have been paid to the member, calculated as if the member retired on the first day of the month following their date of death.

Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including 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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

Death Benefits (continued)

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.

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. Under House Bill (HB) 2283, passed during the 2023 legislative session and effective January 1, 2024, if a member has established retirement eligibility under the Police and Fire classification as indicated above, they retain that eligibility even if they perform service thereafter as other than Police and Fire. Under HB 4045, passed during the 2024 legislative session and effective January 1, 2025, normal retirement age for Police and Fire members will be lowered to age 55 or age 53 with 25 years of retirement credit.

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 \$232,976 as of January 1, 2024, 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. Disability benefits continue until the member is no longer disabled or otherwise no longer qualifies for benefits, reaches normal retirement age, or dies.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

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.

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.

Employer contribution rates during the period July 1, 2023 through June 30, 2025, were based on the December 31, 2022 actuarial valuation, which became effective July 1, 2023. For the period July 1, 2024 through June 30, 2025, net employer contribution rates were 27.87% for Tier 1/Tier 2 employees and 25.03% for OPSRP General Employees. Employer contributions for the year ended June 30, 2025 were \$9,354,923, excluding amounts to fund employees specific liabilities.

Oregon PERS 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/das/Financial/Acctng/Documents/2024_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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation date	December 31, 2022
Measurement date	June 30, 2024
Experience study	2022, published July 24, 2023
Actuarial assumptions:	
Actuarial cost method	Entry age normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<i>Healthy retirees and beneficiaries:</i> Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Active members:</i> Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> Pub-2010 Disabled retirees, 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 2022 Experience Study, which reviewed experience for the four-year period ending on December 31, 2022.

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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

Assumed Asset Allocation

<u>Asset Class</u>	<u>Target Allocation</u>
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	<u>100.0%</u>

Long-Term Expected Rate of Return. In January 2023, the PERS Board sought to develop an analytical basis for selecting the long-term expected rate of return assumption. The 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; instead, they 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>20-Year Annualized Geometric Mean</u>
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 funds of funds - multistrategy	1.25%	6.27%
Hedge fund equity - hedge	0.63%	6.48%
Hedge fund - macro	5.62%	4.83%
Total	<u>100%</u>	

Assumed inflation - mean	2.35%
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JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the District reported a liability of \$58,265,049 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. 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, 2024 (measurement date), the District's proportion was approximately 0.26213350 percent.

For the year ended June 30, 2025, the District recognized a decrease in pension expense of \$73,076. The \$73,076 was treated as a decrease of payroll related expense in the Statement of Activities and allocated to Instruction, Support Services, and Enterprise and Community Services using allocation percentages of 67%, 30%, and 3% respectively.

At June 30, 2025, 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	\$ 3,451,665	\$ (139,060)
Changes of assumptions	5,857,987	(7,505)
Net difference between projected and actual earning on investments	3,701,460	-
Changes in proportionate share	-	(4,306,893)
Difference between employer contributions and employer's proportionate share of system contributions	2,959,972	(1,803,506)
Contributions subsequent to the measurement date	9,354,923	-
Total	<u>\$ 25,326,007</u>	<u>\$ (6,256,964)</u>

\$9,354,923 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, 2026.

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (724,842)
2027	5,712,443
2028	2,847,592
2029	1,570,947
2030	307,980
Total	<u>\$ 9,714,120</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

Sensitivity for the District's Proportionate Share of the Net Pension Liability to Changes in Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Defined Benefit Pension Plan Liability/(Asset)	\$ 91,910,479	\$ 58,265,049	\$ 30,085,132

Changes in Assumptions

A summary of key changes implemented since the December 31, 2022 valuation are noted below. Additional detail and list of changes can be found in the December 31, 2023 Actuarial Valuation, which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/Actuarial/2024/12312023-Actuarial-Valuation.pdf>

Assumption Changes

- The retirement assumptions for OPSRP Police & Fire members were revised to estimate possible changes in retirement patterns that could arise from the plan changes included in House Bills 4045.

Actuarial Method Changes

- There were no changes to actuarial methods since the December 31, 2022 actuarial valuation.

Plan Changes

House Bill 4034 from the 2024 legislative session lowered the normal retirement age for OPSRP Police & Fire from age 60 to 55, effective January 1, 2025. Members still qualify for earlier unreduced retirement if age 53 with 25 or more years of service. This plan change is reflected in the December 31, 2023 actuarial valuation.

House Bill 4045 also made the following changes which are not reflected in the December 31, 2023 actuarial valuation:

- Effective January 1, 2025, forensic scientists and elected District Attorneys are now included in the "Police & Fire" definition of membership.
- Effective January 1, 2030, a new hazardous position member classification was created for OPSRP members with benefit levels and retirement eligibilities that fall in between existing classifications for General Service and Police & Fire members. The hazardous position membership classification is statutorily limited to emergency telecommunicators employees at Oregon State Hospital with direct patient contract.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 10 - Pension and Retirement Plans (continued)

OPERS Plan (continued)

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.

Member 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 2025, the District, as an employee benefit, paid the employee portion of the contribution. Employer contributions for the year ended June 30, 2025 were \$2,082,939, of which \$1,789,277 were deposited into the individual members' accounts.

Note 11 - Post-Employment Health Care Benefits (OPEB)

The District has two separate other post-employment benefits (OPEB) plans. The District provides a single employer defined benefit health care plan to staff and different contracts govern eligibility. Additionally, the District contributes to the State of Oregon's PERS cost-sharing multiple employer defined benefit plan.

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

Note 11 - Post-Employment Health Care Benefits (OPEB) (continued)

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

Plan Description

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

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

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

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

Funding Policy

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

Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the explicit benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	28
Active plan members	520
	548

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 11 - Post-Employment Health Care Benefits (OPEB) (continued)

Single-Employer Defined Benefit Health Care Plan (continued)

Total OPEB Liability

The District's total OPEB liability of \$4,998,178 has a measurement date of June 30, 2025, and was determined by an actuarial valuation date at July 1, 2024.

Actuarial Assumptions and Other Inputs

The actuarial valuation used for the total OPEB liability is identical to the actuarial valuation details related to the Early Retirement Stipend Pension Plan disclosed in *Note 10 – Pension and Retirement Plans*.

Changes in the Total OPEB Liability.

Total OPEB Liability at June 30, 2024	\$ 5,409,512
Changes for the year:	
Service cost	221,165
Interest	210,793
Differences between expected and actual experience	635,204
Changes of assumptions or other input	(918,768)
Benefit payments	(559,728)
Total OPEB Liability at June 30, 2025	<u>\$ 4,998,178</u>

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

	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Total OPEB Liability	\$ 5,286,909	\$ 4,998,178	\$ 4,723,587

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 3.00% Graded Up to 5.00% Graded Down to 3.50%	Current Trend Rate 4.00% Graded Up to 6.00% Graded Down to 4.50%	1% Increase 5.00% Graded Up to 7.00% Graded Down to 5.50%
Total OPEB Liability	\$ 4,585,840	\$ 4,998,178	\$ 5,466,665

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 11 - Post-Employment Health Care Benefits (OPEB) (continued)

Single-Employer Defined Benefit Health Care Plan (continued)

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

For the year ended June 30, 2025, the District recognized a reduction of OPEB expense of \$290,564. The reduction of OPEB expense is 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 67%, 30%, and 3% respectively.

As of June 30, 2025, 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	\$ 1,181,660	\$ (399,911)
Changes of assumptions	98,569	(1,572,288)
	<u>\$ 1,280,229</u>	<u>\$ (1,972,199)</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (152,679)
2027	(39,670)
2028	(88,955)
2029	(207,063)
2030	(142,831)
Thereafter	<u>(60,772)</u>
Total	<u>\$ (691,970)</u>

Changes in Assumptions

The changes in assumptions used for OPEB are identified in the change in assumptions related to the Early Retirement Stipend Pension Plan in *Note 10 - Pension and Retirement Plans*

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

Note 11 - Post-Employment Health Care Benefits (OPEB) (continued)

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 OPERS 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 – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and OPEB plans. The contribution rates in effect for the period ended July 1, 2024 through June 30, 2025 for the OPEB program were: Tier 1/Tier 2 – 0.00%, and OPSRP general service – 0.00%. The District contributed \$185 for the year ended June 30, 2025.

Actuarial Valuation

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

Actuarial assumptions:

Retiree healthcare participation	Healthy retirees: 25%; Disabled retirees: 15%
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, 2025, the District reported \$937,743 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. 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, 2024 (measurement date) the District's proportion was approximately 0.23216712 percent.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 11 - Post-Employment Health Care Benefits (OPEB) (continued)

Retirement Health Insurance Account (RHIA) (continued)

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

For the year ended June 30, 2025, the District recognized a decrease of OPEB expense related to RHIA of \$131,178. The \$131,178 was treated as a decrease of payroll related expense in the Statement of Activities and allocated to Instruction, Support Services, and Enterprise and Community Services using allocation percentages of 67%, 30%, and 3% respectively.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (18,341)
Changes of assumptions	-	(11,861)
Net difference between projected and actual earning on investments	26,477	-
Changes in proportionate share	-	(18,460)
Difference between employer contributions and employer's proportionate share of system contributions	-	-
Contributions subsequent to the measurement date	185	-
Total	\$ 26,662	\$ (48,662)

The \$185 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2026.

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 Outflows/(Inflows) of Resources
2026	\$ (70,256)
2027	30,690
2028	14,324
2029	3,057
Total	\$ (22,185)

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 11 - Post-Employment Health Care Benefits (OPEB) (continued)

Retirement Health Insurance Account (RHIA) (continued)

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1 % Increase (7.90%)
Defined Benefit OPEB Liability/(Asset)	\$ (868,065)	\$ (937,743)	\$ (997,737)

Sensitivity for the 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

The changes in assumptions used for RHIA are identified in the change in assumptions related to the OPERS Plan in *Note 10 - Pension and Retirement Plans*.

Note 12 - Contingencies

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

Note 13 - Commitments

The District has obligations for project management, architecture and design, and construction. The grand total of commitments is for \$16,866,331 with \$13,672,214 remaining to be paid on the contracts at June 30, 2025.

Note 14 - 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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note 15 - 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, 2025.

Note 16 - Tax Abatements

At June 30, 2025, Jackson County provides tax abatements through various State of Oregon programs. For the fiscal year ended June 30, 2025, Central Point School District's abated property taxes totaled \$148,275 under these programs.

Note 17 - CraterWorks LLC Agreement

On February 12, 2019 the District signed an Operating Agreement with Direct Involvement Recreation Teaching (DIRT) for CraterWorks LLC, an Oregon Limited Liability Company. The membership of CraterWorks LLC, (CraterWorks) is divided 50 percent to DIRT and 50 percent to the District. CraterWorks is a collaborative work space that exists as a public/private facility, designed for making, learning, exploring and sharing. It offers a variety of industrial maker equipment including 3D printers, laser cutters, computer numerical control machines, and helps prepare those who need critical 21st century skills in the fields of science, technology, engineering, and math, providing hands-on learning and critical thinking skills while fostering entrepreneurship as incubators and accelerators for business startups.

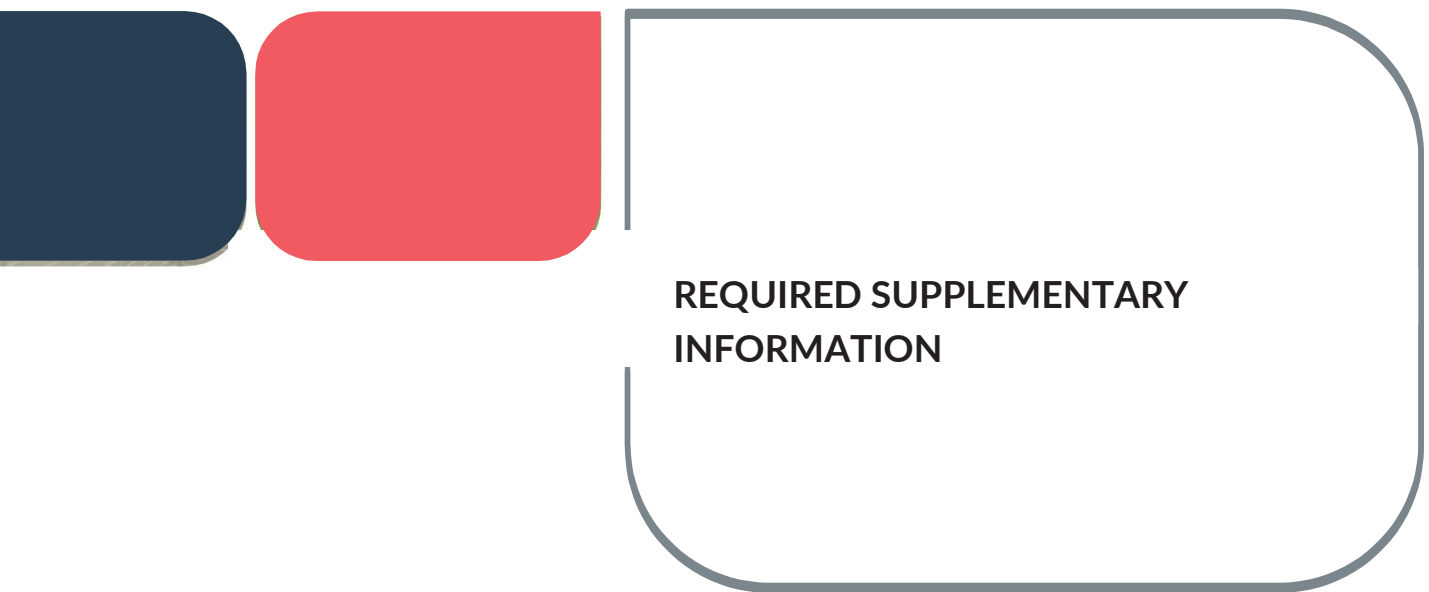
The District leased property to CraterWorks commencing May 18, 2019 and ending May 18, 2022, including a renewal option of up to three consecutive terms of two years each. On March 24, 2023, a one-year renewal option was signed with an effective date of July 1, 2023 that was automatically renewed for an additional year effective July 1, 2024. On April 1, 2025, a one-year renewal option was signed with an effective date of July 1, 2025. Base rent for the property is \$10 per year. CraterWorks paid the District \$10 for rent during 2025.

During the fiscal year ended June 30, 2025, the District reimbursed CraterWorks \$0 for supplies and equipment purchased, and paid \$124,980 for District usage fees. No separately issued financial statements are available for CraterWorks.

Note 18 - Restricted Net Position

For the fiscal year ended June 30, 2025, the District reported restricted net position as follows:

Food service	\$	2,657,460
Debt service		637,130
Capital projects		9,451,765
Student body		878,748
Grants		108,261
RHIA OPEB asset		937,743
	\$	14,671,107



**REQUIRED SUPPLEMENTARY
INFORMATION**

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Local sources:				
Property taxes	\$ 15,586,885	\$ 15,586,885	\$ 14,709,372	\$ (877,513)
Charges for services	190,000	190,000	424,174	234,174
Interest on investments	445,000	445,000	673,306	228,306
Miscellaneous	175,000	175,000	310,868	135,868
Intermediate sources:				
Intergovernmental	1,200,000	1,200,000	1,550,217	350,217
State sources:				
State school support	44,250,000	44,250,000	43,841,537	(408,463)
Intergovernmental	1,050,000	1,050,000	1,252,095	202,095
Federal sources:				
Intergovernmental	50,000	50,000	14,544	(35,456)
TOTAL REVENUES	62,946,885	62,946,885	62,776,113	(170,772)
EXPENDITURES				
Current:				
Instruction	40,609,668	40,609,668	39,445,192	1,164,476
Support services	21,795,564	23,295,564	23,134,717	160,847
Facilities acquisition and construction	100,000	200,000	13,854	186,146
Debt service	67,200	67,200	-	67,200
Contingency	2,674,453	1,074,453	-	1,074,453
TOTAL EXPENDITURES	65,246,885	65,246,885	62,593,763	2,653,122
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,300,000)	(2,300,000)	182,350	2,482,350
NET CHANGE IN FUND BALANCE	(2,300,000)	(2,300,000)	182,350	2,482,350
BEGINNING FUND BALANCE, JULY 1, 2024	2,300,000	2,300,000	1,051,415	(1,248,585)
ENDING FUND BALANCE, JUNE 30, 2025	\$ -	\$ -	\$ 1,233,765	\$ 1,233,765

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2025**

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Local sources:				
Construction excise tax	\$ 400,000	\$ 400,000	\$ 129,469	\$ (270,531)
Charges for services	860,958	860,958	1,287,919	426,961
Donations	86,200	86,200	134,422	48,222
Miscellaneous	75,899	75,899	648,356	572,457
Intermediate sources:				
Intergovernmental	37,638	37,638	19,788	(17,850)
State sources:				
Intergovernmental	8,326,635	8,326,635	9,936,675	1,610,040
Federal sources:				
Intergovernmental	5,380,956	5,380,956	5,860,138	479,182
TOTAL REVENUES	15,168,286	15,168,286	18,016,767	2,848,481
EXPENDITURES				
Current:				
Instruction	6,410,616	6,410,616	6,120,037	290,579
Support services	4,485,317	5,135,317	5,105,065	30,252
Enterprise and community services	4,944,169	4,944,169	4,232,834	711,335
Facilities acquisition and construction	2,966,601	2,966,601	2,406,082	560,519
Debt Service	-	75,000	148,068	(73,068)
Contingency	902,875	177,875	-	177,875
TOTAL EXPENDITURES	19,709,578	19,709,578	18,012,086	1,697,492
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,541,292)	(4,541,292)	4,681	4,545,973
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of long term debt	-	-	6,000,000	6,000,000
TOTAL OTHER FINANCING SOURCES (USES)	-	-	6,000,000	6,000,000
NET CHANGE IN FUND BALANCE	(4,541,292)	(4,541,292)	6,004,681	10,545,973
BEGINNING FUND BALANCE, JULY 1, 2024	4,541,292	4,541,292	3,674,683	(866,609)
ENDING FUND BALANCE, JUNE 30, 2025	\$ -	\$ -	\$ 9,679,364	\$ 9,679,364

JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF THE DISTRICT'S 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

Central Point School District No. 6 Proportionate Share of Net Pension Asset / (Liability) at the measurement date

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
District proportion of the net pension asset/(liability)	0.26213350%	0.2793921%	0.2865700%	0.2954018%	0.3102962%
District proportion of the net pension asset/(liability)	\$ (58,265,049)	\$ (52,332,059)	\$ (43,879,612)	\$ (35,349,197)	\$ (67,717,308)
Covered payroll	\$ 36,813,643	\$ 34,363,639	\$ 34,364,122	\$ 33,549,674	\$ 30,802,626
Proportionate share of the pension asset/(liability) as a percentage of its covered payroll	158.27%	152.29%	127.69%	105.36%	219.84%
Plan fiduciary net position as a percentage of the total pension liability	79.30%	81.70%	84.50%	87.60%	75.79%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District proportion of the net pension asset/(liability)	0.3184184%	0.2964370%	0.3018797%	0.3288581%	0.3674069%
District proportion of the net pension asset/(liability)	\$ (55,078,763)	\$ (44,906,304)	\$ (40,693,502)	\$ (49,369,235)	\$ (21,094,524)
Covered payroll	\$ 29,198,232	\$ 28,306,678	\$ 26,969,083	\$ 24,279,631	\$ 22,418,030
Proportionate share of the pension asset/(liability) as a percentage of its covered payroll	188.64%	158.64%	150.89%	203.34%	94.10%
Plan fiduciary net position as a percentage of the total pension liability	80.23%	81.81%	83.12%	80.53%	91.88%

Central Point School District No. 6 Contributions

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contributions	\$ 9,354,923	\$ 8,621,891	\$ 8,100,758	\$ 7,623,572	\$ 8,111,380
Contribution in relation to the contractually required	(9,354,923)	(8,621,891)	(8,100,758)	(7,623,572)	(8,111,380)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 35,953,295	\$ 36,813,643	\$ 34,363,639	\$ 34,364,122	\$ 33,549,674
Contributions as a percentage of covered payroll	26.02%	23.42%	23.57%	22.18%	24.18%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 7,791,203	\$ 6,233,916	\$ 5,650,499	\$ 4,203,936	\$ 3,972,524
Contribution in relation to the contractually required	(7,791,203)	(6,233,916)	(5,650,499)	(4,203,936)	(3,972,524)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 30,802,626	\$ 29,198,232	\$ 28,306,678	\$ 26,969,083	\$ 24,279,631
Contributions as a percentage of covered payroll	25.29%	21.35%	19.96%	15.59%	16.36%

Note 1 - Changes of Benefit Terms and Assumptions -

Significant Methods and Assumptions:

A summary of assumption changes implemented since the prior valuation are outlined briefly in *Note 10* in the notes to the basic financial statements.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CHANGES IN THE DISTRICTS
TOTAL PENSION LIABILITY AND RELATED RATIOS (STIPEND)
LAST 10 FISCAL YEARS ENDING JUNE 30 (FOR YEARS INFORMATION IS AVAILABLE)

Total Pension Liability (Stipend):	2025	2024	2023	2022	2021
Service cost	\$ 8,033	\$ 8,137	\$ 10,038	\$ 11,997	\$ 8,813
Interest	15,088	14,648	11,749	8,357	5,992
Changes of benefit terms	(87)	-	-	-	-
Differences between expected and actual experience	(27,799)	-	79,918	-	107,097
Changes of assumptions of other inputs	(25,692)	-	(15,173)	(26,117)	9,229
Benefit payments	(31,980)	(30,710)	(28,680)	(27,376)	(30,960)
Net change in total pension liability (stipend)	(62,437)	(7,925)	57,852	(33,139)	100,171
Total pension liability (stipend) - beginning	\$ 389,915	\$ 397,840	\$ 339,988	\$ 373,127	\$ 272,956
Total pension liability (stipend) - ending	<u>\$ 327,478</u>	<u>\$ 389,915</u>	<u>\$ 397,840</u>	<u>\$ 339,988</u>	<u>\$ 373,127</u>
Estimated covered - employee payroll	\$ 2,296,460	\$ 2,570,402	\$ 2,483,480	\$ 2,569,505	\$ 2,482,614
Total pension liability (stipend) as a percentage of estimated covered - employee payroll	14.26%	15.17%	16.02%	13.23%	15.03%
Total Pension Liability (Stipend):	2020	2019	2018	2017	
Service cost	\$ 6,746	\$ 7,788	\$ 6,236	\$ 6,236	
Interest	8,920	7,472	7,598	8,235	
Changes of benefit terms	-	-	-	-	
Differences between expected and actual experience	-	50,999	-	-	
Changes of assumptions of other inputs	18,797	(2,237)	-	-	
Benefit payments	(19,223)	(24,010)	(20,220)	(45,095)	
Net change in total pension liability (stipend)	15,240	40,012	(6,386)	(30,624)	
Total pension liability (stipend) - beginning	\$ 257,716	\$ 217,704	\$ 224,090	\$ 254,714	
Total pension liability (stipend) - ending	<u>\$ 272,956</u>	<u>\$ 257,716</u>	<u>\$ 217,704</u>	<u>\$ 224,090</u>	
Estimated covered - employee payroll	\$ 1,741,158	\$ 1,685,390	\$ 1,915,862	\$ 1,860,060	
Total pension liability (stipend) as a percentage of estimated covered - employee payroll	15.68%	15.29%	11.36%	12.05%	

Notes to Schedule:

Significant methods and assumptions used in calculating the actuarially determined contributions:

Significant methods and assumptions used in calculating the actuarially determined contributions are described 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 nine years of information are presented.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB
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)

Central Point School District No. 6 Proportionate Share of Net OPEB Asset / (Liability) at the measurement date

	2025	2024	2023	2022
District proportion of the net OPEB asset/(liability)	0.23216712%	0.22410557%	0.21541534%	0.22650028%
District's proportion of the net OPEB asset/(liability)	\$ 937,743	\$ 820,598	\$ 765,446	\$ 777,803
District's covered-employee payroll	\$ 36,813,643	\$ 34,363,639	\$ 34,364,122	\$ 33,549,674
District's proportionate share of the net OPEB asset/(liability) as a percentage of its covered-employee payroll	2.55%	2.39%	2.23%	2.32%
Plan fiduciary net position as a percentage of the total pension liability	220.60%	201.60%	194.60%	183.90%
	2021	2020	2019	2018
District proportion of the net OPEB asset/(liability)	0.24439602%	0.24439602%	0.23117419%	0.21215608%
District's proportion of the net OPEB asset/(liability)	\$ 501,490	\$ 472,261	\$ 258,053	\$ 88,541
District's covered-employee payroll	\$ 30,802,626	\$ 29,198,232	\$ 28,306,678	\$ 26,969,083
District's proportionate share of the net OPEB asset/(liability) as a percentage of its covered-employee payroll	1.63%	1.62%	0.91%	0.33%
Plan fiduciary net position as a percentage of the total pension liability	150.10%	144.40%	123.99%	108.88%

Central Point School District No. 6 Contributions

	2025	2024	2023	2022
Contractually required contributions	185	\$ 664	\$ 4,416	\$ 5,309
Contribution in relation to the contractually required	(185)	(664)	(4,416)	(5,309)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	\$ 35,953,295	\$ 36,813,643	\$ 34,363,639	\$ 34,364,122
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.01%	0.02%
	2021	2020	2019	2018
Contractually required contributions	\$ 6,060	\$ 17,576	\$ 121,128	\$ 111,935
Contribution in relation to the contractually required	(6,060)	(17,576)	(121,128)	(111,935)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	\$ 33,549,674	\$ 30,802,626	\$ 29,198,232	\$ 28,306,678
Contributions as a percentage of covered-employee payroll	0.02%	0.06%	0.41%	0.40%

Note 1 - Changes of Benefit Terms and Assumptions -

Significant Methods and Assumptions:

A summary of assumption changes implemented since the prior valuation are outlined briefly 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 for RHIA during fiscal 2018, as a result, only eight years of information are presented.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS (HEALTH CARE PLAN)
LAST 10 FISCAL YEARS ENDING JUNE 30 (FOR YEARS INFORMATION IS AVAILABLE)

Total OPEB Liability:	2025	2024	2023	2022	2021
Service cost	\$ 221,165	\$ 223,240	\$ 238,200	\$ 281,498	\$ 296,485
Interest	210,793	204,380	221,738	155,204	134,518
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	635,204	-	(495,399)	-	1,480,000
Changes of assumptions of other inputs	(918,768)	-	(363,724)	(513,837)	(535,112)
Benefit payments	(559,728)	(489,994)	(452,195)	(432,129)	(450,864)
Net change in total OPEB liability	(411,334)	(62,374)	(851,380)	(509,264)	925,027
Total OPEB liability - beginning	\$ 5,409,512	\$ 5,471,886	\$ 6,323,266	\$ 6,832,530	\$ 5,907,503
Total OPEB liability - ending	\$ 4,998,178	\$ 5,409,512	\$ 5,471,886	\$ 6,323,266	\$ 6,832,530
Estimated Covered - employee payroll	\$ 25,121,824	\$ 23,125,849	\$ 22,343,815	\$ 24,239,509	\$ 23,419,815
Total OPEB liability as a percentage of estimated covered - employee payroll	19.90%	23.39%	24.49%	26.09%	29.17%
Total OPEB Liability:	2020	2019	2018	2017	
Service cost	\$ 230,479	\$ 210,051	\$ 204,928	\$ 204,928	
Interest	246,463	223,689	224,519	231,843	
Changes of benefit terms	-	-	-	-	
Differences between expected and actual experience	-	(722,268)	-	-	
Changes of assumptions of other inputs	394,273	(181,747)	-	-	
Benefit payments	(420,372)	(508,240)	(613,249)	(678,832)	
Net change in total OPEB liability	450,843	(978,515)	(183,802)	(242,061)	
Total OPEB liability - beginning	\$ 5,456,660	\$ 6,435,175	\$ 6,618,977	\$ 6,861,038	
Total OPEB liability - ending	\$ 5,907,503	\$ 5,456,660	\$ 6,435,175	\$ 6,618,977	
Estimated Covered - employee payroll	\$ 19,487,406	\$ 18,828,412	\$ 21,114,927	\$ 20,499,929	
Total OPEB liability as a percentage of estimated covered - employee payroll	30.31%	28.98%	30.48%	32.29%	

Notes to Schedule:

Significant methods and assumptions used in calculating the actuarially determined contributions:

Significant methods and assumptions used in calculating the actuarially determined contributions are described 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 adopted GASB 75 during fiscal 2017, as a result, only nine years of information are presented.



SUPPLEMENTARY INFORMATION

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2025**

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Local sources:				
Property taxes	\$ 3,451,000	\$ 3,451,000	\$ 3,539,591	\$ 88,591
Interest on investments	53,000	53,000	98,378	45,378
TOTAL REVENUES	3,504,000	3,504,000	3,637,969	133,969
EXPENDITURES				
Debt service	3,677,720	3,677,720	3,677,700	20
TOTAL EXPENDITURES	3,677,720	3,677,720	3,677,700	20
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(173,720)	(173,720)	(39,731)	133,989
NET CHANGE IN FUND BALANCE	(173,720)	(173,720)	(39,731)	133,989
BEGINNING FUND BALANCE, JULY 1, 2024	173,720	173,720	552,675	378,955
ENDING FUND BALANCE, JUNE 30, 2025	\$ -	\$ -	\$ 512,944	\$ 512,944

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Local sources:				
Miscellaneous	\$ -	\$ -	\$ 24,258	\$ 24,258
Interest on investments	163,031	163,031	255,020	91,989
TOTAL REVENUES	<u>163,031</u>	<u>163,031</u>	<u>279,278</u>	<u>116,247</u>
EXPENDITURES				
Facilities acquisition and construction	<u>7,412,406</u>	<u>7,412,406</u>	<u>3,196,329</u>	<u>4,216,077</u>
TOTAL EXPENDITURES	<u>7,412,406</u>	<u>7,412,406</u>	<u>3,196,329</u>	<u>4,216,077</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(7,249,375)</u>	<u>(7,249,375)</u>	<u>(2,917,051)</u>	<u>4,332,324</u>
NET CHANGE IN FUND BALANCE	(7,249,375)	(7,249,375)	(2,917,051)	4,332,324
BEGINNING FUND BALANCE, JULY 1, 2024	<u>7,249,375</u>	<u>7,249,375</u>	<u>5,982,789</u>	<u>(1,266,586)</u>
ENDING FUND BALANCE, JUNE 30, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,065,738</u>	<u>\$ 3,065,738</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – PERS RESERVE FUND
YEAR ENDED JUNE 30, 2025**

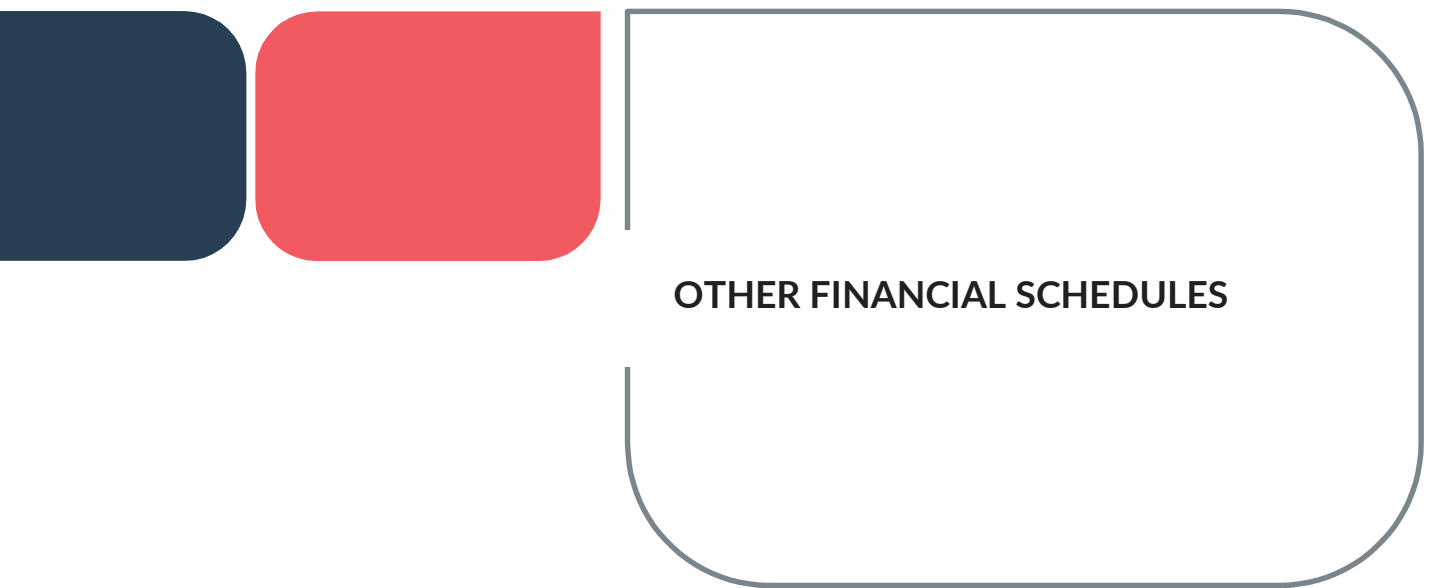
	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
EXPENDITURES				
Contingency	\$ 700,000	\$ 700,000	\$ -	\$ 700,000
TOTAL EXPENDITURES	<u>700,000</u>	<u>700,000</u>	<u>-</u>	<u>700,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>	<u>700,000</u>
NET CHANGE IN FUND BALANCE	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>	<u>700,000</u>
BEGINNING FUND BALANCE, JULY 1, 2024	<u>962,183</u>	<u>962,183</u>	<u>962,183</u>	<u>-</u>
ENDING FUND BALANCE, JUNE 30, 2025	<u>\$ 262,183</u>	<u>\$ 262,183</u>	<u>\$ 962,183</u>	<u>\$ 700,000</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – FIDUCIARY FUND
YEAR ENDED JUNE 30, 2025**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Local sources:				
Contributions	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 16,500</u>	<u>\$ (3,500)</u>
TOTAL REVENUES	<u>20,000</u>	<u>20,000</u>	<u>16,500</u>	<u>(3,500)</u>
EXPENDITURES				
Current:				
Enterprise and community services	<u>20,000</u>	<u>20,000</u>	<u>16,500</u>	<u>3,500</u>
TOTAL EXPENDITURES	<u>20,000</u>	<u>20,000</u>	<u>16,500</u>	<u>3,500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BEGINNING FUND BALANCE, JULY 1, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE, JUNE 30, 2025	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	General Fund	PERS Reserve Fund	Total
REVENUES			
Local sources:			
Property taxes	\$ 14,709,372	\$ -	\$ 14,709,372
Charges for services	424,174	-	424,174
Interest on investments	673,306	-	673,306
Miscellaneous	310,868	-	310,868
Intermediate sources:			
Intergovernmental	1,550,217	-	1,550,217
State sources:			
State school support	43,841,537	-	43,841,537
Intergovernmental	1,252,095	-	1,252,095
Federal sources:			
Intergovernmental	14,544	-	14,544
TOTAL REVENUES	62,776,113	-	62,776,113
EXPENDITURES			
Current:			
Instruction	39,445,192	-	39,445,192
Support services	23,134,717	-	23,134,717
Facilities acquisition and construction	13,854	-	13,854
TOTAL EXPENDITURES	62,593,763	-	62,593,763
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	182,350	-	182,350
NET CHANGE IN FUND BALANCE	182,350	-	182,350
BEGINNING FUND BALANCE, JULY 1, 2024	1,051,415	962,183	2,013,598
ENDING FUND BALANCE, JUNE 30, 2025	\$ 1,233,765	\$ 962,183	\$ 2,195,948



OTHER FINANCIAL SCHEDULES

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.

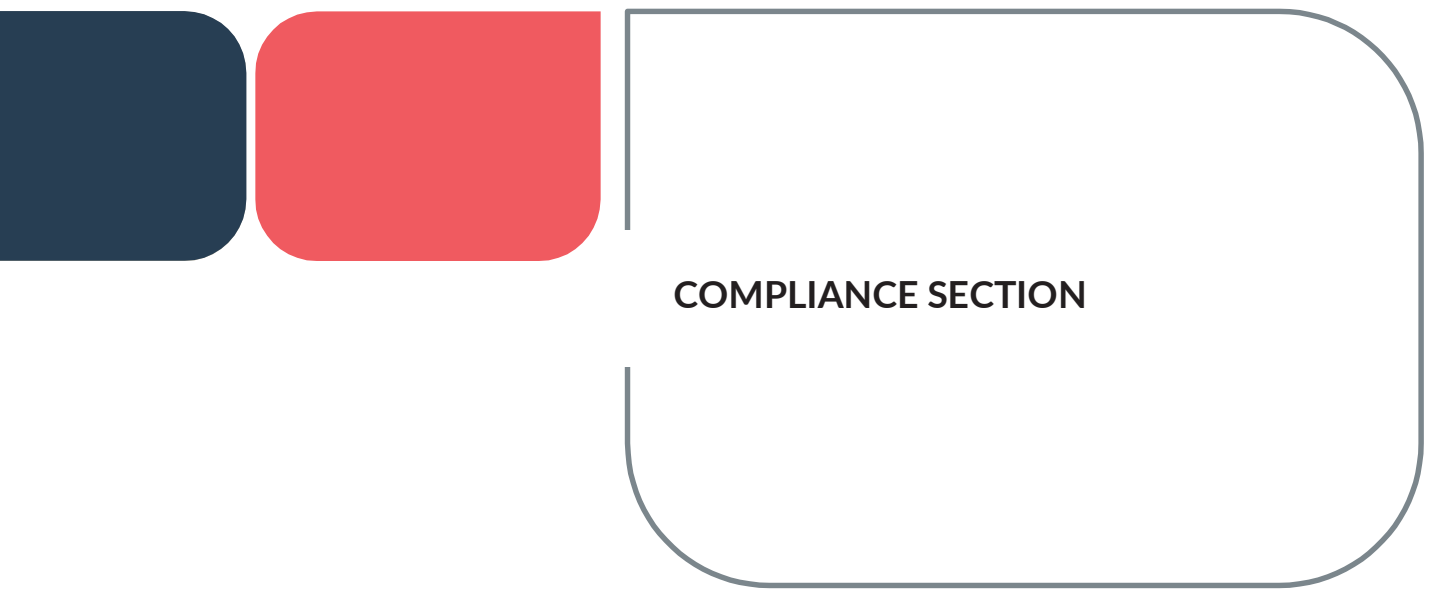
A. Energy Bill for Heating - All Funds:
Please enter your expenditures for electricity,
heating fuel, and water & sewage for these
Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$1,252,540
Function 2550	\$0

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

Exclude these functions:	\$520
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.*



COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

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

We have audited the basic financial statements of the Jackson County School District No. 6 (the District) as of and for the year ended June 30, 2025, and have issued our report thereon dated January 15, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 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 (ORS Chapter 294).
- Public contracts and purchasing under ORS Chapters 279A, 279B, 279C.
- State School Distribution Factors.

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 grant agreements, 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 disclosed in Note 1 of 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 (internal control) 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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Restriction on Use

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



Aria Bettinger, CPA
Sorren CPAs, P.C.
Medford, Oregon
January 15, 2026

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson County School District No. 6 (the District) as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 15, 2026.

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 or significant deficiencies may exist that were not 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.

A handwritten signature in black ink that reads "Aria Bettinger". The signature is fluid and cursive, with the first name "Aria" and last name "Bettinger" clearly distinguishable.

Aria Bettinger, CPA
Sorren CPAs, P.C.
Medford, Oregon
January 15, 2026

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jackson County School District No. 6's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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 (GAAS); 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.

A handwritten signature in black ink that reads "Aria Bettinger". The signature is fluid and cursive, with the first name "Aria" and last name "Bettinger" clearly distinguishable.

Aria Bettinger, CPA
Sorren CPAs, P.C.
Medford, Oregon
January 15, 2026

JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass Through Grant Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed through Oregon State Department of Education:			
National School Breakfast	10.553	N/A	\$ 686,134
National School Lunch Program	10.555	N/A	1,822,690
National School Lunch Program - Commodities	10.555	N/A	230,682
National School Lunch Program - Supply Chain Assistance	10.555	N/A	117,797
Summer Food Service Program for Children	10.559	N/A	353,579
Summer Food Service Program - Commodities	10.559	N/A	980
Fresh Fruit and Vegetable Program	10.582	N/A	139,989
Total Child Nutrition Cluster			<u>3,351,851</u>
Child and Adult Care Food Program	10.558	N/A	106,883
Child and Adult Care Food - Commodities	10.558	N/A	6,546
Total AL 10.558			<u>113,429</u>
Total U.S. Department of Agriculture			<u>3,465,280</u>
U.S. Department of Education:			
Passed through Oregon State Department of Education:			
Title I Grants to Local Educational Agencies (23-24)	84.010	76443	102,782
Title I Grants to Local Educational Agencies (24-25)	84.010	82126	936,431
Total AL 84.010			<u>1,039,213</u>
Special Education - Grants to States (23-24)	84.027	77934	5,431
Special Education - Grants to States (24-25)	84.027	83458	884,955
Special Education - Preschool Grants (24-25)	84.173	83647	11,420
Total Special Education Cluster (IDEA)			<u>901,806</u>
Career and Technical Education - Basic Grants to States (23-24)	84.048	76381	7,153
Career and Technical Education - Basic Grants to States (24-25)	84.048	81251	53,928
Total AL 84.048			<u>61,081</u>
English Language Acquisition State Grants (23-24)	84.365	76969	18,033
English Language Acquisition State Grants (24-25)	84.365	82312	26,768
Total AL 84.365			<u>44,801</u>
Supporting Effective Instruction State Grants (22-23)	84.367	72675	20,310
Supporting Effective Instruction State Grants (23-24)	84.367	76640	100,739
Supporting Effective Instruction State Grants (24-25)	84.367	82389	56,374
Total AL 84.367			<u>177,423</u>
Student Support and Academic Enrichment State Grant (23-24)	84.424	77071	8,555
Student Support and Academic Enrichment State Grant (24-25)	84.424	82586	80,837
Total AL 84.424			<u>89,392</u>
COVID-19 Education Stabilization Fund - ARP ESSER Homeless Children and Youth	84.425W	69327	25,971
Total AL 84.425			<u>25,971</u>
Total U.S. Department of Education			<u>2,339,687</u>
U.S. Department of Health and Human Services			
Passed through Oregon State Department of Education:			
Title IV-E Foster Care Student Transportation	93.658	81301	19,831
Total AL 93.658			<u>19,831</u>
Total U.S. Department of Health and Human Services			<u>19,831</u>
Total Expenditure of Federal Awards			<u>\$ 5,824,798</u>
U.S. Department of Agriculture:			
Passed through Southern Oregon Education Service District:			
Schools and Roads - Grants to Counties	10.666	N/A	\$ 14,544
Total Forest Service Schools and Roads Cluster			<u>14,544</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

NOTE A – BASIS OF PRESENTATION

The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Jackson County School District No. 6 (the District) under programs of the federal government for the year ended June 30, 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, and changes in fund balance of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – FOOD DISTRIBUTION

Non-monetary assistance is reported in the Schedule at fair market value of the commodities received and disbursed. For the year ended June 30, 2025, the District received food commodities totaling \$231,662.

NOTE E – SUBRECIPIENTS

The District did not have any federal awards that were passed through to subrecipients for the year ended June 30, 2025.

NOTE F – SCHOOLS AND ROADS – GRANTS TO COUNTIES

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
#10.553, 10.555, 10.559 ,10.582	Child Nutrition Cluster
#84.010	Title I Grants to Local Education Agencies

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

Auditee qualified as a low-risk auditee? ☐ Yes ☒ No

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

SECTION II – FINANCIAL STATEMENT FINDINGS

None Reported

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

FINANCIAL STATEMENT FINDINGS

2024-001: Financial Reporting: Year-End Close – Material Weakness.

Condition – Cash, accounts receivable and related revenue, and liabilities and related expenses were not properly recorded at June 30, 2024.

Recommendations – We recommend that the District enhance internal controls to ensure that all accounts are reconciled timely, all necessary year end calculations are completed, and that work is reviewed on a regular basis.

Current Status – No similar findings were noted in the fiscal year 2025 audit.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported