

**JACKSON COUNTY SCHOOL DISTRICT 549C  
MEDFORD, OREGON**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Year Ended June 30, 2025**



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**JACKSON COUNTY SCHOOL DISTRICT 549C  
MEDFORD, OREGON**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Year Ended June 30, 2025**



Prepared by:  
Business Services Division

\*\*\*\*\*

Brad Earl  
Assistant Superintendent

John Petach  
Controller

Stephanie Householder  
Sr. Accountant/Financial Analyst

Matthew Price  
Sr. Accountant/Financial Analyst

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**MEDFORD, OREGON**  
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**MEDFORD, OREGON**  
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## **INTRODUCTORY SECTION**



December 18, 2025

Board of Directors and Citizens of Jackson County School District 549c  
Jackson County School District 549C  
900 Kenyon Street  
Medford, OR 97501

Oregon Municipal Audit Law requires that an independent audit be made of all District funds within six months following the close of the fiscal year. Pursuant to this requirement, the Annual Comprehensive Financial Report (ACFR) of Jackson County School District 549C (District) for the fiscal year ended June 30, 2025 is hereby submitted. The responsibility for the completeness, accuracy, and reliability of the data presented and all accompanying disclosures rests with the District. To the best of our knowledge, the enclosed data and all accompanying disclosures are accurate and fairly present the financial position, results of operation and cash flow of the various funds of Jackson County School District 549C as of June 30, 2025. This report is submitted in accordance with the provisions of Oregon Revised Statutes 297.405 through 297.555, referred to as the Municipal Audit Law. These statutes require that Jackson County School District 549C annually issue a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants.

To provide a reasonable basis for making these representations, District management has established and maintains an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefit likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal control structure is subject to periodic evaluation by management. We believe the internal controls adequately safeguard the assets and provide reasonable assurance of proper recording of all financial transactions.

The provisions of Oregon Revised Statutes 297.425 through 297.555, inclusive, require that an independent audit of financial records and affairs of all District fund types be completed within six months following the close of the fiscal year. The auditors selected by the Board of Directors, Clear Trail CPA's, have completed their audit of the basic financial statements for the fiscal year ended June 30, 2025, and their unmodified Independent Auditors' Report is presented as the first component of the financial section of this report. The Independent Auditor's Report indicates that the basic financial statements present fairly, in all material respects, the District's financial position, results of operations and cash flows in conformity with GAAP.

The Single Audit Act of 1984 and the Single Audit Act Amendments of 1996 require state and local governments that expend \$750,000 or more in federal assistance in a year have a special form of audit

conducted for that year. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Grant Compliance Review section.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report in the financial section of this report.

## **THE DISTRICT**

Jackson County School District 549C, also known as the Medford School District, began as District No. 49 when it encompassed only the immediate area of Medford. In 1957, West Side and Oak Grove School Districts consolidated with District No. 49, followed by the outlying school districts of Ruch, Jacksonville, Lone Pine, Griffin Creek and Howard in 1959. At this time, the State Department of Education renumbered the District to 549C. The District encompasses 361 square miles, running from the California border on the southwest, to the Eagle Point School District on the northeast near White City. A unique boundary down Barnett Road in the Medford city limits divides Jackson County School District 549C and Phoenix-Talent School District on the southeast, while Central Point School District provides the north and northwest boundary.

The District is currently comprised of fourteen elementary schools, three middle schools, two high schools, one secondary school of choice, one K-8 online school and four charter schools and for the 2024-25 school year enrollment was 13,582 students. Total enrollment in the District has dropped over 4% since 2019 and is projected to be flat in total until 2032 and to drop 0.5% per year from 2032-2042. It should be noted that non-charter schools which make up about 84% of total enrollment have dropped more than 8% since 2019 and charter school enrollment which makes up about 16% of total enrollment has actually grown over 24% since 2019. It is also important to note, the majority of the enrollment drop has occurred at the elementary school level.

Jackson County School District 549C is governed by an elected seven-member board of directors that has responsibility and control over all activities related to the District. The board of directors is elected by a majority of electorate voting. The latitude afforded under the State Statutes allows the board of directors to significantly influence operations. In addition, the board of directors is accountable for all fiscal matters. Jackson County School District 549C is financially independent.

The District is the lowest level of government exercising responsibility for all public school education within its boundaries. As a result, all significant activities and organizations have been included in the basic financial statement.

The District Board is supported by a fourteen-member budget committee comprised of the seven members of the board of directors and seven patrons appointed by the board of directors. Current District administration includes the superintendent, who is appointed by the board of directors, one chief academic officer, one chief operations officer, four directors, one supervisor and nineteen building principals.

## **LOCAL ECONOMY**

This section details the economic outlook and local economy for Jackson County Oregon using the most recent economic data from the 2023 Census Bureau from <https://datausa.io/profile/geo/jackson-county-or>. Medford School District 549c is the largest school district in Jackson County. Jackson County has a population of 222,563 down 0.0184% from the prior year. Average county resident age is 42.7. Of the county population, 98,844 are employed down 0.354% from the prior year. The median household income in Jackson County is \$71,443 up 5.54% from prior year and Median property value is \$400,200 up 8.31% from the prior year and 65% of county residents are home owners. The overall poverty rate in Jackson County is 12.4% down 6.27% from prior year.

## **EMPLOYMENT**

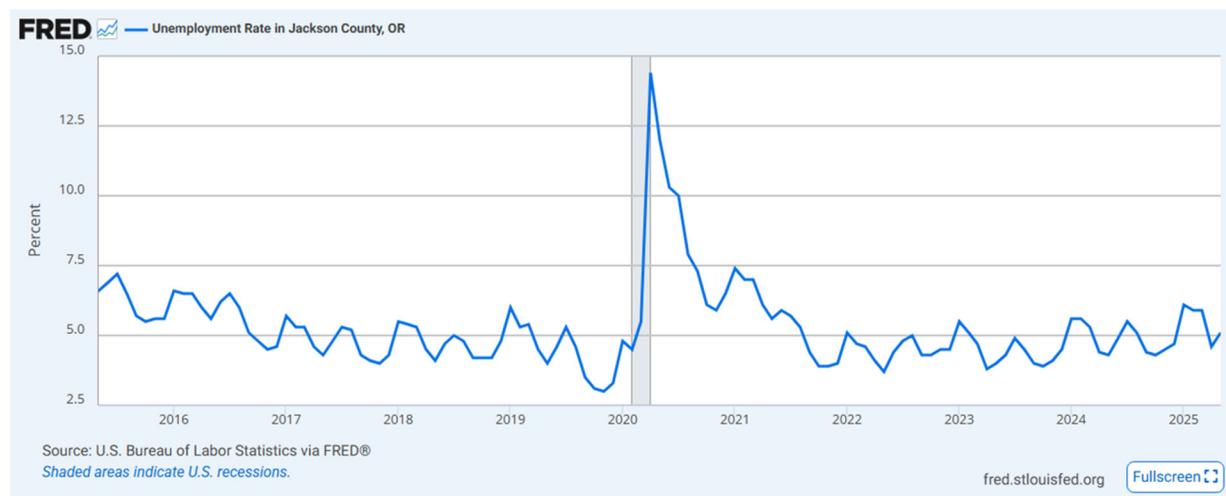
The most common job groups, by number of people living in Jackson County in 2023, were Office and Administrative Support Occupations (12,351 people), Management Occupations (11,858 people), and Sales & Related Occupations (9,783 people).

The most common employment sectors for those who live in Jackson County in 2023 were Health Care & Social Assistance (18,798 people), Retail Trade (14,145 people), and Accommodation & Food Services (7,737 people).

The industries with the best median earnings for men in Jackson County in 2023 were Public Administration (\$84,773), Finance & Insurance, & Real Estate & Rental & Leasing (\$73,555), and Educational Services, & Health Care & Social Assistance (\$69,224).

The industries with the best median earnings for women in Jackson County in 2023 were Public Administration (\$55,821), Construction (\$45,244), and Finance & Insurance, & Real Estate & Rental & Leasing (\$43,241).

The Saint Louis Federal Reserve tracks unemployment statistics for a large number of areas throughout the country on a month to month basis. The graph below shows the 10 year history of unemployment From May 2016 to May 2025 where the unemployment rate, has decreased from 6.6% to 5.1% in Jackson County.



## **POINTS OF INTEREST**

Jackson County School District 549C is located in and around the city of Medford, Oregon, in the heart of Southern Oregon's Rogue Valley. It is ideally situated between the Cascade Mountain Range to the east, the Coast Mountain Range to the west, and the Siskiyou Mountains to the south. The Rogue Valley has mild, moist winters and dry, hot summers. The area's hospitable climate, rich agricultural bounty and friendly residents combine to make Medford a great place to live and work. Easy access to northern California and the rest of Oregon via Interstate 5 makes Medford a well-placed tourist and travel destination. Medford is Oregon's eighth largest city and serves as the retail trade center for southern Oregon. Since Oregon has no sales tax, Medford also attracts a large number of shoppers from northern California.

The employment base in the Rogue Valley includes health services, timber products, agriculture, manufacturing, wholesale and retail trade, and governmental and public services. Agriculture is a major activity in the area. Crops grown in the Rogue Valley include pears, apples, grapes, other fruits and more recently hemp and marijuana. The Rogue Valley is famous for pear orchards, which earned it the name of the "Pear Capital of the World", but with drought, urban growth and the legalization of marijuana the landscape has been changing over the last decade. A moderate amount of pear orchards have been pulled out and replaced with housing or hemp or marijuana growing. With the legalization of marijuana in Oregon in 2014, marijuana and hemp growing replaced some orchards or other crops in Jackson County and the State of Oregon. In the State of Oregon there were 105 acres of hemp grown in 2015 that increased to 64,142 acres in 2019 but has since dropped back down to 1,799 acres in 2024. There are 59 hemp farms cultivating 741 acres Jackson County. In addition, there is a burgeoning wine industry in Southern Oregon with three adjacent river valleys (Bear Creek, Applegate and Illinois Valley) that extend from the foothills of the Siskiyou Mountains along the California border north to the Rogue River. The region is 70 miles wide by 60 miles long and encompasses the Applegate valley sub-appellation.

Medford and the surrounding area offer a number of year-round recreational activities. Medford lies at the edge of the Rogue River National Forest with numerous camping and hiking facilities. Mount Ashland, a 34-mile drive from Medford, offers day and night skiing from December to April. The Pacific Crest National Scenic Trail, stretching from Mexico to Canada, is nationally recognized for some of the best hiking in America and is accessible from several points around Medford. The Rogue River, which runs north of Medford, is famous for its abundant runs of salmon, steelhead, rainbow trout, as well as white-water rafting. Crater Lake, Oregon's only National Park, is located 80 miles northeast of Medford and is a popular destination.

The Oregon Shakespeare Festival held in Ashland, which is located 14 miles to the south of Medford, has grown over the years to become one of Oregon's premier attractions. The annual season runs from the end of February to the end of October. Another major cultural attraction is the Britt Music Festival in Jacksonville. It originally began as a classical music festival held during the month of August. The season has expanded to include June through September performances in classical, blues/jazz, country/folk/blue grass, rock, pop, dance, and musical theatre.

Providence Hospital and Medical Center and Rogue Regional Medical Center provide a wide variety of medical services. Rogue Regional Medical Center is the largest medical facility between Eugene, Oregon and Redding, California. Medical care expansion is due to the large number of retirees who have moved into the area. The Rogue Valley has become a popular retirement center in Oregon.

## **POINTS OF INTEREST (continued)**

Medford is a community with fine schools, active youth programs, a wide variety of parks, and a progressive city government. The City of Medford's staff is dedicated to providing quality services to all its citizens.

Education in the area is considered to be outstanding. The District's neighborhood schools provide excellent learning opportunities in one of Oregon's highest quality educational systems. For the 2024-25 school year the District served 13,582 students with a challenging curriculum, competitive sports in both middle schools and high schools, and exciting social events. Rogue Community College and Southern Oregon University offer fine opportunities for higher education.

## **OTHER INFORMATION**

**SCHOOL IMPROVEMENT** The mission of the Medford School District focuses on success for all students both in their current schooling endeavors and also in developing credible plans for post-secondary training.

Our education plan has been designed so every student may find connections, meaning and understanding with their daily school experience, with their teachers, and with their peers. We desire our staff to know every student by name, strength and need and then do something about it to make the students entire school experience meaningful and relevant. Each school in Medford uses student performance indicators to develop school improvement plans that are reflected in the overarching District's Continuous Improvement Plan. Staff development activities target skill areas identified in the school improvement plans.

As a result of increased focus on achieving results for students, the District's graduation rate has significantly improved over the last decade. The Medford School District (the District) 2023-24 4 year graduation rates were above the state average at 85.26%. This is a dramatic 21.35% rate increase over from the 63.91% 4 year graduation rate in 2011-12. Sustaining and improving future graduation rates will require a concerted effort on behalf of all staff, students, families and community partners to improve its academic programs and offerings, its co-curricular opportunities, its community and civic involvement and its student results and outcomes.

The District has launched new Reading curriculum two years ago and is about to launch new Math curriculum to address challenges with only 38% of students having reading proficiency at third grade in 2023-24 and only 22% having math proficiency at 8<sup>th</sup> grade in 2023-24.

## **BUDGETING CONTROLS**

The objective of school district budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the board of directors. Activities of the General, Special Revenues, Student Body, Debt Service, Capital Projects, Health Insurance, and Expendable Trust Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by major function category (Instruction, Support Services, Community Services, Facilities Acquisition, Debt Service, Fund Transaction, and Operating Contingency) within an individual fund. The District also maintains an encumbrance accounting system as one measure of accomplishing budgetary control. As demonstrated by the statements and schedules included in the financial section of this report, the District continues meeting its responsibility for sound financial management.

## **BUDGETING CONTROLS** (Continued)

The District annually prepares a budget to control fiscal operations for one-year periods. Oregon Local Budget Law requires the appointment of a budget committee to review and approve the budget. The administration proposes a budget to the budget committee at which time the budget committee reviews and ultimately recommends a budget to the District Board of Directors. A summary of the approved budget, together with a notice of public hearing, is published in a newspaper with general circulation in the school district. A public hearing is held to receive comments from the public concerning the approved budget. The board of directors adopts the budget, makes appropriations and levies taxes after the public hearing and before the beginning of the year for which the budget has been prepared.

**FINANCIAL REPORTING** The District's financial statements are prepared in accordance with GAAP. In addition to presenting the financial position, results of operations and changes in financial position of the District's funds, the financial statement reconciles differences in reporting activities between the budgetary basis as presented in the annual approved budget and the basis according to GAAP.

## **LONG RANGE FACILITIES PLANNING**

On November 7, 2006, voters approved a \$188.98 million bond authorization. From 2006 to 2013, the District completed construction projects to rebuild or remodel most of its school buildings. The projects included new construction to replace one high school and several elementary schools, as well as an extensive remodeling of another high school, minor to significant upgrades to other facilities and seismic and system upgrades to improve safety, security and efficiency. The construction plan began in the summer of 2007 with design work for both high schools and nine elementary schools. The entire project was completed in the 2013 calendar year. In February 2007 the District issued \$40 million of the authorized \$188.98 million authorization. The District issued an additional \$50 million of the authorized general obligation bonds in November, 2007 and \$65 million in April 2008. The remaining balance of \$33.98 million in the general obligation bond authorization was issued in June 2009. The bond sales were structured and sold as construction progressed and cash requirements dictated.

In April 2015, the District issued \$138,530,000 Par value refunding bonds with a \$22,395,910 premium to refund the majority of the outstanding General Obligation bonds with an average life of 11.473 years and a call date of June 15, 2025. The net present value savings from the refunding was \$10,490,534 and the net present value benefit was 7.573%. For more information on long-term obligations please see footnote 8 of the attached financial statements.

In February of 2021, in response to the pandemic, the District used \$1.9 million of federal ESSER II funds to purchase the Bartlett building to house various K-12 online/remote learning programs.

In May of 2021, the school district issued \$19.75 million of Full Faith and Credit Obligations to be used in conjunction with funds from the Elementary and Secondary School Emergency Relief funds to upgrade and seismically retrofit the Oakdale School as a third middle school which reopened in the fall of 2023.

In June of 2023, the District used \$7.5 million of General Fund reserves to purchase a building to house a high school of choice and in the fall of 2023, Innovation Academy was opened.

## **LONG RANGE FACILITIES PLANNING (continued)**

The District periodically updates its long range facility plan to assure investments in facilities made with the bond proceeds noted previously are maintained at a high level.

The following table is a list of District facilities detailing when they were built/acquired and the year of their last remodel.

<b><u>Medford School District 549c Facilities</u></b>		
<b><u>Facility</u></b>	<b><u>Year Built/Acquired</u></b>	<b><u>Year of Last Remodel</u></b>
Oak Grove Elementary	1891	2010
Griffin Creek Elementary	1902	2008,2018**
West Side School*	1909	1960
Jackson Elementary	1911	2009
Roosevelt Elementary	1911	2009
Grounds/Facilities/IMC/NTS	1912	N/A
Ruch Elementary	1913	2009, 2017**
Lone Pine Elementary	1926	2010
McLoughlin Middle School	1926	2010
Washington Elementary	1931	2008
Oakdale Middle School /MSDEC/Annex	1931	2024
District Office	1952	N/A
Jacksonville Elementary	1954	2009, 2023
Hedrick Middle School	1955	2010
Jefferson Elementary	1955	2008
Hoover Elementary	1958	2008,2019**
Wilson Elementary	1958	2009
Purchasing & Warehouse	1959	N/A
North Medford High School	1967	2012
Howard Elementary	1972	2009,2019**
District Annex	1975	N/A
Abraham Lincoln Elementary	1997	N/A
South Medford High School	2012	N/A
Bartlett Building	2021	N/A
Innovation Academy	2025	Ongoing

\* West Side School was sold to Madrone Trail Public Charter School in October of 2010.

\*\*Where facilities show two years for remodel, the second year reflects seismic upgrades.

**INDEPENDENT AUDIT** Oregon Revised Statutes, Section 297.405 to 297.555 and 297.990, known as the Municipal Audit Law, require an annual audit by independent certified public accountants. The accounting firm of Clear Trail, Certified Public Accountants, was selected by the District's Board of Directors to perform the 2024-25 audit. Clear Trail CPA's has been the District's auditor since fiscal year 2004. In addition to meeting requirements set forth in state statutes, the audit was designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133. Included in the financial section of this report is the auditor's report on the basic financial statements, combining statements, individual fund statements, and schedules.

**AWARDS** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jackson County School District 549C for its Annual Comprehensive Financial Report for the year ended June 30, 2024. This was the thirty second consecutive year the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both generally accepted accounting principles of the United States of America and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we will be submitting it to GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to Jackson County School District 549C for its Annual Comprehensive Financial Report for the year ended June 30, 2024. Receiving this award is recognition that the Jackson County School District 549C has met the highest standards of excellence in school financial reporting as adopted by ASBO. The District believes that the 2025 Annual Comprehensive Financial Report, which will be submitted to ASBO for review, will also conform to these standards.

### **ACKNOWLEDGEMENTS**

We wish to express our appreciation to the entire business services staff for their efforts and contributions to this Annual Comprehensive Financial Report. We would also like to thank the Members of the Board of Directors for their continued support and dedication to the financial operation of the District.

Respectfully Submitted,



Jeanne Grazioli  
Interim Superintendent



Brad Earl  
Assistant Superintendent, Operations



John W. Petach  
Finance Controller



Government Finance Officers Association

Certificate of  
Achievement for  
Excellence in  
Financial Reporting

Presented to

**Jackson County School District 549C Oregon**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended  
June 30, 2024

*Christopher P. Monell*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

## **Jackson County SD 549C**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2024.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.

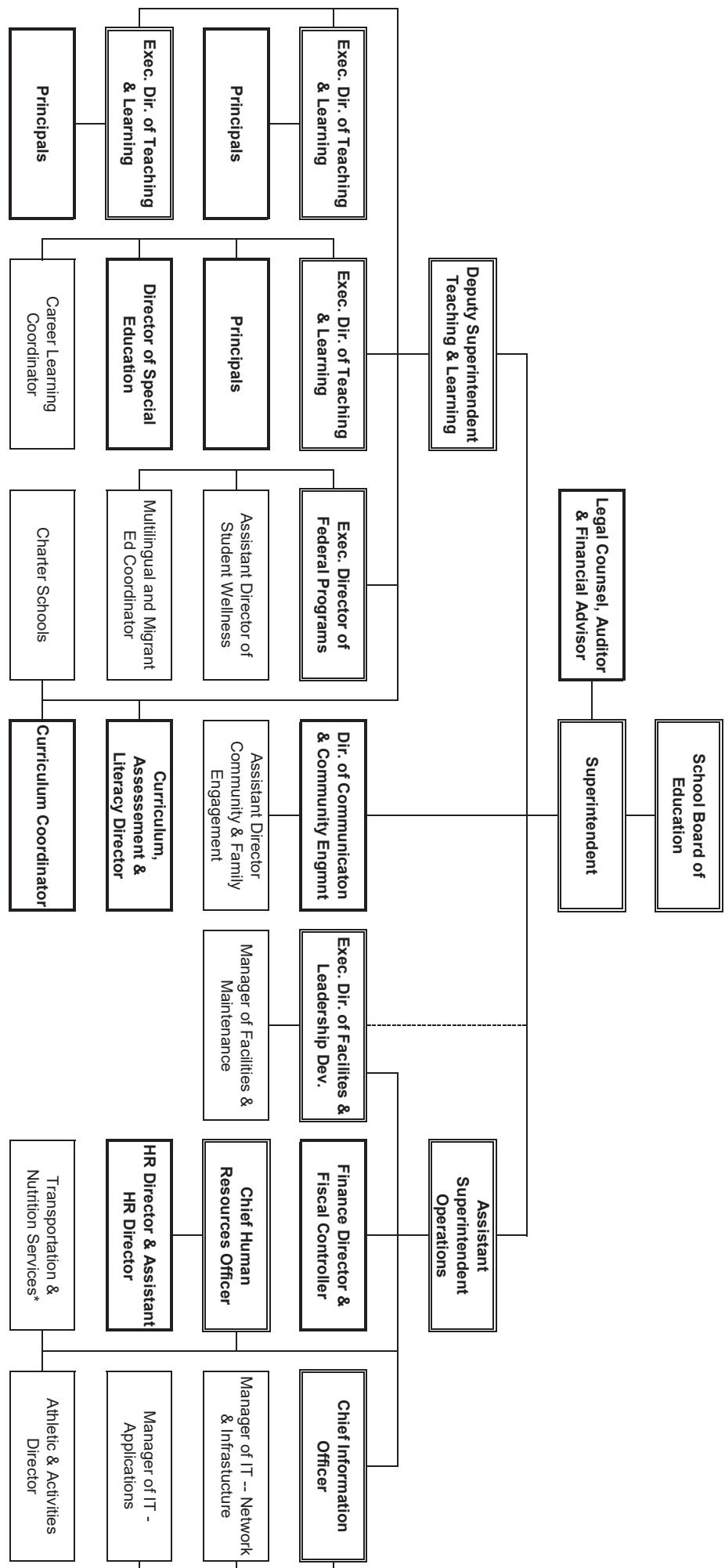


A handwritten signature in black ink that reads 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte**  
President

A handwritten signature in black ink that reads 'James M. Rowan'.

**James M. Rowan, CAE, SFO**  
CEO/Executive Director



**JACKSON COUNTY SCHOOL DISTRICT 549C  
MEDFORD, OREGON**

**BOARD OF DIRECTORS AS OF JUNE 30, 2025**

<u>NAME</u>	<u>TERM EXPIRES</u>
Lilia Caballero	June 30, 2027
Kendell Ferguson	June 30, 2027
Jeff Kinsella	June 30, 2025
Suzanne Messer	June 30, 2025
Sunny Spicer	June 30, 2027
Michael Williams	June 30, 2027
Cynthia Wright	June 30, 2025

**ADMINISTRATION for fiscal year ending June 30, 2025**

Bret Champion	Superintendent
Jeanne Grazioli	Interim Superintendent
Brad Earl	Assistant Superintendent, Operations
Ron Havniear	Executive Director of Facilities & Leadership Development
Natalie Hurd	Director of Communications & Community Engagement
Janel Reed	Chief Human Resources Officer
Jennifer Snow	Executive Director, Teaching & Learning
Kirk Kolb	Executive Director, Teaching & Learning
Marisa Poling	Family Outreach & Equity Coordinator

The above Board Members and Administration Officials receive mail at the address below:

Administrative Office  
900 Kenyon Street  
Medford, Oregon 97501

## **FINANCIAL SECTION**



## **CLEAR TRAIL CPAS**

Clear Solutions, Clear Results

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2850 SW Cedar Hills Blvd, #2074, Beaverton OR 97005 • 503-586-7170 • ClearTrailCPAS.com

December 18, 2025

### INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Jackson County School District 549C  
Medford, 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 549C, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the 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 Jackson County School District 549C, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### **Basis for Opinions**

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jackson County School District 549C 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.

##### **Change in Accounting Principle**

The District adopted new accounting guidance, GASB Statement No. 101 – *Compensated Absences*, during the fiscal year under audit. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jackson County School District 549C's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Jackson County School District 549C'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 Jackson County School District 549C'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, budgetary comparison information, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information 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 budgetary comparison information presented as required supplementary 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. 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 information is 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 basic financial statements. The supplementary information, as 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 (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, 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. 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 supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the introductory, statistical, and the compliance and other reports sections, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 18, 2025, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Kenneth Allen, CPA  
CLEAR TRAIL CPAS

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JACKSON COUNTY SCHOOL DISTRICT 549C  
MEDFORD, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025**

As management of Jackson County School District 549C (the District), we offer readers of the District's financial statements this narrative discussion 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 additional information that we have furnished in our Transmittal Letter of this report.

### **FINANCIAL HIGHLIGHTS**

Government-wide financial statements use Net Position as a key metric reflecting overall financial position.

- Total Net Position is comprised of the following:
  - Net investment in Capital & Intangible Assets
  - Net Position restricted for debt service, capital projects, special grants and scholarship trust
  - Net Position unrestricted, which represents the net long-term result of operations of the District, after investment in capital assets.
- In the Government Wide Statements, the total assets and deferred outflows of the District are greater than its liabilities and deferred inflows at June 30, 2025 resulting in a net position of \$10.93 million, after a negative \$11.23 million restatement, which improved \$3.62 million from the prior year's net position of \$7.31 million
- The \$3.62 million increase in net position is driven by a \$10.52 million increase in deferred outflows partially offset by a \$3.40 million increase in deferred inflows, a \$2.20 million decrease in total assets, a \$1.30 million increase in total liabilities.
- Deferred outflows are up \$10.52 million or 22.1% primarily driven by a \$10.83 million increase in GASB 68 pension related deferred outflows.
- Deferred inflows are up \$3.40 million or 14.1% due primarily to the combination of a \$1.52 million increase in GASB 68 pension related deferred inflows and a \$2.37 million increase in district retiree health benefit deferred inflows
- The \$2.20 million or 0.8% decrease in total assets is primarily driven by a \$2.69 million decrease in current and other assets. This decrease was primarily driven by \$1.25 million lower cash and \$1.25 million lower accounts receivable.
- The District's total liabilities increased \$1.30 million or 0.4% due primarily to a \$7.02 million increase in long term debt partially offset by a \$5.54 million decrease in current liabilities. The long term debt increase is primarily driven by a \$4.90 million increase from the implementation of GASB 101 for compensated absences. See Footnote 8 for more information on long term liabilities.
- Total Program and General Revenues were up \$8.79 million or 3.7% driven by the combination of a \$9.07 million increase in General Revenues partially offset by a \$0.28 million reduction in Program Revenues. General Revenues are up primarily due to increases in the State School Fund and Property taxes. Program Revenues are down primarily due to the end of the ESSER grants on 09/30/2024.
- Total expenses were up \$4.38 million or 1.9% primarily driven by increasing wages from the combination of a 4.3% Cost of Living Adjustment (COLA) to wages for all employees plus regular step wage (longevity) increases for employees who qualify partially offset by a 29.75 FTE reduction in force.
- The Internal Service Fund for self-funded Health Insurance costs net position decreased to zero as this fund closed 09/30/2024 and the District moved to Oregon Educators Benefit Board (OEBB) for health insurance.
- In the Governmental Funds, fund balance increased \$3.24 million or 9.8%. The increase was primarily driven the combination of a \$1.78 million increase in the General Fund as a result of lower spending due to staff vacancies and a \$1.56 million increase in the Special Revenue fund due primarily a \$1.27 million increase in Special Revenue Chromebook reserves which accumulates funds over four years and then spends funds to replace most Chromebooks every fourth or fifth year.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This 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, and 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. These statements include:

- The *Statement of Net Position*. The *statement of net position* presents information on all of the assets, deferred outflows, liabilities and deferred inflows of the District at June 30, 2025. Net Position is what remains after the liabilities and deferred inflows/outflows have been paid or otherwise satisfied. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *Statement of Activities*. The *statement of activities* presents information showing how the Net Position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce Net Position. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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 regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through Oregon's State School Fund, property taxes, 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. Jackson County School District 549C, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds can be divided into three categories: governmental funds, internal service funds, 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 data 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 activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities. The District maintains four governmental funds. Information is presented separately in the governmental fund Balance Sheet and governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Special Revenues, Capital Projects and Debt Service Funds, all of which are considered to be major funds.

## **OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

**Internal Service Funds.** Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its self-insured employee health insurance program.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. Individual fund data for the fiduciary funds is provided as Supplemental Information in this report. The fiduciary funds included here are two private purpose trust funds and one custodial fund for student activities.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the District's major governmental funds.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net Position may serve, over time, to be a useful indicator of a government's financial position. Net Position is \$10.93 million at June 30, 2025, an increase of \$3.62 million or 49.5% from prior year's \$7.31 million net positon.

Capital assets, which consist of the District's land, buildings and improvements, equipment, vehicles, subscriptions and leases total \$227.35 million net of depreciation and represent 79.3% of total assets. The remaining \$59.24 million in assets consist mainly of cash and receivables (95.1%). Net deferred outflows are \$58.18 million which is up \$10.52 million or 23.1% due primarily to an updated GASB 68 pension accounting estimate reflecting higher future outflows needed to fund the Districts portion of the Oregon PERS unfunded pension liability.

The District's \$306.40 million in total liabilities are made up of \$287.85 million in long-term liabilities and \$18.55 million in current liabilities. The \$287.85 million in long-term liabilities includes: \$124.23 million of bonded debt net of premium, \$139.87 million for the District's proportionate share of the State of Oregon's Public Employee Retirement System (PERS) unfunded pension liability, \$7.63 million for GASB 73/75 Other Post-Employment Benefits (OPEB), \$0.42 million long term leases payable, \$1.49 million subscriptions payable and \$14.20 million for compensated absences payable. The \$18.55 million in current liabilities is made up of \$12.88 million of accrued salaries and benefits, \$5.12 million of accounts payable, \$0.36 million deferred revenue and \$0.19 million accrued interest payable.

Total Program and General Revenues were up \$8.79 million or 3.7% primarily driven by a \$9.07 million or 4.3% increase in General Revenues. The General Revenue increase was primarily driven by the combination of a \$5.75 million or 4.7% increase in Oregon State School Fund (SSF) funding. In addition, property taxes were up \$3.22 million or 5.5% driven primarily by the annual 3% annual statutory increase in value. Total program Revenues were essentially flat down \$0.28 million or 1.0% where capital grants were down \$2.34 million primarily due to the ESSER grant ending of the grant 09/30/2024. This drop was partially offset by a \$1.92 or 12.2 % increase in operating grants primarily in Student Investment Act (SIA) and to a lesser extent Juvenile Detention (JDEP).

While the net position is \$10.93 million overall, the District does have a positive \$106.93 million net investments in capital assets (such as land, building, vehicles and equipment) and intangible assets; these are reported less accumulated depreciation and less outstanding related debt used to acquire these assets. The District uses the 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 such as property taxes because the capital assets themselves cannot be used to liquidate these liabilities.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Net Position June 30, 2025 and June 30, 2024	June 30, 2025	June 30, 2024	Change
Current and other assets	59,249,818	61,942,859	(2,693,040)
Capital assets, net	227,349,348	226,862,397	486,951
<b>Total assets</b>	<b>286,599,166</b>	<b>288,805,255</b>	<b>(2,206,089)</b>
Pension Deferred Outflows	57,634,193	46,807,851	10,826,342
District Retiree Healthcare Deferred Outflow	210,249	315,373	(105,124)
District Retiree Stipend Deferred Outflows	269,890	516,455	(246,565)
Retiree Health Insurance Deferred Outflows	67,812	25,774	42,038
<b>Net Deferred Outflows</b>	<b>58,182,144</b>	<b>47,665,453</b>	<b>10,516,691</b>
Current liabilities, other than leases	18,546,416	24,084,918	(5,538,502)
Leases Payable, due within one year	331,949	96,049	235,900
Subscriptions Payable, due within one year	731,119	871,450	(140,331)
Long-term Subscriptions Payable	757,396	956,811	(199,415)
Long-term portion of leases payable	89,437	172,369	(82,932)
Long-term liabilities, other than leases	285,939,429	278,916,242	7,023,187
<b>Total liabilities</b>	<b>306,395,746</b>	<b>305,097,840</b>	<b>1,297,906</b>
Pension Related Deferred Inflows	15,630,577	14,108,156	1,522,421
PERS Retiree Health Insurance Deferred Inflows	221,578	167,779	53,799
District Retiree Stipend Deferred Inflows	6,637,397	4,266,156	2,371,241
Advance Refunding Deferred Inflows	4,969,200	5,521,334	(552,133)
<b>Net Deferred Inflows</b>	<b>27,458,752</b>	<b>24,063,425</b>	<b>3,395,328</b>
<b>Net Position:</b>			
Net investment in capital assets	106,926,498	95,227,362	11,699,136
Restricted for Debt Service	1,876,803	2,025,994	(149,191)
Restricted for Grants/Projects	7,233,751	5,412,000	1,821,751
Restricted for Capital Projects	505,317	454,979	50,339
Restricted for Scholarship Trust	205,420	199,933	5,487
Restricted for Food Service	1,405,496	1,206,568	198,928
Unrestricted	(107,226,473)	(97,217,391)	(10,009,082)
<b>Total Net Position</b>	<b>10,926,812</b>	<b>7,309,443</b>	<b>3,617,368</b>
<b>Revenues:</b>			
<b>Program Revenues:</b>			
Charges for service	665,716	522,689	143,027
Capital grants and contributions	8,130,129	10,468,299	(2,338,169)
Operating grants and contributions	17,585,895	15,670,069	1,915,826
<b>Total Program Revenues</b>	<b>26,381,740</b>	<b>26,661,056</b>	<b>(279,316)</b>
<b>General Revenues:</b>			
Property taxes	61,329,489	58,108,660	3,220,829
Construction Excise Taxes	1,214,094	1,350,404	(136,309)
State school fund – general support	127,687,963	121,940,637	5,747,326
Other state, intermediate and local sources	28,637,482	27,757,856	879,625
Earnings on Investments	3,138,672	3,731,212	(592,540)
Miscellaneous	125,715	175,553	(49,838)
<b>Total General Revenues</b>	<b>222,133,415</b>	<b>213,064,322</b>	<b>9,069,093</b>
<b>Total Program and General Revenues</b>	<b>248,515,155</b>	<b>239,725,378</b>	<b>8,789,777</b>
<b>Expenses:</b>			
Instruction	144,419,222	136,536,073	7,883,149
Support services	76,937,921	79,688,290	(2,750,369)
Community services	6,691,311	6,919,027	(227,715)
Interest on debt	5,615,338	6,137,937	(522,599)
<b>Total Expenses</b>	<b>233,663,792</b>	<b>229,281,326</b>	<b>4,382,466</b>
Change in Net Position	<b>14,851,363</b>	<b>10,444,052</b>	<b>4,407,311</b>
Beginning Net Position	<b>7,309,443</b>	<b>(3,134,608)</b>	<b>10,444,052</b>
Restatement	<b>(11,233,994)</b>	<b>-</b>	<b>(11,233,994)</b>
<b>Ending Net Position</b>	<b>10,926,812</b>	<b>7,309,443</b>	<b>3,617,368</b>

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

**Governmental activities.** In the Governmental Funds, fund balance increased \$3.24 million or 9.8%. The majority of the increase was driven by a \$1.56 million or 16.5% increase in the Special Revenue Fund and a \$1.78 million or 8.4% increase in the General Fund. The Special Revenue fund increase is primarily due to building reserves up in the Chromebook Fund where contributions are made annually and purchases are made every four years. The General Fund increase was primarily due to underspending on wages and associated payroll costs primarily due to staffing vacancies and to a lesser extent slightly higher revenue than expected.

Total Governmental revenues were up \$8.96 million or 3.6% driven primarily by higher Oregon State School funding and to a lesser extent higher property taxes. Total Governmental spending was down \$3.10 million or 1.2% due primarily to a \$3.51 million drop in Facilities/Capital spending driven by the end of ESSER grants which sunsetted 09/30/2024.

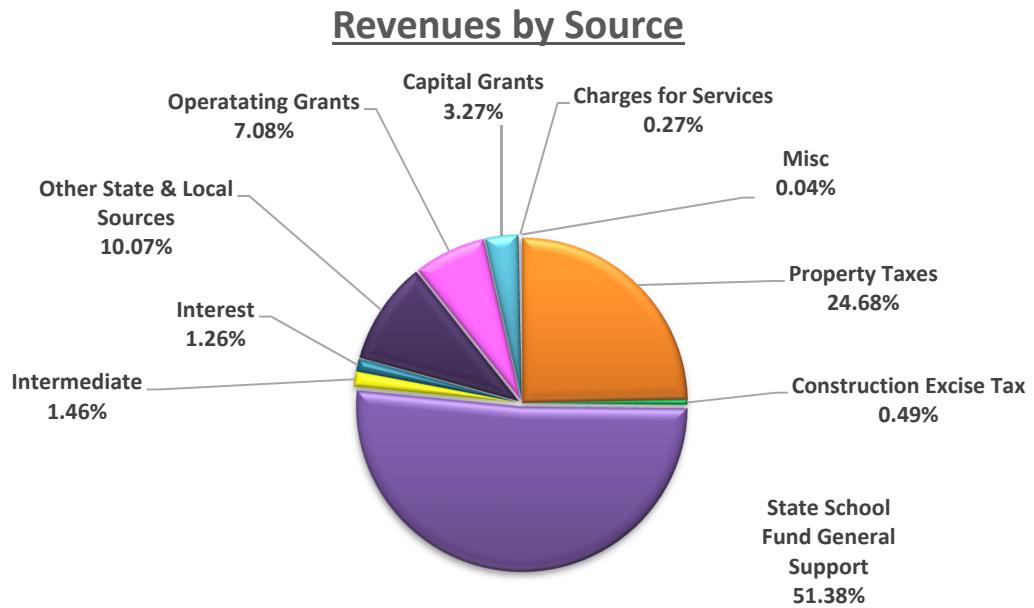
As noted in footnote 8 of this document, there are three bond issuances being serviced by the debt service fund at this time: the 2007 Limited Tax Pension Obligation Bonds, the 2015 General Obligation Refunding Bonds and the 2021 Full Faith & Credit Bonds. Across all bonds, the district repaid \$13.38 million of principal debt during the fiscal year and owes \$111.28 million of principal payments in future years. The 2007 Limited Tax Pension Obligation Bonds have continued debt service payments through fiscal year 2026-27, the 2015 General Obligation Refunding Bonds have continuing debt service payments due through fiscal year 2033-34, and the 2021 Full Faith & Credit Bonds have continuing debt service payments scheduled through fiscal year 2045-46.

The Governmental Fund balances increase of \$3.24 million is lower than the increase in the District's Net Position that increased \$14.85 million, an \$11.61 million difference between the two measurements. The variance between these two data points is detailed on page 34 where the drivers of the difference between fund balance change and net position change are shown. Of the \$11.61 million difference, \$11.23 million or 96.7% of the change was driven by the combination of \$13.38 million of debt principal payments partially offset by a \$2.15 reduction due how compensated absences are recognized differently between Net Position and Fund Balance statements. The other \$0.38 million in differences between the statements are detailed on page 34.

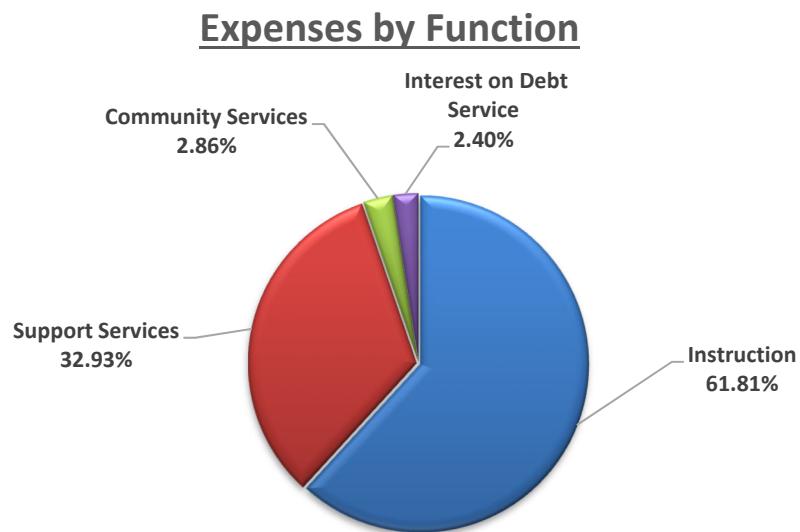
Net Position of \$10.93 million is \$25.23 million less than Governmental Fund balances of \$36.16 million, as shown on page 32 of this document. Of the \$25.23 million difference between governmental fund balances and net position, \$19.19 million or 76.1% of the difference is due to the combination of following items not reported in governmental funds: \$146.26 million of long term liabilities not payable in the current year and \$97.87 million of Oregon PERS Liabilities, deferred inflows and deferred outflows partially offset by \$234.93 million of Capital Assets net of depreciation. The remaining \$6.04 million of variances between Governmental fund balances and net position are detailed on page 32.

The statement of activities on page 30 includes an \$11.23 million negative restatement of beginning net position due to the adoption of Government Accounting Standards Board (GASB) statement number 101 for compensated absences this year. This GASB statement specifically results in adding an estimated liability for Sick Leave payable by looking at four prior years of actual sick leave usage. The analysis showed over 60% of all sick leave available at the beginning of each year is used during the fiscal year. If GASB 101 been adopted in the prior year, the District would have added an \$11.23 million liability for sick leave payable in the prior year, thus resulting in the need for a restatement of beginning net position.

The following chart illustrates the relative weights of the different sources of revenue from the Statement of Activities:



The following chart illustrates the relative weights of the different major expense functions from the Statement of Activities:



## **GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

### **GOVERNMENT-WIDE FUND TYPE DESCRIPTIONS**

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

At June 30, 2025, the District's governmental funds reported combined ending fund balances of \$36.16 million (page 33). The General Fund accounts for \$23.06 million, the Special Revenue Fund accounts for \$11.00 million, Debt Service Fund account for \$1.40 million, Capital Projects Fund for \$0.50 million and Other Governmental Funds account for \$0.20 million of the total.

*General Fund.* The General Fund is the chief operating fund of the District. As of June 30, 2025, the General Fund had a fund balance of \$23.06 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to the total of fund expenditures plus transfers out. Fund balance as a percentage of General Fund Expenditures plus transfers out to other funds decreased to 13.9% from 12.4% last year and 13.7% two years ago.

*Special Revenue Funds:* Special Revenue funds account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or bond funded major capital projects) that are legally restricted to expenditures for specified purposes. This includes Federal funds for the Individuals with Disabilities Education Act (IDEA), Title grants for the economically disadvantaged and for Food Service operations to supplement the feeding of students. Other examples of special revenue funds include temporary federal Elementary and Secondary School Emergency Relief (ESSER) funds, state Student Investment Act (SIA) funds funded from a state corporate activity tax and High School Success (HSS) funds. The ending fund balance for Special Revenue Funds is up \$1.56 million or 16.5% to \$11.0 million due primarily to building up the Chromebook reserve \$1.27 million. The Chromebook reserve is funded annually, and every four or five years the Chromebooks are replaced as they age/wear out.

*Capital Projects Fund.* The Capital Projects Fund was originally funded by a \$188.98 million bond measure approved in 2006. The major capital projects funded by these bond proceeds from bonds issued between 2006 and 2009 were completed in 2012 and most activity has ended except for payments to be received from the sale of the West Side School to the Madrone Trail Charter School. In May of 2021 the school district issued \$19.75 million of Full Faith and Credit (FFC) Obligations, \$22.50 million net of premium and cost of issuance, to be used in conjunction with funds from the Elementary and Secondary School Emergency Relief (ESSER) funds to upgrade and seismically retrofit the Oakdale School as a third middle school that reopened in the fall of 2023. The capital projects fund has a \$0.50 million fund balance up \$0.05 million due primarily to interest earnings.

*Debt Service Fund.* The Debt Service Fund is reserved for the payment of long-term general obligation debt, long-term limited tax pension bonds and full faith & credit bonds. The revenue source for the general obligation bonds is through a property tax levy with the amounts based on debt service requirements. The revenue source for the limited tax pension obligation bonds is through a payroll fringe expenditure based on debt service requirements. The revenue source for the full faith and credit bonds is a transfer from the General Fund. Debt Service fund balance is down \$0.15 million to \$1.40 million. More information on these bonds can be found in Note 8.

*Other Governmental Funds.* The Other Governmental Fund represents a permanent private purpose scholarship fund that has a fund balance of \$0.20 million equal to last year.

## GOVERNMENT-WIDE FUND TYPE DESCRIPTIONS (continued)

The basic governmental fund financial statements can be found on pages 31 and 33 of this report.

*Proprietary funds.* Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. There are two types of proprietary funds: Enterprise and Internal Service funds. Enterprise funds account for any activity for which a fee is charged to external users for goods or services, and Internal Service funds are used to account for the provision of goods or services by one department or agency to other departments or agencies of the state, or to other governmental units, on a cost-reimbursement basis. The District's self-funded health insurance fund is an internal service fund and detailed fund statements are available on pages 35-37 of this report. The health insurance fund net position declined \$1.01 million or 100% in fiscal 2024-25 due primarily to high medical claims. This fund was sunsetted 09/30/2024 and beginning 10/01/2024 the District is using the Oregon Educators Benefit Board (OEBB) to provide health insurance.

*Fiduciary funds.* Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs. Scholarship trust funds are an example of a Fiduciary fund. Fiduciary funds can be found on pages 38-39 of this report.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets.** The District's investment in capital assets includes land, buildings building improvements, vehicles and other equipment, Lease assets and Subscription assets. As of June 30, 2024, the District had invested \$226.35 million in capital assets, net of depreciation/amortization, as shown in the following table:

<u>Capital Assets</u> (Net of Depreciation) June 30, 2025 Governmental Activities	
Land	\$ 5,669,786
Buildings and improvements	216,155,578
Vehicles and equipment	3,108,001
GASB 87 Lease Assets	122,514
GASB 96 SBITA Assets	<u>2,293,469</u>
Total	<u>\$ 227,349,348</u>

Additional information of the District's capital assets can be found in Note 6 of this report.

**Long term obligations.** At the end of the current fiscal year, the District had total bonded debt outstanding principal of \$111.28 million, consisting of \$83.77 million of general obligation debt, \$9.79 million of pension obligation debt and \$17.72 million of full faith and credit obligations. In addition, the district has \$12.95 million of unamortized bond premium.

State statutes limit the amount of general obligation debt a governmental entity may issue to a percent of its total assessed valuation. The current debt limitation for the District is \$1,509.3 million. The District's current borrowing is at 7.43% of its legal debt capacity as noted in the statistical section on page 120 of this report.

Additional information on the District's long-term obligations can be found in Note 8 of this report.

## **SIGNIFICANT GENERAL FUND BUDGET VARIANCES**

Expenditure budgets are appropriated at the following level of control for each fund: Instruction, Support Services, Enterprise and Community Services, Facilities Acquisition and Construction, Other Uses of Funds. Interfund Transactions, Debt Service and Contingency. Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them when a need exists that was not determined at the time the budget was adopted. Expenditures of the General Fund were within authorized appropriations for the year ended June 30, 2025 except for Facility Acquisition and Construction which was over budget \$0.22 million due to higher than expected GASB 96 SBITA expenses. This overage is offset by an equal overage in Other Financing Sources and has no net impact to fund balance. See page 88 for General Fund budget versus actual revenue comparison by source, and see pages 89-92 for General Fund budget versus actual spending comparison by function.

## **DISTRICT VISION, ENROLLMENT AND FUTURE BUDGETS**

The District is guided by a shared vision “ALL are learning and learning is for ALL”. Graduation 4-year cohort rates have significantly improved over the last decade. The Medford School District’s 2023-24 4-year graduation rates were above the state average at 85.26%. This is a dramatic 21.35% rate increase over 63.91% in 2011-12. Sustaining and improving future graduation rates will require a concerted effort on behalf of all staff, students, families and community partners to improve its academic programs and offerings, its co-curricular opportunities, its community and civic involvement and its student results and outcomes.

While improvement in graduation rates has been solid, the district is struggling with third grade reading and eighth grade numeracy proficiency. In response, the District had a curriculum audit, launched new reading curriculum and will be launching new math curriculum next year in FY 2025-26. The continuing challenge for the District is how to best allocate finite resources and structure spending to best improve third grade reading, eighth grade numeracy and high school graduation results.

The primary ongoing revenue sources for the District are, in order, allocation of state taxes (primarily income taxes and corporate activity tax), local taxes (primarily property taxes) and to a lesser extent federal and state grants. Both the absolute amount of taxes collected and the competition for limited resources at the state level effect long term funding for K-12 education. In the September 2025 State of Oregon Revenue forecast, State economists noted. The most significant change to the revenue forecast pertains to the passage of federal House Resolution 1, which contains nearly 115 provisions that affect taxation. Oregon’s Legislative Revenue Office estimates the General Fund impact from this act to be -\$888 million in the 2025-27 biennium. The Oregon 2025 Legislature also enacted changes that affect revenues; however, the impact of these actions is relatively small. All totaled, economic and legislative adjustments incorporated into this forecast put the General Fund in a projected deficit position, albeit with most of the biennium left to unfold.” In addition Governor Kotek has noted, “H.R. 1 Cuts Federal Funding to Oregon by \$15 Billion over the next 6 years; \$1 Billion in 2025-27.” Maintaining a quality education model, given these economic realities is going to be challenging.

Enrollment is the primary driver of the allocation of state funds to schools. Due to declining birth rates starting in 2017-18 and loss of market share post pandemic, primarily to home schooling and charter schools, enrollment has fallen to levels last seen 30 years ago in the mid 1990’s. “Oregon’s population 0-4 years old has already declined by 10%, (and) in the decade ahead the K-12 (5-17 years old) population is expected to decline 10%”.

The District was awarded three Elementary and Secondary Education Relief fund grants totaling over \$51.330 million dollars. These grants were to be used to help increase safety and offset costs created by the COVID-19 pandemic. These grants had various spending timelines, but the largest ESSER III grant \$32.985 million had the longest spending time horizon and was fully spent out in this fiscal year at the end of September 2024. The majority of these funds were spent on capital investments to improve airflow/HVAC systems at schools and seismically upgrade Oakdale middle school.

## **DISTRICT VISION, ENROLLMENT AND FUTURE BUDGETS (cont.)**

The District's struggle with rapid spending growth is exemplified in its challenge to manage retirement costs. The Oregon Public Employees Retirement System (PERS) has an unfunded actuarial liability of \$29.8 billion when excluding side accounts at the end of 2024, and employer rates have been increased again for the 2025-27 biennium. The plan is 72% funded. In addition, Oregon PERS employer rates are very likely to increase for the 2027–2029 biennium. While final PERS rates for the 2027-29 biennium will not be set until late 2026, forecasts and actuarial reports point toward a necessary rate increase following disappointing investment returns in previous years.

Another issue driving costs up is the unfunded mandate driven by the rapid increase in Special Education Child Count (SECC) and the increase of SECC as a relative portion of total enrollment. From December 2019 to December 2024 SECC count increased 95 or 4.3% while overall enrollment dropped 637 students or 4.4% during the same period. The state does provide additional funding for SECC but caps that additional funding at 11% of total enrollment. The cap was put in place in 1991 and despite overwhelming evidence of increasing special education student counts across the nation, the state has not increased that cap for more than 30 years. The District's 16.90% SECC student count leaves one-third of special education students underfunded which equals approximately \$9 million in unfunded costs for services provided annually by the District. Despite this unfunded mandate, the District has added over 50 additional full time equivalent (FTE) positions to help provide services to SECC students over the last few years.

Finally, the District sunsetted its self-funded, self-insured health plan 09/30/2024 and transitioned to the Oregon Educators Benefit Board (OEBB) to provide health insurance for District staff. Since SB 1067 in 2017, the OEBB has been statutorily limited to increase costs no more than 3.4% annually. OEBB staff have recently communicated they will be asking the legislature to increase the percentage they can increase costs annually. It is unclear what action, if any, the legislature will take and when those changes would take effect. The District will be monitoring this issue closely.

The District will need to continue to monitor these issues throughout the school year. The District, along with its bargaining members, need to work together to make the structural, operational and service changes necessary to balance future budgets and increase student performance including graduation rates.

## **REQUESTS FOR INFORMATION**

This financial report is designed to present to the user (all those with an interest in the District's finances) with a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Deputy Superintendent of Operations at 680 Biddle Road, Medford, OR 97504.

## **GOVERNMENT WIDE FINANCIAL STATEMENTS**

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Statement of Net Position**  
**June 30, 2025**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 48,199,007
Receivables	8,126,249
Inventories	220,290
Prepays	307,727
Proportionate Share of Net Pension Asset (RHIA)	2,396,544
Capital assets, not being depreciated	5,669,786
Capital assets being depreciated, net	<u>221,679,562</u>
Total Assets	<u>\$ 286,599,166</u>
<b>Deferred Outflows of Resources:</b>	
Pension Related Deferred Outflows	57,634,193
District Retiree Health Deferred Outflows (GASB 75)	210,249
District Stipend Benefit Deferred Outflows (GASB 73)	269,890
Retiree Health Insurance Account (RHIA) Related Deferred Outflows	<u>67,812</u>
Total Deferred Outflows	<u>\$ 58,182,144</u>
Total Assets and Deferred Outflows	<u>\$ 344,781,310</u>
<b>Liabilities</b>	
Accounts payable	5,118,084
Accrued salaries and benefits	12,879,432
Accrued interest payable	191,433
Unearned revenue	357,467
<b>Long-term liabilities:</b>	
Due within one year	26,592,209
Due in more than one year	<u>261,257,121</u>
Total Liabilities	<u>\$ 306,395,746</u>
<b>Deferred Inflows of Resources:</b>	
Advance Refunding Related Deferred Inflows	4,969,200
Pension Related Deferred Inflows	15,630,577
GASB 75 Retiree OPEB Deferred Inflows	5,835,710
GASB 73 Retiree OPEB Deferred Inflows	801,687
Retiree Health Insurance Account (RHIA) Related Deferred Inflows	<u>221,578</u>
Total Deferred Inflows	<u>\$ 27,458,752</u>
Total Liabilities and Deferred Inflows	<u>\$ 333,854,498</u>
<b>Net Position</b>	
Net investment in capital assets	106,926,498
Restricted	
Special Grants/Projects <sup>1</sup>	7,233,751
Restricted for RHIA Net Pension Asset	2,396,544
Debt Service	1,876,803
Capital Projects	505,317
Non Expendable Scholarship Trust	205,420
Food Service	1,405,496
Unrestricted	<u>(109,623,017)</u>
Total Net Position	<u>\$ 10,926,812</u>

<sup>1</sup> Special Grants/Projects include Targeted State and Local Grants, funds set aside for curriculum, IT hardware and significant maintenance projects and other costs.

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Statement of Activities**  
**For the Year Ended June 30, 2025**

<b>Functions/Programs</b>	<b>Program Revenues</b>				<b>Net (Expense) Revenue and Changes in Net Position</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
Instruction	\$ 144,419,222	\$ 15,054	\$ 7,185,156	\$ 5,121,982	\$ (132,097,031)
Support Services	76,937,921	592,400	3,877,703	2,764,244	\$ (69,703,574)
Community Services	6,691,311	58,262	6,523,036	243,904	\$ 133,891
Interest and Fees on long-term debt	5,615,338	-	-	-	\$ (5,615,338)
Total governmental activities	\$ 233,663,792	\$ 665,716	\$ 17,585,895	\$ 8,130,129	\$ (207,282,052)
General Revenues					
Property taxes levied for general purposes					48,763,077
Property taxes levied for debt service					12,566,412
Construction Excise Taxes					1,214,094
State School Fund - unrestricted					127,687,963
Common School Fund - unrestricted					1,852,535
Intermediate sources					3,617,676
Unrestricted state and local sources					23,167,270
Earnings on Investments					3,138,672
Miscellaneous					125,715
Total general revenues					\$ 222,133,415
Change in Net Position					14,851,363
Net position beginning of year					7,309,443
Restatements					(11,233,994)
Net position end of year					\$ 10,926,812

The notes to the basic financial statements are an integral part of this statement

**JACKSON COUNTY SCHOOL DISTRICT 549C**

Medford, Oregon

**Balance Sheet**

**Governmental Funds**

June 30, 2025

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Assets</b>						
Equity in pooled cash and investments	\$ 32,142,664	\$ 13,851,802	\$ 1,342,571	\$ 505,317	\$ 205,420	\$ 48,047,775
Property taxes receivable	2,072,841	-	534,178	-	-	2,607,019
Accounts and other receivables	1,154,828	4,211,556	54	152,792	-	5,519,230
Due from Other Funds	-	-	-	-	-	-
Prepays	293,750	13,977	-	-	-	307,727
Inventories	220,290	-	-	-	-	220,290
<b>Total assets</b>	<b>\$ 35,884,374</b>	<b">\$ 18,077,335</b">	<b">\$ 1,876,803</b">	<b">\$ 658,109</b">	<b">\$ 205,420</b">	<b>\$ 56,702,042</b>
<b>Liabilities Deferred Inflows and Fund Balances</b>						
Liabilities:						
Accounts and other payables	\$ 2,026,045	\$ 2,940,004	\$ -	\$ -	\$ -	\$ 4,966,050
Accrued payroll and other withholdings	8,738,537	4,140,895	-	-	-	12,879,432
Due to Other Funds	802	-	-	-	-	802
Unearned Revenue	203,628	1,047	-	152,792	-	357,467
<b>Total liabilities</b>	<b">\$ 10,969,013</b">	<b>\$ 7,081,946</b>	<b">\$ -</b">	<b>\$ 152,792</b>	<b">\$ -</b">	<b>\$ 18,203,750</b>
Deferred Inflows:						
Unavailable revenue-property taxes	\$ 1,856,676	\$ -	\$ 478,472	\$ -	\$ -	\$ 2,335,148
Fund Balances:						
Non-spendable	514,041	13,977	-	-	-	528,018
Restricted	-	8,639,247	1,398,332	505,317	205,420	10,748,316
Committed	-	2,212,400	-	-	-	2,212,400
Assigned	-	129,765	-	-	-	129,765
Unassigned	22,544,645	-	-	-	-	22,544,645
<b>Total Fund balances</b>	<b">\$ 23,058,686</b">	<b>\$ 10,995,389</b>	<b>\$ 1,398,332</b>	<b>\$ 505,317</b>	<b>\$ 205,420</b>	<b>\$ 36,163,144</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 35,884,374</b>	<b>\$ 18,077,335</b>	<b>\$ 1,876,803</b>	<b>\$ 658,109</b>	<b>\$ 205,420</b>	<b>\$ 56,702,042</b>

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Reconciliation of Governmental Funds**  
**Balance Sheet to Statement of Net Position**

**June 30, 2025**

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**Total Fund Balances** \$ 36,163,144

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Cost of capital assets	390,788,994	\$ 36,163,144
Less: accumulated depreciation	<u>(165,855,629)</u>	<u>224,933,364</u>

The Net Pension Asset (Liability) for the Oregon PERS plan, and deferred inflows and outflows related to the Net Pension Asset is the difference between the total pension liability and assets set aside to pay benefits earned to past and current employees and beneficiaries

Net Pension Liability	(139,873,318)	\$ 36,163,144
Pension Deferred Inflow	(15,630,577)	
Pension Deferred Outflow	57,634,193	

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.

	2,335,148	\$ 36,163,144
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Internal service funds are used by the District to account for the health insurance that is provided to the other funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

GASB 96 Subscription Asset, Net	2,293,469	\$ 36,163,144
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GASB 96 Subscription Liability	(1,488,515)	\$ 36,163,144
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GASB 87 Net Lease Asset Position	122,514	\$ 36,163,144
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GASB 87 Net Lease Liability Position	(421,386)	\$ 36,163,144
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Advance Refunding Deferred Inflow	(4,969,200)	\$ 36,163,144
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District GASB 75 Retiree Medical Deferred Inflow	(5,835,710)	\$ 36,163,144
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District GASB 75 Retiree Medical Deferred Outflow	210,249	\$ 36,163,144
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District GASB 73 Stipend Deferred Inflow	(801,687)	\$ 36,163,144
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District GASB 73 Stipend Deferred Outflow	269,890	\$ 36,163,144
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The PERS RHIA Asset (Liability), and deferred inflows and outflows related to the PERS RHIA Asset is the difference between the total OPEB liability and assets set aside to pay benefits earned to past and current employees and beneficiaries

	2,242,778	\$ 36,163,144
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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 is recognized as an expenditure when due.

These liabilities consist of:

Bonds payable	(111,280,000)	\$ 36,163,144
Premium / Discount	(12,954,070)	
OPEB Liability	(5,337,332)	
Single Employer Pension Plans A and B	(2,294,555)	
Accrued compensated absences payable	(14,200,154)	
Accrued interest payable	<u>(191,433)</u>	<u>\$ (146,257,544)</u>

**Total Net Position** \$ 10,926,812

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
Medford, Oregon

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**

**For the Year Ended June 30, 2025**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Revenues</b>						
Local sources:						
Taxes	\$ 48,763,077	\$ 1,076,699	\$ 12,566,412	\$ -	\$ 9,737	\$ 62,406,188
Earning from temporary investments	3,028,492	27	69,416	31,000	-	3,138,672
Cocurricular activities	-	411,688	-	-	-	411,688
Other local sources	1,741,476	2,329,476	4,995,905	25,131	4,750	9,096,738
Intermediate sources:						
Restricted revenue	3,615,426	2,250	-	-	-	3,617,676
Other intermediate sources	-	-	-	-	-	-
State sources:						
Unrestricted grants	129,540,498	-	-	-	-	129,540,498
Restricted grants	712,176	25,234,912	-	-	-	25,947,088
Federal sources:						
Restricted grants	125,715	20,524,984	-	-	-	20,650,699
Total revenues	<u>\$ 187,526,859</u>	<u>\$ 49,580,036</u>	<u>\$ 17,631,733</u>	<u>\$ 56,131</u>	<u>\$ 14,487</u>	<u>\$ 254,809,246</u>
 <b>Expenditures</b>						
Current:						
Instruction	107,358,169	28,887,411	-	-	9,000	136,254,580
Supporting services	65,123,981	7,407,625	-	-	-	72,531,606
Community services	-	6,302,519	-	-	-	6,302,519
Facilities Acquisition and Construction	202.00	1,501,146	-	5,793	-	1,507,141
Capital outlay	2,093,232	12,548,755	-	-	-	14,641,987
Debt service:						
Principal	1,890,661.25	19,498.55	13,380,000	-	-	15,290,160
Interest and fees	55,041.89	1,126.45	5,574,534	-	-	5,630,702
Total expenditures	<u>\$ 176,521,288</u>	<u>\$ 56,668,081</u>	<u>\$ 18,954,534</u>	<u>\$ 5,793</u>	<u>\$ 9,000</u>	<u>\$ 252,158,695</u>
Excess (Deficiency) of revenues over expenditures	<u>\$ 11,005,572</u>	<u>\$ (7,088,045)</u>	<u>\$ (1,322,801)</u>	<u>\$ 50,339</u>	<u>\$ 5,487</u>	<u>\$ 2,650,551</u>
<b>Other financing sources (uses)</b>						
Transfers in	550,000	9,195,000	1,170,000	-	-	10,915,000
Transfers out	(11,498,650)	(550,000)	-	-	-	(12,048,650)
GASB 87 Lease	496,534	-	-	-	-	496,534
GASB 96 SBITA	1,226,046	-	-	-	-	1,226,046
Total other financing sources and uses	<u>\$ (9,226,070)</u>	<u>\$ 8,645,000</u>	<u>\$ 1,170,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 588,930</u>
Net change in fund balance	1,779,502	1,556,955	(152,801)	50,339	5,487	3,239,481
Fund balance beginning of year	21,279,184	9,438,434	1,551,132	454,979	199,933	32,923,662
Fund balance end of year	<u>\$ 23,058,686</u>	<u>\$ 10,995,389</u>	<u>\$ 1,398,332</u>	<u>\$ 505,317</u>	<u>\$ 205,420</u>	<u>\$ 36,163,144</u>

The notes to the basic financial statements are an integral part of this statement

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities**

**For the Year Ended June 30, 2025**

Net Change in Fund Balance	\$ 3,239,481
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:	
Capital outlays	12,809,017
Depreciation expense	<u>(11,771,119)</u>
	1,037,898
Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which proceeds exceeded repayments:	
Debt principal repaid	<u>13,380,000</u>
	13,380,000
Governmental funds report the effect of premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences:	
Amortization of premiums	<u>1,435,436</u>
	1,435,436
The Pension Expense and the changes in deferred inflows and outflows related to the Net Pension Asset represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits	
	(2,784,311)
Accrued compensated absences is recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities, accrued compensated absences are recognized as expenditures when earned.	
	(2,146,355)
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.	
	15,365
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as deferred revenue. They are, however, recorded as revenues in the Statement of Activities.	
	137,395
GASB 87 Lease Asset Amortization	(625,890)
GASB 87 Debt Service	343,567
GASB 96 SBITA Asset Amortization	(1,648,438)
GASB 96 Debt Service	1,566,593
Gain on Amortization of Deferred Inflow	552,133
The revenues and expenses of the internal service funds are included in governmental activities in the statement of activities	
	(1,010,955)
Other Post Employment Benefits (OPEB) are not recognized in the Governmental Funds.	
The change in deferred inflows for the District Stipend (GASB 73)	(285,884)
The change in deferred outflows for the District Stipend (GASB 73)	(246,565)
The change in the deferred inflows for the District Medical OPEB (GASB 75)	(2,085,357)
The change in the deferred outflows for the District Medical OPEB (GASB 75)	(105,124)
The change in the asset for the PERS RHIA (GASB 75)	452,414
The change in the liability for the District OPEB (GASB 73)	728,719
The change in the liability for the District OPEB (GASB 75)	<u>2,901,239</u>
Change in Net Position	<u>\$ 14,851,363</u>

The notes to the basic financial statements are an integral part of this statement

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Statement of Net Position**  
**Internal Service Fund**

**June 30, 2025**

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	Health Insurance Fund
<b>Assets</b>	
Current Assets	
Equity in pooled cash	\$ 151,233
Prepaid Expense	-
Due From Other Funds	<u>802</u>
Total Current Assets	<u><u>\$ 152,035</u></u>
<b>Liabilities and Net Position</b>	
Current Liabilities	
Accounts Payable	\$ 26,384
Payroll Liabilities	-
Claims Payable	125,651
Unearned Revenue	-
Due to Other Funds	<u>-</u>
Total Current Liabilities	<u><u>\$ 152,035</u></u>
<b>Unrestricted Net Position</b>	<u><u>\$ -</u></u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 152,035</u></u>

The notes to the basic financial statements are an integral part of this statement

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Fund**

**For the Year Ended June 30, 2025**

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	Health Insurance Fund
<b>Operating Revenues</b>	
Charges for Services	\$ 4,958,347
Other Local Sources	<u>63</u>
 Total Operating Revenues	 <u>\$ 4,958,410</u>
<b>Operating Expenses</b>	
General and Administrative	\$ 7,103,015
 Total Operating Expenses	 <u>7,103,015</u>
 Total Operating Income (Loss)	 <u>\$ (2,144,605)</u>
<b>Nonoperating Income (Loss)</b>	
Transfer in From Other Funds	\$ 1,133,650
 Total Nonoperating Income (Expense)	 <u>1,133,650</u>
 Change in Net Position	 <u>\$ (1,010,955)</u>
 Beginning Net Position	 <u>\$ 1,010,955</u>
 Unrestricted Net Position	 <u>\$ -</u>

The notes to the basic financial statements are an integral part of this statement

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Statement of Cash Flows**  
**Internal Service Fund**

**For the Year Ended June 30, 2025**

	Health Insurance Fund
<b>Cash Flows From Operating Activities</b>	
Cash Received from Other Funds	\$ 10,000,731
Other Local Sources	63
Cash Paid to Suppliers	<u>(11,453,667)</u>
Net cash provided (used) by operating activities	<u>\$ (1,452,874)</u>
<b>Cash Flows From Non Operating Activities</b>	
Transfer in from other funds	\$ 1,133,650
Net increase (decrease) in cash and investments	<u>\$ (319,224)</u>
Cash and investments, beginning of year	<u>\$ 470,456</u>
Cash and investments, end of year	<u>\$ 151,233</u>
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities	(2,144,605)
Other Income (Loss)	1,133,650
Non Operating Income/(Loss)	5,042,383
(Increase) Decrease in assets	<u>(4,350,653)</u>
Increase (Decrease) in liabilities	<u>\$ (319,224)</u>
Net Cash Provided/(used) by Operating Activities	<u>\$ (319,224)</u>

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**

**June 30, 2025**

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	Private Purpose Trust Fund	Custodial Funds
<b>Assets</b>		
Equity in pooled cash and investments	\$ 323,802	\$ 1,982,075
Accounts Receivable	-	6,190
Prepays	-	12,179
Inventory	-	-
<b>Total Assets</b>	<b>\$ 323,802</b>	<b>\$ 2,000,444</b>
<b>Liabilities</b>		
Payroll Liabilities	-	162.40
Accounts Payable	-	143,318
Due to students and other groups	-	1,856,964
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 2,000,444</b>
<b>Net Position</b>		
Held in Trust for Other Purposes	323,802	-
<b>Total Net Position</b>	<b>\$ 323,802</b>	<b>\$ -</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 323,802</b>	<b>\$ 2,000,444</b>

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**

**For the Year Ended June 30, 2025**

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	Private Purpose Trust Fund	Custodial Funds
<b>Additions</b>		
Earnings on investments	\$ 13,093	\$ 70,294
Contributions	<u>187,187</u>	<u>1,863,543</u>
Total additions	<u><u>\$ 200,279</u></u>	<u><u>\$ 1,933,837</u></u>
<b>Deductions</b>		
Secondary programs	168,139	1,933,837
Transfers Out	<u>-</u>	<u>-</u>
Total deductions	<u><u>\$ 168,139</u></u>	<u><u>\$ 1,933,837</u></u>
Change in net position	32,140	-
Net Position beginning of year	<u><u>291,662</u></u>	<u><u>-</u></u>
Net Position end of year	<u><u>\$ 323,802</u></u>	<u><u>\$ -</u></u>

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## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. The Financial Reporting Entity**

Jackson County School District 549C (the District) is a municipal corporation governed by an elected seven-member Board of Directors. The Superintendent is hired and managed by the Board. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in these basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts that provide services 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.

### **B. Government-wide and Fund 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, except fiduciary activities. 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, but Inter-fund services provided and used are not eliminated in the process of consolidation. Program revenues include: charges to students or others for tuition, fees, rentals, material, supplies or services provided; operating grants and contributions; and capital grants and contributions. Revenues not classified as program revenues, including property taxes and state support, are presented as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Net Position are reported as restricted when constraints placed on net position use are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting (while custodial funds use the economic resources measurement focus). 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, 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.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Private purpose trust funds use the accrual method while all governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the combined balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All governmental fund types use the modified accrual basis of accounting while all custodial funds and private purpose trust funds use the accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes available if they are collectible within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Expenditures for early retirement benefits are recorded as funded. Principal and interest on general long-term obligations are recorded as fund liabilities when due. Vested compensated absences are recorded as expenditures only if they have matured.

Those revenues susceptible to accrual are property taxes, interest revenue, state, county and local shared revenue, federal and state grants, and sales of assets on contract.

The District reports one general fund, one debt service fund, one special revenue fund, one capital projects fund, one permanent fund, and one custodial fund. The permanent fund is accounted for utilizing the modified accrual basis of accounting. Under this method, revenues are recorded at the time they are earned and expenses are recorded at the time the liabilities are incurred.

The District reports deferred revenue on its balance sheet for Governmental Funds. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are internal health insurance charges. Operating expenses for internal service funds include the cost of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District reports the following major governmental funds:

#### **General Fund**

This fund accounts for all general operating revenues, expenditures, and transfers of the District and for certain special education programs except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment of income taxes from the State of Oregon School Support Fund.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

#### Special Revenue Funds

These funds primarily account for revenues and expenditures of grants restricted for specific educational projects. Principal revenue sources are federal grants through the state. These funds also include the Project Reserve Fund whose revenue sources are from state monies and transfers from other funds that are designated for items such as building maintenance reserves, software and hardware replacement, classroom furniture replacement, and vehicle replacement.

#### Capital Projects Fund

This fund accounts for revenues and expenditures for capital construction projects related to the May 2021 \$19.750 million Full Faith and Credit bond issuance and to a lesser extent a de minimis amount remaining from the November 2006 voter approved \$188.98 million bond authorization. Principal revenue sources are from bond proceeds.

#### Debt Service Funds

These funds account for the accumulation of resources and for payment of principal and interest for general obligation debt, PERS pension bonds and full faith and credit bonds. The principal source of revenue for general obligation debt is property taxes, for PERS obligation bonds is a payroll tax charged to other funds and for the full faith & credit bonds is a transfer of funds from the General Fund.

Additionally, the government reports the following other fund types:

#### Proprietary Funds

Proprietary funds are used to account for a government's business-type activities. There are two types of proprietary funds - enterprise funds and internal service funds. Both fund types use the same generally accepted accounting principles (GAAP) as similar to businesses in the private sector. Both enterprise and internal service funds recover the full cost of providing services (including capital costs) through fees and charges on those who use their services. The adopted budget for each proprietary fund is based on the modified accrual basis. However, the management of these funds is based on the "bottom line" and whether the expenses are supported by revenue. The District uses "net unrestricted assets" to evaluate these funds. This method is similar to working capital and is the result of all transactions that affect unrestricted assets and liabilities. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are internal health insurance charges. The District is self-funded and self-insured in relation to health insurance. The basis for estimating the incurred but not paid claims are reviewed by a third party administrator and they estimate the claims lag liability based on most recent two years claims lag plus an additional 10% margin for inflation. The carrying amount of claims liabilities is \$125,651 down 93.3% from prior year. There are no claims for which annuity contracts have been purchased and for which the related liabilities have been removed from the balance sheet. Operating expenses for internal service funds include the cost of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

#### Private Purpose Trust Funds

These funds account for resources received and held by the District in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or conditions of the trust for the particular fund. The Student Scholarship Private Purpose Trust Fund is an example of this type of fund.

#### Custodial Funds

These funds account for assets held by the District in a custodial capacity or as agent for individuals, private organizations, other governmental units, or other funds. This fund consists of the Student Activity Fund which use the economic resources management focus.

#### Internal Service Funds

Internal Service Funds are for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governmental units, on a cost-reimbursement basis. Such funds shall utilize the accrual basis of accounting. The District self-funded, self-insurance fund is an example of an Internal Service Fund.

### **D. Assets, Liabilities, and Net Position or Equity**

#### Cash and Cash Equivalents and Investments

For the purpose of the cash flow statement, the statement of Net Position and the balance sheet, monies in the Oregon State Local Government Investment Pool, savings deposits, demand deposits and cash with county treasurer are considered to be cash and cash equivalents. Investments with a remaining maturity of more than one year at the time of purchase are stated at fair value.

#### Property Taxes

Uncollected real and personal property taxes are reflected on the statement of Net Position and the balance sheet as receivables. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

#### Inventories and Prepaid Items

School operating supplies, maintenance supplies, and food and other cafeteria supplies are stated at average invoice cost. Commodities purchased from the United States Department of Agriculture in the Food Service Fund are included in the District's inventories at USDA wholesale value. The District accounts for the inventory based on the consumption method. Under the consumption method, inventory is recorded when purchased and expenditures/expenses are recorded when inventory items are used. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused donated commodities at balance sheet date is considered immaterial for reporting purposes. Prepaid assets are recognized as expenditures when their use benefits the District.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **D. Assets, Liabilities, and Net Position or Equity (continued)**

#### Accounts and Other Receivables

Accounts and other receivables are comprised primarily of claims for reimbursement of costs under various federal, state and local grants.

#### Lease Assets

Lease assets are assets which the government leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the government's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

#### Leases Payable

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

#### Subscription Assets

Subscription assets are assets in which the government obtains control of the right to use the underlying IT asset. The value of the subscription asset is initially measured as the sum of the initial subscription liability amount, any payments made to the IT software vendor before commencement of the subscription term, and any capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized in a straight-line manner over the course of the subscription term.

#### Subscription Liabilities

In the government-wide financial statements, subscription liabilities are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of subscription payments expected to be made during the subscription term is reported as other financing sources. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

#### Capital Assets

Capital assets are recorded at original cost or estimated original cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. Capital assets are defined by the government as assets with an initial, individual cost of at least \$5,000 and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10 to 50 years
Vehicles and Equipment	3 to 30 years

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### Compensated Absences

The District recognized a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from unemployment. Based on the criteria listed two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

### Vacation

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

### Sick Leave

The District's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the Medford School District and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used employees as time off is included in the liability for compensated absences.

### Long-term Obligations

In the government-wide financial statements, long-term obligations are 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 bonds outstanding method. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount. As permitted by GASB Statement No. 34, the cost of prior bond issuance will be amortized prospectively from the date of adoption of GASB Statement No. 34.

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

### Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### Other Post-Employment Benefits

Eligible employees who elect early retirement are entitled to payment of administrative fees and medical claims according to the District's self-insurance coverage in a cost sharing model through June 30, 2022 and as a one-time payment thereafter. GASB Statements 73 and 75 are implemented as of July 1, 2016.

### Use of Estimates

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

### Grant Accounting

Unreimbursed 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. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.

### Budgetary Information

A budget is prepared and legally adopted for all funds on the modified accrual basis of accounting in the main program categories required by the Oregon Local Budget Law. The District does not use encumbrance accounting for budgetary purposes. The budgets for all funds are adopted on a basis consistent with generally accepted accounting principles except for: (1) Capital Outlay Expenditures, including items below the District's capitalization level, which are budgeted by function.

### Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources which represent a consumption of net assets that applies to future periods. This separate financial statement element represents a consumption of net assets 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 financial position will sometimes report a separate section for deferred inflows of resources which represent an acquisition of net assets that applies to future periods. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only two types of deferral items, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. The District inflows and outflows are clearly labeled on the face of the financial statement.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### Net position flow assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

### Fund Equity

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the District Board of Directors for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The Board of Directors of Jackson County School District 549C has granted the Superintendent and the Deputy Superintendent of Operations the authority to classify portions of the ending fund balance as Assigned.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The governing body 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 unassigned.

To preserve a sound financial system and to provide a stable financial base, the governing body has adopted a minimum fund balance policy. The Board of Directors of Jackson County School District 549C has directed the Superintendent to manage the current adopted budget in such a way as to ensure the ending fund balance of at least five (5) percent of total adopted revenues. If the ending fund balance is projected to fall below the five percent targeted level, the Board will be notified by staff. The Board may then consider possible options to address the situation.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Fair Value Inputs and Methodologies and Hierarchy**

Fair value is defined as 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. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

**Level 1** – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

**Level 2** – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)

**Level 3** – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The District begins its budget process early in each fiscal year with the establishment of the budget committee. In the fall, public input is invited as the Board decides the budget priorities for the next year. The budget is developed through winter with the budget committee approving the budget in the spring. Public notices of the budget hearing are published generally in the spring with a public hearing being held approximately three weeks later. The Board can amend the budget prior to adoption; however, budgeted expenditures for each fund cannot be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30<sup>th</sup> each year. Expenditure budgets are appropriated at the following levels for each fund:

### **LEVEL OF CONTROL**

Instruction

Support Services

Enterprise and Community Services

Facilities Acquisition and Construction

Other Uses of Funds:

    Interfund Transactions

    Debt Service

Contingency

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Expenditures cannot legally exceed the above appropriation levels except in the case of grants that could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need that exists which was not determined at the time the budget was adopted.

There were four places where spending exceeded appropriations in the fiscal year:

- General Fund Facilities Acquisition and Construction was over budget \$0.22 million due to a higher than expected GASB 96 SBITA entry which increased both capital expense and other financing sources
- The Special Revenue Fund was slightly over budget \$0.11 million or 0.19% in total. Instruction expense over budget \$2.27 million and Community Service was over \$0.11 million which mostly offset by the Special Revenue Support Service expenses being under budget by \$1.75 million and Facilities Acquisition and Facilities Acquisition and Construction was under budget by \$0.53 million.
- The Capital Projects fund Facilities Acquisition and Construction was over budget \$5,793.
- The self-funded Health Insurance Internal Service Fund was over budget \$0.356 million due to higher than expected runout claims after the self-funded/self-insured health plan was sunsetted 09/30/2024.

## **3. BUDGETARY BASIS OF ACCOUNTING**

While the District reports financial position, results of operations, and changes in fund balance/Net Position on the basis of accounting principles generally accepted in the United States of America (GAAP), the District's budgetary basis of accounting differs from generally accepted accounting principles. The budgetary statements provided as part of supplementary information elsewhere in this report are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The primary difference between the District's budgetary basis and GAAP basis is the classification of capital outlay that for budgetary purposes is reported within the functional categories at the level of appropriation control. On a GAAP basis, capital outlay is separately reported after current expenditures.

## **4. CASH AND INVESTMENTS**

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, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2025. The LGIP seeks to exchange shares at \$1.00 per share; an 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. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. These investments are characterized as a level 2 fair value measurement in the Oregon Short-term Fund's audited financial report. As of June 30, 2025, the fair value of the position in the LGIP is 100.49% of the value of the pool shares as reported in the Oregon Short-term Fund audited financial statements. A fair value reserve adjustment was not made to the financial statements due to fair value being over 100%.

#### **4. CASH AND INVESTMENTS (Continued)**

Cash and Investments at June 30, 2025 (recorded at fair value) consisted of:

Deposits with Financial Institutions

Demand Deposits	\$ 7,289,039
Investments	<u>43,215,845</u>
Total Cash and Investments by Type	<u><u>\$ 50,504,884</u></u>
Governmental Funds	\$ 48,047,774
Internal Service Funds	151,233
Fiduciary Funds	<u>2,305,877</u>
Total Cash and Investments by Fund Type	<u><u>\$ 50,504,884</u></u>

#### Custodial Credit Risk for Deposits

At year-end, the District's net carrying amount of deposits was \$7,289,039 and the bank balance was \$7,839,045. Of these deposits, \$500,000 was covered by federal depository insurance. The remaining deposits are collateralized by the Oregon Public Funds Collateralization Program (PFCP). Oregon Revised Statutes and District policy require depository institutions to maintain on deposit, with the collateral pool manager, securities having a value not less than 10% of their quarter-end public fund deposits if they were all capitalized, 25% of their quarter end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer.

The District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)	
		Less than 3	More than 3
State Treasurer's Investment Pool	\$ 40,294,039	\$ 40,294,039	\$ -
Money Market Funds	2,921,806	2,921,806	-
<b>Total</b>	<b>\$ 43,215,845</b>	<b>\$ 43,215,845</b>	<b>\$ -</b>

Interest Rate Risk. Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. The District does not have any investments that have a maturity date beyond 18 months.

Credit Risk. Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Custodial credit risk. Custodial credit risk of bank demand deposits is the risk that in the event of bank failure, the District's deposits may not be returned to it. Custodial credit risk of certificates of deposit is the risk that, in the event of a transactional counter party failure, the District would not be able to recover the value of its investment in the possession of an outside party.

Concentration of Credit Risk. The District's investment policy places no limit on the amount the District may invest in U.S. government agency securities and instrumentalities of government-sponsored corporations, the state treasurer's investment pool, commercial paper or State and Local Securities.

## **5. RECEIVABLES**

Receivables as of year-end for the District's individual major funds and non-major, internal service, and fiduciary funds in the aggregate, are as follows:

Receivables	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
Accounts and Grants	\$ 1,154,828	\$ 4,211,556	\$ -	\$ 54	\$ 5,366,438
Notes Receivable	-	-	152,792	-	152,792
Property Taxes	2,072,841	-	-	534,178	2,607,019
Total Receivables	\$ 3,227,669	\$ 4,211,556	\$ 152,792	\$ 534,232	\$ 8,126,249

All significant amounts of Accounts and Grants receivables are expected to be collected within a year. Property taxes receivable and the long-term note in the Capital Projects Fund are expected to take more than a year to collect.

## **6. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance June 30, 2024	Reclassification and Deletions	Balance June 30, 2025
Governmental Activities:			
Capital Assets Not Being Depreciated:			
Land	5,669,786	-	5,669,786
Total Capital Assets Not Being Depreciated	<b>5,669,786</b>	-	<b>5,669,786</b>
Capital Assets Being Depreciated:			
Buildings and Improvements	363,159,965	11,980,153	375,140,118
Buildings and Improvements Intangible	-	496,534	496,534
Vehicles and Equipment	9,150,226	828,865	9,979,090
Vehicles and Equipment Intangible	428,680	-	428,680
Subscriptions	4,233,202	1,226,847	(477,981)
Total Capital Assets Being Depreciated	<b>376,972,073</b>	<b>14,532,398</b>	<b>(477,981)</b>
Accumulated Depreciation:			
Buildings and Improvements	147,719,143	11,265,397	-
Buildings and Improvements Intangible	-	496,534	-
Vehicles and Equipment	6,365,367	505,722	-
Vehicles and Equipment Intangible	176,810	129,356	-
Subscriptions	1,518,142	1,648,438	(477,981)
Total Accumulated Depreciation	<b>155,779,462</b>	<b>14,045,447</b>	<b>(477,981)</b>
Total Capital Assets Being Depreciated, Net	<b>221,192,611</b>	<b>486,951</b>	-
Capital Assets Net	<b>226,862,397</b>	<b>486,951</b>	-

## **6. CAPITAL ASSETS (Continued)**

Depreciation and amortization expense was charged to functions/programs of the District as follows:

Governmental Activities		
Instruction		\$ 8,848,631
Support Services		4,775,452
Community Services		421,364
Total Depreciation Expense All Governmental Activities		\$ 14,045,447

## **7. INTERFUND TRANSFERS**

Transfers were made from the general fund to the special revenue fund primarily to partially fund capital maintenance, curriculum purchases, IT infrastructure, Chromebook reserves, supplement elementary physical education expansion grant and Secondary Athletics. The General Fund transfer to Debt Service is to fund the debt service payment on the 2021 FFC bonds. The General Fund transfer to Fiduciary Funds was to fund higher than anticipated runout claims in the self-funded healthcare insurance fund which was closed 09/30/2024.

<b><u>Fund Type</u></b>	<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>
General Fund	550,000	\$ 11,498,650
Special Revenue Fund	9,195,000	550,000
Debt Service Fund	1,170,000	-
Fiduciary Funds	1,133,650	
<b>Total Transfers</b>	<b>\$ 12,048,650</b>	<b>\$ 12,048,650</b>

## **8. DEBT**

### BONDS PAYABLE:

#### Limited Tax Pension Obligation Bonds, Series 2007

In October 2007, the district issued \$40,215,000 of Pension Obligation Bonds, the proceeds of which went directly to PERS as a pre-payment on future pension obligations for the purpose of reducing the District's annual contribution rates. Currently outstanding bonds are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Pension Obligation	4.95-5.67%	\$ 9,790,000

## **8. DEBT (Continued)**

Defaults and Remedies –

1. The occurrence of one or more of the following constitutes an Event of Default under the Resolution and the Bonds:
  - (a) Failure by the District to pay Bond principal, interest or premium when due (whether at maturity, or upon redemption after a Bond has been properly called for redemption);
  - (b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed for the benefit of the Owners of the Bonds, for a period of sixty (60) days after written notice to the District by the Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such sixty (60) day period, it will not constitute an Event of Default so long as corrective action is instituted by the District within the sixty (60) day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this paragraph; or,
  - (c) The District is judged insolvent by a court of competent jurisdiction, admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy, or consents to the appointment of a receiver for the payments.
- (2) The Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding may waive any Event of Default and its consequences except, an Event of Default as described in paragraph (1)(a) above.
  - (a) Upon the occurrence and continuance of any event of default the Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to 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 contained in the Resolution or the Bonds or in aid of the exercise of any power granted in the Resolution or for the enforcement of any other legal or equitable right vested in the Owners of the Bonds by the Resolution or by law. However, the bonds will not be subject to acceleration.
  - (b) No remedy in the Resolution conferred upon or reserved to Owners of Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Owners of Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by the Resolution or by law.

### General Obligation Refunding Bonds, Series 2015

In March 2015, the District sold \$138,530,000 in General Obligation refunding bonds to reduce interest expense on 2007A, 2007B, 2008 and 2009 general obligation bonds. Based on the structure of the bonds, the issuance also included a \$22,395,910 reoffering premium. The net present value savings from the refunding was \$10,490,534 and the net present value benefit was 7.573%. The bonds mature serially over 19 years with increasing principal amounts due each year and will mature December 15, 2033. The bonds had interest only payments until December 15, 2017. Currently outstanding bonds are as follows:

## **8. DEBT (continued)**

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General Government	2.00-5.00%	\$ 83,770,000

Defaults and Remedies –

The only significant default or remedy in the agreement for these bonds is the payment of the principal and interest on these bonds when due is guaranteed by the full faith and credit of the State of Oregon under the provisions of the Oregon School Bond Guaranty Act – Oregon Revised Statutes (ORS) 328.321 and 328.356.

### Full Faith and Credit Bonds 2021

In May 2021, the District sold \$19,750,000 in Full Faith and Credit bonds to provide for capital construction of school facilities. Based on the structure of the bonds, the issuance also included a \$2,953,461 reoffering premium. The average coupon is the weighted average of each coupon rate used in the issue. It represents the average rate to be paid by the District. The average coupon for the issue of the Series 2021 Obligations is 3.3286%. The Net Interest Cost (NIC) is a more accurate measure of the borrowing cost than the average coupon because the NIC includes, as a cost of financing, any underwriter's discount or original issue premium or discount from par associated with the issue. The NIC for the Series 2021 Obligations is 2.3147%. The bonds mature serially over 25 years and will mature December 15, 2045. The bonds have interest only payments until June 15, 2046. Currently outstanding bonds are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General Government	3.00-4.00%	\$ 17,720,000

Defaults and Remedies –

The only significant default or remedy in the agreement for these bonds is the payment of the principal and interest on these bonds when due is guaranteed by the full faith and credit of the State of Oregon under the provisions of the Oregon School Bond Guaranty Act – Oregon Revised Statutes (ORS) 328.321 and 328.356.

Changes in bonds outstanding are as follows:

Issue Date	Rate	Original Issue	Outstanding July 1, 2024	Issued	Matured and Redeemed	Outstanding June 30, 2025
October 31, 2007	5.64%	40,215,000	13,985,000	-	4,195,000	9,790,000
March 3, 2015	2.76%	138,530,000	92,415,000	-	8,645,000	83,770,000
May 19, 2021	2.31%	19,750,000	18,260,000	-	540,000	17,720,000
<b>Subtotal</b>		<b>\$ 124,660,000</b>		-	<b>\$ 13,380,000</b>	<b>\$ 111,280,000</b>
Unamortized Premium/Discount			14,389,506	-	1,435,436	12,954,070
<b>Total Bonds Payable</b>		<b>\$139,049,506</b>		-	<b>\$ 14,815,436</b>	<b>\$ 124,234,070</b>

## **8. DEBT (continued)**

Future Maturities of bonds payable as follows:

Fiscal Year (s) Ending June 30	Principal	Interest
2026	\$ 14,150,000	\$ 5,019,309
2027	15,055,000	4,332,444
2028	10,365,000	3,601,050
2029	10,855,000	3,115,550
2030	11,420,000	2,565,150
2031 - 2035	49,925,000	7,530,900
2036 - 2040	5,325,000	1,688,450
2041 - 2045	6,225,000	783,975
2046	2,270,000	68,550
<b>Total</b>	<b>\$ 111,280,000</b>	<b>\$ 25,520,828</b>

Total long-term liabilities, as reported in the Statement of Net Position, are as follows:

	Amounts Due Within One Year	Amounts Due in More Than One Year	Total
Proportionate Share of Net Pension Liability	\$ 139,873,318	\$ 139,873,318	
GO Bonds Net of Premium	10,054,795	83,793,364	93,848,159
Full Faith & Credit Bonds Net of Premium	683,138	19,517,769	20,200,907
Accrued Compensation Payable	9,086,586	5,113,568	14,200,154
Pension Bonds Net of Premium	4,847,502	5,337,502	10,185,004
Other Post-Employment Benefits (GASB 75)	369,619	4,967,713	5,337,332
Single Employer Pension Plan (GASB 73)	487,500	1,807,055	2,294,555
Subscriptions (GASB 96)	731,119	757,396	1,488,515
Intangible Liabilities (GASB 87)	331,949	89,437	421,386
<b>Total Long-term Liabilities</b>	<b>\$ 26,592,209</b>	<b>\$ 261,257,121</b>	<b>\$ 287,849,330</b>

The Bonds are paid from the Debt Service Fund and all other obligations are paid out of the general fund.

### Compensated Absences:

Changes in compensated absences are as follows:

	June 30, 2024	Additions	Deletions	June 30, 2025	Within one year
Sick Leave Payable	\$11,233,994	\$13,323,662	\$11,223,994	\$13,323,662	\$8,425,135
Vacation Payable	\$ 819,805	\$ 876,492	\$ 819,805	\$ 876,492	\$ 661,452
<b>Compensated Absences</b>	<b>\$12,053,799</b>	<b>\$14,200,154</b>	<b>\$12,053,799</b>	<b>\$14,200,154</b>	<b>\$9,086,586</b>

### Direct Borrowings/Placements

As of June 30, 2025, the District did not have any direct borrowing/placements.

## **9. DEFINED BENEFIT PENSION PLAN**

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/pages/financials/actuarial-financial-information.aspx>

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
  - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, and 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.  
A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (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 1 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 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
  - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
    - member was employed by PERS employer at the time of death,
    - member died within 120 days after termination of PERS covered employment,
    - member died as a result of injury sustained while employed in a PERS-covered job, or
    - member was on an official leave of absence from a PERS-covered job at the time of death.
  - iii. **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 PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
  - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to 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). The COLA is capped at 2.0%.

## 9. **DEFINED BENEFIT PENSION PLAN (continued)**

b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

i. **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% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

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

ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member. The surviving spouse 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 70½ years.

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

**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. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2022 actuarial valuation, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2025 were \$18,920,964, excluding amounts to fund employer specific liabilities. In addition approximately \$3,298,524 in employee contributions were paid or picked up by the District in fiscal 2025. At June 30, 2025, the District reported a net pension liability of \$139,873,318 for its proportionate share of the net pension liability. The 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 dated December 31, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2024 and 2023, the District's proportion was .629% and .682%, respectively. Pension expense allocated to functions for the year ended June 30, 2025 was \$2,784,311.

## 9. DEFINED BENEFIT PENSION PLAN (continued)

The employer contribution rates in effect for the year ended June 30, 2025 were:

- (1) Tier 1/Tier 2 – 23.16%
- (2) OPSRP general services – 20.32%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 8,286,200	\$ 333,832
Changes in assumptions	14,062,909	18,016
Net difference between projected and actual earnings on investments	8,885,867	-
Net changes in proportionate share	4,886,138	9,888,147
Differences between Employers contributions and proportionate share of contributions	<u>2,592,115</u>	<u>5,390,582</u>
Subtotal – prior to post MD contributions	<u>\$ 38,713,229</u>	<u>\$ 15,630,577</u>
Employer contributions subsequent to measuring date	<u>18,920,964</u>	<u>-</u>
Deferred outflow (inflow) of resources	<u><u>\$ 57,634,193</u></u>	<u><u>\$ 15,630,577</u></u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2026.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30	<u>Amount</u>
2026	\$ (1,296,480)
2027	14,530,054
2028	6,614,254
2029	2,745,378
2030	489,445
Thereafter	-
Total	<u><u>\$ 23,082,652</u></u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/pages/financials/actuarial-financial-information.aspx>

## **9. DEFINED BENEFIT PENSION PLAN (continued)**

**Actuarial Valuations** – The employer contribution rates effective July 1, 2023 through June 30, 2025, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

### **Actuarial Methods and Assumptions:**

Valuation date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study Report	2022, Published July 24, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<b>Healthy retirees and beneficiaries:</b> 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. <b>Active members:</b> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <b>Disabled retirees:</b> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2022 Experience Study which is reviewed for the four-year period ending December 31, 2022.

## **9. DEFINED BENEFIT PENSION PLAN (continued)**

### **Assumed Asset Allocation:**

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
<b>Total</b>			<b>100.0%</b>

*Source: June 30, 2024 PERS ACFR; p. 116*

### **Long-Term Expected Rate of Return:**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
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 Partnership	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds – Multi-strategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
<i>Assumed Inflation - Mean</i>		<i>2.35%</i>

*(Source of table below: June 30, 2024 PERS ACFR; p. 88)*

## **9. DEFINED BENEFIT PENSION PLAN (continued)**

**Discount Rate** – The discount rate used to measure the total pension liability was 6.90% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the 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.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate – the following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90%, 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%) or one percent higher (7.90%) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 220,644,477	\$ 139,873,318	\$ 72,223,524

### **Changes Subsequent to the Measurement Date**

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2024 measurement date that meet this requirement and thus would require a brief description under the GASB standard.

### **Deferred Compensation Plans**

Two deferred compensation plans are available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plans are authorized under Internal Revenue Code (IRC) Sections 457 and 403 (b) and have been approved in their specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

## **9. DEFINED BENEFIT PENSION PLAN (continued)**

### **OPSRP Individual Account Program (OPSRP IAP)**

#### *Plan Description:*

Employees of the District are provided with pensions through OPERS. This is a cost sharing multiple employee defined benefit plan. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

#### *Pension Benefits:*

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

#### *Death Benefits:*

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

#### *Contributions:*

Excluding Medford Education Association members, employees of the District pay six (6) percent of their payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2025. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6% monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6% monthly IAP contribution, Tier 1/Tier 2 will have 2.5% redirected to the Employee Pension Stability Account and OPSRP will have 0.75% redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6% contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2025.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online at the below website, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

## **10. SINGLE EMPLOYER PENSION PLAN (GASB 73)**

Plan Description – Jackson county school district 549c provides two single employer defined benefit pension plans referred to as Plan A and Plan B for certain employees who meet qualifying criteria. All benefits of the system are established by the Board of directors of Jackson County School District 549c. The plan is reported as part of the Annual Comprehensive Financial Report issued by Jackson County School District 549c and no stand-alone report was issued. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. The actuarial reports are combined since the total liabilities are not individually significant.

Funding Policy – The benefits from this program are funded from the General Fund. There is no obligation on the part of the District to fund these benefits in advance.

Actuarial Methods and Assumptions – The District engaged an actuary to perform an evaluation as of June 30, 2024 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

Discount Rate per year		5.25%
General Inflation Rate per year		2.5%
Salary Scale per year		3.5%
Annual Medical Premium increase rate	2024-25	4.0%
Increasing 0.5% per year until 2028-29		
Then decreasing 0.2% per year until 2033-34		
Then decreasing 0.1% per year until 2038+		

Mortality rates were based on Pub-2010 Teachers table, separate Employee/Health Annuitant, sex distinct, generational, no setback. Active male participants are 125% of the table rates and active female participants are 100% of the table rates.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability rates were based on the percentages developed for the valuation of benefits under Oregon PERS and vary by employee age.

Retirement rates were calculated based on age and years of service with the assumption employees will retire by the time both employee and dependent have reached age 65, the age at which they can no longer receive subsidized health benefits.

Of the active employees currently enrolled in a medical plan, 80% are assumed to remain enrolled at retirement until Medicare eligible.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Descriptions of the plans are as follows.

### **Plan A**

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Descriptions of the plans are as follows:

## **10. SINGLE EMPLOYER PENSION PLAN (GASB 73) (continued)**

The District previously offered a special termination stipend benefit of \$300 per month for up to 10 years to its employees. The program has been sunsetted and the last scheduled payment was made in fiscal 2022-23. This program covered all full-time certified, confidential/supervisory, classified, and administrative personnel of the District. Certain stipend benefits were only available to licensed and administrative employees who have or will retire before certain dates. These benefits were established under separate collective bargaining agreements and provide provisions for early separation according to the following eligibility requirements:

1. Administrators - Attained age 58 and after electing early separation.
2. Certified (Teachers) - Employees between the ages of 55 and 62 may elect early separation provided they have completed 15 years of service with the School District or have completed 10 years of service with the School District while on step 14 of the salary schedule.
3. Confidential/Supervisory and Classified - Employees eligible to receive full retirement benefits under the Oregon Public Employees Retirement System (PERS) may elect early separation provided they have completed 15 years of service with the School District.

Each employee accepting this offer agreed to work a minimum number of days per year at a substitute teacher's rate of pay. The benefits from these programs were fully paid by the District, and consequently, no contributions by employees are required. There is no obligation on the part of the District to fund these benefits in advance. In addition, there is no guarantee that this benefit will be offered in future contracts. Special separation benefits are charged to expense as paid.

### **Plan B**

The District currently offers a second special termination benefits program, Plan B. The details of the program vary depending on the bargaining group and are as follows:

Administrators – Administrators hired prior to September 2010 are eligible for the plan.

- For Administrators hired before September 2010, there is a special termination benefit option available to them upon meeting the eligibility requirements to retire. They will receive \$1,500 for every year of service to the Medford school district calculated as of June 30, 2012.

Licensed – Medford Education Associate (MEA) members who met the retirement eligibility requirements as of June 30, 2014 and who retired by that date could receive up to a maximum of 8 years of medical coverage until the employee reaches Medicare eligibility or may opt for the plan B early termination benefit option described next. All options for medical coverage under the early retirement healthcare plan ended as of June 30, 2022. Members retiring after June 30, 2022 who meet the requirements described in the following paragraph are eligible for the plan B special termination benefit.

- For all other MEA members hired before July 1, 2006 there is a defined benefit retirement option available to them upon meeting the eligibility requirements to retire. They will receive \$2,000 for every year of service to the Medford school district calculated as of June 30, 2015 to a maximum of \$56,000.

## **10. SINGLE EMPLOYER PENSION PLAN (GASB 73) (continued)**

Classified – OSEA members no longer have a district paid insurance option for retirees as of July 1, 2013, but those who meet the qualifications below are eligible for the plan B special termination benefits.

- For OSEA members hired before July 1, 2006 there is a special termination benefit option available to them upon meeting the eligibility requirements to retire. They will receive \$1,500 for every year of service to the Medford school district calculated as of June 30, 2012.
- OSEA members who are eligible to retire by June 30, 2017 will get \$2,000 for every year of service calculated as of June 30, 2012.

Confidential & Managers – Confidential members and Managers no longer have a district paid insurance option for retirees as of July 1, 2013, but those who meet the qualifications below are eligible for the plan B special termination benefits.

For Confidential members and Managers there is a special termination benefit option available to them upon meeting the eligibility requirements to retire. They will receive \$1,500 for every year of service to the Medford school district calculated as of June 30, 2012 regardless of hire date.

### Changes in Single Employer Pension Plan Benefit Liability

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
<b>Balance at June 30, 2024</b>	<b>\$ 3,023,274</b>	<b>\$ -</b>	<b>\$ 3,023,274</b>
<u>Changes for the year:</u>			
Service Cost	104,535	-	104,535
Interest	115,362	-	115,362
Changes in Benefit Terms	-	-	-
Differences between expected and actual experience	(336,136)	-	(336,136)
Changes in assumptions or other input	(124,980)	-	(124,980)
Employer Contributions	-	(487,500)	(487,500)
Benefit payments	(487,500)	487,500	-
<b>Net changes for the year</b>	<b>\$ (728,719)</b>	<b>\$ -</b>	<b>\$ (728,719)</b>
<b>Total Pension Liability at June 30, 2025</b>	<b>\$ 2,294,555</b>	<b>\$ -</b>	<b>\$ 2,294,555</b>

### Deferred Inflow and Outflow of Resources

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 177,250	\$ 534,777
Changes in assumptions or other input	92,640	266,910
Net difference between projected and actual earnings on investments	-	-
Net changes in proportionate share	-	-
Differences between Employers contributions and proportionate share of contributions	-	-
<b>Deferred outflow (inflow) of resources</b>	<b>\$ 269,890</b>	<b>\$ 801,687</b>

## **10. SINGLE EMPLOYER PENSION PLAN (GASB 73) (continued)**

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30	<u>Amount</u>
2026	\$ 71,329
2027	(151,905)
2028	(141,630)
2029	(120,162)
2030	(120,163)
Thereafter	(69,266)
<b>Total</b>	<b>\$ (531,797)</b>

### Pension Expense

The plan recognized \$291,230 of pension expense or 2.19% of estimated payroll for the fiscal year.

### Sensitivity of the Single Employer Pension Plan Benefit Liability to changes in discount rates

The following presents the Single Employer Pension Plan Benefit Liability, calculated using the discount rate of 5.25%, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (4.25%) or 1-percentage-point higher (6.25%) than the current rate:

June 30, 2025	1%	Current	1%
	Decrease	Rate	Increase
	4.25% Discount Rate	5.25% Discount Rate	6.25% Discount Rate
<b>Total Pension Liability</b>	<b>\$ 2,356,298</b>	<b>\$ 2,294,555</b>	<b>\$ 2,230,912</b>

## **11a. OTHER POST EMPLOYMENT BENEFITS (GASB 75) – DISTRICT PLAN**

### Post-Employment Health Insurance Subsidy

Plan Description - The District operates a single-employer retiree benefit plan that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements. As of June 30, 2014 this post employment health insurance subsidy has been sunsetted ending new participants for all bargaining groups except Licensed staff which sunset ending new participants June 30, 2015. The healthcare subsidy is being replaced with a one-time payout based on years of service for those who qualify. The calculated OPEB liability is derived using the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and (2) actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

The District's post-retirement healthcare plan established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution.

## **11a. OTHER POST EMPLOYMENT BENEFITS (GASB 75) – DISTRICT PLAN (continued)**

The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

Funding Policy – The benefits from this program are paid by the District 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.

Actuarial Methods and Assumptions – The District engaged an actuary to perform an evaluation as of June 30, 2023 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

Discount Rate per year		5.25%
General Inflation Rate per year		2.50%
Salary Scale per year		3.5%
Annual Medical Premium increase rate	2024-25	4.0%
Increasing 0.5% per year until 2028-29		
Then decreasing 0.2% per year until 2033-34		
Then decreasing 0.1% per year until 2038+		

Mortality rates were based on the PUB 2010 Employee Tables for Teachers, sex distinct, projected generationally. Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service. Disability rates were based on the percentages developed for the valuation of benefits under Oregon PERS and vary by employee age. Retirement rates were calculated based on age and years of service with the assumption that 80% of future retirees will elect medical coverage and 70% of retirees electing coverage will cover a spouse as well.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

### Changes in Medical Benefit OPEB Liability

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
<b>Balance at June 30, 2024</b>	\$ 8,238,571	\$ -	\$ 8,238,571
<b>Changes for the year:</b>			
Service Cost	569,104	-	569,104
Interest	344,915	-	344,915
Changes in Benefit Terms	-	-	-
Differences between expected and actual experience	(2,052,993)	-	(2,052,993)
Changes in assumptions or other input	(1,392,646)	-	(1,392,646)
Employer Contributions	-	(369,619)	(369,619)
Benefit payments	(369,619)	369,619	-
<b>Net changes for the year</b>	\$ (2,901,239)	\$ -	\$ (2,901,239)
<b>Net OPEB Liability at June 30, 2025</b>	\$ 5,337,332	\$ -	\$ 5,337,332

**11a. OTHER POST EMPLOYMENT BENEFITS (GASB 75) – DISTRICT PLAN (continued)**

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 3,378,709
Changes in assumptions	210,249	2,457,001
Net difference between projected and actual earnings on investments	-	-
Net changes in proportionate share	-	-
Differences between Employers contributions and proportionate share of contributions	-	-
<b>Deferred outflow (inflow) of resources</b>	<b>\$ 210,249</b>	<b>\$ 5,835,710</b>

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30	<u>Amount</u>
2026	\$ (1,255,158)
2027	(941,880)
2028	(1,047,005)
2029	(805,683)
2030	(695,047)
Thereafter	<u>(880,688)</u>
<b>Total</b>	<b><u>\$ (5,625,461)</u></b>

Pension Expense

The plan recognized -\$341,139 of pension expense or -0.36% of estimated payroll for the fiscal year.

Sensitivity of the Net Other Post-Employment Benefit Liability to changes in Discount and Trend rates

The following presents the net other post-employment benefit liability (NOL), calculated using the discount rate of 5.25%, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (4.25%) or 1-percentage-point higher (6.25%) than the current rate:

	1%	Current	1%
	Decrease	Rate	Increase
	4.25% Discount Rate	5.25% Discount Rate	6.25% Discount Rate
<b>Net OPEB Liability</b>	<b>\$ 6,074,916</b>	<b>\$ 5,337,332</b>	<b>\$ 5,281,553</b>

### **11a. OTHER POST EMPLOYMENT BENEFITS (GASB 75) – DISTRICT PLAN (continued)**

The following presents the net other post-employment benefit liability (NOL), calculated using the trend rate of 3.5% graded up to 5.8% then back down to 4.50%, as well as what the liability would be if it was calculated using a trend rate 1-percentage-point lower (2.5% graded up to 4.8% then back down to 3.5%) or 1-percentage-point higher (4.5% graded up to 6.8% then back down to 5.50%) than the current rate:

	1%	Current	1%
	Decrease	Rate	Increase
	2.5% Graded up to 4.80%	3.5% Graded up to 5.80%	4.5% Graded up to 6.80%
	Then Down to 3.5%	Then Down to 4.5%	Then Down to 5.5%
<b>Net OPEB Liability</b>	<b>\$ 5,035,168</b>	<b>\$ 5,337,332</b>	<b>\$ 6,412,998</b>

### **11b. OTHER POST EMPLOYMENT BENEFIT (RHIA) – OREGON PERS PLAN**

#### **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 postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

#### **Funding Policy:**

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in 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 an 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.

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.04% of annual covered Tier I and Tier II payroll under a contractual requirement in effect until June 30, 2024. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2023, 2024 and 2025 were \$0.01 million, \$0.001 million and \$0.0001 respectively, which equaled the required contributions each year.

## **11b. OTHER POST EMPLOYMENT BENEFIT RHIA – OREGON PERS PLAN (continued)**

At June 30, 2025, the District reported a net OPEB liability/(asset) of (\$2,396,544) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2024, 2023 and 2022, the District's proportion was 0.5933%, 0.5277% and 0.4714%, respectively. OPEB income for the year ended June 30, 2025 was \$451,977.

### **Components of OPEB Expense/ (Income):**

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (284,924)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(167,053)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	<u>-</u>
Employer's Total OPEB Expense/(Income)	<u><u>\$ (451,977)</u></u>

### **Components of Deferred Outflows/Inflows of Resources:**

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 46,872
Changes in assumptions	-	30,314
Net difference between projected and actual earnings on pension plan investments	67,666	-
Net changes in proportionate share	-	144,392
Differences between Employer contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	67,666	221,578
Employer contributions subsequent to measuring date	145	-
Deferred outflow (inflow) of resources	<u><u>\$ 67,811</u></u>	<u><u>\$ 221,578</u></u>

## **11b. OTHER POST EMPLOYMENT BENEFIT RHIA – OREGON PERS PLAN (continued)**

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/ (asset) in the fiscal year ended June 30, 2026. Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2026	\$ (269,177)
2027	70,846
2028	36,608
2029	7,812
2030	-
Thereafter	-
<b>Total</b>	<b>\$ (153,912)</b>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2024. That independently audited report was dated November 27, 2024 and can be found at:

<https://www.oregon.gov/pers/emp/pages/gasb.aspx>

### **Actuarial Methods and Assumptions:**

Valuation date	December 31, 2022
Measurement date	June 30, 2024
Experience Study Report	2022, Published July 24, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

## **11b. OTHER POST EMPLOYMENT BENEFIT RHIA – OREGON PERS PLAN**

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2022 Experience Study which is reviewed for the four-year period ending December 31, 2022.

### **Discount Rate:**

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2023 was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

### **Long-Term Expected Rate of Return:**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
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 Partnership	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds – Multi-strategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
<i>Assumed Inflation - Mean</i>		2.35%

*(Source of table: June 30, 2024 PERS ACFR; p. 88)*

## **11b. OTHER POST EMPLOYMENT BENEFIT RHIA – OREGON PERS PLAN**

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension (asset)/liability	\$ (2,218,471)	\$ (2,396,544)	\$ (2,549,869)

### **Changes Subsequent to the Measurement Date**

There are no changes subsequent to the June 30, 2024 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

## **12. 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; injuries to employees; and natural disasters for which the District purchases commercial insurance. There were no significant reductions in insurance coverage from coverage in prior years in any of the major categories of risk. In addition, the amounts of any settlements have not exceeded insurance coverage for any of the past three fiscal years.

The District was self-funded and self-insured for healthcare through September 30, 2024, moving to purchasing insurance from the Oregon Educator's Benefit Board beginning October 1, 2024. The basis for estimating the self-insured incurred but not paid claims was reviewed by a third party administrator and they estimate the claims lag liability based on most recent two years claims lag plus an additional 10% margin for inflation. The District managed risk in part by obtaining stop loss insurance policy with a \$200,000 stop loss per claim and includes a \$50,000 aggregating specific corridor. The District uses a third party, Regence, to manage and process runout claims. Regence allows claims incurred October 1, 2024, to be payable up to twelve months after occurrence, so the District could still have claims to pay through September 30, 2025. The District estimated claims incurred but not paid (IBNP) as of June 30, 2025 based on actual claims paid through September 2, 2025. No claims liabilities have been removed from the balance sheet due to the purchase of annuity contracts. The IBNP liability decreased 92% year-over-year with June 30, 2025 at \$0.125 million versus \$1.874 million at June 30, 2024 as there are only three months of runout claims left payable at June 30, 2025.

## **13. PROPERTY TAX LIMITATION**

The State of Oregon imposes a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

### **13. PROPERTY TAX LIMITATION (continued)**

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

### **14. COMMITMENTS AND CONTINGENCIES**

The District is dependent on the State of Oregon for a substantial portion of its operating funds. Due to funding uncertainties at the state level, future funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the District's future operations is not yet determinable.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel, the resolution of these matters will not have a material adverse effect of the financial condition of the government.

### **15. GASB 54 FUND BALANCE**

The specific purposes for each of the categories of fund balance as of June 30, 2025 are as follows:

Fund Balances	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Non Major Fund	Total
<u>Nonspendable:</u>						
Prepaid & Inventory	\$ 514,041	\$ 13,977	\$ -	\$ -	\$ -	\$ 528,018
<u>Restricted:</u>						
Special Grants/Projects	-	7,233,751	-	-	-	7,233,751
Food Service	-	1,405,496				1,405,496
Debt Service	-	-	1,398,332	-	-	1,398,332
Capital Projects	-	-	-	505,317	-	505,317
Scholarship Trust	-	-	-	-	205,420	205,420
<u>Committed:</u>						
PERS	-	2,212,400	-	-	-	2,212,400
<u>Assigned:</u>						
Athletics & Stadium	-	129,765	-	-	-	129,765
Unassigned:	\$22,544,645	-	-	-	-	\$22,544,645
<b>Total Fund Balances</b>	<b>\$23,058,686</b>	<b>\$ 10,995,389</b>	<b>\$1,398,332</b>	<b>\$ 505,317</b>	<b>\$ 205,420</b>	<b>\$36,163,144</b>

## **16. TAX ABATEMENTS (GASB 77)**

Jackson County negotiates property tax abatement agreements on an individual basis as allowed under Oregon Revised Statute 285C.175, Enterprise Zone Exemption. This exemption allows qualifying and authorized businesses a tax abatement up to 100% of the assessed value of the qualified property, for up to three years. For the fiscal year ended June 30, 2025, the following tax abatement agreements for Medford School District totaling \$1,136,838 were in place as follows:

□ Solar totaling	\$ 23,676
□ Enterprise Zone totaling	\$1,109,570
□ Food Producer totaling	\$ 3,592

## **17. LEASES PAYABLE (GASB 87)**

The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

As of 06/30/2025, Medford School District, OR had 22 active leases. The leases have payments that range from \$540 to \$250,000 and interest rates that range from 0.7270% to 2.8480%. As of 06/30/2025, the total combined value of the lease liability is \$421,386, the total combined value of the short-term lease liability is \$331,949. The combined value of the right to use asset, as of 06/30/2025 of \$925,214 with accumulated amortization of \$802,700 is included within the Lease Class activities table found below. The leases had \$0 of Variable Payments and \$0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

### **Principal and Interest Requirements to Maturity**

#### **GOVERNMENTAL ACTIVITIES:**

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 331,949	\$ 4,158	\$ 336,107
2027	33,991	1,709	35,700
2028	34,785	915	35,700
2029	20,661	160	20,821
Total	\$ 421,386	\$ 6,942	\$ 428,328

### **Amount of Lease Assets by Major Classes of Underlying Asset**

Asset Class	As of Fiscal Year-end		
	Lease Asset Value	Accumulated Amortization	Balance
Buildings	\$ 496,534	\$ 496,534	\$ -
Equipment	428,680	306,166	122,514
Total Leases	\$ 925,214	\$ 802,700	\$ 122,514

## **17. LEASES PAYABLE (GASB 87) (continued)**

### **Lease Activity (Roll Forward Schedule)**

<b>GOVERNMENTAL ACTIVITIES:</b>	<b>Balance as of</b>				<b>Balance as of</b>
	<u>July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>		<u>June 30, 2025</u>
<b>Lease Liability</b>					
Total Building Lease Liability	\$ -	\$ 496,534	\$ 247,516	\$ 249,018	
<b>Equipment</b>					
Total Equipment Lease Liability	\$ 61,418	\$ -	\$ 96,050	\$ 172,368	
<b>Total Lease Liability</b>	<b>\$ 261,418</b>	<b>\$ 496,534</b>	<b>\$ 343,566</b>	<b>\$ 421,386</b>	
			<b>Current Portion</b>	<b>331,949</b>	
			<b>Long Term Portion</b>	<b>89,437</b>	
 <b>Governmental Activities</b>					
	<u>Balance as of</u>				<u>Balance as of</u>
	<u>June 30, 2024</u>		<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2025</u>
<b>Right-to-Use Lease Assets</b>					
Total Building Lease Assets	\$ -	\$ 496,534	-	\$ 496,534	
Total Equipment Lease Assets		428,680	-	-	428,680
<b>Total Right-To-Use Lease Assets</b>	<b>\$ 428,680</b>	<b>\$ 496,534</b>	-	<b>\$ 925,214</b>	
 <b>Less Accumulated Amortization</b>					
Total Building Accumulated Amortization	\$ -	\$ 496,534	-	\$ 496,534	
Total Equipment Accumulated Amortization		176,810	129,356	-	306.166
<b>Total Building &amp; Equipment Accumulated Amortization</b>	<b>\$ 176,810</b>	<b>\$ 625,890</b>	-	<b>\$ 802,700</b>	
<b>Total Governmental Right-To-Use Lease Assets, Net</b>	<b>\$ 251,870</b>	<b>\$ (129,356)</b>	-	<b>\$ 122,514</b>	

## **18. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA) (GASB 96)**

The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

## **18. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA) (GASB 96) (continued)**

As of 06/30/2025, Medford School District No. 549 (Jackson County), OR had 45 active subscriptions. The subscriptions have payments that range from \$0 to \$322,649 and interest rates that range from 1.8503% to 3.7420%. As of 06/30/2025, the total combined value of the subscription liability is \$1,488,515, and the total combined value of the short-term subscription liability is \$731,119. The combined value of the right to use asset, as of 06/30/2025 of \$4,982,068 with accumulated amortization of \$2,688,599 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

### Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end		
	Subscription Asset Value	Accumulated Amortization	Balance
Software	\$ 4,982,068	\$ 2,688,599	\$ 2,293,469
<b>Total Subscriptions</b>	<b>\$ 4,982,068</b>	<b>\$ 2,688,599</b>	<b>\$ 2,293,469</b>

### Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 731,119	\$ 39,685	\$ 770,804
2027	512,520	20,173	532,693
2028	244,876	5,999	250,876
<b>Total</b>	<b>\$ 1,488,515</b>	<b>\$ 65,857</b>	<b>\$ 1,554,373</b>

### Subscription Activity (Roll forward Schedule)

<b>GOVERNMENTAL ACTIVITIES:</b>	Balance as of			Balance as of June 30, 2025
	July 1, 2024	Additions	Reductions	

Subscription Liability				
Software				
<b>Total Software Subscription Liability</b>	<b>\$ 1,828,261</b>	<b>\$1,226,847</b>	<b>\$ 1,566,593</b>	<b>\$ 1,488,515</b>
			<b>Short Term</b>	<b>731,119</b>
			<b>Long Term</b>	<b>757,396</b>

<b>GOVERNMENTAL ACTIVITIES:</b>	Balance as of			Balance as of June 30, 2025
	July 1, 2024	Additions	Reductions	

Subscription Assets				
<b>Total Subscription Software Assets</b>	<b>\$ 4,233,202</b>	<b>\$1,226,847</b>	<b>\$ 477,981</b>	<b>\$ 4,982,068</b>
<b>Total Subscription Accumulated Amortization</b>		1,518,142	1,648,438	477,981
<b>Total Governmental Subscription Assets, Net</b>	<b>\$ 2,715,060</b>	<b>\$ (421,591)</b>		<b>\$ 2,293,469</b>

## **19. RESTATEMENTS**

The District adopted GASB statement 101 for compensated absences for the financial statements ending 06/30/2025, as such beginning net position needed to be restated as noted below.

Change in net positon	Amount
Net position – beginning of year, as previously presented	\$ 7,309,443
Restatement	\$ -11,233,994
Net position – beginning of year as restated	\$ -3,924,551
Net position – end of year	\$ 10,926,812

## **20. CONCENTRATIONS AND CONSTRAINTS**

### **A) State and Federal Funding**

The School District operates as a subdivision of the state, and as such, its funding is heavily reliant on appropriations from the state legislature to the School Support Fund (SSF). For the year ended June 30, 2025, approximately 69% of the District's total governmental fund revenues were derived from SSF grants. This concentration of funding exposes the District to significant financial risk should state funding levels decrease. Although the legislature approved the next biennial funding cycle, effective beginning July 1, 2025, the District's future funding remains uncertain, particularly given the state's dependence on federal aid for various programs, including education. Federal funding, as noted in subsequent sections, is currently experiencing reductions and is expected to face further reductions in the foreseeable future.

The District also receives a notable portion of its governmental resources through a Student Investment Account (SIA) grant, which accounted for 5.3% of total governmental fund resources for the fiscal year ending June 30, 2025. The SIA grant is primarily funded through the state's Corporate Activity Tax (CAT), which is subject to fluctuation based on economic conditions at both the federal and state levels. The funding cycle aligns with the state's biennial budget process, with the next cycle commencing on July 1, 2025. This concentration presents additional risk, as the volatility of the underlying tax revenue increases the potential for future reductions. The District's management continues to monitor economic trends and their potential impact on SIA funding levels.

The District also receives federal grants, which totaled 8.1% of its governmental fund revenues for the year ending June 30, 2025. Most of these federal grants are scheduled to begin in the upcoming fiscal year starting October 1, 2025. As of the financial statement date, federal budget negotiations for 2025-26 are ongoing, and the District's reliance on federal funding introduces exposure to the broader implications of national debt levels and potential federal spending adjustments. Management actively monitors economic and legislative developments to assess potential impacts on future federal funding.

The District's long-term financial strategies are reviewed periodically to address the risks associated with these funding concentrations.

## **20. CONCENTRATIONS AND CONSTRAINTS (continued)**

### **B) Payroll costs and Collective Bargaining**

The School District's operating expenses are predominantly driven by employee salaries and benefits, with approximately 92% of staff compensation covered by two separate collective bargaining agreements. This heavy reliance on a limited number of agreements exposes the District to financial and operational risks, especially as future contract negotiations could significantly impact the District's resources. Negotiations with the licensed and classified staff unions for new contracts, which also expire on June 30, 2026, are scheduled to begin during the 2026 fiscal year. The District's management is actively involved in these discussions to ensure operational continuity and to mitigate potential adverse effects on the District's budget and long-term fiscal health.

The District is also a mandatory participant in the Oregon Educators Benefit Board (OEBB), which provides group health benefits to staff. This participation involves resource concentration, as the District depends on a single provider for a substantial portion of its employee benefit costs. While the District's financial contributions are negotiated through collective bargaining, the rates and plan structures are set solely by OEBB. As a result, the District remains vulnerable to significant financial impacts from potential rate increases. The rates for the plan year beginning October 1, 2025, were approved on August 15, 2025—prior to the issuance of these financial statements. These new rates could influence future financial commitments and bargaining negotiations. Additionally, OEBB is currently considering rate increases exceeding the Oregon Legislature's cap of 3.4%. If legislation permitting higher increases is enacted, it could substantially affect the District's future costs. Management continues to monitor the rate-setting process and evaluates the possible financial implications for upcoming budgets and negotiations.

The District is also a required participant in the Public Employees Retirement System (PERS). Pension costs are determined on a biennial basis through an actuary and are significantly impacted by the investment performance of the PERS fund. For the fiscal year ending June 30, 2025, pension expenses accounted for roughly 10% of the District's General Fund expenditures. The District's pension obligations pose a concentration risk, as unfavorable investment performance or an unfunded actuarial liability could lead to substantial financial impacts. On May 30, 2025, the PERS Board approved new employer contribution rates for the upcoming biennium starting July 1, 2025. These rate adjustments could either increase or decrease the District's pension costs, further amplifying the financial risk related to pension obligations.

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**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.63 %	\$ 139,873,318	\$ 85,917,521	162.80 %	79.3 %
2024	0.68	127,785,086	82,417,392	155.05	81.7
2023	0.69	106,206,194	81,452,164	130.39	84.5
2022	0.63	75,317,386	73,642,524	102.27	87.6
2021	0.67	145,310,449	67,833,352	214.22	75.8
2020	0.71	122,767,239	64,912,312	189.13	80.2
2019	0.74	112,472,096	62,263,882	180.64	82.1
2018	0.75	101,157,536	61,889,745	163.45	83.1
2017	0.77	115,808,845	58,990,506	196.32	80.5
2016	0.83	47,725,595	54,215,662	88.03	91.9

**SCHEDULE OF CONTRIBUTIONS PENSION LIABILITY**

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2025	\$ 18,920,964	\$ 18,920,964	\$ -	\$ 89,427,078	21.2 %
2024	18,236,006	18,236,006	-	85,917,521	21.2
2023	16,372,967	16,372,967	-	82,417,392	22.0
2022	16,322,702	16,322,702	-	81,452,164	20.0
2021	17,037,487	17,037,487	-	73,642,524	23.1
2020	15,861,926	15,861,926	-	67,833,352	23.4
2019	12,667,955	12,667,955	-	64,912,312	19.5
2018	11,933,652	11,933,652	-	62,263,882	19.2
2017	9,389,173	9,389,173	-	61,889,745	15.2
2016	8,701,138	8,701,138	-	58,990,506	14.8

The Pension related amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

**SCHEDULE OF THE PROPORTIONATE SHARE OF PERS RHIA**

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension (asset)/liability	(c) covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.59 %	\$ (2,396,544)	\$ 85,917,521	(0.028) %	220.6 %
2024	0.53	(1,932,369)	82,417,392	(0.023)	201.6
2023	0.53	(1,675,302)	81,452,164	(0.021)	194.7
2022	0.51	(1,749,417)	73,642,524	(0.024)	183.9
2021	0.59	(1,210,650)	67,833,352	(0.018)	183.9
2020	0.59	(1,148,390)	64,912,312	(0.018)	150.1
2019	0.60	(666,365)	62,263,882	(0.011)	144.4
2018	0.60	(249,428)	61,889,745	(0.004)	108.9
2017	0.61	166,710	58,990,506	0.003	94.1

**SCHEDULE OF CONTRIBUTIONS PERS RHIA**

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2025	\$ 146	\$ 146	\$ -	\$ 89,427,078	0.0 %
2024	1,014	1,014	-	85,917,521	0.0
2023	10,400	10,400	-	82,417,392	0.0
2022	11,620	11,620	-	81,452,164	0.0
2021	10,400	10,400	-	73,642,524	0.0
2020	42,430	42,430	-	67,833,352	0.1
2019	294,544	294,544	-	64,912,312	0.5
2018	289,048	289,048	-	62,263,882	0.5
2017	299,512	299,512	-	61,889,745	0.5

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**  
**Required Supplementary Information**  
**Schedule of Changes in Other Post Employment Benefits (OPEB) Liability and Related Ratios Stipend Benefit**

**For the Year Ended June 30, 2025**

Page 1 Of 2	2025	2024	2023	2022	2021
<b>Total Pension Liability Beginning Fiscal Year</b>	<b>\$ 3,023,274</b>	<b>\$ 3,256,773</b>	<b>\$ 4,132,474</b>	<b>\$ 4,716,159</b>	<b>\$ 5,009,143</b>
<b><u>Changes for the year:</u></b>					
Service Cost	104,535	101,000	179,248	174,027	191,506
Interest	115,362	117,942	88,728	102,047	112,940
Changes of Benefit Terms	-	-	-	-	-
Differences between expected and actual experience.	(336,136)	-	(296,026)	-	(215,743)
Changes of assumptions or other input	(124,980)	(27,132)	(111,151)	(150,264)	(19,487)
Benefit Payments	(487,500)	(425,309)	(736,500)	(709,495)	(362,200)
<b>Net changes for the year</b>	<b>(728,719)</b>	<b>(233,499)</b>	<b>(875,701)</b>	<b>(583,685)</b>	<b>(292,984)</b>
<b>Total Pension Liability Ending Fiscal Year</b>	<b>\$ 2,294,555</b>	<b>\$ 3,023,274</b>	<b>\$ 3,256,773</b>	<b>\$ 4,132,474</b>	<b>\$ 4,716,159</b>
<b><u>Fiduciary Net Position - Beginning</u></b>					
Contributions - Employer	-	\$	-	\$	-
Contributions - Employee	487,500	425,309	736,500	709,495	362,200
Net Investment Income	-	-	-	-	-
Benefit Payments	-	-	-	-	-
Administrative Expense	(487,500)	(425,309)	(736,500)	(709,495)	(362,200)
<b>Net Change in Fiduciary Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fiduciary Net Position - End of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net OPEB Liability at End of Year</b>	<b>\$ 2,294,555</b>	<b>\$ 3,023,274</b>	<b>\$ 3,256,773</b>	<b>\$ 4,132,474</b>	<b>\$ 4,716,159</b>
Fiduciary Net Position as a percentage of the total Single Employer Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 13,288,587	\$ 15,873,571	\$ 15,336,784	\$ 16,879,047	\$ 17,863,613
Net Single Employer Pension Plan as a Percentage of Covered Employee Payroll	17.27%	19.05%	21.24%	24.48%	26.40%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 73/75 in the fiscal year ending June 30, 2017.

Note 2: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

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**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**  
**Required Supplementary Information**  
**Schedule of Changes in Other Post Employment Benefits (OPEB) Liability and Related Ratios Stipend Benefit**

**For the Year Ended June 30, 2025**

**(Page 2 of 2)**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total Pension Liability Beginning Fiscal Year</b>	<b>\$ 5,232,692</b>	<b>\$ 3,746,931</b>	<b>\$ 4,094,531</b>	<b>\$ 4,495,882</b>
<b><u>Changes for the year:</u></b>				
Service Cost	185,030	272,908	150,368	150,368
Interest	176,122	110,344	115,884	126,952
Changes of Benefit Terms	-	-	-	-
Differences between expected and actual experience.	-	1,418,001	-	-
Changes of assumptions or other input	186,611	367,908	-	-
Benefit Payments	(771,312)	(683,400)	(613,852)	(678,671)
<b>Net changes for the year</b>	<b>(223,549)</b>	<b>1,485,761</b>	<b>(347,600)</b>	<b>(401,351)</b>
<b>Total Pension Liability Ending Fiscal Year</b>	<b>\$ 5,009,143</b>	<b>\$ 5,232,692</b>	<b>\$ 3,746,931</b>	<b>\$ 4,094,531</b>
<b><u>Fiduciary Net Position - Beginning</u></b>				
Contributions - Employer	-	\$ -	\$ -	\$ -
Contributions - Employee	771,312	683,400	613,852	678,671
Net Investment Income	-	-	-	-
Benefit Payments	-	-	-	-
Administrative Expense	(771,312)	(683,400)	(613,852)	(678,671)
<b>Net Change in Fiduciary Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fiduciary Net Position - End of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net OPEB Liability at End of Year</b>	<b>\$ 5,009,143</b>	<b>\$ 5,232,692</b>	<b>\$ 3,746,931</b>	<b>\$ 4,094,531</b>
Fiduciary Net Position as a percentage of the total Single Employer Pension Liability	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 18,850,440	\$ 18,440,122	\$ 23,427,376	\$ 29,341,081
Net Single Employer Pension Plan as a Percentage of Covered Employee Payroll	26.57%	28.38%	15.99%	13.95%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 73/75 in the fiscal year ending June 30, 2017.

Note 2: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**  
**Required Supplementary Information**  
**Schedule of Changes in Other Post Employment Benefits (OPEB) Liability and Related Ratios Medical Benefit**

**For the Year Ended June 30, 2025**

**Page 1 of 2**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Total Pension Liability Beginning Fiscal Year</b>	<b>\$ 8,238,571</b>	<b>\$ 7,883,932</b>	<b>\$ 9,203,859</b>	<b>\$ 9,877,398</b>	<b>\$ 11,690,661</b>
<b>Changes for the year:</b>					
Service Cost	\$ 569,104	\$ 549,859	\$ 742,658	\$ 721,027	\$ 629,287
Interest	344,915	309,692	220,172	230,144	268,419
Changes of Benefit Terms	-	-	-	-	-
Differences between expected and actual experience.	(2,052,993)	-	(1,554,093)	-	(1,622,929)
Changes of assumptions or other input	(1,392,646)	(154,232)	(406,446)	(885,062)	(307,631)
Benefit Payments	(369,619)	(350,680)	(322,218)	(739,648)	(780,409)
<b>Net changes for the year</b>	<b>(2,901,239)</b>	<b>354,639</b>	<b>(1,319,927)</b>	<b>(673,539)</b>	<b>(1,813,263)</b>
<b>Total Pension Liability Ending Fiscal Year</b>	<b>\$ 5,337,332</b>	<b>\$ 8,238,571</b>	<b>\$ 7,883,932</b>	<b>\$ 9,203,859</b>	<b>\$ 9,877,398</b>
<b>Fiduciary Net Position - Beginning</b>					
Contributions - Employer	369,619	350,680	322,218	739,648	780,409
Contributions - Employee	-	-	-	-	-
Net Investment Income	-	-	-	-	-
Benefit Payments	-	-	-	-	-
Administrative Expense	(369,619)	(350,680)	(322,218)	(739,648)	(780,409)
<b>Net Change in Fiduciary Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fiduciary Net Position - End of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net OPEB Liability at End of Year</b>	<b>\$ 5,337,332</b>	<b>\$ 8,238,571</b>	<b>\$ 7,883,932</b>	<b>\$ 9,203,859</b>	<b>\$ 9,877,398</b>
Fiduciary Net Position as a percentage of the total Single Employee Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 93,472,489	\$ 90,352,693	\$ 86,647,285	\$ 86,784,866	\$ 77,697,290
Net Single Employer Pension Plan as a Percentage of Covered Employee Payroll	5.71%	9.12%	9.10%	10.61%	12.71%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 73/75 in the fiscal year ending June 30, 2017.

Note 2: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

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JACKSON COUNTY SCHOOL DISTRICT 549C

Medford, Oregon

Required Supplementary Information

Schedule of Changes in Other Post Employment Benefits (OPEB) Liability and Related Ratios Medical Benefit

For the Year Ended June 30, 2025

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	2020	2019	2018	2017
<b>Total Pension Liability Beginning Fiscal Year</b>	<b>\$ 10,909,525</b>	<b>\$ 13,695,451</b>	<b>\$ 14,678,011</b>	<b>\$ 15,657,535</b>
<b>Changes for the year:</b>				
Service Cost	\$ 608,007	\$ 583,115	\$ 568,893	\$ 568,893
Interest	492,188	409,275	419,312	448,309
Changes of Benefit Terms	-	-	-	-
Differences between expected and actual experience.	-	(19,493)	-	-
Changes of assumptions or other input	840,993	(2,486,723)	-	-
Benefit Payments	(1,160,052)	(1,272,101)	(1,970,765)	(1,996,726)
<b>Net changes for the year</b>	<b>781,136</b>	<b>(2,785,926)</b>	<b>(982,560)</b>	<b>(979,524)</b>
<b>Total Pension Liability Ending Fiscal Year</b>	<b>\$ 11,690,661</b>	<b>\$ 10,909,525</b>	<b>\$ 13,695,451</b>	<b>\$ 14,678,011</b>
<b>Fiduciary Net Position - Beginning</b>				
Contributions - Employer	\$ 1,160,052	\$ 1,272,101	\$ 1,970,765	\$ 1,996,726
Contributions - Employee	-	-	-	-
Net Investment Income	-	-	-	-
Benefit Payments	-	-	-	-
Administrative Expense	(1,160,052)	(1,272,101)	(1,970,765)	(1,996,726)
<b>Net Change in Fiduciary Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fiduciary Net Position - End of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net OPEB Liability at End of Year</b>	<b>\$ 11,690,661</b>	<b>\$ 10,909,525</b>	<b>\$ 13,695,451</b>	<b>\$ 14,678,011</b>
Fiduciary Net Position as a percentage of the total Single Employee Pension Liability	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 72,086,084	\$ 69,195,918	\$ 65,681,058	\$ 66,858,300
Net Single Employer Pension Plan as a Percentage of Covered Employee Payroll	16.22%	15.77%	20.85%	21.95%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 73/75 in the fiscal year ending June 30, 2017.

Note 2: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

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**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Actual and Budget**

**For the Year Ended June 30, 2025**

**GENERAL FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
From Local Sources:				
Current and Prior Year's Taxes	46,006,573	47,791,573	48,036,573	245,002
Interest on Investments	2,400,000	3,000,000	3,028,492	28,492
Rentals	100,000	40,000	38,904	(1,096)
Fees Charged to Grants	1,080,000	1,140,000	1,248,477	108,477
Miscellaneous	431,000	756,000	1,180,597	424,597
Total Local Sources	<u>\$ 50,017,573</u>	<u>\$ 52,727,573</u>	<u>\$ 53,533,044</u>	<u>\$ 805,471</u>
From Intermediate Sources:				
Education Service District	3,500,000	3,500,000	3,615,426	115,426
Total Intermediate Sources	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>	<u>\$ 3,615,426</u>	<u>\$ 115,426</u>
From State Sources:				
State School Fund	126,925,768	127,172,391	127,687,963	515,572
Common School Fund	1,899,157	1,852,535	1,852,535	-
JUV Detention	201,000	451,000	478,153	27,153
Teen Parent	30,000	30,000	20,794	(9,206)
Other Restricted Grants in Aid	-	-	213,228	213,228
Total State Sources	<u>\$ 129,055,925</u>	<u>\$ 129,505,926</u>	<u>\$ 130,252,673</u>	<u>\$ 746,748</u>
From Federal Sources:				
Child Care Block Grant	30,000	30,000	20,880	(9,121)
Federal Forest Fees	100,000	100,000	41,260	(58,740)
Other Restricted Grants in Aid	-	-	63,576	63,576
Total Federal Sources	<u>\$ 130,000</u>	<u>\$ 130,000</u>	<u>\$ 125,715</u>	<u>\$ (4,285)</u>
Other Financing Sources-Uses:				
GASB 87 Lease	300,000	300,000	496,534	196,534
GASB 96 SBITA	1,200,000	1,200,000	1,226,046	26,046
Transfers In	550,000	550,000	550,000	-
Total Other Financing Sources-Uses	<u>\$ 2,050,000</u>	<u>\$ 2,050,000</u>	<u>\$ 2,272,580</u>	<u>\$ 222,580</u>
Total Revenues	<u><u>\$ 184,753,498</u></u>	<u><u>\$ 187,913,499</u></u>	<u><u>\$ 189,799,439</u></u>	<u><u>\$ 1,885,940</u></u>

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Actual and Budget**

**For the Year Ended June 30, 2025**

<b>GENERAL FUND</b>						
	ADOPTED BUDGET	FINAL BUDGET	SALARIES	ASSOCIATED PAYROLL COSTS		
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
1111 Primary Programs, Grades K-6	\$ 30,916,121	\$ 30,593,475	\$ 17,199,078	\$ 11,007,861		
1121 Middle Programs, Grades 7-8	15,376,684	15,538,676	8,880,766	5,360,921		
1122 Middle School Extra-curricular Programs, Grades 6-8	500,732	460,732	302,226	125,808		
1131 High School Programs, Grades 9-12	20,631,912	20,127,350	11,516,798	7,033,603		
1132 High School Extra-curricular Programs, Grades 9-12	1,068,372	1,108,372	800,185	271,815		
1210 Programs for the Talented and Gifted	45,701	59,731	18,180	10,175		
1220 Restrictive Programs for Students with Disabilities	7,317,928	6,209,971	3,446,808	2,172,698		
1240 Self Contained PGMS - FOCUS	504,372	487,572	254,933	193,130		
1250 Less Restrictive Programs for Students with Disabilities	6,700,363	6,295,878	3,658,581	2,283,241		
1260 Early Intervention	790,249	902,093	395,031	267,493		
1283 Alternative Education	405,862	680,637	372,125	240,540		
1286 Medford Online Academy K-8	769,236	554,236	314,983	193,179		
1288 Charter School	20,485,994	20,257,994	-	-		
1291 English Second Language Programs	4,987,916	5,293,353	2,884,746	1,688,449		
1292 Teen Parent	467,029	467,029	242,282	148,910		
1295 Homebound Instruction	159,551	149,387	37,032	11,386		
1296 Homeschool Connection	-	186	-	-		
1297 At Risk	75,000	75,000	-	-		
1430 Special Program/Summer School	239,718	239,718	142,563	56,310		
<b>Total Instruction</b>	<b>\$ 111,442,740</b>	<b>\$ 109,501,391</b>	<b>(1) \$ 50,466,315</b>	<b>\$ 31,065,519</b>		
<b>Support Services:</b>						
2112 Attendance and Social Work	289,986	262,986	88,836	66,046		
2115 Student Safety	740,000	740,000	-	-		
2121 Dean's Office	454,173	479,173	309,997	157,661		
2122 Counseling Services	1,793,701	1,710,201	996,152	578,916		
2130 Health Services	1,300,789	1,368,539	840,911	502,469		
2140 Psychological Services	1,345,824	1,445,824	808,308	445,751		
2150 Speech Pathology and Audiology	3,539,581	3,601,582	1,176,872	739,728		
2160 Occupational Therapy	950	370,950	214,721	140,887		
2190 Service Direction, Student Support Services	778,836	913,836	567,988	281,512		
2191 Student Wellness	313,166	338,216	137,698	81,246		
2210 Improvement of Instruction Services	651,193	384,213	125,659	60,595		
2220 Education Media Services	1,965,680	1,797,937	899,133	546,543		
2240 Instructional Staff Development	1,430,675	987,675	409,481	202,002		
2310 Board of Education Services	775,091	857,358	-	(0)		
2320 Executive Administration Services	3,822,745	4,028,618	2,326,198	1,154,494		
2410 Office of the Principal Services	11,381,372	11,654,035	7,151,420	4,106,342		
2520 Fiscal Services	1,373,857	1,394,207	822,395	437,784		
2540 Operation and Maintenance of Plant Services	17,444,216	18,458,101	6,243,149	3,272,480		
2550 Student Transportation Services	6,225,036	6,525,036	30,875	14,265		
2570 Internal Services	594,660	713,660	327,570	172,536		
2630 Information Services	5,161,686	4,824,186	2,696,900	1,460,064		
2640 Staff Services	1,714,641	1,708,391	914,187	446,348		
2660 Technology Services	2,678,500	3,073,500	-	721		
2700 Supplemental Retirement Program	1,994,890	1,252,124	500,000	627,518		
<b>Total Support Services</b>	<b>\$ 67,771,248</b>	<b>\$ 68,890,347</b>	<b>(1) \$ 27,588,450</b>	<b>\$ 15,495,905</b>		

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(1) Appropriation Level

PURCHASED SERVICES	SUPPLIES & MATERIALS	CAPITAL OUTLAY	OTHER OBJECTS	ACTUAL TOTAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
\$ 1,337,350	\$ 420,474	\$ -	\$ 251,216	\$ 30,215,979	\$ 377,496
773,982	297,111	-	91,625	15,404,404	134,272
12,074	-	-	-	440,108	20,624
852,344	526,990	561	12,945	19,943,241	184,109
23,877	-	-	-	1,095,878	12,494
-	29,670	-	-	58,024	1,707
487,558	25,298	-	9	6,132,372	77,598
12,944	-	-	-	461,007	26,565
180,217	436	-	-	6,122,476	173,402
219,487	-	-	-	882,010	20,083
19,390	11,443	-	23,675	667,173	13,463
34,987	3,624	-	632	547,406	6,830
20,246,137	-	-	-	20,246,137	11,857
110,067	31,124	-	36,386	4,750,771	542,582
2,276	233	-	-	393,701	73,328
800	171	-	-	49,390	99,997
-	155	-	31	186.08	-
75,000	-	-	-	75,000	-
12,341	20,973	-	-	232,187	7,531
<b>\$ 24,400,832</b>	<b>\$ 1,367,703</b>	<b>\$ 561</b>	<b>\$ 416,519</b>	<b>\$ 107,717,450</b>	<b>\$ 1,783,941</b>
6,004	-	-	38,100	198,986	64,000
627,243	-	-	-	627,243	112,757
1,343	-	-	-	469,000	10,172
37,326	1,973	-	250	1,614,616	95,585
6,965	5,816	-	837	1,356,998	11,541
72,937	1,047	-	449	1,328,491	117,333
1,649,877	180	-	-	3,566,657	34,924
357	-	-	-	355,965	14,985
32,645	15,344	-	6,563	904,052	9,784
93,985	4,870	-	2,674	320,473	17,744
70,550	39,526	-	17,796	314,125	70,088
16,971	184,678	-	658	1,647,982	149,955
188,203	7,596	-	4,113	811,395	176,280
192,642	9,493	-	645,274	847,410	9,948
264,771	(114,223)	-	326,935	3,958,174	70,444
80,186	100,203	-	29,763	11,467,913	186,123
33,316	4,995	-	93,374	1,391,865	2,343
5,932,073	1,656,197	359,632	923,632	18,387,163	70,938
6,347,402	3,870	-	-	6,396,411	128,624
3,089	154,259	10,459	-	667,913	45,747
53,104	72,239	-	440,735	4,723,041	101,145
136,266	42,099	-	3,968	1,542,867	165,523
1,203,496	1,315,755	-	534,826	3,054,798	18,702
-	-	-	-	1,127,518	124,606
<b>\$ 17,050,747</b>	<b>\$ 3,505,916</b>	<b>\$ 370,091</b>	<b>\$ 3,069,947</b>	<b>\$ 67,081,056</b>	<b>\$ 1,809,291</b>

Continued from page 91 and Continues on pages 93-94

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Actual and Budget**

**For the Year Ended June 30, 2025**

**GENERAL FUND**

	ORIGINAL BUDGET	FINAL BUDGET	SALARIES	ASSOCIATED PAYROLL COSTS
<b>EXPENDITURES (continued):</b>				
Community Services				
Food Service	\$ -	\$ -	\$ -	\$ -
Total Community Services	- -	- -	(1) -	- -
Facilities Acquisition and Development	1,500,000	1,500,000	(1) -	- -
Debt Service				
Operating Contingency	14,232,298	17,802,295	(1) -	- -
Total Expenditures	<u>\$ 194,946,286</u>	<u>197,694,033</u>	<u>\$ 78,054,765</u>	<u>\$ 46,561,424</u>
Excess of Revenues Over, (Under) Expenditures	<u>\$ (12,242,788)</u>	<u>\$ (11,830,534)</u>		
<b>Other Financing Sources, (Uses):</b>				
GASB 87 Lease	300,000	300,000		
GASB 96 SBITA	1,200,000	1,200,000		
Transfers In	550,000	550,000		
Transfers Out	(5,985,000)	(11,498,650)	(1)	
Total Other Financing Sources, (Uses)	<u>\$ (3,935,000)</u>	<u>\$ (9,448,650)</u>		
Net Change in Fund Balance	<u>\$ (16,177,788)</u>	<u>\$ (21,279,184)</u>		
Beginning Fund Balance	<u>16,177,788</u>	<u>21,279,184</u>		
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>		

(1) Appropriation Level

Continued from pages 91-92 and continues on page 94

PURCHASED SERVICES	SUPPLIES & MATERIALS	CAPITAL OUTLAY	OTHER OBJECTS	ACTUAL TOTAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	1,722,580	202	1,722,782	(222,782)
-	-	-	-	-	-
-	-	-	-	-	17,802,295
\$ 41,451,579	\$ 4,873,619	\$ 2,093,232	\$ 3,486,668	\$ 176,521,288	\$ 21,172,745
				\$ 11,005,572	\$ 22,836,106
				496,534	196,534
				1,226,046	26,046
				550,000	-
				(11,498,650)	0
				\$ (9,226,070)	\$ 222,580
				1,779,502	\$ 23,058,686
				21,279,184	-
				\$ 23,058,686	\$ 23,058,686

Continued from pages 91-93

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Schedule of Revenue, Expenditures, and Changes in Fund Balances**  
**Actual and Budget**

**For the Year Ended June 30, 2025**

**SPECIAL REVENUE FUND**

	<b>ORIGINAL BUDGET</b>	<b>AMENDED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>Revenues</b>				
Local sources:				
Taxes	\$ 830,000	\$ 830,000	\$ 1,076,699	\$ 246,699
Earning from temporary investments	-	-	27	27
Cocurricular activities	252,500	252,500	411,688	159,188
Other local sources	660,000	660,000	2,329,476	1,669,476
Intermediate sources:				
Restricted revenue	11,331	11,331	2,250	(9,081)
State sources:				
Unrestricted grants	-	-	-	-
Restricted grants	25,185,540	25,185,540	25,234,912	49,372
Federal sources:				
Restricted grants	18,255,420	18,255,421	20,524,984	2,269,563
Total revenues	<u>\$ 45,194,791</u>	<u>\$ 45,194,792</u>	<u>\$ 49,580,036</u>	<u>\$ 4,385,244</u>
<b>Expenditures</b>				
Current:				
Instruction	27,125,922	26,743,603	(1)	29,020,053
Support Services	9,430,211	9,430,211	(1)	7,677,531
Community services	6,591,484	6,973,804	(1)	7,082,215
Facilities Acquisition and Construction	7,734,592	13,414,592	(1)	12,888,282
Debt service:				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Operating Contingency	6,216,776	6,716,015	(1)	-
Total expenditures	<u>\$ 57,098,985</u>	<u>\$ 63,278,225</u>	<u>\$ 56,668,081</u>	<u>\$ 6,610,144</u>
Excess (Deficiency) of revenues over expenditures	<u>\$ (11,904,194)</u>	<u>\$ (18,083,433)</u>	<u>\$ (7,088,045)</u>	<u>\$ 10,995,388</u>
<b>Other financing sources (uses)</b>				
Transfers in	4,815,000	9,195,000	9,195,000	-
Transfers out	(550,000)	(550,000)	(1)	(550,000)
Proceeds from Sale or disposal of Capital Assets	-	-	-	-
Total other financing sources and uses	<u>\$ 4,265,000</u>	<u>\$ 8,645,000</u>	<u>\$ 8,645,000</u>	<u>\$ -</u>
Net change in fund balance	(7,639,194)	(9,438,433)	1,556,955	10,995,388
Fund balance beginning of year	<u>7,639,194</u>	<u>9,438,433</u>	<u>9,438,434</u>	<u>1</u>
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,995,389</u>	<u>\$ 10,995,389</u>

(1) Appropriation Level

**SUPPLEMENTARY INFORMATION**

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Actual and Budget**

**For the Year Ended June 30, 2025**

**DEBT SERVICE FUND**

	<b>ORIGINAL BUDGET</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE TO FINAL BUDGET OVER (UNDER)</b>
<b>Revenues</b>				
Local sources:				
Taxes	\$ 12,783,325	\$ 12,433,325	\$ 12,379,307	\$ (54,018)
Earning from temporary investments	15,000	15,000	69,416	54,416
Cocurricular activities	-	-	-	-
Other local sources	<u>4,850,000</u>	<u>5,200,000</u>	<u>5,183,010</u>	<u>(16,990)</u>
Total revenues	<u>\$ 17,648,325</u>	<u>\$ 17,648,325</u>	<u>\$ 17,631,733</u>	<u>\$ (16,592)</u>
<b>Expenditures</b>				
Current:				
Debt service:				
Principal *	13,380,000	13,380,000	(1)	13,380,000
Interest *	5,572,283	5,572,284	(1)	5,572,284
Supplies/Services/Fees *	4,550	4,550	(1)	2,250
Operating Contingency	<u>921,706</u>	<u>1,412,623</u>	(1)	-
Total expenditures	<u>\$ 19,878,539</u>	<u>\$ 20,369,457</u>	<u>\$ 18,954,534</u>	<u>\$ 1,414,923</u>
Excess (Deficiency) of revenues over expenditures	<u>\$ (2,230,214)</u>	<u>\$ (2,721,132)</u>	<u>\$ (1,322,801)</u>	<u>\$ 1,398,331</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,170,000	1,170,000	1,170,000	-
Transfers out	-	-	-	-
Bond Proceeds	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-
Total other financing sources and uses	<u>\$ 1,170,000</u>	<u>\$ 1,170,000</u>	<u>\$ 1,170,000</u>	<u>\$ -</u>
Net change in fund balance	<u>\$ (1,060,214)</u>	<u>\$ (1,551,132)</u>	<u>\$ (152,801)</u>	<u>\$ 1,398,331</u>
Fund balance beginning of year	<u>1,060,214</u>	<u>1,551,132</u>	<u>1,551,132</u>	<u>-</u>
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,398,332</u>	<u>\$ 1,398,331</u>

(1) Appropriation Level

\* These three expense categories are combined on adopted budget resolution

Note: The basis of budgeting is the same as GAAP

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Actual and Budget**  
**For the Year Ended June 30, 2025**

**CAPITAL PROJECTS FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET OVER (UNDER)
<b>REVENUES:</b>				
From Local Sources:				
Reimbursements	\$ -	-	\$ 25,131	\$ 25,131
Construction Excise Tax	-	-	-	-
Interest on Investments	32,000	32,000	31,000	(1,000)
State Grants	-	-	-	-
<b>Total Revenues</b>	<b>\$ 32,000</b>	<b>32,000</b>	<b>\$ 56,131</b>	<b>\$ 24,131</b>
<b>EXPENDITURES:</b>				
Facilities Acquisition	-	-	(1)	5,793
Contingency	435,099	486,979	(1)	486,979
<b>Excess of Revenues Over, (Under) Expenditures</b>	<b>\$ (403,099)</b>	<b>(454,979)</b>	<b>\$ 50,339</b>	<b>\$ 505,318</b>
<b>Net Change in Fund Balance</b>	<b>\$ (403,099)</b>	<b>(454,979)</b>	<b>\$ 50,339</b>	<b>\$ 505,318</b>
<b>Beginning Fund Balance</b>	<b>403,099</b>	<b>454,979</b>	<b>454,979</b>	<b>(0)</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 505,317</b>	<b>\$ 505,317</b>

(1) Appropriation Level

Note: The basis of budgeting is the same as GAAP

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Actual and Budget**  
**For the Year Ended June 30, 2025**

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**STUDENT SCHOLARSHIP- PERMANENT FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET OVER (UNDER)
<b>REVENUES:</b>				
From Local Sources:				
Interest on Investments	\$ 5,000	\$ 5,000	\$ 9,737	\$ 4,737
Contributions and Donations from Private Sources	<u>15,000</u>	<u>15,000</u>	<u>4,750</u>	<u>(10,250)</u>
Total Revenues	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 14,487</u>	<u>\$ (5,513)</u>
<b>EXPENDITURES:</b>				
Instruction:				
High School Programs				
Purchased Services	<u>20,000</u>	<u>20,000</u>	<u>(1)</u>	<u>9,000</u>
Total Expenditures	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 9,000</u>	<u>\$ 11,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,487</u>	<u>\$ 5,487</u>
Beginning Fund Balance	<u>199,933</u>	<u>199,933</u>	<u>199,933</u>	<u>-</u>
Ending Fund Balance	<u>\$ 199,933</u>	<u>\$ 199,933</u>	<u>\$ 205,420</u>	<u>\$ 5,487</u>

(1) Appropriation Level

Note: The basis of budgeting is the same as GAAP

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Schedule of Revenues, Expenses, and Changes in Net Position**  
**Actual and Budget**  
**For the Year Ended June 30, 2025**

**INTERNAL SERVICE FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET OVER (UNDER)
<b>REVENUES:</b>				
From Local Sources:				
Services Provided Other Funds	\$ 5,700,000	\$ 4,602,212	\$ 4,958,347	\$ 356,136
Miscellaneous Revenue	-	-	63	63
Total Revenues	<u>\$ 5,700,000</u>	<u>\$ 4,602,212</u>	<u>\$ 4,958,410</u>	<u>\$ 356,198</u>
<b>EXPENSES:</b>				
Support Services	5,709,416	6,746,816 (1)	7,103,015	(356,198)
Contingency	-	- (1)	-	-
Total Expenses	<u>\$ 5,709,416</u>	<u>\$ 6,746,816</u>	<u>\$ 7,103,015</u>	<u>\$ (356,198)</u>
Excess (Deficiency) of revenues over expenditures	(9,416)	(2,144,604)	(2,144,605)	-
<b>Other Financing Sources, (Uses):</b>				
Transfer in from other funds	-	1,133,650	1,133,650	-
Toto Other Financing Sources/(Uses)	-	1,133,650	1,133,650	-
Change in Net Position	(9,416)	(1,010,955)	(1,010,955)	-
Beginning Net Position	<u>9,416</u>	<u>1,010,955</u>	<u>1,010,955</u>	<u>-</u>
Ending Net Position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(1) Appropriation Level

Note: The basis of budgeting is the same as GAAP

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**BALANCE SHEET- ALL PRIVATE PURPOSE TRUST FUNDS**  
**June 30, 2025**

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	<u>Student Scholarship Expendable Trust Fund</u>
<b>Assets</b>	
Equity in pooled cash and investments	\$ 323,802
Accounts Receivable	-
 Total Assets	 <u>\$ 323,802</u>
<b>Liabilities and fund balance</b>	
Liabilities:	
Interfund Payables	\$ -
Accounts Payable	-
 Total Liabilities	 <u>\$ -</u>
 Net Position	
Net Position	<u>323,802</u>
 Total Liabilities and Net Position	 <u>\$ 323,802</u>

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUND**  
**For the Year Ended June 30, 2025**

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	<b>Student Scholarship Expendable Trust Fund</b>
<b>ADDITIONS:</b>	
From Local Sources:	
Interest on Investments	\$ 13,093
Contributions and Donations from Private Sources	<u>187,187</u>
Total Additions	<u>200,279</u>
<b>DEDUCTIONS</b>	
Instruction:	
High School Programs	168,139
Purchased Services	<u>168,139</u>
Total Deductions	<u>\$ 168,139</u>
Excess of Additions Over, (Under) Deductions	<u>\$ 32,140</u>
Transfers in	-
Transfers out	-
Gain on Sale of Capital Assets	<u>-</u>
Total other financing sources and uses	<u>\$ -</u>
Net change in fund balance	32,140
Beginning Net Position	291,662
Ending Net Position	<u><u>\$ 323,802</u></u>

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET**  
**For the Year Ended June 30, 2025**

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**STUDENT SCHOLARSHIP PRIVATE PURPOSE EXPENDABLE TRUST FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET OVER (UNDER)</u>
<b>REVENUES:</b>				
From Local Sources:				
Interest on Investments	\$ 15,000	\$ 15,000	\$ 13,093	\$ (1,907)
Contributions and Donations from Private Sources	<u>200,000</u>	<u>200,000</u>	<u>187,187</u>	<u>(12,813)</u>
Total Revenues	<u>\$ 215,000</u>	<u>\$ 215,000</u>	<u>\$ 200,279</u>	<u>\$ (14,721)</u>
<b>EXPENDITURES:</b>				
Instruction:				
High School Programs	\$ 215,000	\$ 215,000	\$ 168,139	\$ (46,861)
Purchased Services	-	-	-	-
Total Expenditures	<u>\$ 215,000</u>	<u>\$ 215,000</u>	<u>\$ 168,139</u>	<u>\$ (46,861)</u>
Net Change in Fund Balance	-	-	32,140	32,140
Beginning Fund Balance	\$ 291,662	\$ 291,662	\$ 291,662	-
Ending Fund Balance	<u>\$ 291,662</u>	<u>\$ 291,662</u>	<u>\$ 323,802</u>	<u>\$ 32,140</u>

(1) Appropriation Level

Note: The basis of budgeting is the same as GAAP

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Schedule of Property Tax Transactions**

**For the Year Ended June 30, 2025**

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**GENERAL FUND**

		Original Levy or Balance Uncollected June 30, 2024	Deduct Discounts	Adjustments to Rolls	Add Interest	Cash Collections by County Treasurer	Balance Uncollected or Unsegregated June 30, 2025
Tax Year							
Current	2024-25	\$ 50,143,230	\$ 1,311,595	\$ (75,213)	\$ 14,465	\$ 47,536,894	\$ 1,233,993
Prior	2023-24	\$ 983,231	\$ (130)	\$ (5,077)	\$ 39,487	\$ 590,419	\$ 427,351
	2022-23	409,548	-	(1,750)	35,344	220,772	222,369
	2021-22	184,891	-	(1,506)	27,662	115,704	95,343
	2020-21	76,427	-	(1,452)	15,944	56,989	33,930
	Prior	105,563	-	(31,408)	11,834	26,134	59,856
	Total Prior	\$ 1,759,659	\$ (130)	\$ (41,194)	\$ 130,270	\$ 1,010,017	\$ 838,848
	<b>Total general fund</b>	<b>\$ 51,902,890</b>	<b>\$ 1,311,465</b>	<b>\$ (116,407)</b>	<b>\$ 144,735</b>	<b>\$ 48,546,911</b>	<b>\$ 2,072,841</b>

Reconciliation to Revenue:

Cash Collections by County Treasurers Above	\$ 48,546,911
Accruals of Receivables not included in above schedule:	
Other Taxes/Tax Roll Adjustments	-
June 30, 2025	216,165
 Total Revenue	 <b>\$ 48,763,077</b>

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**

**Schedule of Property Tax Transactions**

**For the Year Ended June 30, 2025**

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**DEBT SERVICE FUND**

		Original Levy or Balance Uncollected June 30, 2024	Deduct Discounts	Adjustments to Rolls	Add Interest	Cash Collections by County Treasurer	Balance Uncollected or Unsegregated June 30, 2025
Tax Year							
Current	2024-25	\$ 12,922,083	\$ 338,003	\$ (19,383)	\$ 3,728	\$ 12,250,421	\$ 318,004
Prior	2023-24	\$ 253,382	\$ (34)	\$ (1,308)	\$ 10,176	\$ 152,153	\$ 110,130
	2022-23	105,542	-	(451)	9,108	56,894	57,305
	2021-22	47,647	-	(388)	7,129	29,817	24,570
	2020-21	19,696	-	(374)	4,109	14,686	8,744
	Prior	27,204	-	(8,094)	3,050	6,735	\$ 15,425
Total Prior		\$ 453,470	\$ (34)	\$ (10,616)	\$ 33,571	\$ 260,285	\$ 216,174
<b>Total debt service fund</b>		<b>\$ 13,375,553</b>	<b>\$ 337,969</b>	<b>\$ (29,998)</b>	<b>\$ 37,299</b>	<b>\$ 12,510,706</b>	<b>\$ 534,178</b>

Reconciliation to Revenue:

Cash Collections by County Treasurers Above	\$ 12,510,706
Accruals of Receivables not included in above schedule:	-
Other taxes/Tax Roll Adjustments	-
June 30, 2025	55,707
<b>Total Revenue</b>	<b>\$ 12,566,412</b>

## **STATISTICAL SECTION**

**Jackson County School District 549C**  
**Medford, Oregon**  
**Statistical Section**

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This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>		<u>Page</u>
<b><i>Financial Trends</i></b>		
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.		108
<b><i>Revenue Capacity</i></b>		
These schedules contain information to help the reader assess the District's most significant local revenue source: county property taxes.		115
<b><i>Debt Capacity</i></b>		
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.		120
<b><i>Demographic and Economic Information</i></b>		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.		123
<b><i>Operating Information</i></b>		
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.		127

Sources:

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**Schedule 1**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Condensed Statement of Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal year				
	2025	2024	2023	2022	2021
<b>Assets</b>					
Current and other assets	\$ 59,249,818	\$ 64,909,789	\$ 71,527,104	\$ 92,881,394	\$ 88,982,037
Net capital assets, net	227,349,348	223,895,466	222,427,573	198,558,419	185,902,431
<b>Total assets</b>	<b>286,599,166</b>	<b>288,805,255</b>	<b>293,954,677</b>	<b>291,439,813</b>	<b>274,884,468</b>
<b>Deferred Outflows of Resources:</b>					
<b>Net Deferred outflows</b>	<b>58,182,144</b>	<b>47,665,453</b>	<b>50,808,104</b>	<b>47,416,034</b>	<b>51,121,534</b>
<b>Liabilities</b>					
Current and other liabilities	18,546,416	24,084,918	26,858,993	30,004,675	24,986,286
Long-term liabilities	287,849,330	281,012,922	272,299,349	256,864,582	341,949,420
<b>Total liabilities</b>	<b>306,395,746</b>	<b>305,097,840</b>	<b>299,158,342</b>	<b>286,869,257</b>	<b>366,935,706</b>
<b>Deferred Inflows of Resources:</b>					
Total Deferred inflows	27,458,752	24,063,425	48,739,048	78,170,647	20,091,716
<b>Net Position</b>					
Net Investment in Capital Assets	106,926,498	95,227,362	82,218,380	67,407,422	43,472,899
Restricted for Debt Service	1,876,803	2,025,994	1,851,038	1,873,070	1,661,768
Restricted for Capital Projects	505,317	454,979	394,209	8,429,405	3,960,195
Restricted for Special Grants/Projects	7,233,751	5,412,000	7,524,822	339,099	22,380,894
Restricted for Scholarship Trust	205,420	199,933	191,279	191,408	192,439
Restricted for Food Service	1,405,496	1,206,568	1,838,838	2,335,562	2,032,057
Restricted for RHIA Net Pension Asset	2,396,544				
Unrestricted	(109,623,017)	(97,217,391)	(97,153,174)	(106,760,023)	(134,721,671)
<b>Total Net Position</b>	<b>\$ 10,926,812</b>	<b>\$ 7,309,443</b>	<b>\$ (3,134,608)</b>	<b>\$ (26,184,057)</b>	<b>\$ (61,021,419)</b>
Fiscal year					
	2020	2019	2018	2017	2016
<b>Assets</b>					
Current and other assets	\$ 55,866,356	\$ 45,964,671	\$ 46,946,762	\$ 46,017,015	\$ 39,850,213
Net capital assets	184,804,759	189,885,546	193,205,680	189,785,613	196,075,283
<b>Total assets</b>	<b>\$ 240,671,115</b>	<b>\$ 235,850,217</b>	<b>\$ 240,152,442</b>	<b>\$ 235,802,628</b>	<b>\$ 235,925,496</b>
<b>Deferred Outflows of Resources:</b>					
<b>Total Deferred outflows</b>	<b>\$ 43,003,556</b>	<b>\$ 46,805,511</b>	<b>\$ 38,781,882</b>	<b>\$ 62,640,224</b>	<b>\$ 12,642,000</b>
<b>Liabilities</b>					
Current and other liabilities	20,546,393	20,112,200	21,410,104	18,450,013	64,102,733
Long-term liabilities	307,500,468	307,060,157	307,276,618	332,781,126	211,197,383
<b>Total liabilities</b>	<b>\$ 328,046,861</b>	<b>\$ 327,172,357</b>	<b>\$ 328,686,722</b>	<b>\$ 351,231,139</b>	<b>\$ 275,300,116</b>
<b>Deferred Inflows of Resources:</b>					
Total Deferred inflows	\$ 18,775,669	\$ 19,274,216	\$ 13,098,158	\$ 12,962,903	\$ 20,403,855
<b>Net Position</b>					
Net investment in capital assets	38,053,581	34,456,118	29,335,438	23,317,609	21,622,144
Restricted for Debt Service	1,800,077	2,139,047	2,484,377	2,170,043	1,015,278
Restricted for Capital Projects	270,826	239,505	205,619	171,996	141,446
Restricted for Special Grants/Projects	1,630,098	1,457,830	1,274,077	2,634,928	4,304,050
Restricted for Scholarship Trust	181,211	181,034	180,841	176,644	175,708
Restricted for Capital Projects			-	-	-
Restricted for Special Grants/Projects			-	-	-
Restricted for Scholarship Trust			-	-	-
Restricted for Food Service	1,346,465	1,347,935	1,419,569	1,813,937	1,514,399
Unrestricted	(106,430,117)	(103,612,314)	(97,750,476)	(98,813,545)	(75,909,500)
<b>Total Net Position</b>	<b>\$ (63,147,859)</b>	<b>\$ (63,790,845)</b>	<b>\$ (65,751,189)</b>	<b>\$ (68,528,388)</b>	<b>\$ (47,136,475)</b>

Source: District Financial Records

**Schedule 2**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<i>Governmental Activities</i>	<i>Fiscal Year</i>				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Expenses</b>					
Instruction	\$ 144,419,222	\$ 136,536,073	\$ 127,561,584	\$ 118,734,885	\$ 126,710,584
Support services	\$ 76,937,921	\$ 79,688,290	\$ 68,908,587	\$ 58,215,338	\$ 56,809,620
Community services	\$ 6,691,311	\$ 6,919,027	\$ 5,865,637	\$ 4,950,831	\$ 3,271,370
Interest and fees on long-term debt	\$ 5,615,338	\$ 6,137,937	\$ 6,614,201	\$ 7,192,780	\$ 7,253,155
<b>Total expenses</b>	<b>\$ 233,663,792</b>	<b>\$ 229,281,327</b>	<b>\$ 208,950,009</b>	<b>\$ 189,093,834</b>	<b>\$ 194,044,728</b>
<b>Program Revenues</b>					
Charges for services					
Instruction	\$ 15,054	\$ -	\$ -	\$ 93,424	\$ -
Support services	\$ 592,400	\$ 452,884	\$ 302,018	\$ 319,436	\$ 270,481
Community services	\$ 58,262	\$ 69,805	\$ 90,246	\$ 60,587	\$ 38,883
Operating grants and contributions					
Instruction	\$ 7,185,156	\$ 6,475,800	\$ 6,734,966	\$ 11,692,445	\$ 7,749,450
Support services	\$ 3,877,703	\$ 3,821,784	\$ 3,634,744	\$ 5,756,281	\$ 3,418,875
Community services	\$ 6,523,036	\$ 5,372,485	\$ 4,841,171	\$ 6,582,794	\$ 3,678,706
Capital Grants and Contributions					
Instruction	\$ 5,121,982	\$ 6,385,662	\$ 8,373,197	\$ 4,156,622	\$ 340,000
Support services	\$ 2,764,244	\$ 3,768,587	\$ 4,518,868	\$ 2,046,337	\$ 150,000
Community services	\$ 243,904	\$ 314,049	\$ 398,724	\$ 191,844	\$ 10,000
<b>Total program revenues</b>	<b>\$ 26,381,741</b>	<b>\$ 26,661,056</b>	<b>\$ 28,893,934</b>	<b>\$ 30,899,770</b>	<b>\$ 15,656,395</b>
<b>Net Requirements and Revenues</b>	<b>\$ (207,282,051)</b>	<b>\$ (202,620,271)</b>	<b>\$ (180,056,075)</b>	<b>\$ (158,194,064)</b>	<b>\$ (178,388,333)</b>
<b>General Revenues</b>					
Property taxes, levies for operations	\$ 48,763,077	\$ 45,553,294	\$ 43,703,518	\$ 41,809,635	\$ 42,309,602
Property taxes, levies for debt service	\$ 12,566,412	\$ 12,555,366	\$ 12,521,258	\$ 12,559,201	\$ 12,949,459
Construction Excise Tax	\$ 1,214,094	\$ 1,350,404	\$ 977,992	\$ 1,206,851	\$ -
State school fund	\$ 127,687,963	\$ 121,940,637	\$ 116,711,263	\$ 111,818,387	\$ 109,041,218
State common school fund	\$ 1,852,535	\$ 1,800,481	\$ 1,808,999	\$ 1,543,840	\$ 1,440,171
Intermediate Resources	\$ 3,617,676	\$ 3,696,402	\$ 4,148,146	\$ 4,113,958	\$ 4,281,424
Unrestricted state and local sources	\$ 23,167,270	\$ 22,260,973	\$ 23,259,297	\$ 19,481,800	\$ 9,951,638
Investment earnings	\$ 3,138,672	\$ 3,731,212	\$ 2,199,737	\$ 294,848	\$ 394,265
Other	\$ 125,715	\$ 175,553	\$ 280,818	\$ 202,906	\$ 146,996
<b>Total general revenues</b>	<b>\$ 222,133,414</b>	<b>\$ 213,064,322</b>	<b>\$ 205,611,028</b>	<b>\$ 193,031,426</b>	<b>\$ 180,514,773</b>
<b>Change in Net Position</b>	<b>\$ 14,851,363</b>	<b>\$ 10,444,051</b>	<b>\$ 25,554,953</b>	<b>\$ 34,837,362</b>	<b>\$ 2,126,440</b>

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**Source: District Financial Records**

Fiscal Year						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	
\$	115,426,201	\$ 106,553,763	\$ 103,155,778	\$ 97,394,716	\$ 111,452,719	
	56,865,371	58,523,325	51,375,700	48,956,273	59,437,983	
	5,187,761	6,099,096	6,110,862	6,004,237	7,113,144	
	7,456,588	7,830,493	8,275,077	8,646,438	9,014,463	
<b>\$</b>	<b>184,935,921</b>	<b>\$ 179,006,677</b>	<b>\$ 168,917,417</b>	<b>\$ 161,001,664</b>	<b>\$ 187,018,309</b>	
\$	8,998	\$ 13,707	\$ 3,453	\$ 3,545	\$ -	
	374,028	418,363	492,496	425,703	425,389	
	460,081	634,321	611,145	606,353	585,034	
\$	4,652,518	\$ 3,599,373	5,263,311	4,880,921	4,510,268	
	2,290,470	1,976,911	2,621,339	2,453,436	2,405,336	
	4,198,646	4,869,877	5,047,923	5,233,480	5,104,756	
\$	547,841	\$ 1,314,862	-	-	-	
	269,706	722,171	-	-	-	
	25,285	75,262	-	-	-	
<b>\$</b>	<b>12,827,573</b>	<b>\$ 13,624,847</b>	<b>\$ 14,039,667</b>	<b>\$ 13,603,438</b>	<b>\$ 13,030,783</b>	
<b>\$</b>	<b>(172,108,348)</b>	<b>\$ (165,381,830)</b>	<b>\$ (154,877,750)</b>	<b>\$ (147,398,226)</b>	<b>\$ (173,987,526)</b>	
\$	38,713,860	\$ 37,424,783	\$ 36,307,460	\$ 34,235,257	\$ 32,987,459	
	13,156,978	13,690,768	14,705,590	13,611,634	12,883,143	
	-	-	-	-	-	
108,876,867	100,338,137	96,754,877	89,202,261	84,556,891		
1,298,037	1,414,745	1,353,349	1,628,357	1,556,290		
3,909,553	3,319,107	-	-	-		
5,548,894	6,880,397	5,377,154	3,558,525	3,833,289		
1,080,607	1,190,883	809,639	445,484	279,692		
166,536	182,721	2,637,026	2,417,991	1,979,228		
<b>\$</b>	<b>172,751,332</b>	<b>\$ 164,441,541</b>	<b>\$ 157,945,095</b>	<b>\$ 145,099,509</b>	<b>\$ 138,075,992</b>	
<b>\$</b>	<b>642,984</b>	<b>\$ (940,289)</b>	<b>\$ 3,067,345</b>	<b>\$ (2,298,717)</b>	<b>\$ (35,911,534)</b>	

Continued from Page 109

**Schedule 3**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Fund Balance of General Fund and All other Governmental Funds in Aggregate**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<b>Fiscal years 2021 - 2025</b>				
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Fund Balances</b>					
<b>General Fund</b>					
Non-spendable	\$ 514,041	\$ 1,129,287	\$ 456,989	\$ 720,124	\$ 503,969
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	22,544,645	20,149,897	23,682,337	27,957,945	23,733,986
<b>Subtotal General Fund</b>	<b>\$ 23,058,686</b>	<b>\$ 21,279,184</b>	<b>\$ 24,139,326</b>	<b>\$ 28,678,069</b>	<b>\$ 24,237,955</b>
<b>Other Governmental Funds</b>					
Nonspendable	13,977	19,158	417,404	\$ 123,044	\$ 245,442
Restricted:					
Debt Service	1,398,332	1,551,132	1,395,138	1,432,729	1,255,215
Special Revenue Grants/Projects	7,233,751	5,412,000	7,524,822	8,429,405	3,960,195
Capital Projects Funds	505,317	454,979	394,209	11,116,488	22,380,894
Scholarship Trust	205,420	199,933	191,279	191,408	192,439
Food Service	1,405,496	1,206,568	1,838,838	2,335,562	2,032,057
Committed					
PERS	2,212,400	2,762,400	3,312,400	3,312,400	3,312,400
Assigned					
Athletics and Stadium	129,765	38,308	36,086	238,740	385,423
<b>Subtotal Other Governmental Funds</b>	<b>\$ 13,104,458</b>	<b>\$ 11,644,478</b>	<b>\$ 15,110,176</b>	<b>\$ 27,179,776</b>	<b>\$ 33,764,065</b>
<b>Grand Total All Governmental Funds</b>	<b>\$ 36,163,144</b>	<b>\$ 32,923,662</b>	<b>\$ 39,249,502</b>	<b>\$ 55,857,845</b>	<b>\$ 58,002,020</b>
<b>Fiscal years 2016 - 2020</b>					
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Fund Balances</b>					
<b>General Fund</b>					
Non-spendable	\$ 591,740	\$ 243,734	\$ 531,497	\$ 182,439	\$ 607,350
Assigned	-	-	-	-	-
Restricted	-	-	-	-	-
Unassigned	-	-	10,044,825	7,677,645	6,062,491
Reserved					
Unreserved					
<b>Subtotal General Fund</b>	<b>\$ 17,350,312</b>	<b>\$ 10,293,431</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Governmental Funds</b>	<b>\$ 17,942,052</b>	<b>\$ 10,537,165</b>	<b>\$ 10,576,322</b>	<b>\$ 7,860,084</b>	<b>\$ 6,669,841</b>
Nonspendable	\$ -	\$ 229,667	\$ 356,333	\$ -	\$ -
Restricted:					
Debt Service	1,091,818	1,389,494	1,671,764	1,477,183	1,015,278
Special Revenue Grants/Projects	1,630,098	1,457,830	1,274,077	2,634,928	4,304,050
Capital Projects Funds	270,826	239,505	205,619	171,996	141,446
Scholarship Trust	181,211	181,034	180,841	176,644	175,708
Food Service	1,346,465	1,347,935	1,419,569	1,813,937	1,514,399
Committed					
PERS	3,312,400	3,418,500	3,439,600	2,777,200	-
Assigned					
Furniture Grant	275,155	-	-	-	-
Athletics and Stadium		132,984	101,771	238,931	227,905
<b>Subtotal Other Governmental Funds</b>	<b>\$ 8,107,973</b>	<b>\$ 8,396,949</b>	<b>\$ 8,649,574</b>	<b>\$ 9,290,819</b>	<b>\$ 7,378,786</b>
<b>Grand Total All Governmental Funds</b>	<b>\$ 26,050,025</b>	<b>\$ 18,934,114</b>	<b>\$ 19,225,896</b>	<b>\$ 17,150,903</b>	<b>\$ 14,048,627</b>

Source: District Financial Records

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**Schedule 4**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<b>Fiscal Year</b>				
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>					
Property and other taxes	\$ 62,406,188	\$ 59,309,148	\$ 57,061,168	\$ 55,400,202	\$ 56,431,587
State school fund	129,540,498	123,741,118	118,520,262	113,362,227	110,481,390
County and intermediate sources	3,617,676	3,696,402	4,148,146	4,113,958	4,281,424
Other state sources	25,947,088	20,436,798	21,504,743	17,745,488	9,062,599
Federal sources	20,650,699	26,13,921	28,782,488	30,629,230	15,494,027
Cocurricular activities	411,688	343,986	312,357	180,275	73,400
Investment earnings	3,138,672	3,731,212	2,199,737	294,848	394,265
Other	9,096,738	8,279,383	7,683,985	7,759,812	5,834,695
Total revenues	<b>\$ 254,809,247</b>	<b>\$ 245,851,968</b>	<b>\$ 240,212,886</b>	<b>\$ 229,486,040</b>	<b>\$ 202,053,387</b>
<b>Expenditures</b>					
Current operating					
Instruction	\$ 136,254,580	\$ 131,512,260	\$ 125,376,781	\$ 126,012,325	\$ 114,574,785
Support services	72,531,606	76,723,416	67,729,487	61,798,077	51,455,592
Community services	6,302,519	6,671,954	5,761,598	5,286,713	2,914,434
Facilities acquisition & construction	1,507,141	1,949,517	1,045,065	92,094	666,820
Capital Outlay	14,641,987	17,604,141	37,330,744	20,105,547	6,017,540
Debt Service					
Principal	15,290,160	14,639,233	14,014,199	11,125,000	9,945,000
Interest	5,630,702	6,159,126	6,690,343	7,210,460	7,033,933
Total expenditures	<b>\$ 252,158,695</b>	<b>\$ 255,259,647</b>	<b>\$ 257,948,217</b>	<b>\$ 231,630,216</b>	<b>\$ 192,608,104</b>
Excess (deficiency) of revenues over (under) expenditures	<b>\$ 2,650,552</b>	<b>\$ (9,407,679)</b>	<b>\$ (17,735,331)</b>	<b>\$ (2,144,175)</b>	<b>\$ 9,445,283</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	10,915,000	10,910,000	7,397,817	7,326,912	8,869,891
Transfers out	(12,048,650)	(10,910,000)	(7,397,817)	(7,326,912)	(8,869,891)
Bond Sale Cost of Issuance			-	-	(196,748)
Proceeds from borrowing			-	-	22,703,461
Proceeds from refunding			-	-	-
GASB 87 - Lease	496,534	225,700	187,001	-	-
GASB 96 - SBITA	1,226,046	2,856,138	939,987	-	-
Proceeds from the sale of property			-	-	-
Total other financing sources (uses)	<b>\$ 588,930</b>	<b>\$ 3,081,838</b>	<b>\$ 1,126,988</b>	<b>\$ -</b>	<b>\$ 22,506,713</b>
Net change in fund balances	<b>\$ 3,239,482</b>	<b>\$ (6,325,841)</b>	<b>\$ (16,608,343)</b>	<b>\$ (2,144,175)</b>	<b>\$ 31,951,996</b>
Debt services as a percentage of noncapital expenditures **	8.7%	8.6%	9.3%	8.7%	9.1%

Continues on page 114

Source: District Financial Records

Fiscal Year						
<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>
\$ 51,976,535	\$ 51,161,513	\$ 50,395,050	\$ 47,797,770	\$ 45,832,199		
110,174,904	101,752,882	98,108,226	90,862,423	86,113,181		
3,909,553	3,319,107	2,434,879	2,292,668	1,755,427		
4,560,597	5,797,970	4,201,140	950,481	1,053,772		
12,151,002	12,741,178	13,134,720	12,693,160	12,244,160		
338,921	377,471	340,123	313,576	301,620		
1,080,607	1,190,883	809,639	442,736	279,692		
5,950,495	6,043,686	6,029,870	7,131,876	7,517,152		
<b>\$ 190,142,614</b>	<b>\$ 182,384,690</b>	<b>\$ 175,453,647</b>	<b>\$ 162,484,691</b>	<b>\$ 155,097,204</b>		
 <hr/>						
\$ 105,634,357	\$ 99,958,347	\$ 96,756,477	\$ 89,982,023	\$ 85,035,042		
52,044,771	54,900,875	48,188,592	45,230,221	45,349,377		
4,735,830	5,721,577	5,731,773	5,547,255	5,427,113		
90,470	94,535	72,743	188,561	188,402		
3,717,135	5,355,147	6,149,480	1,931,124	4,469,306		
9,335,000	8,805,000	8,190,000	7,845,000	7,335,000		
7,469,140	7,840,991	8,289,586	8,658,232	9,026,898		
<b>\$ 183,026,703</b>	<b>\$ 182,676,472</b>	<b>\$ 173,378,651</b>	<b>\$ 159,382,416</b>	<b>\$ 156,831,138</b>		
 <hr/>						
\$ 7,115,911	\$ (291,783)	\$ 2,074,996	\$ 3,102,275	\$ (1,733,934)		
 <hr/>						
7,294,774	10,733,252	8,831,600	4,135,000	6,758,561		
(7,294,774)	(10,733,252)	(8,831,600)	(4,135,000)	(6,758,561)		
-	-	-	-	-		
-	-	-	-	-		
-	-	-	-	-		
-	-	-	-	-		
-	-	-	-	-		
-	-	-	-	-		
\$ -	\$ -	\$ -	\$ -	\$ -		
<b>\$ 7,115,911</b>	<b>\$ (291,783)</b>	<b>\$ 2,074,996</b>	<b>\$ 3,102,275</b>	<b>\$ (1,733,934)</b>		

9.4% 9.4% 9.9% 10.5% 10.8%

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**Schedule 5**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(rate per \$1,000 of assessed value)**

<b>District Direct Rates</b>					
Fiscal Year	General Tax Permanent Rate <sup>1</sup>	Local Option	GAP Bond (PERS)	General Obligation Debt Service Bonds	Total Direct Tax Rate
2025	\$ 4.4123	-	-	\$ 1.1238	5.5361
2024	4.4123	-	-	1.1700	5.5823
2023	4.4123	-	-	1.2163	5.6286
2022	4.4123	-	-	1.2731	5.6854
2021	4.4123	-	-	1.3335	5.7458
2020	4.4123	-	-	1.3796	5.7919
2019	4.4123	-	-	1.4328	5.8451
2018	4.4123	-	-	1.5691	5.9814
2017	4.4123	-	-	1.6858	6.0981
2016	4.4123	-	-	1.6836	6.0959

<b>Overlapping Total Property Tax Rates</b>					
Fiscal Year	Jackson County	City of Central Point	City of Jacksonville	City of Medford	Rogue Community College
2025	2.0099	4.4700	1.8417	5.2953	0.5128
2024	2.0099	4.4700	1.8417	5.2953	0.5128
2023	2.0099	4.4700	1.8417	5.2953	0.5128
2022	2.0100	4.4700	1.8420	5.2950	0.0932
2021	2.0100	4.4700	1.8420	5.2950	0.0933
2020	2.0100	4.4700	1.8420	5.2950	0.5128
2019	2.0099	4.4700	1.8417	5.2953	0.5128
2018	2.1583	4.4700	2.3783	5.3566	0.6652
2017	2.1755	4.4700	2.4413	5.3525	0.6132
2016	2.1814	4.4700	2.4450	5.3658	0.6197

**Note:**

(1) The permanent and local option tax rates are determined by the State of Oregon Constitution and State Statutes. Existing districts cannot increase their permanent rate authority. Local option levies are limited to five years for operations and ten years for capital projects. Elections for local option levies must meet the double majority election test, except in the November general election in even numbered years. Rates for debt service are set based on each year's requirements.

Source: Jackson County Department of Assessment

**Schedule 6**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Principal Property Tax Payers in School District**  
**Current Year and Nine (9) Years Ago**

2024				2015		
Taxpayer	Taxable Assessed Value*	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Ten Largest Taxpayers (based on assessed value):						
AT&T				27,123,000	8	0.34%
Avista Corp. DBA Avista Utilities	80,139,960	4	0.70%	47,596,000	4	0.60%
Bear Creek Ventures						0.00%
Boise Cascade Wood Products	38,901,857	8	0.34%	31,079,827	6	0.39%
CenturyLink Property Tax				21,446,500	10	
Charter Communications	109,483,464	2	0.95%	64,191,900	2	0.81%
Costco Wholesale Corporation	29,140,120	10	0.25%			
Deluca Ronald L Trustee Et Al			0.00%			
Hunter Communications Inc	39,833,792	7				
KRC Medford Center LLC				25,168,910	9	0.32%
Lithia Real Estate Inc	49,189,740	6	0.43%	29,540,970	7	0.37%
Pacific Rental Properties, LLC	86,782,980	3				
Pacificorp (PP&L)	159,110,359	1	1.39%	73,692,000	1	0.93%
Rogue Valley Mall LLC				52,460,130	3	0.66%
Roseburg Forest Products Co	60,091,810	5	0.52%			
Walmart Real Estate Business	32,965,720	9	0.29%	32,345,160	5	
<b>Subtotal</b>	<b>685,639,802</b>		<b>4.87%</b>	<b>404,644,397</b>		<b>4.08%</b>
<b>All Other Taxpayers</b>	<b>10,793,178,645</b>		<b>95.13%</b>	<b>7,511,344,633</b>		<b>95.92%</b>
<b>Total All District Taxpayers</b>	<b>\$ 11,478,818,447</b>		<b>100.00%</b>	<b>\$ 7,915,989,030</b>		<b>100.00%</b>
Total Real Market Value (M\$)*				Total Real Market Value		
<b>Total All District Taxpayers</b>	<b>\$ 18,984,889,067</b>			<b>\$ 9,905,079,554</b>		

**\*Note:**

In 1997, Oregon voters passed Measure 50, part of which required the calculation of a taxable assessed value for all real property in the state. Property taxes are based on the lower of the Real Market Value or the Taxable Assesed Value.

Jackson County, Oregon does not break out data by residential or commercial real property.

Source: Jackson County Department of Assessment. Breakdown of property classes by real and personal property not readily available by taxing district.

Real Market Value is based on Oregon Measure 5 RMV.

The website for the Summary of Assessments and Levies (SAL): <https://jacksoncountyor.org/assessor/Taxes/Summary-of-Assessment-Levies>

**Schedule 7**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Principal Property Tax Payers in Jackson County**  
**Current**

<b>2024</b>				
Taxpayer	Jackson County Taxable Assessed Value*	Rank	Percentage of Total Taxable Assessed Value	
Ten Largest Taxpayers (based on assessed value):				
Pacificorp (PP&L)	\$ 485,470,060	1	1.83%	
Avista Corp. DBA Avista Utilities	198,824,000	2	0.75%	
Rogue Valley Manor	133,896,800	3	0.50%	
Charter Communications	127,749,811	4	0.48%	
Pacific Rental Properties	110,199,799	5	0.41%	
Boise Cascade Wood Products	85,076,869	6	0.32%	
Harry & David Operations Inc	77,613,625	7	0.29%	
Amy's Kitchen	61,441,100	8	0.23%	
Deluca Ronald L Trustee et al	60,747,820	9	0.23%	
Roseburg Forest Products	60,654,310	10	0.23%	
<b>Subtotal</b>	<b>\$ 1,401,674,194</b>		<b>5.27%</b>	
<b>All Other Taxpayers</b>	<b>\$ 25,164,932,682</b>		<b>94.73%</b>	
<b>Total All County Taxpayers</b>	<b>\$ 26,566,606,876</b>		<b>100.00%</b>	
 <b>Total All County Taxpayers</b>	 <b>\$ 46,857,709,529</b>		 <b>Total Real Market Value*</b>	

**\*Note:**

The Real Market Value for 2023 is \$46,338,020,526. The total Assessed Value of all taxable property within Jackson County excluding urban renewal is \$24,666,914,843.

The Jackson County permanent rate per \$1,000 assessed value is \$2.01.

Source: Jackson County Department of Assessment. Breakdown of property classes by real and personal property

**Schedule 8**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**General Fund Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30	Collected within the Fiscal Year of the Levy			Ratio of Total Tax Collections to Levy	
	Net Taxes Levied for the Fiscal Year <sup>1</sup>	Amount	Percentage of Levy	Delinquent Tax Collections	Total Tax Collections
2025	\$ 48,770,887	\$ 47,536,894	97.47%	\$ -	\$ 47,536,894
2024	\$ 46,853,304	\$ 44,437,062	94.84%	\$ 2,007,778	\$ 46,444,840
2023	\$ 45,081,847	\$ 42,665,451	94.64%	\$ 2,208,325	\$ 44,873,776
2022	\$ 43,050,268	\$ 40,859,618	94.91%	\$ 2,106,221	\$ 42,965,839
2021	\$ 42,386,101	\$ 39,939,542	94.23%	\$ 2,412,927	\$ 42,352,469
2020	\$ 40,003,842	\$ 37,849,797	94.62%	\$ 2,134,200	\$ 39,983,997
2019	\$ 38,428,395	\$ 36,309,453	94.49%	\$ 2,102,876	\$ 38,412,329
2018	\$ 37,249,797	\$ 35,167,267	94.41%	\$ 2,072,591	\$ 37,239,858
2017	\$ 34,998,571	\$ 33,182,833	94.81%	\$ 1,805,915	\$ 34,988,748
2016	\$ 33,772,898	\$ 32,183,118	95.29%	\$ 1,579,880	\$ 33,762,998

**Notes:**

Responsibility for the collection of all property taxes rests within the County's Department of Assessment and Taxation. Current taxes are assessed as of July, become due as of November 15 and become delinquent as of May 15. Assessed taxes become a lien upon real property in the fourth year of delinquency. Proceeds of tax sales are applied to delinquent taxes, interest and other costs attributable to the property sold.

<sup>1</sup> The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997. Additional information can be found on Schedule 6.

Source: Jackson County, Department of Assessment and District financial records.

**Schedule 9**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30*	Real	Manufactured			Utilities	Estimated Value (M5 Real Market Value)**	Actual Taxable Value	Total Taxable Assessed Value	Assessed Value as a Percentage of Actual M5 Market Value
		Structures	Personal						
2025	\$ 18,082,631,609	\$ 134,424,537	\$ 234,780,700	\$ 533,052,221	\$ 18,984,889,067	\$ 11,513,472,213	60.65%		
2024	\$ 17,818,697,847	\$ 156,959,680	\$ 228,445,790	\$ 505,627,728	\$ 18,709,731,045	\$ 11,060,864,363	59.12%		
2023	\$ 17,546,812,513	\$ 138,766,271	\$ 220,500,660	\$ 504,836,834	\$ 18,410,916,278	\$ 10,605,806,276	57.61%		
2022	\$ 14,826,787,676	\$ 60,125,353	\$ 224,078,590	\$ 442,800,866	\$ 15,553,792,485	\$ 10,132,166,943	65.14%		
2021	\$ 12,982,762,568	\$ 57,334,373	\$ 245,144,560	\$ 442,480,451	\$ 13,727,721,952	\$ 9,748,322,769	71.01%		
2020	\$ 12,440,629,441	\$ 54,845,774	\$ 278,015,340	\$ 437,029,836	\$ 13,210,520,391	\$ 9,422,912,494	71.33%		
2019	\$ 11,870,630,273	\$ 39,736,016	\$ 277,487,270	\$ 423,640,388	\$ 12,611,493,947	\$ 9,072,630,895	71.94%		
2018	\$ 10,740,975,052	\$ 37,429,477	\$ 259,298,800	\$ 369,965,089	\$ 11,407,668,418	\$ 8,619,512,420	75.56%		
2017	\$ 9,906,752,076	\$ 35,469,970	\$ 241,114,010	\$ 334,255,471	\$ 10,517,591,527	\$ 8,241,910,927	78.36%		
2016	\$ 9,920,934,054	\$ 35,523,570	\$ 242,240,910	\$ 334,255,471	\$ 10,532,954,005	\$ 7,915,989,030	75.15%		

Source: Jackson County Assessor "Code Total by District" report.  
<https://jacksoncountyor.org/assessor/Taxes/Summary-of-Assessment-Levies>

(1) Assessed Value is shown net of tax-exempt property. Assessed value is not Real Market Value but a generally lower Assessed Value for tax purposes. Currently Assessed Value is limited to a 3% maximum annual increase plus new growth before tax rates are applied because of a tax limitation measure (Ballot Measure 50). Measure 50, which affected property tax collections was approved by the voters in May 1997.

**Schedule 10**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Direct and Overlapping Governmental Activities Property Tax Backed Debt**  
**As of June 30, 2025**

Issuer	Outstanding Gross Property Tax Backed Debt	Outstanding Net Property Tax Backed Debt	Overlapping District Real Market Value <sup>1</sup>	Percent RMV Overlapping	Gross Overlapping Debt	Net Overlapping Debt
<b>Overlapping Debt</b>						
City of Central Point	\$ 11,008,834	\$ 11,008,834	\$ 3,010,906,994	8.41%	\$ 926,217	\$ 926,217
City of Jacksonville	\$ 200,000	\$ -	\$ 993,007,452	100.00%	\$ 200,000	\$ -
City of Medford	\$ 17,669,323	\$ 8,534,323	\$ 16,137,332,889	88.92%	\$ 15,711,757	\$ 7,588,814
Jackson County	\$ 19,665,000	\$ 19,665,000	\$ 44,673,970,014	42.50%	\$ 8,356,937	\$ 8,356,937
Jackson County Housing Authority	\$ 6,942,378	\$ 5,921,713	\$ 44,673,970,014	42.50%	\$ 2,950,268	\$ 2,516,521
Jackson County RFPD 3	\$ 1,914,000	\$ 1,914,000	\$ 10,315,555,962	11.64%	\$ 222,845	\$ 222,845
Jackson County RFPD 5	\$ 1,247,249	\$ 1,247,249	\$ 3,943,507,799	2.60%	\$ 32,402	\$ 32,402
Rogue Community College	\$ 48,365,000	\$ 41,040,000	\$ 60,751,979,588	31.25%	\$ 15,113,966	\$ 12,824,918
Rogue Valley Transit District	\$ 27,732	\$ 27,732	\$ 33,509,883,442	53.55%	\$ 14,850	\$ 14,850
Southern Oregon ESD	\$ 11,258,512	\$ 11,258,512	\$ 74,673,787,020	25.42%	\$ 2,862,342	\$ 2,862,342
Subtotal Overlapping Debt	\$ 118,298,028	\$ 100,617,363			\$ 46,391,584	\$ 35,345,846

Net property-tax backed debt of subject issuer is:	\$ 101,490,000	Ratio of Net Property Tax Backed debt to Real Market Value is	53.00%
Net property-tax backed debt of overlapping issuers is:	\$ 35,345,846	Per Capita Net Property Tax Backed Debt is:	\$ 1,067
Total	\$ 136,835,846	Ratio of Net Property Tax Backed Debt to Real Market Value is:	0.72%
		Per Capita Total Net Property Tax Backed Debt is	\$ 1,439
		Per Capita Market Value	\$ 199,679
Population of Subject Issuer is <sup>1</sup> :			
Real Market Value of Subject Issuer is:	\$ 18,984,889,067	As of 6/30/2024	As of 6/30/2024

Source: OR State Treasury: Overlapping Debt Report dated 6/30/24 except for the population and per capita estimates.

(1) Estimated by using District Population Estimate from US Census Small Area Income Poverty Estimate two years in arrears and growing that number based on prior 10 year compound annual growth rate.

Source: Jackson County Department of Assessment

**Schedule 11**  
**Jackson County School District 549C**  
**Medford, Oregon**

**Ratios of Outstanding Debt Net of Premium**  
**Last Ten Fiscal Years**

Fiscal Year	District Population <sup>(1)</sup>	Accumulated						Per Capita Debt	Total Assessed Valuation	Ratio of Bonded Debt to Assessed Valuation	
		Student Resources	Enrollment	Restricted for Repayment of Debt	General Obligation Debt	Pension Obligation Debt	Full Faith & Credit Debt	Lease Debt	SBITA Debt	Net Total Debt	
2025	95,077	13,582	\$ 1,876,803	\$ 93,848,159	\$ 10,185,004	\$ 20,200,907	\$ 421,386	\$ 1,488,515	\$ 126,143,971	\$ 1,307	\$ 11,478,818,447 0.82%
2024	94,416	13,588	\$ 2,025,994	\$ 103,612,955	\$ 14,577,506	\$ 20,859,045	\$ 268,422	\$ 1,828,161	\$ 141,146,089	\$ 1,473	\$ 11,060,864,363 0.94%
2023	93,760	13,642	\$ 1,851,038	\$ 113,032,750	\$ 18,545,008	\$ 21,497,184	\$ 664,262	\$ 413,853	\$ 154,153,057	\$ 1,624	\$ 10,605,806,276 1.07%
2022	94,132	14,095	\$ 1,873,070	\$ 122,137,546	\$ 22,117,510	\$ 22,115,322	\$ 2,516,790	\$ 168,887,168	\$ 167,014,098	\$ 1,774	\$ 10,132,166,943 1.21%
2021	95,020	13,754	\$ 1,661,768	\$ 130,902,341	\$ 25,325,012	\$ 22,703,461	\$	\$ 178,930,814	\$ 177,269,046	\$ 1,866	\$ 9,748,322,769 1.34%
2020	92,249	14,344	\$ 1,650,098	\$ 139,292,137	\$ 28,197,514	\$	\$	\$ 167,489,651	\$ 165,859,553	\$ 1,798	\$ 9,422,912,494 1.48%
2019	91,875	14,317	\$ 2,139,047	\$ 147,386,932	\$ 30,755,016	\$	\$	\$ 178,141,948	\$ 176,002,901	\$ 1,916	\$ 9,072,630,895 1.62%
2018	91,309	14,111	\$ 2,484,377	\$ 15,241,728	\$ 33,022,519	\$	\$	\$ 188,264,247	\$ 185,779,870	\$ 2,035	\$ 8,619,512,420 1.80%
2017	90,440	13,926	\$ 1,477,183	\$ 162,751,523	\$ 35,020,021	\$	\$	\$ 197,771,544	\$ 196,294,361	\$ 2,170	\$ 8,241,910,927 1.97%
2016	90,044	13,622	\$ 1,015,278	\$ 170,161,318	\$ 36,772,523	\$	\$	\$ 206,933,841	\$ 205,918,563	\$ 2,287	\$ 7,915,989,030 2.15%

Note: Details regarding the District's outstanding debt can be found in note (8) of the financial statements.

(1) 2016-2023 Uses Census Small Area Income and Poverty Estimate (SAIPE), 2024 and 2025 are estimated by growing population at the Compound Annual Growth Rate 2014-2023 as SAIPE estimates typically run two years in arrears.

**(2) School District Records Enrollment/Average Daily Membership (ADMr)**

Fiscal Year	Total Real Market Value	M5 Real Market Value	Total Taxable Assessed Value	Urban Renewal Excess	AV Used to Calculate Rates
2025	\$ 19,438,539,482	\$ 18,984,889,067	\$ 11,513,472,213	\$ 70,338,562	\$ 11,443,133,651
2024	\$ 19,188,477,620	\$ 18,709,731,045	\$ 11,060,864,363	\$ 394,073,610	\$ 10,666,790,753
2023	\$ 18,919,376,651	\$ 18,410,916,278	\$ 10,605,806,276	\$ 376,083,841	\$ 10,229,722,435
2022	\$ 15,960,540,187	\$ 15,553,702,485	\$ 10,132,166,943	\$ 332,716,747	\$ 9,779,450,196
2021	\$ 14,088,584,027	\$ 13,727,721,952	\$ 9,748,322,769	\$ 73,963,274	\$ 9,674,359,495
2020	\$ 13,211,261,141	\$ 13,210,520,391	\$ 9,422,912,494	\$ 332,967,324	\$ 9,089,945,170
2019	\$ 12,660,379,487	\$ 12,660,379,487	\$ 9,072,630,895	\$ 323,853,097	\$ 8,748,777,798
2018	\$ 11,705,894,948	\$ 11,407,668,418	\$ 8,610,512,420	\$ 276,600,857	\$ 8,342,911,563
2017	\$ 10,811,160,425	\$ 10,532,954,005	\$ 8,241,910,927	\$ 285,720,872	\$ 7,956,190,055
2016	\$ 10,160,617,603	\$ 9,905,079,554	\$ 7,915,989,030	\$ 276,689,200	\$ 7,639,299,830

**Schedule 12**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
*(dollars in thousands)*

**Legal Debt Margin Calculation for Fiscal Year 2025**

Real Market Value	\$ 18,984,889,067
Debt Limit (7.95%) <sup>1</sup>	1,509,298,681
Amount of Debt Applicable to Debt Limit:	
General & Full Faith & Credit Obligation Bonded Debt	114,049
Less: Amount Available in Debt Service Funds	1,877
Amount of Debt Applicable to Debt Limit	<u>112,172</u>
Legal Debt margin	\$ 1,509,186,509

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 1,509,299	\$ 1,509,299	\$ 1,463,668	\$ 1,236,526	\$ 1,091,354	\$ 1,050,236	\$ 1,006,500	\$ 906,910	\$ 837,370	\$ 787,454
Total net debt applicable to limit	<u>112,172</u>	<u>122,446</u>	<u>132,679</u>	<u>151,944</u>	<u>151,944</u>	<u>137,662</u>	<u>145,248</u>	<u>152,757</u>	<u>161,274</u>	<u>169,146</u>
Legal debt margin	<u>\$ 1,397,127</u>	<u>\$ 1,386,853</u>	<u>\$ 1,330,989</u>	<u>\$ 1,084,582</u>	<u>\$ 939,410</u>	<u>\$ 912,574</u>	<u>\$ 861,252</u>	<u>\$ 754,153</u>	<u>\$ 676,096</u>	<u>\$ 618,308</u>
Total net debt applicable to the limit as a percentage of debt limit	7.43%	8.11%	9.06%	12.29%	13.92%	13.11%	14.43%	16.84%	19.26%	21.48%

<sup>1</sup> ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the District based on the following:

<sup>A</sup> For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value.  
<sup>B</sup> For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value.

Allowable Percentage of Real Market Value:	
<sup>A</sup> Kindergarten through eighth grade, 9 x .00:	4.95%
<sup>B</sup> Ninth through twelfth, 4 x .0075	3.00%
Allowable Percentage	<u>7.95%</u>

Source: Market value per Jackson County, Department of Assessment

**Schedule 13**  
**Jackson County School District 549C**  
**Jackson County, Oregon**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Total Personal Income<sup>2</sup></b>	<b>Per Capita Personal Income (\$000)<sup>2</sup></b>	<b>Unemployment Rate<sup>3</sup></b>
2023-24	222,563	12,755,983,000	57,780	5.3%
2022-23	221,644	12,717,430,000	57,378	8.9%
2021-22	223,734	11,496,858,000	51,386	4.6%
2020-21	221,844	10,669,698,000	48,095	7.0%
2019-20	220,944	10,232,320,000	46,312	6.4%
2018-19	219,564	9,647,267,000	43,938	4.9%
2017-18	216,527	9,062,145,000	41,852	4.7%
2016-17	212,567	8,650,946,000	40,698	5.0%
2015-16	210,287	7,914,576,000	37,637	6.2%
2014-15	208,545	7,687,191,000	36,861	7.6%

(1) US Census Bureau - Population estimate as of July 1.

(2) Bureau of Economic Analysis - reflects most current data available at end of fiscal year.

(3) Oregon Labor Market Information System - average rate for fiscal year.

**Schedule 14**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**School Age Population & Poverty**  
**Last Ten Calendar Years**

Year	Population	Estimated Population Ages 5-17	% of Population ages 5-17	Estimated number of relevant children 5 to 17 years old in poverty who are related to the household		Children Ages 5 to 17 in Poverty	Year over Year Change
				years old in poverty	who are related to the household		
2023	93,760	15,564	16.60%	2046		13.15%	-1.55%
2022	94,132	15,595	16.57%	2293		14.70%	0.54%
2021	95,020	15,957	16.79%	2259		14.16%	2.05%
2020	92,249	14,776	16.02%	1789		12.11%	-4.21%
2019	91,875	14,691	15.99%	2398		16.32%	-2.73%
2018	91,309	14,590	15.98%	2780		19.05%	0.35%
2017	90,440	14,461	15.99%	2704		18.70%	0.93%
2016	90,044	14,381	15.97%	2555		17.77%	-6.52%
2015	88,398	14,271	16.14%	3467		24.29%	1.25%
2014	87,450	14,188	16.22%	3269		23.04%	-1.03%

Note: Data is from Census Small Area Income and Poverty Estimates (SAIPE). Data is provided two years in arrears.

Year	Population	Change by Year	Estimated Population Ages 5-17	Estimated number of relevant children 5 to 17 years old in poverty who are related to the household		Change by Year
				Change by Year	Estimated Population Ages 5-17	
2023	93,760	-0.40%	15,564	-0.20%		2,046 -10.77%
2022	94,132	-0.93%	15,595	-2.27%		2,293 1.51%
2021	95,020	3.00%	15,957	7.99%		2,259 26.27%
2020	92,249	0.41%	14,776	0.58%		1,789 -25.40%
2019	91,875	0.62%	14,691	0.69%		2,398 -13.74%
2018	91,309	0.96%	14,590	0.89%		2,780 2.81%
2017	90,440	0.44%	14,461	0.56%		2,704 5.83%
2016	90,044	1.86%	14,381	0.77%		2,555 -26.31%
2015	88,398	1.08%	14,271	0.59%		3,467 6.06%
2014	87,450	1.88%	14,188	-0.26%		3,269 -4.53%

Population	10 Year CAGR	Estimated Population Ages 5-17	Estimated number of relevant children 5 to 17 years old in poverty who are related to the household		10 Year CAGR
			10 Year CAGR	Estimated Population Ages 5-17	10 Year CAGR
Ten Year Change	6,310	0.70%	1,376	0.93%	(1,223) -4.58%

Note: Data is from Census Small Area Income and Poverty Estimates (SAIPE) and is provided two years in arrears.

**Schedule 15**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Principal Employers**  
**Current Year**

<b>Taxpayer</b>	<b>2023-24</b>			<b>2014-15</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment*</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Non-Farm Employment*</b>
Asante	5,200	1	2.36%	4,231	1	2.05%
Harry and David Operations	2,000	2	0.91%	2,000	3	0.97%
Federal Government	1,907	3	0.86%	1,708	4	0.81%
Medford School District 549C	1,558	4	0.71%	1,157	6	0.56%
State of Oregon						
Amy's Kitchen	1,231	5	0.56%	750	9	0.36%
Providence Health Systems	1,150	6	0.52%	1,100	5	0.53%
Jackson County	1,100	7	0.50%	2,321	2	1.12%
Boise	979	8	0.44%	987	7	0.48%
Lithia Motors	820	9	0.37%	745	10	
Wal-mart	700	10	0.32%			
<b>Top Ten Subtotal</b>	<b>16,645</b>		<b>7.55%</b>	<b>15,929</b>		<b>7.33%</b>

**Sources:**

Jackson County Annual Report Schedule 15

\* Oregon Employment Department April, 2024 Total Non-Farm Employment 90,740

**Schedule 16**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Total Non-Farm Employment by Industry**  
**Medford Metropolitan Area**

<b>Average Annual Employment</b>							
<b>Year</b>	<b>Total non-Farm Employment</b>	<b>Natural Resources, Construction, Manufacturing</b>	<b>Wholesale and Retail Trades, Transportation, and Utilities</b>	<b>Information, Financial, and Professional Services</b>	<b>Education and Health Services</b>	<b>Leisure, Hospitality, and Other Services</b>	<b>Federal, State, and Local Government</b>
2025	90,740	12,010	18,930	12,930	20,440	11,130	12,110
2024	89,900	12,800	18,910	12,730	19,640	10,860	12,370
2023	89,870	19,020	19,240	13,530	18,760	13,410	11,300
2022	89,150	12,990	19,630	13,650	18,090	13,040	11,280
2021	88,270	13,150	20,110	12,930	18,230	9,140	11,460
2020	79,760	12,380	19,130	12,180	16,400	8,880	10,790
2019	92,040	14,070	19,670	13,360	17,340	15,480	12,120
2018	88,650	13,440	19,190	12,760	17,080	14,610	11,570
2017	87,120	12,200	19,240	12,860	15,610	14,520	12,690
2016	82,580	11,770	17,780	12,340	14,910	13,260	12,520

Note: Specific employer information is not available. Prior year data may be adjusted and updated annually.

Source:

Oregon Employment Department, Workforce and Economic Research,  
Medford MSA (Jackson County) Labor Force and Industry Employment

**Schedule 17**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Full-time Equivalent District Employees by Assignment/Function**

**Full-time Equivalent Employees for the Fiscal Years**

<b>Assignment/Function</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Classroom Staff</b>										
Elementary teachers	241.30	256.33	254.68	286.89	286.26	286.29	285.01	288.34	283.90	271.50
Secondary teachers	272.80	262.45	260.77	234.83	231.05	245.18	246.40	239.30	229.70	222.79
Other Teachers (Special Ed, ESL, Title)	113.50	144.65	150.97	159.73	166.29	158.56	114.36	103.70	96.50	110.14
Classified/Confidential Staff	321.50	317.78	283.82	310.97	317.32	299.68	299.59	294.30	259.20	260.48
Subtotal Instructional Staff	<u>949.10</u>	<u>981.21</u>	<u>950.24</u>	<u>992.42</u>	<u>1,000.92</u>	<u>989.71</u>	<u>945.36</u>	<u>925.64</u>	<u>869.30</u>	<u>864.91</u>
<b>Support Services Staff</b>										
Secondary guidance	30.50	31.00	29.50	30.75	12.50	19.00	18.00	18.50	17.00	15.00
Library and media support staff	22.50	25.47	22.97	20.97	21.97	22.35	22.35	22.40	22.40	22.35
District administrators	6.00	6.00	7.00	8.80	7.00	8.00	8.70	8.70	8.70	8.50
District support staff	28.50	32.23	21.68	18.23	30.53	26.94	17.75	22.70	20.90	18.09
School administrators	46.80	46.88	47.88	44.88	42.50	31.00	29.00	28.00	28.00	27.00
School administrative support staff	63.00	62.00	66.00	59.00	61.00	58.00	54.00	52.00	57.00	58.00
Student services support staff	67.65	64.90	48.65	70.96	65.06	60.66	60.92	61.91	48.80	44.78
Custodial	73.00	75.50	71.00	77.00	77.00	75.00	66.00	66.00	63.00	63.00
Maintenance	33.00	33.00	32.00	30.00	29.00	29.47	29.47	30.50	26.50	27.47
All other support staff	49.80	41.40	43.20	34.00	23.23	32.16	38.80	35.00	29.20	33.50
Subtotal Support Services Staff	<u>420.75</u>	<u>418.38</u>	<u>389.88</u>	<u>394.59</u>	<u>369.79</u>	<u>362.58</u>	<u>344.99</u>	<u>345.71</u>	<u>321.50</u>	<u>317.69</u>
<b>Total FTE</b>	<b><u>1,369.86</u></b>	<b><u>1,399.60</u></b>	<b><u>1,340.13</u></b>	<b><u>1,387.02</u></b>	<b><u>1,370.72</u></b>	<b><u>1,352.30</u></b>	<b><u>1,290.36</u></b>	<b><u>1,271.36</u></b>	<b><u>1,190.80</u></b>	<b><u>1,182.60</u></b>

Note: Source is District Records

**Schedule 18**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Operating Statistics**  
**Last Ten Fiscal Years**

**Student and Teacher Data**

Fiscal Year	Student Enrollment			Student/ Teacher Ratio	Students Graduated in four years (4)
	(1)	Cost per Pupil (2)	Teaching Staff (3)		
2025	11,446	19,150	703	16	
2024	11,530	20,227	715	16	874
2023	13,787	15,948	729	19	908
2022	14,095	14,922	746	19	883
2021	13,754	13,304	729	19	968
2020	14,344	12,279	730	20	853
2019	14,317	12,063	693	21	793
2018	14,111	11,619	668	21	871
2017	13,926	11,130	640	22	776
2016	13,622	11,239	650	21	770

**Number of Lunches Served**

Fiscal Year	Reimbursed at Paid	Reimbursed at	Reduced Price	Total Lunches Served (5)	Percentage Free or Reduced
	Rate	Free Rate			
2025	137,827	906,309	-	1,044,136	86.8%
2024	108,741	978,668	-	1,087,409	90.0%
2023	103,622	932,598	-	1,036,220	90.0%
2022*	-	974,040	-	974,040	100.0%
2021*	-	512,136	-	512,136	100.0%
2020	223,441	671,881	29,582	924,904	75.8%
2019	298,074	868,750	32,790	1,199,614	75.2%
2018	202,242	938,663	34,902	1,175,807	82.8%
2017	194,770	985,386	37,009	1,217,165	84.0%
2016	194,706	1,005,625	37,627	1,237,958	84.3%

**Number of Breakfasts Served**

Fiscal Year	Reimbursed at Paid	Reimbursed at	Reduced Price	Total Breakfasts Served (5)	Percentage Free or Reduced
	Rate	Free Rate			
2025	54,280	356,970	-	411,250	86.8%
2024	42,832	385,486	-	428,318	90.0%
2023	39,279	353,516	-	392,795	90.0%
2022*	-	363,088	-	363,088	100.0%
2021*	-	416,694	-	416,694	100.0%
2020	64,816	324,131	10,072	399,019	83.8%
2019	85,848	350,800	10,931	447,579	80.8%
2018	46,801	367,817	12,401	427,019	89.0%
2017	43,907	389,654	13,150	446,711	90.2%
2016	41,664	394,424	11,348	447,436	90.7%

\*Post Covid the District operated under the "Seemless Summer" option with waivers and received 100% reimbursements

(1) Enrollment (ADM - average daily membership)

(2) Cost per student is calculated using actual expenditures, excluding capital outlay and debt service and offset by payments received for transportation.

(3) FTE Teaching staff includes classroom, special education, music education and Charter Schools.

(4) Final figures are not expected to be available until January of the following year

(5) Beginning with fiscal 2023, the Community Eligibility Provision (CEP) is implemented at all schools in the District. This allows all students to enjoy meals at no charge as of fiscal 2023. Prior to fiscal 2023, some students paid for meals at full or reduced prices. No applications are required and the federal reimbursement is paid at either the higher "free" rate or the lower "paid" rate on a percentage basis. While no students pay for meals as of fiscal 2023, the federal government only reimburses meals for students that qualify at the free rate and thus reimburses less than 100% of meals at that rate. In 2024, the federal government reimbursed 86.8% of meals. In addition, the state of Oregon provides additional grants and incentives for meal reimbursements to fund additional eligibility for reimbursement at the free rate up to 90% of all meals. The remaining 10% of meals are also partially reimbursed by the federal government, but at the lower "paid" rate.

**Schedule 19**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Capital Asset Information**  
**As of June 30, 2025**

Schools	Year Built	Classrooms	Square Footage	Campus Size (Acres)
<b>High Schools</b>				
North Medford	1967	70	234,121	61.31
South Medford	2010	74	255,000	38.00
Innovation Academy	1993	8	50,583	5.23
<b>Middle Schools</b>				
Hedrick	1955	47	158,990	11.00
McLoughlin	1926	43	161,072	9.80
Oakdale Middle School	1931	49	251,721	19.20
Medford Online Academy (K-8)	1948	8	12,710	0.17
<b>Elementary Schools</b>				
Abraham Lincoln	1996	23	63,438	19.98
Griffin Creek	1902	26	59,130	8.98
Hoover	1958	27	55,403	7.00
Howard	1972	23	59,530	3.03
Jackson	2009	17	57,596	4.52
Jacksonville	1954	20	57,561	10.25
Jefferson	1955	19	52,943	13.14
Kennedy	1977	24	54,788	10.12
Lone Pine	1926	25	77,042	9.22
Oak Grove	1891	22	59,355	12.50
Roosevelt	2009	18	51,002	4.50
Ruch	1913	11	34,590	11.86
Washington	1931	18	58,146	6.42
Wilson	1958	23	52,660	10.56
<b>Other District Facilities</b>				
Administration (Maslow)	1952	1	6,081	0.50
Warehouse/Purchasing ( <i>limited use</i> )	1959	1	18,083	1.00

Source: School District Records

\* Purchased June 2023. Classrooms and design of the Innovation Academy are a work in process.

**Schedule 20**  
**Jackson County School District 549C**  
**Medford, Oregon**  
**Resident Average Daily Membership (ADM<sub>r</sub>) and Extended Weighted Average Daily Membership (ADM<sub>w</sub>)**  
**As of June 30, 2025**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25*
Enrollment ADM <sub>r</sub> including Charter Schools	13,622	13,926	14,111	14,317	14,344	13,754	14,095	13,642	13,588	13,582
Extended ADM <sub>w</sub> including Charter Schools	16,560	16,979	16,936	17,189	17,267	17,266	16,565	16,567	16,432	16,416
Enrollment ADM <sub>r</sub> excluding Charter Schools	12,173	12,377	12,420	12,582	12,571	11,873	12,217	11,604	11,530	11,446
Charter School Enrollment (ADM <sub>r</sub> )	1,449	1,549	1,691	1,735	1,773	1,881	1,878	2,038	2,058	2,136

Source: Oregon Department of Education District Estimates and Warrants

Note: Enrollment for the most recent fiscal year ending June 30, xxxx, in this case 2024-25, is always reconciled by the state and adjusted at least once approximately 10 months after the end of the fiscal year.

**2024-25 INDEPENDENT AUDITOR'S COMMENTS AND DISCLOSURES**



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### **Independent Auditors' Report Required by Oregon State Regulations**

We have audited the basic financial statements of the Jackson County School District as of and for the year ended June 30, 2025, and have issued our report thereon dated December 18, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

### **Compliance**

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements 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.

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

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

In connection with our testing nothing came to our attention that caused us to believe the Jackson County School District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except the over-expenditures noted in note 3 to the financials.

## **OAR 162-10-0230 Internal Control**

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

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

A handwritten signature in black ink, appearing to read "Ken Allen". The signature is fluid and cursive, with "Ken" on the left and "Allen" on the right.

Kenneth Allen, CPA  
CLEAR TRAIL CPAS

## **GRANT COMPLIANCE REVIEW**

**JACKSON COUNTY SCHOOL DISTRICT 549C**  
**Medford, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

Federal Grantor Pass through Grantor	Program Title	Grant Period		ODE Grant #	AL Number	Expenditures	Passed Through to Sub-Recipients
		Beginning	End				
Passed through Oregon State Department of Education (except where noted):							
TITLE IA/D Grants to LEA's	7/1/2023	9/30/2024	76521	84.010	\$ 907,347	\$ -	
TITLE IA/D Grants to LEA's	7/1/2024	9/30/2025	82205	84.010	3,748,888		31,253
TITLE IA/D Grants to LEA's	7/1/2021	9/30/2025	82082	84.010	91,920		-
TITLE IA/D Grants to LEA's	7/1/2022	9/30/2025	73061	84.010	23,484		-
TITLE IA/D Grants to LEA's	7/1/2022	9/30/2025	72556	84.010	23,824		-
TITLE IA/D Grants to LEA's	7/1/2021	9/30/2025	79394	84.010	322,531		-
TITLE IA/D Grants to LEA's	7/1/2021	9/30/2025	84424	84.010	-		-
					\$ 5,117,995	\$	31,253
Student Support and Academic Enrichment	7/1/2023	9/30/2024	77141	84.424	\$ 99,542	\$	2,934
Student Support and Academic Enrichment	7/1/2024	9/30/2025	82665	84.424	268,870		2,280
					\$ 368,412	\$	5,214
Special Education Grants to States	7/1/2023	9/30/2024	78008	84.027A	\$ 616,271		-
Special Education Grants to States	7/1/2024	9/30/2025	83396	84.027A	1,964,880		-
Special Education Grants to States	7/1/2023	6/30/2024	JDEPIDEA	84.027A	5,740		-
					\$ 2,586,890	\$	-
Special Education_Preschool Grants	7/1/2023	9/30/2025	77823	84.173	12,443		-
Special Education_Preschool Grants	7/1/2022	9/30/2024	74252	84.173	14,068		-
					\$ 26,511	\$	-
Subtotal Special Education Cluster							
Education for Homeless Children and Youth	7/1/2023	9/30/2025	83264	84.196	\$ 66,249	\$	-
					\$ 66,249	\$	-
Carl Perkins	7/1/2024	9/30/2025	81256	84.048	\$ 138,702	\$	-
Carl Perkins	7/1/2023	9/30/2024	76386	84.048	8,446		-
					\$ 147,148		-
Special Education - State Personnel Dept.	7/1/2024	9/30/2025	SOESD	84.323	\$ 221,211 (1)		
					\$ 221,211	\$	-
English Language Acquisition	7/1/2023	9/30/2024	76992	84.365	\$ 26,726	\$	-
Immigrant Grant	7/1/2024	9/30/2025	83960	84.365	6,183		-
English Language Acquisition	7/1/2024	9/30/2025	82332	84.365	74,337		-
					\$ 107,246	\$	-
Foster Transportation	7/1/2024	9/30/2025	57200	93.658	\$ 21,536	\$	-
EDUCATION STABILIZATION FUND	7/1/2023	9/30/2024	75950	84.425	\$ 46,184 (3)		
EDUCATION STABILIZATION FUND	7/1/2023	9/30/2024	75921	84.425	62,907 (3)		
EDUCATION STABILIZATION FUND	3/13/2020	9/30/2024	64929	84.425U	4,835,409 (3)		-
					\$ 4,944,500	\$	-
Support Effective Instruction State Grant	7/1/2024	9/30/2025	82468	84.367	\$ 453,755	\$	5,322
Support Effective Instruction State Grant	7/1/2023	9/30/2024	76718	84.367	207,708		17,400
					\$ 661,462	\$	22,722
					\$ 14,269,160	\$	59,189
<b>Total U.S. Department of Education</b>							
<b>U. S. Department of Agriculture:</b>							
Passed through Oregon State Department of Education:							
CNP Block National School Breakfast	7/1/2024	6/30/2025		10.553	\$ 1,061,462 (2)		
National School Lunch Program	7/1/2024	6/30/2025		10.555	4,343,687 (2)		
NSLP Supply Chain Assistance	7/1/2024	6/30/2025		10.555	265,691 (2)		
Commodity NSLP, (noncash)	7/1/2024	6/30/2025		10.555	455,172 (2)		
Summer Food Service Program for Children	7/1/2024	6/30/2025		10.559	42,745 (2)		
State Admin. Expenses for Child Nutrition	7/1/2024	6/30/2025		10.559	3,626 (2)		
Fresh Fruit and Vegetable Program	7/1/2024	6/30/2025		10.582	70,466 (2)		
<b>Subtotal Child Nutrition Cluster</b>					\$ 6,242,849		
Child and adult care food program	7/1/2024	6/30/2025		10.558	8,504		
<b>Total U.S. Department of Agriculture</b>					\$ 6,251,352	\$	-
<b>U. S. Department of Health and Human Services:</b>							
Child Care Development Block Grants	7/1/2024	6/30/2025		93.575	\$ 20,880	\$	-
<b>Total US Department of Health and Human Services</b>					\$ 20,880	\$	-
<b>U. S. Environmental Protection Agency</b>							
Lead Testing of Drinking Water For Schools	10/1/2024	9/30/2025		64,444	\$ 42,040	\$	-
<b>Total U.S. Environmental Protection Agency</b>					\$ 42,040	\$	-
<b>U. S. Department of Transportation</b>							
Highway Planning & Construction DOT	10/1/2022	9/30/2024		20.205	\$ 26,008	\$	-
<b>Total U.S. Department of Transportation</b>					\$ 26,008	\$	-
					\$ 20,609,439	\$	59,189
<b>Total Federal Financial Assistance Expended or Passed Through to Sub recipients</b>							
<b>Other Federal Revenue</b>							
Schools and Roads	7/1/2024	6/30/2025				41,260	
<b>Total Federal Revenue</b>							
(1) Pass Thru from regional lead SOESD		(3) COVID-19 Grants					
(2) Child Nutrition Cluster							

Note: Modified accrual basis was used for the Schedule of Federal Awards document.



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December 18, 2025

To the Board of Education  
Jackson County School District 549C  
Medford, Oregon

**INDEPENDENT AUDITORS' 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***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson County School District 549C as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 18, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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 have not been identified.

## **Report on Compliance and Other Matters**

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

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Kenneth Allen, CPA  
CLEAR TRAIL CPAS



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December 18, 2025

To the Board of Education  
Jackson County School District 549C  
Medford, Oregon

### **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

#### **Report on Compliance for Each Major Federal Program**

##### ***Opinion on Each Major Federal Program***

We have audited Jackson County School District 549C's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2025. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jackson County School District 549C 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jackson County School District 549C 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 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 its federal programs.

##### ***Auditors' 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 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 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 compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of 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 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 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 Auditors' 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 control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Kenneth Allen, CPA  
CLEAR TRAIL CPAS

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JACKSON COUNTY SCHOOL DISTRICT 549C  
MEDFORD, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2025

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(s) identified that are not considered to be material weaknesses?  yes  no reported

Noncompliance material to financial statements noted?  yes  no

Any GAGAS audit findings disclosed that are required to be reported in accordance with section 515(d)(2) of the Uniform Guidance?  yes  no

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?  yes  no

Significant deficiency(s) identified that are not considered to be material weaknesses?  yes  no reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?  yes  no

**IDENTIFICATION OF MAJOR PROGRAMS**

**AL NUMBER**      **NAME OF FEDERAL PROGRAM CLUSTER**

84.010      Title 1

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

Auditee qualified as low-risk auditee?  yes  no

JACKSON COUNTY SCHOOL DISTRICT 549C  
MEDFORD, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with 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). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has elected to not use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.