

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**

ANNUAL FINANCIAL REPORT  
AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2024



**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
ASHLAND, OREGON  
YEAR ENDED JUNE 30, 2024**

**BOARD OF EDUCATION AS OF JUNE 30, 2024**

Rebecca Dyson	Chair
Jill Franko	Vice-chair
Eva Skuratowicz	Director
Dan Ruby	Director
Russell Hatch	Director

**All board members receive mail at the address listed below:**

**Administrative Office:  
885 Siskiyou Blvd.  
Ashland, Oregon 97520**

**ADMINISTRATIVE STAFF AS OF JUNE 30, 2024**

Samuel Bogdanove	Superintendent
Scott Whitman	Director of Business Services



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**| INDEPENDENT AUDITOR'S REPORT**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Jackson County School District No. 5  
Ashland, Oregon

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson County School District No. 5 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## ***Required Supplementary Information***

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

The general fund and major special revenue fund budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the general and major special revenue governmental funds budgetary comparison information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Supplementary Information***

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

### **Other Reporting Required by *Oregon State Regulation***

In accordance with Oregon State Regulations, we have also issued our report dated December 17, 2024 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Benjamin R. Cohn, CPA, Director  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 17, 2024





## | MANAGEMENT'S DISCUSSION AND ANALYSIS

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

As management of Jackson County School District No. 5 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes to those financial statements. It should also be noted that all amounts included in text below are rounded for ease of reading.

**FINANCIAL HIGHLIGHTS**

- In the government-wide statements, the assets and deferred outflows of the District exceeded liabilities/deferred inflows at June 30, 2024 by \$18.8 million. Of this amount, \$28.6 million represents the District's net investment in capital assets, \$18.8 million is restricted, and the deficit of \$28.5 million is considered unrestricted.
- For the fiscal year ended, the District's total net position decreased by \$1.3 million. In the prior year, the District's total net position decreased by \$2.4 million. The decrease in performance during fiscal 2024 compared to fiscal 2023 can mostly be attributed to lower revenues, primarily related to a decrease in program revenues.
- The District's governmental funds report a combined ending fund balance of \$14.9 million, a decrease of \$16.9 million from the prior year.
- At the end of the fiscal year, the unassigned fund balance in the general fund was at a deficit of \$1.5 million or -3.87% of total general fund expenditures. In total, the general fund balance decreased by \$3.6 million from the prior year.
- The District's total long-term debt decreased by \$4.8 million during the 2023-2024 fiscal year primarily as a result of debt payments. More information may be found in note 4 to the financial statements.
- Capital assets increased by \$11.6 million from \$130.1 million to \$141.7 million. More information may be found in note 3 to the financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components:

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

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

**Government-wide financial statements**

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

**Statement of Net Position.** The *Statement of Net Position* presents information on all of the assets and liabilities of the District at year-end. Net position is what remains after the liabilities have been recognized. 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.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

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 property taxes, Oregon's State School Fund and other intergovernmental revenues.

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

**Fund financial statements**

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

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

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

**Proprietary Funds** are used to accumulate and allocate costs internally among the District's various functions. The District also uses its internal service fund for self-insurance purposes, primarily for employees' unemployment benefits, workers compensation and health insurance.

**Fiduciary Funds** are used to account for resources held for the benefit of parties by the District in a trustee capacity. These funds include scholarships for students graduating. 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.

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Notes to the basic financial statements**

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

**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**

The District's assets/deferred outflows exceeded liabilities/deferred inflows by \$18.9 million at June 30, 2024. At June 30, 2023 District liabilities/deferred inflows were greater than assets/deferred outflows by \$20.1 million.

<b>Changes in Net Position Governmental Activities</b>			
	June 30, 2024	June 30, 2023	Increase/(Decrease)
Current and other assets	\$ 25,827,244	\$ 45,607,171	\$ (19,779,927)
Net OPEB asset	494,234	442,588	51,646
Net capital assets	141,688,480	130,113,087	11,575,393
<b>Total assets</b>	168,009,958	176,162,846	(8,152,888)
Deferred outflow of resources	16,157,320	14,093,812	2,063,508
Current liabilities	15,283,628	13,226,336	2,057,292
Net pension liability & OPEB	37,295,405	32,846,205	4,449,200
Long-term obligations	107,857,646	113,017,117	(5,159,471)
<b>Total liabilities</b>	160,436,679	159,089,658	1,347,021
Deferred inflow of resources	4,873,073	11,028,141	(6,155,068)
<b>Net position:</b>			
Net investment in capital assets	28,589,727	12,171,634	16,418,093
Restricted	18,825,896	31,810,016	(12,984,120)
Unrestricted	(28,558,097)	(23,842,791)	(4,715,306)
<b>Total Net Position</b>	\$ 18,857,526	\$ 20,138,859	\$ (1,281,333)

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

As noted previously, net position may serve over time as a useful indicator of a government's financial position. Net position decreased by \$1.3 million from the prior year.

Capital assets, which consist of the District's land, construction in progress, buildings, building improvements, vehicles and equipment, and right of use assets represent about 76.9% of total assets/deferred outflows. The remaining assets consist mainly of cash and investments, grants and property taxes receivable, notes receivable, prepaids, RHIA, and deferred outflows related to pensions.

The District's largest liabilities consist of long-term debt, PERS pension liability, and other post employment benefit obligations. Other more current liabilities consist of accounts payable, retainage payable, health insurance claims payable, accrued salaries and benefits, and unearned revenue.

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

**Changes in Statement of Activities  
Governmental Activities**

	June 30, 2024	June 30, 2023	Increase/(Decrease)
<b>Program Revenues</b>			
Charges for services	\$ 1,654,570	\$ 2,109,982	\$ (455,412)
Operating grants and contributions	5,620,069	8,306,504	(2,686,435)
Capital grants and contributions	2,517,122	1,310,733	1,206,389
<b>General Revenues</b>			
Property taxes and construction excise tax	29,913,498	28,638,084	1,275,414
State school fund	13,656,975	12,675,653	981,322
Other state, local, and federal sources	935,525	1,440,971	(505,446)
Earnings on investments	1,810,117	1,740,155	69,962
Contributions and Miscellaneous	403,239	246,332	156,907
<b>Total Revenues</b>	<b>56,511,115</b>	<b>56,468,414</b>	<b>42,701</b>
<b>Expenses</b>			
Instruction	29,847,291	27,928,270	1,919,021
Support services	22,718,730	21,247,989	1,470,741
Community services	1,273,402	1,297,200	(23,798)
Facilities acquisition	722,605	5,062,387	(4,339,782)
Interest on long-term debt	3,230,420	3,318,381	(87,961)
<b>Total Expenses</b>	<b>57,792,448</b>	<b>58,854,227</b>	<b>(1,061,779)</b>
<b>Change in Net Position</b>	<b>\$ (1,281,333)</b>	<b>\$ (2,385,813)</b>	<b>\$ 1,104,480</b>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

At June 30, 2024, the District's governmental funds reported combined ending fund balance of \$14.9 million, a decrease of \$16.8 million from the prior year. Approximately \$-4.0 million (-26.97%) of the ending fund balance constitutes a deficit unassigned *ending fund balance*.

*General Fund.* The General Fund is the chief operating fund of the District. At June 30, 2024, the fund reported a deficit fund balance of \$1.5 million. This is a decrease of about \$3.6 million (169.91%) from the previous year. The general fund unassigned fund balance represents -4.87% of total general fund expenditures. This is a decrease when compared to 2023.

*Special Revenue Fund.* The Special Revenue Fund is used to account for Federal, State, and Local grants, as well as our food service and associated student body. All funds are utilized to carry out specific programs, and the majority of the ending fund balance is restricted for student body programs and activities and grant related activities. The fund balance decreased by \$613 thousand (49.56%) from the previous year. Special revenue funding has become much more volatile over the last several years as state and federal stimulus programs are established for short periods of time. As general funding continues to be impacted by the economy, our reliance on special revenues increases.

*Debt Service Fund.* The Debt Service Fund has a total fund balance of \$151 thousand. The increase in fund balance during the current year was about \$468 thousand. This increase can be attributed to the increase of property taxes levied to cover debt service payments for the GO bonds.

*Capital Projects Fund.* The Capital Projects Fund has a total fund balance of \$18.1 million, all of which is restricted for ongoing capital projects. The fund balance decreased by \$13.2 million during the current fiscal year as a result of spending for construction projects.

**Budgetary Highlights**

During the fiscal year ended June 30, 2024, adopted, final, budgetary activity amounts for the General Fund are as follows:

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
Instruction	\$ 22,447,138	\$ 22,447,138	\$ 24,626,108	\$ (2,178,970)
Support services	15,322,862	15,322,862	16,861,290	(1,538,428)
Enterprise and community services	15,000	15,000	5,288	9,712
Contingency	500,000	500,000	-	500,000
<b>TOTAL</b>	<b>\$ 38,285,000</b>	<b>\$ 38,285,000</b>	<b>\$ 41,492,686</b>	<b>\$ (3,207,686)</b>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The District's investment in capital assets includes land, construction in progress, buildings and improvements, machinery, equipment and vehicles, and right-of-use assets. As of June 30, 2024, the District had invested approximately \$141.7 million in capital assets, net of depreciation, as shown in the following table:

	<u>Governmental Activities</u>		
	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Increase/(Decrease)</u>
Land	\$ 2,968,809	\$ 3,062,809	\$ (94,000)
Construction-in-progress	11,103,411	65,938,019	(54,834,608)
Buildings and improvements	124,369,284	57,900,879	66,468,405
Machinery, equipment and vehicles	3,006,679	2,922,814	83,865
Right-of-use assets	240,297	288,566	(48,269)
Total capital assets (net)	<u>\$ 141,688,480</u>	<u>\$ 130,113,087</u>	<u>\$ 11,575,393</u>

Additional information regarding the District's capital assets can be found in the notes to the basic financial statements of this report.

**Long-term debt.** At the end of the current fiscal year, the District had outstanding long-term debt of \$112.9 million, consisting of the following debt:

	<u>Governmental Activities</u>		
	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Increase/(Decrease)</u>
General obligation bonds	\$ 96,045,000	\$ 99,035,000	\$ (2,990,000)
Bond premium	16,332,674	17,957,104	(1,624,430)
Bank loans (direct borrowing)	22,644	33,616	(10,972)
Bus loans payable (direct borrowing)	489,122	655,584	(166,462)
Total debt obligations	<u>\$ 112,889,440</u>	<u>\$ 117,681,304</u>	<u>\$ (4,791,864)</u>

During the current fiscal year, the District's total debt decreased by \$4.8 million. This was the result of payments on debt obligations.

Additional information on the District's long-term debt can be found in the notes to the basic financial statements of this report.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Key economic and budget factors to be monitored by the District in the upcoming year and beyond include overall staffing levels, rising payroll costs, increasing health care costs, and the long-term trend of decreasing student enrollment.

The primary revenue source for the District's general operations is the State School Fund (SSF). The SSF is essentially an equalizing grant that provides state support based on the Districts Weighted Average Daily Membership (ADMw). The State's discontinuation of the open enrollment option, in addition to overall declining enrollment due to the lack of available and affordable housing in our District continues to affect our ADMw and in turn our state school funding for general operations is anticipated to decrease on a per-pupil basis. The District factors our declining enrollment projections and its impact on revenue in our budget planning for the 2024-25 school year.

Additional District special revenue funding remains stable as a vital support to our schools. The Student Success Act provided the funding mechanism for the Student Investment account which provides the District with special revenue funds for the purpose of supporting students mental and behavioral health needs and increasing academic achievement and reducing academic disparities for our students most in need.

Lastly, the District continues to enjoy our local option tax, the Youth Academics and Activities Levy (YAAL) funding provided by our community. The YAAL represents over 13% of our General fund revenue and the continued renewal is essential to maintaining our current level of service. The levy is valid for 5 years from July 1, 2021 to June 30, 2026. We are grateful to the residents of our community who continue to support this initiative that has had a tremendous beneficial impact for Ashland Public Schools.

**REQUESTS FOR INFORMATION**

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Director of Business Services at 885 Siskiyou Blvd., Ashland, Oregon 97520.





## | **BASIC FINANCIAL STATEMENTS**



**| GOVERNMENT-WIDE FINANCIAL  
STATEMENTS**

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Governmental Activities
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>ASSETS:</b>	
Cash and investments	\$ 15,919,943
Restricted cash in escrow	447,060
Receivables	7,831,323
Prepaid expenses	708,918
Notes receivable	
Due within one year	160,000
Due in more than one year	760,000
Other post employment benefit (RHIA)	494,234
Capital assets, net	
Land	2,968,809
Construction in progress	11,103,411
Buildings and improvements	124,369,284
Machinery, equipment and vehicles	3,006,679
Intangible assets:	
Right-of-use assets	240,297
<b>TOTAL ASSETS</b>	<b>168,009,958</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred outflows related to pension (OPERS)	15,663,985
Deferred outflows related to pension (stipend)	43,324
Deferred outflows related to other post employment benefits (medical subsidy)	447,786
Deferred outflows related to other post employment benefits (RHIA)	2,225
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>16,157,320</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>184,167,278</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>	
<b>LIABILITIES:</b>	
Accounts payable	2,878,625
Retainage payable	447,060
Health insurance claims payable	1,268,764
Accrued payroll liabilities	1,186,732
Accrued interest payable	349,293
Accrued compensated absences payable	132,561
Other post employment benefit obligation (medical subsidy)	
Due within one year	340,061
Due in more than one year	3,098,370
Early retirement stipend pension plan obligation (due in more than one year)	
Due within one year	31,424
Due in more than one year	309,631
Net pension liability (OPERS) (due in more than one year)	37,295,405
Leases payable	
Due within one year	139,600
Due in more than one year	69,713
Long-term debt, net of premium	
Due within one year	5,101,507
Due in more than one year	107,787,933
<b>TOTAL LIABILITIES</b>	<b>160,436,679</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred inflows related to pension (OPERS)	2,856,835
Deferred inflows related to pension (stipend)	111,235
Deferred inflows related to other post employment benefits (medical subsidy)	1,867,339
Deferred inflows related to other post employment benefits (RHIA)	37,664
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>4,873,073</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>165,309,752</b>
<b>NET POSITION:</b>	
Net investment in capital assets	28,589,727
Restricted for capital projects	18,051,297
Restricted for energy conservation - SB 1149	11,655
Restricted for technology	24,682
Restricted for student body	92,941
Restricted for debt service	151,087
Restricted for RHIA	494,234
Unrestricted	(28,558,097)
<b>TOTAL NET POSITION</b>	<b>\$ 18,857,526</b>

See notes to basic financial statements.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Functions/Programs:	Program Revenues				Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 29,847,291	\$ 433,275	\$ 2,473,742	\$ -	\$ (26,940,274)
Support services	22,718,730	1,179,232	2,119,667	-	(19,419,831)
Community services	1,273,402	42,063	1,026,660	-	(204,679)
Facilities acquisition	722,605	-	-	2,517,122	1,794,517
Interest expense	3,230,420	-	-	-	(3,230,420)
Total government activities	\$ 57,792,448	\$ 1,654,570	\$ 5,620,069	\$ 2,517,122	(48,000,687)
General revenues:					
					21,492,672
					8,284,271
					136,555
					13,656,975
					339,114
					30,054
					566,357
					1,810,117
					130,183
					273,056
					46,719,354
					(1,281,333)
					20,138,859
					\$ 18,857,526



**| FUND FINANCIAL STATEMENTS**

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
<b>ASSETS:</b>					
Cash and investments	\$ -	\$ -	\$ 75,953	\$ 11,323,608	\$ 11,399,561
Restricted cash in escrow	-	-	-	447,060	447,060
Receivables	6,328,360	553,123	331,501	614,721	7,827,705
Prepays	565,358	3,706	-	-	569,064
Interfund receivable	-	-	-	8,586,309	8,586,309
<b>TOTAL ASSETS</b>	<b>\$ 6,893,718</b>	<b>\$ 556,829</b>	<b>\$ 407,454</b>	<b>\$ 20,971,698</b>	<b>\$ 28,829,699</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 206,762	\$ 71,194	\$ -	\$ 2,473,341	\$ 2,751,297
Retainage payable	-	-	-	447,060	447,060
Interfund payable	6,249,623	2,336,686	-	-	8,586,309
Accrued payroll liabilities	1,186,732	-	-	-	1,186,732
<b>TOTAL LIABILITIES</b>	<b>7,643,117</b>	<b>2,407,880</b>	<b>-</b>	<b>2,920,401</b>	<b>12,971,398</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes	711,299	-	256,367	-	967,666
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>711,299</b>	<b>-</b>	<b>256,367</b>	<b>-</b>	<b>967,666</b>
<b>FUND BALANCES:</b>					
Nonspendable					
Prepaid expense	565,358	3,706	-	-	569,064
Restricted					
Energy conservation-SB 1149	-	11,655	-	-	11,655
Technology	-	24,682	-	-	24,682
Student body	-	92,941	-	-	92,941
Capital projects	-	-	-	18,051,297	18,051,297
Debt service	-	-	151,087	-	151,087
Unassigned	(2,026,056)	(1,984,035)	-	-	(4,010,091)
<b>TOTAL FUND BALANCES</b>	<b>(1,460,698)</b>	<b>(1,851,051)</b>	<b>151,087</b>	<b>18,051,297</b>	<b>14,890,635</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 6,893,718</b>	<b>\$ 556,829</b>	<b>\$ 407,454</b>	<b>\$ 20,971,698</b>	<b>\$ 28,829,699</b>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2024**

<b>TOTAL FUND BALANCES</b>		\$ 14,890,635
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 186,790,577	
Accumulated depreciation and amortization	<u>(45,102,097)</u>	141,688,480
A portion of the District's property taxes are collected after year-end but are not available to pay for current operations, therefore, are not reported as revenue in the governmental funds.		
		967,666
The other post employment benefit asset (RHIA) is not reported with the governmental funds as it is not available nor payable currently.		
		494,234
The net deferred outflow/(inflow) associated with the District's pension and other post employment benefits is not recorded in the governmental funds as it is not available nor payable currently.		
		11,284,247
Internal Service Funds are used by the District to charge the costs of unemployment benefits, workers compensation, health insurance and liability programs. The assets and liabilities of the internal service fund are only included in the governmental activities in the Statement of Net Position.		
		3,267,762
Long-term assets not receivable in the current year such as notes receivable are not recorded as governmental fund assets.		
		920,000
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather recognized as an expenditure when due.		
These liabilities consist of:		
Accrued interest payable	\$ (349,293)	
Leases payable	(209,313)	
Long-term debt	(112,889,440)	
Pension liability (Stipend)	(341,055)	
Pension liability (OPERS)	(37,295,405)	
Other post employment obligation benefits (medical subsidy)	(3,438,431)	
Accrued compensated absences payable	<u>(132,561)</u>	<u>(154,655,498)</u>
<b>TOTAL NET POSITION</b>		<u><u>\$ 18,857,526</u></u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>REVENUES</b>					
Property taxes and other taxes	\$ 21,486,553	\$ -	\$ 8,282,098	\$ 136,555	\$ 29,905,206
Intergovernmental	14,619,179	5,525,717	-	2,517,122	22,662,018
Charges for services	596,751	178,075	-	-	774,826
Local grants and contributions	130,183	67,673	-	-	197,856
Investment earnings	857,986	-	12	952,119	1,810,117
Miscellaneous	98,369	26,083	-	128,232	252,684
<b>TOTAL REVENUES</b>	<u>37,789,021</u>	<u>5,797,548</u>	<u>8,282,110</u>	<u>3,734,028</u>	<u>55,602,707</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	24,626,108	2,780,283	-	-	27,406,391
Support services	16,801,094	2,462,405	-	682,707	19,946,206
Enterprise and community services	5,288	1,174,742	-	-	1,180,030
Facilities acquisition	-	-	-	16,266,095	16,266,095
Debt service	154,052	-	7,813,900	-	7,967,952
<b>TOTAL EXPENDITURES</b>	<u>41,586,542</u>	<u>6,417,430</u>	<u>7,813,900</u>	<u>16,948,802</u>	<u>72,766,674</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(3,797,521)</u>	<u>(619,882)</u>	<u>468,210</u>	<u>(13,214,774)</u>	<u>(17,163,967)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of fixed assets	160,000	-	-	35,000	195,000
Issuance of lease liability	93,856	-	-	-	93,856
Transfers in	-	6,484	-	97,702	104,186
Transfer out	(6,484)	-	-	(97,702)	(104,186)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>247,372</u>	<u>6,484</u>	<u>-</u>	<u>35,000</u>	<u>288,856</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(3,550,149)</u>	<u>(613,398)</u>	<u>468,210</u>	<u>(13,179,774)</u>	<u>(16,875,111)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>2,089,451</u>	<u>(1,237,653)</u>	<u>(317,123)</u>	<u>31,231,071</u>	<u>31,765,746</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ (1,460,698)</u>	<u>\$ (1,851,051)</u>	<u>\$ 151,087</u>	<u>\$ 18,051,297</u>	<u>\$ 14,890,635</u>



**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

**NET CHANGE IN FUND BALANCE** \$ (16,875,111)

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization in the current period:

Expenditures for capital assets	\$ 15,994,198	
Less current year depreciation and amortization	<u>(4,224,385)</u>	11,769,813

Governmental funds report revenues pertaining to long-term notes receivable, which are not reported in the Statement of Activities. These activities are reported at the government-wide level in the Statement of Net Position. This is the revenue reported in the governmental funds. (160,000)

Long-term debt and lease proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt and leases increase 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 activity related to those transactions:

Lease principal repaid	\$ 144,692	
Debt principal repaid	3,167,434	
Bond premium amortization	1,624,430	
Issuance of lease payable	<u>(93,856)</u>	4,842,700

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. This is the amount by which the interest paid exceeded the interest expense. (137,974)

Governmental funds report proceeds from the sale of capital assets as revenue. However, only the net gain (loss) on the sale is reported in the Statement of Activities. (194,420)

Property taxes which are not measurable and available are unavailable in the governmental funds. In the Statement of Activities property taxes are recognized when levied. 8,292

Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the statement of activities compensated absences are recognized as an expenditure when earned. 40,945

In the Statement of Activities, contributions for other post employment benefits (stipend and medical subsidy) greater than the actuarially determined amount decrease the other post employment benefit obligation. In the governmental funds, the entire contribution is recognized as an expenditure. This is the amount by which the obligation decreased. 115,872

Government funds report pension contributions as expenditures. In the Statement of Activities, the cost of pension benefits (actuarially determined) is reported as either pension expense or income. This is the net change in pension related items (OPERS, including deferred outflows and inflows). (89,309)

Government funds report other post-employment benefits (OPEB-RHIA) contributions as expenditures. In the Statement of Activities, the cost of OPEB-RHIA (actuarially determined) is reported as either pension expense or income. This is the net change in OPEB-RHIA related items (including deferred outflows and inflows). 14,973

Internal service funds used by the District to charge the costs of unemployment benefits, workers compensation, health insurance and liability programs. The change in net position in the internal service fund is reported with the governmental activities. (617,114)

**CHANGE IN NET POSITION** \$ (1,281,333)

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
STATEMENT OF NET POSITION  
INTERNAL SERVICE FUND  
JUNE 30, 2024**

	<b>Internal Service Fund</b>
<b>ASSETS:</b>	
Cash and investments	\$ 4,520,382
Receivables	3,618
Prepays	139,854
	4,663,854
<b>TOTAL ASSETS</b>	<b>4,663,854</b>
<b>LIABILITIES</b>	
Accounts payable	127,328
Health insurance claims payable	1,268,764
	1,396,092
<b>TOTAL LIABILITIES</b>	<b>1,396,092</b>
<b>NET POSITION:</b>	
Unrestricted	3,267,762
	3,267,762
<b>TOTAL NET POSITION</b>	<b>\$ 3,267,762</b>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2024**

	<u>Internal Service Fund</u>
<b>OPERATING REVENUE:</b>	
Services provided to other funds	\$ 6,968,049
Employee and retiree contributions	751,341
Miscellaneous	<u>148,775</u>
<b>TOTAL ADDITIONS</b>	<u>7,868,165</u>
<b>OPERATING EXPENSES:</b>	
Support services	<u>8,485,279</u>
<b>OPERATING INCOME (LOSS)</b>	(617,114)
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>3,884,876</u>
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 3,267,762</u></u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2024**

	<u>Internal Service Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash from services provided	\$ 7,114,624
Cash from employee and retirement contributions	751,341
Cash paid for services	<u>(8,298,730)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(432,765)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(432,765)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>4,953,147</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 4,520,382</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING INCOME</b>	
Operating income (loss)	\$ (617,114)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Change in assets and liabilities:	
Receivables	(2,200)
Prepays	(139,854)
Accounts payable	58,622
Health insurance claims payable	<u>267,781</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ (432,765)</u></u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2024**

	<u>Private Purpose Trust Fund</u>
<b>ASSETS:</b>	
Cash and investments	<u>\$ 84,146</u>
<b>TOTAL ASSETS</b>	<u>84,146</u>
<b>NET POSITION:</b>	
Reserved for scholarships	70,395
Permanent endowment for scholarships	<u>13,751</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 84,146</u></u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
YEAR ENDED JUNE 30, 2024**

	<u>Private Purpose Trust Fund</u>
<b>ADDITIONS:</b>	
Donations	\$ 141,243
<b>TOTAL ADDITIONS</b>	<u>141,243</u>
<b>DEDUCTIONS:</b>	
Community services	149,850
Apportionment of funds	<u>2,000</u>
<b>TOTAL DEDUCTIONS</b>	<u>151,850</u>
<b>CHANGE IN NET POSITION</b>	(10,607)
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>94,753</u>
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 84,146</u></u>



**| NOTES TO THE BASIC FINANCIAL  
STATEMENTS**

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Jackson County School District No. 5 (the District), Ashland, Oregon, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles (GAAP), all activities of the District have been included in the basic financial statements.

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

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

**Basis of Presentation**

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

***Government-Wide Financial Statements***

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

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

Separate financial statements are provided for governmental funds, internal service funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. The District's internal service fund is reported as a proprietary fund.

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

***Fund Financial Statements***

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



**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Fund Financial Statements (continued)***

The District reports the following major governmental funds:

*General Fund* - This is the District's primary operating fund and accounts for all revenues and expenditures, except those required to be accounted for in another fund.

*Special Revenue Fund* - This fund accounts for funds received through Federal, State and Private grant sources. It is also used to account for the District's school lunch program, major curriculum and technology purchases, and special revenues derived from associated student body activities.

*Debt Service Fund* - This fund provides for the payment of principal and interest on general obligation bonded debt of the District. Principal revenue sources are property taxes and charges to other funds.

*Capital Projects Fund* - This fund accounts for activities related to the acquisition, construction, equipping and furnishing of facilities. Principal revenue sources are proceeds from the sale of bonds, state grants, construction excise tax, interest earnings and transfers from other funds.

Additionally, the following proprietary fund is reported:

*Internal Service Fund* - This fund accounts for costs incurred by the District under self-insurance programs for unemployment benefits, workers compensation, and health insurance. These services are provided to other governmental funds on a cost reimbursement basis. Internal activity is eliminated on the government-wide financial statements.

Additionally, the following fiduciary fund is reported:

*Private-Purpose Trust Fund* – This fund is used to account for scholarship resources from private donations held by the District in a fiduciary capacity for scholarships for graduating students. Disbursements from this fund are made in accordance with the trust agreements.

**Measurement Focus and Basis of Accounting**

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

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus and Basis of Accounting (continued)**

The District's proprietary fund distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses of the District's internal service fund consist of charges for services and the cost of providing those services. All other revenues and expenses are reported as nonoperating.

**Cash and Investments**

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less. Short-term investments are stated at cost, which approximates fair value.

The District's investments, authorized under state statute, may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

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

**Restricted Cash and Retainage Payable**

The District reports restricted cash for amounts held with US Bank for the retainage portion of ongoing construction projects. This amount is also reported as retainage payable on the fund financial statements and Statement of Net Position.

**Investment Income**

Investment income is composed of interest and net changes in the fair value of applicable investments. Investment income is included in investment earnings in the fund financial statements and is allocated monthly to all funds based on the fund's average cash balance.

**Property Taxes Receivable**

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

Uncollected property taxes are recorded on the statement of net position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for un-collectible taxes has been established. All property taxes receivable are due from property owners within the District.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts and Other Receivables**

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

**Grants**

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

**Leases**

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

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

The District is involved in various leasing arrangements for equipment. In accordance with GASB Statement No. 87 *Leases*, newly acquired leases during the current fiscal year were analyzed and classified as either qualified or non-qualified leases, for both lessor and lessee positions, and lease receivables and payables were recognized accordingly.

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

**Capital Assets**

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

Building improvements	10 to 50 years
Machinery, equipment and vehicles	5 to 30 years
Right-of-use assets	Depends on life of the lease

**Pensions**

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pensions (continued)**

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

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

**Post-Employment Health Benefits**

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

Additionally, the District offers eligible employees who elect early retirement payment of group medical insurance premiums. The District also allows eligible retirees to purchase health insurance at the same rate as active employees. In the government-wide financial statements, the District reports its liability for other post-employment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees. Such costs are recorded as expenses in the General Fund and funded as premiums become due.

**Compensated Absences**

It is the District's policy to permit employees to accumulate limited earned but unused vacation and unlimited sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued when earned in the government-wide financial statements and will be paid when the employees services are terminated.

**Long-Term Debt**

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts and deferred charges associated with advanced refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums and discounts. Bond issuance costs are expensed as incurred.

In the fund financial statements, bond premiums and discounts, and deferred charges are recognized when incurred and not deferred. The face amount of the debt issued, premiums and discounts received on debt issuances, and deferred charges are reported as other financing sources and uses. Issuance costs are reported as support services expenditures.

**Deferred Outflows/Inflows of Resources**

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

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows/Inflows of Resources (continued)**

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

**Net Position and Fund Balance**

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

- *Net investment in capital assets* – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- *Restricted net position* – consists of net position with constraints placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- *Unrestricted net position* – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

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

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

- *Non-Spendable* – Includes items not immediately converted to cash, such as prepaid items and inventory.
- *Restricted* – Includes items that are restricted by external creditors, grantors, or contributors, or restricted by legal constitutional provisions.
- *Committed* – Includes items committed by the District's Board of Education, by formal board action.
- *Assigned* – Includes items assigned for specific purposes, authorized by the District's Superintendent and/or Director of Business Services.
- *Unassigned* – This is the residual classification used for those balances not included in another category.

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

To preserve a sound financial system and to provide a stable financial base, the governing body has adopted a minimum fund balance policy. The minimum Fund Balance policy requires a reserve for economic uncertainties consisting of unassigned amounts equal to not less than one month of General Fund operating expenditures or eight percent of General Fund expenditures.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budget**

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America for the governmental fund types, except capital outlay expenditures (including items below the District's capitalization level) and debt service which are budgeted by major function in governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

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

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

During the fiscal year ended June 30, 2024, the District was in compliance with Local Budget Law, except as noted in the independent auditor's report required by Oregon State Regulations.

Additionally, the District exceeded its appropriation authority in the following categories:

General Fund:	
Instruction	\$ 2,178,970
Support services	1,538,428
	<u>\$ 3,717,398</u>

**Use of Estimates**

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

**Adoption of New GASB Pronouncements**

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

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Future GASB Pronouncements**

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

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

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

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

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

**NOTE 2 – CASH AND INVESTMENTS**

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

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

Petty cash	\$	490
Carrying amount of demand deposits		4,020,277
Carrying amount of investments		12,430,382
Total cash and investments	\$	16,451,149

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

Statement of Net Position		
Cash and investments	\$	15,919,943
Restricted cash in escrow		447,060
Statement of Fiduciary Net Position		
Cash and investments		84,146
Total cash and investments	\$	16,451,149

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

**Deposits.** The Governmental Accounting Standards Boards has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2024. If bank deposits at year end are not entirely insured or collateralized with securities held by the District or by its agent in the District's name, the District must disclose the custodial credit risk that exists.

Deposits with financial institutions are comprised of bank demand deposits. At year-end, the District's net carrying amount of deposits was \$4,020,277 and the bank balance was \$5,186,901. Of these deposits, \$4,686,901 was not covered by the Federal Depository Insurance Corporation (FDIC). However, this balance was covered by the State of Oregon shared liability structure for participating bank depositories in Oregon. As required by Oregon Revised Statutes, Chapter 295, deposits in excess of insurance limits were held at qualified depositories for public funds.

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

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

All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the District has no exposure to custodial credit risk for deposits with financial institutions.

**Investments.** The District has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2024. The Oregon Short-term Fund is the local government investment pool for local governments and was established by the State Treasurer.

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

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

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 294.035 and 294.810. These funds are held in the District's name and are not subject to collateralization requirements of ORS 295.015. Investments are stated at amortized cost, which approximated fair value.

Custodial credit risk, for investments, is the risk that, in the event of the failure of the counter-party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's total investments, the District has no custodial credit risk.



**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

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

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

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

The “weighted average maturity in years” calculation assumes that all investments are held until maturity.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s investment policy limits investments to no more than 18 months.

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

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

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

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

Investments Measured at Fair Value:	Totals as of 06/30/24	Level One	Level Two	Level Three	Amortized Cost Not Measured at Fair Value
Local government investment pool	\$ 8,468,662	\$ -	\$ -	\$ -	\$ 8,468,662
Treasury bills	3,961,720	3,961,720	-	-	-
	<u>\$ 12,430,382</u>	<u>\$ 3,961,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,468,662</u>

As of June 30, 2024, the District’s investments had the following maturities and credit ratings:

	Total Investments	Investment Maturities		
		Less than 1 yr	1-5 years	6-10 years
Local government investment pool	\$ 8,468,662	\$ 8,468,662	\$ -	\$ -
Treasury bills	3,961,720	3,961,720	-	-
Total investments	<u>\$ 12,430,382</u>	<u>\$ 12,430,382</u>	<u>\$ -</u>	<u>\$ -</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

	Moody's Rating	Standard & Poor Rating	Percentage of Total Investments
Local government investment pool	N/R	N/R	67%
Treasury bills	N/R	N/R	32%
Total investments			100%

**NOTE 3 – CAPITAL ASSETS**

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

	Balance July 1, 2023	Additions	Transfers/ Deletions	Balance June 30, 2024
Capital assets not being depreciated or amortized:				
Land	\$ 3,062,809	\$ -	\$ (94,000)	\$ 2,968,809
Construction-in-progress	65,938,019	11,103,411	(65,938,019)	11,103,411
Total capital assets not being depreciated or amortized	69,000,828	11,103,411	(66,032,019)	14,072,220
Capital assets being depreciated or amortized:				
Buildings and improvements	96,599,037	4,796,931	63,371,155	164,767,123
Machinery, equipment and vehicles	6,997,414	-	455,040	7,452,454
Intangible assets:				
Right-of-use	417,617	93,856	(12,693)	498,780
Total capital assets being depreciated or amortized	104,014,068	4,890,787	63,813,502	172,718,357
Less accumulated depreciation or amortization for:				
Buildings and improvements	(38,698,158)	(3,711,085)	2,011,404	(40,397,839)
Machinery, equipment and vehicles	(4,074,600)	(371,175)	-	(4,445,775)
Intangible assets:				
Right-of-use	(129,051)	(142,125)	12,693	(258,483)
Total accumulated depreciation or amortization	(42,901,809)	(4,224,385)	2,024,097	(45,102,097)
Total capital assets, net:				
Land	3,062,809	-	(94,000)	2,968,809
Construction-in-progress	65,938,019	11,103,411	(65,938,019)	11,103,411
Buildings and improvements	57,900,879	1,085,846	65,382,559	124,369,284
Machinery, equipment and vehicles	2,922,814	(371,175)	455,040	3,006,679
Intangible assets:				
Right-of-use	288,566	(48,269)	-	240,297
Total net capital assets	\$ 130,113,087	\$ 11,769,813	\$ (194,420)	\$ 141,688,480

Depreciation and amortization expense for the year ended June 30, 2024 was charged to the following programs:

Program	
Instruction	\$ 2,507,596
Support services	1,622,587
Community services	94,202
Total	\$ 4,224,385

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 3 – CAPITAL ASSETS (CONTINUED)**

**Right-of-Use Assets**

A lease is defined as a contract that conveys control of the right of use of another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The District is party to a variety of lease contracts as lessee for which this right-of-use (ROU) has been recognized as an asset on the balance sheet. Further information on these transactions can be found in Note 9.

**NOTE 4 – LONG-TERM DEBT**

**General Obligation Bonds**

During the 2018-19 fiscal year, the District issued General Obligation Bonds in the amount of \$107,380,000, which matures on June 15, 2044. Pursuant to ORS 287A.315, the General Obligation bonds are a direct obligation and pledge the full faith and credit of the District. The purpose of this bond was to finance the costs for constructing, improving, and upgrading various schools within the District. The interest rate is 4-5% and is payable semi-annually. The bond was sold at a premium of \$22,436,690. The agreement contains a provision that in an event of default the bonds are secured by the Oregon School Bond Guaranty, to the extent they are available or sufficient. There are no significant default or terminations clauses on the bonds, and the bonds are not subject to any acceleration clauses under GASB 88.

**Bus Loans**

During the 2016-17 fiscal year, the District entered into a financed purchase in the amount of \$358,119 for three replacement school buses with Santander Municipal Lease Program. The interest rate for two of them is 3.05% and for the third the interest rate is 2.75%, the payments are payable annually. There are no significant default or termination clauses on the loan. The financed purchase for one bus matured during the fiscal year, the other two mature on July 15, 2024.

During the 2018-19 fiscal year, the District entered into a financed purchase in the amount of \$118,487 for school buses with US Bancorp Government Leasing and Finance, Inc. The interest rate is 3.026% and payments are payable annually. There are no significant default or termination clauses on the loan. The financed purchase matures on December 1, 2028.

During the 2019-20 fiscal year, the District entered into a financed purchase in the amount of \$445,640 for school buses with US Bancorp Government Leasing and Finance, Inc. The interest rate is 3.48% and payments are payable annually. There are no significant default or termination clauses on the loan. The financed purchase matures on February 15, 2028.

During the 2021-22 fiscal year, the District entered into a financed purchase in the amount of \$382,743 for three school buses with US Bancorp Government Leasing and Finance, Inc. The interest rate is 3.39% and payments are payable annually. There are no significant default or termination clauses on the loan. The financed purchase matures on April 8, 2027.

**Bank Loan**

During the 2020-21 fiscal year, the district secured a bank loan through U.S. Bankcorp in the amount of \$54,891 for a school bus from Western Bus Sales & Service. The interest rate is 2.1%, payable annually, with a five-year term to maturity. There are no significant default or termination clauses on the loan. The bank loan matures on April 14, 2026.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

During the fiscal year ended June 30, 2024, the following changes occurred in long-term obligations:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
General obligation bonds	\$ 99,035,000	\$ -	\$ (2,990,000)	\$ 96,045,000	\$ 3,390,000
Bond premium	17,957,104	-	(1,624,430)	16,332,674	1,567,094
Bank loans (direct borrowing)	33,616	-	(10,972)	22,644	11,204
Bus loans payable (direct borrowing)	655,584	-	(166,462)	489,122	133,209
Total	<u>\$ 117,681,304</u>	<u>\$ -</u>	<u>\$ (4,791,864)</u>	<u>\$ 112,889,440</u>	<u>\$ 5,101,507</u>

Future maturities of long-term debt currently outstanding are as follows:

Year Ending	Principal	Interest	Premium	Total
2025	\$ 3,534,413	\$ 4,691,396	\$ 1,567,094	\$ 9,792,903
2026	3,974,160	4,517,147	1,502,401	9,993,708
2027	4,427,386	4,320,992	1,429,928	10,178,306
2028	4,855,807	4,102,315	1,349,083	10,307,205
2029	5,305,000	3,860,400	1,259,358	10,424,758
2030-2034	24,920,000	14,990,500	4,865,510	44,776,010
2035-2039	19,535,000	10,090,400	3,258,249	32,883,649
2040-2044	30,005,000	4,755,250	1,101,051	35,861,301
	<u>\$ 96,556,766</u>	<u>\$ 51,328,400</u>	<u>\$ 16,332,674</u>	<u>\$ 164,217,840</u>

Interest expense on the above debt was \$3,221,060 for the year ended June 30, 2024, which included a \$1,624,430 reduction in interest related to the amortization of the G.O Bond premium.

**NOTE 5 – RECEIVABLES**

Receivables are comprised of the following as of June 30, 2024:

	Property Taxes	Accounts	Grants/Other	Total
General fund	\$ 908,179	123,316	\$ 5,296,865	\$ 6,328,360
Special revenue fund	-	-	553,123	553,123
Debt service fund	331,501	-	-	331,501
Capital project fund	-	-	614,721	614,721
Internal service fund	-	3,618	-	3,618
Total receivables	<u>\$ 1,239,680</u>	<u>\$ 126,934</u>	<u>\$ 6,464,709</u>	<u>\$ 7,831,323</u>

**NOTE 6 – NOTES RECEIVABLE**

In May 2018, the District entered into an agreement with the City of Ashland and Ashland Parks and Recreation District for the sale of two pieces of property. The total amount of the sale was for \$2,040,000 with the District receiving two notes receivable totaling \$1,880,000. The remaining amount, less fees, was received as a cash payment by the District.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 6 – NOTES RECEIVABLE (CONTINUED)**

The first note receivable is from the City of Ashland for \$1,430,000. The note bears interest at 0.00% per annum and is to be paid at \$110,000 per year for 13 years beginning April 2019.

The second note receivable is from the City of Ashland Parks and Recreation Commission for \$450,000. The note bears interest at 0.00% per annum and is to be paid at \$50,000 per year for 9 years beginning April 2019.

During the fiscal year ended June 30, 2024, the following changes occurred in notes receivable:

	Balance at 06/30/2023	Additional Lending	Reduction in Principal	Balance at 06/30/2024	Current Portion
City of Ashland	\$ 880,000	\$ -	\$ (110,000)	\$ 770,000	\$ 110,000
City of Ashland Parks and Recreation Commission	200,000	-	(50,000)	150,000	50,000
	<u>\$1,080,000</u>	<u>\$ -</u>	<u>\$ (160,000)</u>	<u>\$ 920,000</u>	<u>\$ 160,000</u>

**NOTE 7 – INTERFUND TRANSACTIONS**

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

	Transfers	
	In	Out
General Fund	\$ -	\$ 6,484
Special Revenue Fund	6,484	-
Capital Projects Fund	97,702	97,702
Total Transfers	<u>\$ 104,186</u>	<u>\$ 104,186</u>

The District made transfers from the General Fund to the Special Revenue Fund to fund the food service required food match program.

Interfund receivables and payables for the year ended June 30, 2024 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 6,249,623
Special Revenue Fund	-	2,336,686
Capital Projects Fund	8,586,309	-
	<u>\$ 8,586,309</u>	<u>\$ 8,586,309</u>

Certain obligations and payments for the General Fund and the Special Revenue Fund were paid for by the Capital Projects Fund, these obligations and payments are then accounted for as interfund receivable and payable to or from the various funds affected.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 8 – ACCRUED COMPENSATED ABSENCES**

The changes in accrued compensated absences for the year ended June 30, 2024 are as follows:

	Balance June 30, 2023	Earned	Used	Balance June 30, 2024	Due Within One Year
Governmental Activities	\$ 173,506	\$ 237,913	\$ 278,858	\$ 132,561	\$ 132,561

It is the District's opinion that the liability is current in nature as it has capped amounts which can be earned to encourage employees to take their vacation annually. The Special Revenue Fund and General Fund are typically used to liquidate this liability.

**NOTE 9 – LEASES PAYABLE**

The District has entered into several non-cancellable lease agreements for copiers and equipment, which are qualified leases under GASB 87. The leases have periods covering various ranges, with the latest expiring in April 2029, and with interest rates ranging from 3.0% to 4.48%. During the year ended June 30, 2024, lease principal and interest payments of \$144,692 and \$9,360 were made, respectively.

The changes in leases payable for the year ended June 30, 2024 consisted of the following:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Leases Payable	\$ 260,149	\$ 93,856	\$ 144,692	\$ 209,313	\$ 139,600

Future annual lease commitments as of June 30, 2024 are as follows:

Year Ending	Principal	Interest	Total
2025	\$ 139,600	\$ 4,770	\$ 144,370
2026	22,392	1,958	24,350
2027	20,980	1,513	22,493
2028	20,620	568	21,188
2029	5,721	50	5,771
	<u>\$ 209,313</u>	<u>\$ 8,859</u>	<u>\$ 218,172</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 10 – PENSION AND RETIREMENT PLANS**

**Tax Sheltered Annuity Plan**

The District offers its employees a tax deferred annuity program established pursuant to Section 403(b) of the Internal Revenue Code (the Code). Contributions are made through salary reductions from participating employees up to the amounts specified in the Code. 231 employees are currently participating in the plan and received matching contributions of \$122,790 for the year ended June 30, 2024.

**Early Retirement Stipend Pension Plan**

**Plan Description** – The District provides a single-employer defined benefit early retirement stipend program. Different contracts govern the employees.

For Administrative staff members hired before July 1, 2004, the early retirement incentive program is for current employees who are PERS eligible due to retirement and who have a minimum of twenty (20) years' experience with the District at retirement. Administrative staff hired on or after July 1, 2004 and prior to July 1, 2007, who are PERS eligible due to retirement and who have at least 14 years of service with the District at retirement are also eligible. In return for this stipend, retirees, if available, agree to work a minimum of three days per year at no cost to the District. The maximum participation allowed by the District is 84 months, until the participant dies, or becomes eligible for Medicare, whichever comes earliest. Eligible Administrative staff members will receive \$225 per month, plus additional amounts based on accumulated unused sick leave.

Classified employees are eligible if they meet the following requirements:

- Employee must be at least one-half (1/2) time throughout their employment with the District.
- Hired prior to July 1, 1993 and have at least 15 years of service with the District at retirement.
- Hired on or after July 1, 1993 and prior to July 1, 2000 and have at least 18 years of service with the District at retirement.

Additionally, classified employees must be PERS eligible due to retirement to be eligible for this program. Employees hired on or after July 1, 2000 will not receive supplemental retirement benefits. Eligible Classified employees will receive a one-time payment of \$4 for each hour of accumulated sick leave at the time of retirement.

Confidential and Supervisory employees, included in Appendix A of the July 1, 2007 collective bargaining agreement, may be eligible if they meet the following requirements:

- Employee must have averaged at least one-half (1/2) time throughout their years of employment with the District.
- Confidential employees hired prior to October 1, 1993 who has at least 20 years of service with the District at retirement.
- Supervisory employees hired on or after October 1, 1993 and prior to July 1, 2004 who has at least 20 years of service with the District at retirement.

Additionally, Confidential and Supervisory employees must be PERS eligible due to retirement to be eligible for this program. Confidential and Supervisory employees hired on or after July 1, 2004 will not receive supplemental retirement benefits. Eligible Confidential and Supervisory employees will receive monthly benefits until the participant dies or until they become eligible for Medicare, whichever comes earliest. The amount of benefits is dependent upon the employee's amount of unused sick leave at retirement. Those with 150 to 200 days will receive \$50, those with 200 to 250 days will receive \$75, and those with 250 or greater will receive \$100 per month.

Licensed employees listed in Article 14, Section A of the 2012-2015 collective bargaining agreement, who have 15 or 20 years of service upon retirement, depending upon which section of the list they are in, are eligible to receive benefits. Employees hired on or after July 1, 2007 will not receive supplemental retirement benefits. The maximum participation allowed by the District is 84 months, until the participant dies, or becomes eligible for Medicare, whichever comes earliest. Eligible Licensed retirees will receive \$225 per month. All amounts are prorated if the employee worked less than the full-time equivalent.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 10 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**Early Retirement Stipend Pension Plan (continued)**

**Funding Policy** – The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. The District funds this benefit as it comes due and the amount estimated to be paid by the District for this benefit for the period ended June 30, 2024 was \$41,267. There are no assets accumulated in a trust.

**Employees Covered by Benefit Terms** – As of June 30, 2024, the following employees were covered by the stipend benefit terms:

Participant Counts:	
Active	37
Inactive	<u>21</u>
	<u>58</u>

**Total Stipend Pension Liability** – The District’s total stipend pension liability of \$341,055 was measured as of June 30, 2024 and was determined by an actuarial valuation date as of June 30, 2024.

**Actuarial Assumptions and Other Inputs** – The Total OPEB Liability for the current year was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Input	Assumption
Actuarial Cost Method	Entry age normal funding method
Interest/Discount Rate	4.34%
Projected Payroll Increases	2.4% with a Salary Merit Scale increase
Mortality Rates	Pub-2010 Sex Distinct Mortality Table adjusted with generational mortality adjustments using the Unisex Security Data Mortality Projection Scale
Withdrawal Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS
Participation	85% of future retirees are assumed to elect medical coverage if they have district-paid benefits. 40% of future retirees are assumed to elect medical coverage if they do not have district-paid benefits. 70% of future retirees electing coverage are assumed to cover a spouse as well.
Marital Status	Actual spouse information is used for current retirees. Future retired members who elect to participate in the plan are assumed to be married at a rate of 60%. Males are assumed to be 3 years older than females.
Health Care Cost Trend Rate	Trends based on actual renewal rates.
Retiree Contributions	Retiree contributions are a weighted average of all retiree contributions for the prior year.

**Changes in the Total Stipend Pension Liability –**

Stipend Pension Liability at June 30, 2023	\$ 435,782
Changes for the year:	
Service cost	11,052
Interest	17,525
Differences between expected and actual experience	(76,947)
Changes of assumptions or other input	(5,090)
Benefit payments	<u>(41,267)</u>
Stipend Pension Liability at June 30, 2024	<u>\$ 341,055</u>



**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 10 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**Early Retirement Stipend Pension Plan (continued)**

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

District's Stipend Pension Asset/(Liability)	1% Decrease (3.34%)	Current Discount Rate (4.34%)	1% Increase (5.34%)
Single Employer Stipend	\$ (359,522)	\$ (341,055)	\$ (323,571)

Since the stipend benefit is not dependent on healthcare trends, there is no sensitivity to healthcare cost trends.

**Stipend Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources** – For the year ended June 30, 2024, the District recognized a decrease in stipend pension expense of \$9,230, which was charged to various functions as follows: 64% instruction, 34% supporting services, and 2% community services.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 33,072	\$ 80,891
Changes of assumptions or other input	10,252	30,344
Total	<u>\$ 43,324</u>	<u>\$ 111,235</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ended June 30	Deferred Outflow/(Inflow) of Resources
2025	\$ (4,651)
2026	(42,982)
2027	(20,278)
2028	-
2029	-
Thereafter	-
Total	<u>\$ (67,911)</u>

**Changes in Assumptions** –Interest / discount rate increased from 4.11% to 4.34% based on the average of multiple 6/30/2024 municipal bond rate sources. Decrement tables and Salary Merit Scale updated per the December 2022 Actuarial Section of Oregon Public Employees’ Retirement System Actuarial Report.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 10 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**OPERS Plan**

***Plan Description***

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

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

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

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

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

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

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

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 10 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**OPERS Plan (continued)**

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 One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and Fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The plans are closed to new members hired on or after August 29, 2003.

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

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

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

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

*Disability Benefits* - A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of OPERS-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.

*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), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0 percent.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 10 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**OPSRP Pension Program (Chapter 238A)**

*Pension Benefits* - The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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

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

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

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

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

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

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

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 10 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**OPSRP Pension Program (Chapter 238A) (continued)**

Employer contributions during the period July 1, 2023 through June 30, 2024, were based on the December 31, 2021 actuarial valuation, which became effective July 1, 2023. For the period July 1, 2023 through June 30, 2025, net employer contribution rates were 27.87% for Tier 1/Tier 2 employees and 25.03% for OPSRP General Employees. Employer contributions for the year ended June 30, 2024 were \$6,327,666.

**Pension Plan Annual Comprehensive Financial Report (ACFR)**

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

OPERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

***Actuarial Valuation***

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 10 – PENSION AND RETIREMENT PLANS (CONTINUED)**

***Actuarial Methods and Assumptions Used in Developing Total Pension Liability***

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

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

***Discount Rate***

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 10 – PENSION AND RETIREMENT PLANS (CONTINUED)**

***Assumed Asset Allocation***

Asset Class	Target Allocation
Cash	0.00%
Debt securities	25.00%
Public equity	27.50%
Private equity	20.00%
Real estate	12.50%
Real assets	7.50%
Diversifying strategies	7.50%
Total	100.00%

***Long-term Expected Rate of Return***

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

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

Asset Class	Target Allocation	20-Year Annualized (Geometric) 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 Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
Total	100.00%	

*Assumed Inflation - Mean*

2.35%

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 10 – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

As of June 30, 2024, the District reported a liability of \$37,295,405 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The District's proportion of the net pension liability was based on the District's long-term contribution effort to the pension plan compared with the total projected long-term contribution effort of all participating employers, actuarially determined. As of June 30, 2023 (measurement date), the District's proportion was approximately 0.19911393 percent.

For the year ended June 30, 2024, the District recognized an increase in pension expense of \$89,309. The \$89,309 was treated as an increase of payroll related expense in Statement of Activities and allocated to Instruction, Support Services and Community Services using the allocation percentages of 62%, 36% and 2%, respectively.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,823,859	\$ 147,880
Changes of assumptions	3,313,103	24,703
Net difference between projected and actual earnings investments	670,351	-
Changes in proportionate share	1,929,488	988,898
Differences between employer contributions and employer's proportionate share of system contributions	1,599,518	1,695,354
Contributions subsequent to measurement date	6,327,666	-
Total	\$ 15,663,985	\$ 2,856,835

The \$6,327,666 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2025.



**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 10 – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

Year ended June 30,	Deferred Outflow/(Inflow) of Resources
2025	\$ 850,045
2026	(623,026)
2027	4,222,505
2028	1,737,368
2029	292,592
Thereafter	-
Total	\$ 6,479,484

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

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

District’s Net Pension Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Defined Benefit Pension Plan	\$ (61,604,987)	\$ (37,295,405)	\$ (16,950,861)

**Changes in Assumptions and Methods**

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

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

**Assumption Changes**

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 10 – PENSION AND RETIREMENT PLANS (CONTINUED)**

***Actuarial Method Changes***

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

***Plan Changes***

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

**Defined Contribution Plan – Individual Account Program (IAP)**

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

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

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

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

During 2024, the District, as an employee benefit, paid the employee portion of the contribution. Employer contributions for the year ended June 30, 2024 were \$1,412,733, of which \$1,233,282 was deposited into the individual members' accounts.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

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

**Plan Description** – The District operates a single-employer retiree benefit plan that provides postemployment health benefits to eligible employees and their spouses, children and/or domestic partners. Benefits and eligibility for members are established through the collective bargaining agreements.

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

**Funding Policy** – The benefits from the single-employer defined benefit OPEB plan are paid by the District based on bargaining agreement language and contributions by employees are also required. The plan is not accounted for in a pension trust fund; therefore, designated funds are not legally restricted to pay future benefits. The benefits from the healthcare plan established in accordance with ORS 243.303 are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

**Employees Covered by Benefit Terms** – For Administrative staff members hired before July 1, 2004, the program is for current employees who are PERS eligible due to retirement and who have a minimum of twenty (20) years' experience with the District at retirement. Administrative staff hired on or after July 1, 2004 and prior to July 1, 2007, who are PERS eligible due to retirement and who have at least 14 years of service with the District at retirement are also eligible. Coverage for retirees and eligible dependents continues until the participant dies or is eligible for Medicare, whichever comes first. The District shall contribute the same premium offered active administrators toward the purchase of full family medical insurance.

Classified employees are eligible if they meet the following requirements:

- Employee must be at least one-half (1/2) time throughout their employment with the District.
- Hired prior to July 1, 1993 and have at least 15 years of service with the District at retirement.
- Hired on or after July 1, 1993 and prior to July 1, 2000 and have at least 18 years of service with the District at retirement.
- Additionally, classified employees must be PERS eligible due to retirement to be eligible for this program.

Employees hired on or after July 1, 2000 will not receive supplemental retirement benefits. Coverage for eligible classified employees will be offered for 120 months or is eligible for Medicare, whichever comes earliest. The District will pay for the medical only coverage for the retiree. Retirees choosing to purchase medical coverage for their spouse or dependents will contribute no more than twice the out-of-pocket amount that regular employees pay for the insurance benefit coverage that is then in existence within the District on a year-to-year basis.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

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

Confidential and Supervisory employees may be eligible if they meet the following requirements:

- Employee must have averaged at least one-half (1/2) time throughout their years of employment with the District.
- Supervisory employee hired on or before July 1, 2004 who has at least 20 years of service with the District at retirement.
- Confidential employee hired on or after July 1, 1993 who has continuous employment for 20 years or more with the District at retirement.
- Additionally, confidential and supervisory employees must be PERS eligible due to retirement to be eligible for this program. Confidential and supervisory employees hired on or after July 1, 2004 will not receive supplemental retirement benefits. Coverage for eligible Confidential and Supervisory employees will be offered for 120 months or is eligible for Medicare, whichever comes earliest. The District will pay for the medical only coverage for the retiree. Retirees choosing to purchase medical coverage for their spouse or dependents will contribute no more than twice the out-of-pocket amount that regular employees pay for the insurance benefit coverage that is then in existence within the District on a year-to-year basis.

Licensed employees listed in Article 14, Section A of the 2021-2024 collective bargaining agreement, who have 15 or 20 years of service upon retirement, depending upon which section of the list they are in, are eligible to receive benefits. Employees hired on or after July 1, 2007 will not receive supplemental retirement benefits. Coverage for eligible licensed retirees and eligible dependents continues until the participant is eligible for Medicare. The retiree will pay the same percentage of the premium for Medical Insurance as the percentage paid by full time employees for their full insurance coverage. This applies to spouses, domestic partners and children. District will pay for the "medical only" coverage for the retiree.

For all classes of employees:

- Qualified spouses and domestic partners (as well as dependent children of participants) may qualify for coverage until the participant becomes eligible for Medicare.
- Only dependents covered at the time of retirement will be eligible.

As of June 30, 2024, the following employees were covered by the implicit benefit terms:

Active plan members	355	
Inactive employees or beneficiaries currently receiving benefit payments	33	
	388	

**Total OPEB Liability** – The district’s total OPEB liability of \$3,438,431 was measured as of June 30, 2024, and was determined by an actuarial valuation date as of June 30, 2024.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

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

**Actuarial Assumptions and Other Inputs** – The Total OPEB Liability for the current year was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<u>Input</u>	<u>Assumption</u>
Actuarial Cost Method	Entry age normal funding method
Interest/Discount Rate	4.34%
Projected Payroll Increases	2.4% with a Salary Merit Scale increase
Mortality Rates	Pub-2010 Sex Distinct Mortality Table adjusted with generational mortality adjustments using the Unisex Security Data Mortality Projection Scale
Withdrawal Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS
Participation	85% of future retirees are assumed to elect medical coverage if they have district-paid benefits. 40% of future retirees are assumed to elect medical coverage if they do not have district-paid benefits. 70% of future retirees electing coverage are assumed to cover a spouse as well.
Marital Status	Actual spouse information is used for current retirees. Future retired members who elect to participate in the plan are assumed to be married at a rate of 60%. Males are assumed to be 3 years older than females.
Health Care Cost Trend Rate	Trends based on actual renewal rates.
Retiree Contributions	Retiree contributions are a weighted average of all retiree contributions for the prior year.

**Changes in the Total OPEB Liability –**

OPEB Liability at June 30, 2023	\$	3,662,146
Changes for the year:		
Service cost		159,963
Interest		149,981
Differences between expected and actual experience		(233,644)
Assumptions or other input		49,364
Benefit payments		<u>(349,379)</u>
OPEB Liability at June 30, 2024	<u>\$</u>	<u>3,438,431</u>

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

District's OPEB Asset/(Liability)	1% Decrease (3.34%)	Current Discount (4.34%)	1% Increase (5.34%)
Single Employer Defined Benefit Health Care Plan	\$ (3,629,147)	\$ (3,438,431)	\$ (3,258,826)

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

District's OPEB Asset/(Liability)	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
Single Employer Defined Benefit Health Care Plan	\$ (3,204,797)	\$ (3,438,431)	\$ (3,700,500)

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

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

***OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources*** – For the year ended June 30, 2024, the District recognized a reduction of expense related to OPEB of \$106,642, which was charged to various functions as follows: 64% instruction, 34% supporting services, and 2% community services.

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

	Deferred Outflows of	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 31,890	\$ 1,185,776
Changes of assumptions or other input	415,896	681,563
Total	\$ 447,786	\$ 1,867,339

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

Year Ended June 30	Deferred Outflow/(Inflow) of Resources
2025	\$ (67,201)
2026	(135,304)
2027	(135,304)
2028	(135,304)
2029	(135,304)
Thereafter	(811,136)
Total	\$ (1,419,553)

***Changes in Assumptions*** –The changes in assumptions for the Single-Employer Defined Benefit Healthcare Plan are identical to the changes in assumptions related to the Stipend Pension Plan disclosed in Note 10.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Retirement Health Insurance Account (RHIA)**

***Plan Description***

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

To be eligible to receive this monthly payment toward the premium 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 a OPERS-sponsored health plan.

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

**Contributions**

*Employer Contributions* - PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and OPEB plans. The contribution rates in effect for the period July 1, 2023 through June 30, 2024 for the OPEB program were: Tier1/Tier 2 - 0.00%, and OPSRP General Service - 0.00%. The District contributed \$823 for the year ended June 30, 2024.

**Actuarial Valuation**

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

Actuarial assumptions:

Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Healthcare cost trend rate	Not applicable
Cost-of-living adjustments (COLA)	Not applicable

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

At June 30, 2024, the District reported \$494,234 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. The District's proportion of the net OPEB asset was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024 the District's proportion was approximately 0.13497551 percent.

For the year ended June 30, 2024, the District recognized a decrease of OPEB expense related to RHIA of \$14,973. The \$14,973 was treated as a decrease of payroll related expense in the Statement of Activities and allocated to Instruction, Support Services and Community Services, using allocation percentages of 62%, 36% and 2% respectively.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Retirement Health Insurance Account (RHIA) (continued)**

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

	Deferred Outflows of Resources	Deferred inflows of Resources
Difference between expected and actual experience	\$ -	\$ 12,408
Changes in assumptions	-	5,329
Net difference between projected and actual earnings on investment	1,402	-
Changes in proportionate share	-	19,927
Contributions subsequent to the measurement date	823	-
Total	\$ 2,225	\$ 37,664

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

Year Ended June 30	Deferred Outflow/(Inflow) of Resources
2025	\$ (38,284)
2026	(22,794)
2027	18,265
2028	6,551
2029	-
Thereafter	-
Total	\$ (36,262)

**Sensitivity for the District's Proportionate Share of the Net OPEB Asset to Changes in Discount Rate.** The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (5.90 percent) or 1-percentage point higher (7.90 percent) than the current rate:

District's Net Pension Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Retirement Health Insurance Account	\$ 449,260	\$ 494,234	\$ 532,822

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

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

**Changes in Assumptions**

The changes in assumptions used for RHIA are identical to the changes in assumptions related to the OPERS Plan disclosed in *NOTE 10 – Pension and Retirement Plans*.



**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 12 – SELF-INSURANCE (INTERNAL SERVICE FUND)**

The District's self-insurance fund is used to fund the self-insured health insurance program, which provides coverage for medical, dental, and vision benefits for employees and their families. The self-insured health insurance program also covers retirees under this plan. The District pays claims up to a stop loss of \$200,000 per employee. The District carries commercial insurance for claims above the stop loss amount. As of June 30, 2024, an estimated liability for payment of incurred and unpaid claims of \$1,268,764 is included in the accompanying statement of net position and represents the District's required reserve under OAR 836-011-0255. The District's liability was actuarially determined based on historical claims information.

In addition to health insurance, the District is responsible for all unemployment claims and the first \$50,000 in property/liability claims. The unemployment and worker's comp programs receive an internal assessment through the District's payroll process based on employee wages or hours worked.

**NOTE 13 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

The District's operations are concentrated within Jackson County. In addition, substantially all the District's revenues for continuing operations are from federal, state, and local government agencies. In the normal course of operations, the District receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**NOTE 14 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District carries commercial insurance for these risks of loss. Worker's compensation insurance is provided through SAIF for workers compensation claims up to an aggregate maximum limit of \$2,000,000 per incident. There has been no significant reduction in insurance coverage from the prior year.

**NOTE 15 – CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by these agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the District. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although District management expects such amounts, if any, to be immaterial.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE 16 – TAX ABATEMENTS**

As of June 30, 2024, Jackson County provides tax abatements through various programs.

For the fiscal year ended June 30, 2024, the District's abated property taxes totaled \$20,368 under these programs:

	Abated Taxes	Percent of Code Area	Reduced Property Taxes
CIP-Enterprise Zone	10,758	26.14%	2,812
Enterprise Zone	28,676	26.14%	7,496
Enterprise Zone	3,638	26.14%	951
CIP-Enterprise Zone	10,758	13.04%	1,403
Enterprise Zone	28,676	13.04%	3,739
Enterprise Zone	3,638	13.04%	474
CIP-Enterprise Zone	10,758	8.11%	872
Enterprise Zone	28,676	8.11%	2,326
Enterprise Zone	3,638	8.11%	295
Total Tax Abatements			\$ 20,368

**NOTE 17 – COMMITMENTS**

The District has various active construction obligations at June 30, 2024. The total project costs of these obligations are as follows:

Contractor	Project	Contract Amount	Completed at June 30, 2024	Remaining Commitment
KNCC/Outlier	AHS Humanities	\$ 22,854,210	\$ 9,630,123	\$ 13,224,087

**NOTE 18 – DEFICIT FUND BALANCE**

At fiscal year end, the General Fund and Special Revenue Fund had deficit fund balances of \$1,460,698 and \$1,851,051 respectively. The deficit fund balances were a result of the funds not having enough resources to cover operating expenses. The District plans to eliminate these deficit fund balances through a reduction in expenses in future years.

**NOTE 19 – SUBSEQUENT EVENTS**

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



**| REQUIRED SUPPLEMENTARY  
INFORMATION**

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY) AND SCHEDULE OF THE**  
**DISTRICT'S CONTRIBUTIONS - OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**  
**LAST 10 FISCAL YEARS ENDING JUNE 30**

**Jackson County School District No. 5 Proportionate Share of Net Pension Asset / (Liability) as of the measurement date**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.1991139%	0.1877499%	0.1827487%	0.1883845%	0.2041128%	0.2028324%	0.2163244%	0.2028324%	0.2163244%	0.2302601%
District's proportion of the net pension asset/(liability)	\$(37,295,405)	\$(28,748,277)	\$(21,868,590)	\$(41,111,982)	\$(35,306,630)	\$(30,726,431)	\$(29,160,608)	\$(34,567,392)	\$(15,256,628)	\$ 6,029,579
District's covered-employee payroll	\$ 24,443,136	\$ 21,736,718	\$ 18,580,455	\$ 17,704,665	\$ 16,696,248	\$ 15,683,955	\$ 14,526,304	\$ 15,665,008	\$ 14,860,812	\$ 14,478,033
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	152.58%	132.26%	117.70%	232.21%	211.46%	195.91%	200.74%	220.67%	102.66%	41.65%
Plan fiduciary net position as a percentage of the total pension liability	81.70%	84.50%	87.57%	75.79%	80.20%	82.10%	83.12%	80.52%	91.88%	103.59%

**Jackson County School District No. 5 Pension Contributions**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 6,327,666	\$ 5,684,841	\$ 5,403,577	\$ 5,216,923	\$ 5,100,479	\$ 3,974,148	\$ 3,821,397	\$ 2,948,199	\$ 2,854,768	\$ 3,074,499
Contribution in relation to the contractually required	\$ (6,327,666)	\$ (5,684,841)	\$ (5,403,577)	\$ (5,216,923)	\$ (5,100,479)	\$ (3,974,148)	\$ (3,821,397)	\$ (2,948,199)	\$ (2,854,768)	\$ (3,074,499)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	\$ 24,077,747	\$ 24,443,136	\$ 21,736,718	\$ 18,580,455	\$ 17,704,665	\$ 16,696,248	\$ 15,683,955	\$ 14,526,304	\$ 15,665,008	\$ 14,860,812
Contributions as a percentage of covered-employee payroll	26.28%	23.26%	24.86%	28.08%	28.81%	23.80%	24.37%	20.30%	18.22%	20.69%

**Note to schedule:**

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB ASSET/(LIABILITY) AND SCHEDULE OF THE**  
**DISTRICT'S CONTRIBUTIONS - OPERS RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)**  
**LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

**Jackson County School District No. 5 Proportionate Share of Net OPEB (Liability) / Asset**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB RHIA asset/(liability)	0.13497551%	0.12455517%	0.12121661%	0.24142223%	0.15170470%	0.14960826%	0.14252495%
District's proportion of the net OPEB RHIA asset/(liability)	\$ 494,234	\$ 442,588	\$ 416,259	\$ 491,922	\$ 293,148	\$ 167,003	\$ 59,481
District's covered-employee payroll	\$ 24,443,136	\$ 21,736,718	\$ 18,580,455	\$ 17,704,665	\$ 16,696,248	\$ 15,683,955	\$ 14,526,304
District's proportionate share of the net OPEB RHIA asset/(liability) as a percentage of its covered-employee payroll	2.02%	2.04%	2.24%	2.78%	1.76%	1.06%	0.41%
Plan fiduciary net position as a percentage of the total pension liability	201.60%	194.60%	183.90%	150.10%	144.40%	123.90%	108.88%

**Jackson County School District No. 5 Contributions**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 823	\$ 2,660	\$ 4,032	\$ 3,888	\$ 23,042	\$ 90,530	\$ 88,386
Contribution in relation to the contractually required	\$ (823)	\$ (2,660)	\$ (4,032)	\$ (3,888)	\$ (23,042)	\$ (90,530)	\$ (88,386)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	\$ 24,077,747	\$ 24,443,136	\$ 21,736,718	\$ 18,580,455	\$ 17,704,665	\$ 16,696,248	\$ 15,683,955
Contributions as a percentage of covered-employee payroll	0.00%	0.01%	0.02%	0.02%	0.13%	0.54%	0.56%

**Note to schedule:**

A summary of assumption changes implemented since the December 31, 2021 valuation are outlined briefly in *Note 11* to the financial statements.

**Other Information:**

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**STATEMENT OF CHANGE IN THE DISTRICT'S TOTAL PENSION (STIPEND)**  
**LIABILITY AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

<b>Total Pension Liability (Stipend):</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>
Service cost	\$ 11,052	\$ 11,862	\$ 18,957	\$ 18,894	\$ 10,829	\$ 11,155	\$ 10,830	\$ 10,830
Interest	17,525	17,725	13,004	15,050	14,094	15,844	16,956	18,816
Differences between expected and actual experience	(76,947)	-	(58,383)	-	-	(9,206)	-	-
Changes of assumptions of other inputs	(5,090)	(2,690)	(48,575)	-	-	(37,369)	-	-
Benefit payments	(41,267)	(39,976)	(59,782)	(62,336)	(47,189)	(53,325)	(73,046)	(85,437)
<b>Net change in total pension liability (Stipend)</b>	<b>(94,727)</b>	<b>(13,079)</b>	<b>(134,779)</b>	<b>(28,392)</b>	<b>(22,266)</b>	<b>(72,901)</b>	<b>(45,260)</b>	<b>(55,791)</b>
Total Pension Liability (Stipend) - beginning	\$ 435,782	\$ 448,861	\$ 583,640 *	\$ 606,930 *	\$ 365,114	\$ 438,015	\$ 483,275	\$ 539,066
Total Pension liability (Stipend) - ending	<u>\$ 341,055</u>	<u>\$ 435,782</u>	<u>\$ 448,861</u>	<u>\$ 578,538</u>	<u>\$ 342,848</u>	<u>\$ 365,114</u>	<u>\$ 438,015</u>	<u>\$ 483,275</u>
Estimated Covered - employee payroll	\$ 2,931,306	\$ 3,959,522	\$ 3,866,721	\$ 4,128,000	\$ 4,265,350	\$ 5,079,950	\$ 5,489,098	\$ 5,329,221
Total pension liability (Stipend) as a percentage of estimated covered - employee payroll	11.63%	11.01%	11.61%	14.01%	8.04%	7.19%	7.98%	9.07%

**Notes to Schedule:**

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

Significant methods and assumptions used in calculating the actuarially determined contributions are described in *Note 10* to the financial statements. No assets are accumulated in a trust to pay related benefits.

**Changes in benefit terms:**

None noted.

**Other information:**

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

\* OPEB liability recalculated by new actuary.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB (MEDICAL SUBSIDY)**  
**LIABILITY AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

<b>Total OPEB Liability:</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>
Service cost	\$ 159,963	\$ 171,396	\$ 249,886	\$ 249,915	\$ 260,118	\$ 192,739	\$ 187,125	\$ 187,125
Interest	149,981	150,343	120,217	134,686	287,335	198,664	200,379	208,939
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(233,644)	-	(718,351)	-	-	223,212	-	-
Changes of assumptions of other inputs	49,364	(23,084)	(692,930)	-	-	253,473	-	-
Benefit payments	(349,379)	(405,994)	(468,114)	(519,821)	(481,438)	(483,504)	(581,316)	(667,362)
<b>Net change in total OPEB liability</b>	<b>(223,715)</b>	<b>(107,339)</b>	<b>(1,509,292)</b>	<b>(135,220)</b>	<b>66,015</b>	<b>384,584</b>	<b>(193,812)</b>	<b>(271,298)</b>
Total OPEB liability - beginning	<u>\$ 3,662,146</u>	<u>\$ 3,769,485</u>	<u>\$ 5,278,777 *</u>	<u>\$ 5,331,917 *</u>	<u>\$ 5,731,295</u>	<u>\$ 5,346,711</u>	<u>\$ 5,540,523</u>	<u>\$ 5,811,821</u>
Total OPEB liability - ending	<u>\$ 3,438,431</u>	<u>\$ 3,662,146</u>	<u>\$ 3,769,485</u>	<u>\$ 5,196,697</u>	<u>\$ 5,797,310</u>	<u>\$ 5,731,295</u>	<u>\$ 5,346,711</u>	<u>\$ 5,540,523</u>
Estimated Covered - employee payroll	\$ 18,277,090	\$ 19,742,389	\$ 19,279,677	\$ 17,508,000	\$ 16,057,770	\$ 15,964,185	\$ 13,610,493	\$ 13,214,071
Total OPEB liability as a percentage of estimated covered - employee payroll	18.81%	18.55%	19.55%	29.68%	36.10%	35.90%	39.28%	41.93%

**Notes to Schedule:**

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

Significant methods and assumptions used in calculating the actuarially determined contributions are described in *Note 11* to the financial statements. No assets are accumulated in a trust to pay related benefits.

**Changes in benefit terms:**

None noted.

**Other information:**

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 75 during fiscal 2017, as a result, only eight years of information are presented.

\* OPEB liability recalculated by new actuary.

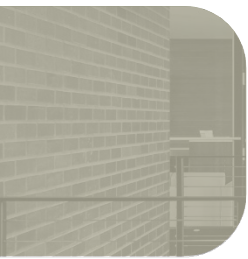
**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 21,750,000	\$ 21,750,000	\$ 21,486,553	\$ (263,447)
Charges for services	910,000	910,000	596,751	(313,249)
Donations	25,000	25,000	130,183	105,183
Interest on investments	650,000	650,000	857,986	207,986
Miscellaneous	155,000	155,000	98,369	(56,631)
Intermediate sources:				
Intergovernmental	700,000	700,000	532,048	(167,952)
State sources:				
Basic school support	12,475,000	12,475,000	13,652,197	1,177,197
Intergovernmental	385,000	385,000	372,640	(12,360)
Federal sources:				
Intergovernmental	40,000	40,000	62,294	22,294
<b>TOTAL REVENUE</b>	<u>37,090,000</u>	<u>37,090,000</u>	<u>37,789,021</u>	<u>699,021</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	22,447,138	22,447,138	24,626,108	(2,178,970)
Support services	15,322,862	15,322,862	16,861,290	(1,538,428)
Enterprise and community services	15,000	15,000	5,288	9,712
Contingency	500,000	500,000	-	500,000
<b>TOTAL EXPENDITURES</b>	<u>38,285,000</u>	<u>38,285,000</u>	<u>41,492,686</u>	<u>(3,207,686)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,195,000)</u>	<u>(1,195,000)</u>	<u>(3,703,665)</u>	<u>(2,508,665)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of fixed assets	160,000	160,000	160,000	-
Transfers out	(365,000)	(365,000)	(6,484)	358,516
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(205,000)</u>	<u>(205,000)</u>	<u>153,516</u>	<u>358,516</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,400,000)	(1,400,000)	(3,550,149)	(2,150,149)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>2,900,000</u>	<u>2,900,000</u>	<u>2,089,451</u>	<u>(810,549)</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ (1,460,698)</u>	<u>\$ (2,960,698)</u>



**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Local sources:				
Charges for services	\$ 680,000	\$ 680,000	\$ 178,075	\$ (501,925)
Donations	-	-	67,673	67,673
Miscellaneous	-	-	26,083	26,083
Intermediate sources:				
Intergovernmental	10,000	10,000	34,309	24,309
State sources:				
Intergovernmental	4,490,000	4,490,000	3,533,106	(956,894)
Federal sources:				
Intergovernmental	2,800,000	2,800,000	1,958,302	(841,698)
<b>TOTAL REVENUE</b>	<u>7,980,000</u>	<u>7,980,000</u>	<u>5,797,548</u>	<u>(2,182,452)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	4,165,000	4,165,000	2,780,283	1,384,717
Support services	2,980,000	2,980,000	2,462,405	517,595
Enterprise and community services	1,235,000	1,235,000	1,174,742	60,258
Facilities acquisition and construction	50,000	50,000	-	50,000
<b>TOTAL EXPENDITURES</b>	<u>8,430,000</u>	<u>8,430,000</u>	<u>6,417,430</u>	<u>2,012,570</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(450,000)</u>	<u>(450,000)</u>	<u>(619,882)</u>	<u>(169,882)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	400,000	400,000	6,484	(393,516)
Transfers out	(25,000)	(25,000)	-	25,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>375,000</u>	<u>375,000</u>	<u>6,484</u>	<u>(368,516)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(75,000)	(75,000)	(613,398)	(538,398)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	75,000	75,000	(1,237,653)	(1,312,653)
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,851,051)</u>	<u>\$ (1,851,051)</u>



| **SUPPLEMENTARY INFORMATION**

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 8,113,900	\$ 8,113,900	\$ 8,282,098	\$ 168,198
Interest on investments	-	-	12	12
<b>TOTAL REVENUES</b>	<u>8,113,900</u>	<u>8,113,900</u>	<u>8,282,110</u>	<u>168,210</u>
<b>EXPENDITURES</b>				
Debt service	<u>7,813,900</u>	<u>7,813,900</u>	<u>7,813,900</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>7,813,900</u>	<u>7,813,900</u>	<u>7,813,900</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>300,000</u>	<u>300,000</u>	<u>468,210</u>	<u>168,210</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(317,123)</u>	<u>(117,123)</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 151,087</u>	<u>\$ 51,087</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Local sources:				
Construction excise tax	\$ 150,000	\$ 150,000	\$ 136,555	\$ (13,445)
Interest on investments	450,000	450,000	952,119	502,119
Miscellaneous	-	-	128,232	128,232
State sources:				
Intergovernmental	2,500,000	2,500,000	2,517,122	17,122
<b>TOTAL REVENUE</b>	<u>3,100,000</u>	<u>3,100,000</u>	<u>3,734,028</u>	<u>634,028</u>
<b>EXPENDITURES</b>				
Current				
Support services	1,110,000	1,110,000	682,707	427,293
Facilities acquisition and construction	40,990,000	40,990,000	16,266,095	24,723,905
<b>TOTAL EXPENDITURES</b>	<u>42,100,000</u>	<u>42,100,000</u>	<u>16,948,802</u>	<u>25,151,198</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(39,000,000)</u>	<u>(39,000,000)</u>	<u>(13,214,774)</u>	<u>25,785,226</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	-	-	35,000	35,000
Transfers in	100,000	100,000	97,702	(2,298)
Transfers out	(100,000)	(100,000)	(97,702)	2,298
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>35,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(39,000,000)</u>	<u>(39,000,000)</u>	<u>(13,179,774)</u>	<u>25,820,226</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>39,000,000</u>	<u>39,000,000</u>	<u>31,231,071</u>	<u>(7,768,929)</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,051,297</u>	<u>\$ 18,051,297</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Services provided other funds	\$ 6,950,000	\$ 6,950,000	\$ 6,968,049	\$ 18,049
Charges for services	-	-	751,341	751,341
Miscellaneous	40,000	40,000	148,775	108,775
<b>TOTAL REVENUES</b>	<u>6,990,000</u>	<u>6,990,000</u>	<u>7,868,165</u>	<u>878,165</u>
<b>EXPENDITURES</b>				
Current:				
Support services	8,465,000	8,465,000	8,485,279	(20,279)
<b>TOTAL EXPENDITURES</b>	<u>8,465,000</u>	<u>8,465,000</u>	<u>8,485,279</u>	<u>(20,279)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,475,000)</u>	<u>(1,475,000)</u>	<u>(617,114)</u>	<u>857,886</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers out	(25,000)	(25,000)	-	25,000
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,500,000)	(1,500,000)	(617,114)	882,886
<b>FUND BALANCE, BEGINNING OF YEAR</b>	4,590,000	4,590,000	3,884,876	(705,124)
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 3,090,000</u>	<u>\$ 3,090,000</u>	<u>\$ 3,267,762</u>	<u>\$ 177,762</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FIDUCIARY FUND  
YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Local sources:				
Donations	\$ 200,000	\$ 200,000	\$ 141,243	\$ (58,757)
<b>TOTAL REVENUES</b>	<u>200,000</u>	<u>200,000</u>	<u>141,243</u>	<u>(58,757)</u>
<b>EXPENDITURES</b>				
Current:				
Enterprise and community services	200,000	200,000	149,850	50,150
<b>TOTAL EXPENDITURES</b>	<u>200,000</u>	<u>200,000</u>	<u>149,850</u>	<u>50,150</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(8,607)</u>	<u>(8,607)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	10,000	10,000	-	(10,000)
Apportionment of funds	(10,000)	(10,000)	(2,000)	8,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>(10,607)</u>	<u>(10,607)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>25,000</u>	<u>25,000</u>	<u>94,753</u>	<u>69,753</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 84,146</u>	<u>\$ 59,146</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
SCHEDULE OF PROPERTY TAX TRANSACTIONS  
JUNE 30, 2024**

	Tax Year	Uncollected July 1, 2023	Levy as Extended by Assessor	Discounts, Interest and Other Adjustments	Collections Per Treasurer	Uncollected June 30, 2024
<b><u>GENERAL FUND:</u></b>						
Current	2023-24		\$ 22,010,593	\$ (617,222)	\$ 20,875,499	517,872
Prior	2022-23	\$ 541,041	-	19,515	356,584	203,972
	2021-22	174,396	-	14,213	95,835	92,774
	2020-21	94,496	-	6,211	60,150	40,557
	2019-20	50,673	-	9,396	47,174	12,895
	2018-19	16,794	-	2,869	11,192	8,471
	2017-18	12,796	-	(2,704)	5,101	4,991
	Prior	40,892	-	(355)	13,890	26,647
Total prior		931,088	-	49,145	589,926	390,307
<b>TOTAL GENERAL FUND</b>		<b>\$ 931,088</b>	<b>\$ 22,010,593</b>	<b>\$ (568,077)</b>	<b>\$ 21,465,425</b>	<b>\$ 908,179</b>
<b><u>DEBT SERVICE FUND:</u></b>						
Current	2023-24		\$ 8,502,880	\$ (238,438)	\$ 8,064,383	\$ 200,059
Prior	2022-23	\$ 196,557	-	7,536	137,710	66,383
	2021-22	58,933	-	5,088	34,306	29,715
	2020-21	32,790	-	2,155	20,872	14,073
	2019-20	17,084	-	3,168	15,905	4,347
	2018-19	5,959	-	1,018	3,972	3,005
	2017-18	4,667	-	(986)	1,860	1,821
	Prior	18,503	-	(159)	6,246	12,098
Total prior		334,493	-	17,820	220,871	131,442
<b>TOTAL DEBT SERVICE FUND</b>		<b>\$ 334,493</b>	<b>\$ 8,502,880</b>	<b>\$ (220,618)</b>	<b>\$ 8,285,254</b>	<b>\$ 331,501</b>



**| SCHOOL DISTRICT FINANCIAL  
ACCOUNTING SUMMARIES**



**2023-2024 DISTRICT AUDIT EXPENDITURE SUMMARY  
JACKSON COUNTY SCHOOL DISTRICT 5**

<b>Revenue from Local Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>
1110 Ad Valorem Taxes Levied by District	\$ 16,679,603	\$ -	\$ 8,276,859	\$ -	\$ -	\$ -	\$ -
1120 Local Option Ad Valorem Taxes Levied by District	4,796,029	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	136,555	-	-	-
1190 Penalties and Interest on Taxes	10,921	-	5,239	-	-	-	-
1200 Revenue from Local Governmental Units Other Than Districts	-	-	-	-	-	-	-
1311 Regular Day School Tuition - From Individuals	4,978	-	-	-	-	-	-
1312 Regular Day School Tuition - Other Dist Within State	60,626	-	-	-	-	-	-
1313 Regular Day School Tuition - Other Districts Outside	-	-	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-
1411 Transportation Fees - From Individuals	-	-	-	-	-	-	-
1412 Transportation Fees - Other Dist Within State	18,576	-	-	-	-	-	-
1413 Transportation Fees - Other Districts Outside	-	-	-	-	-	-	-
1420 Summer School Transportation Fees	-	-	-	-	-	-	-
1500 Earnings on Investments	857,986	-	12	952,119	-	-	-
1600 Food Service	-	150,143	-	-	-	-	-
1700 Extracurricular Activities	296,586	27,932	-	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-	-
1910 Rentals	55,828	-	-	-	-	-	-
1920 Contributions and Donations From Private Sources	130,183	67,673	-	-	-	-	141,243
1930 Rental or Lease Payments From Private Contractors	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	18,780	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	(12,367)	-	-	23,344	-	111,376	-
1970 Services Provided Other Funds	-	-	-	-	-	7,719,390	-
1980 Fees Charged to Grants	153,744	-	-	-	-	-	-
1990 Miscellaneous	98,369	26,083	-	104,888	-	37,399	-
<b>Total Revenue from Local Sources</b>	<b>23,169,842</b>	<b>271,831</b>	<b>8,282,110</b>	<b>1,216,906</b>	<b>-</b>	<b>7,868,165</b>	<b>141,243</b>
<b>Revenue from Intermediate Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>
2101 County School Funds	-	-	-	-	-	-	-
2102 General ESD Revenue	-	-	-	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-
2110 Intermediate "I" Tax	-	-	-	-	-	-	-
2199 Other Intermediate Sources	532,048	34,309	-	-	-	-	-
2200 Restricted Revenue	-	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
<b>Total Revenue from Intermediate Sources</b>	<b>532,048</b>	<b>34,309</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from State Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>
3101 State School Fund - General Support	13,652,197	4,778	-	-	-	-	-
3102 State School Fund - School Lunch Match	-	-	-	-	-	-	-
3103 Common School Fund	339,114	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	-	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	33,526	3,528,328	-	2,517,122	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
<b>Total Revenue from State Sources</b>	<b>14,024,837</b>	<b>3,533,106</b>	<b>-</b>	<b>2,517,122</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from Federal Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>
4100 Unrestricted Revenue Direct From the Federal Government	-	-	-	-	-	-	-
4200 Unrestricted Revenue From the Federal Government Through the State	-	-	-	-	-	-	-
4201 Transportation Fees for Foster Children	-	-	-	-	-	-	-
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)	-	-	-	-	-	-	-
4300 Restricted Revenue From the Federal Government	-	-	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	32,240	1,908,681	-	-	-	-	-
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)	-	-	-	-	-	-	-
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)	-	-	-	-	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-	-	-	-	-	-	-
4801 Federal Forest Fees	30,054	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	-	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	-	49,621	-	-	-	-	-
<b>Total Revenue from Federal Sources</b>	<b>62,294</b>	<b>1,958,302</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from Other Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>
5100 Long Term Debt Financing Sources	-	-	-	-	-	-	-
5200 Interfund Transfers	-	6,484	-	97,702	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	160,000	-	-	35,000	-	-	-
5400 Resources - Beginning Fund Balance	2,089,451	(1,237,653)	(317,123)	31,231,071	-	3,884,876	94,753
<b>Total Revenue from Other Sources</b>	<b>2,249,451</b>	<b>(1,231,169)</b>	<b>(317,123)</b>	<b>31,363,773</b>	<b>-</b>	<b>3,884,876</b>	<b>94,753</b>
<b>Grand Total</b>	<b>\$ 40,038,472</b>	<b>\$ 4,566,379</b>	<b>\$ 7,964,987</b>	<b>\$ 35,097,801</b>	<b>\$ -</b>	<b>\$ 11,753,041</b>	<b>\$ 235,996</b>

**2023-2024 DISTRICT AUDIT EXPENDITURE SUMMARY  
JACKSON COUNTY SCHOOL DISTRICT 5**

**Fund: 100 General Fund**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	\$ 7,566,695	\$ 4,182,609	\$ 2,972,153	\$ 292,345	\$ 119,303	\$ -	\$ 285	-
1113	Elementary Extracurricular	8,566	5,981	2,218	-	367	-	-	-
1121	Middle/Junior High Programs	4,275,089	2,394,235	1,627,519	151,209	101,556	-	570	-
1122	Middle/Junior High School Extracurricular	255,802	157,812	54,192	24,791	16,982	-	2,025	-
1131	High School Programs	5,460,055	3,111,898	2,019,543	192,431	133,169	-	3,014	-
1132	High School Extracurricular	1,033,055	461,077	143,858	243,802	145,166	-	39,152	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	7,111	5,000	1,841	-	270	-	-	-
1220	Restrictive Programs for Students with Disabilities	71,243	45,267	25,976	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	3,777,765	2,096,501	1,527,569	135,297	18,398	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	1,944,041	1,081,469	735,280	40,901	85,954	-	437	-
1291	English Second Language Programs	226,686	137,432	81,033	6,553	1,668	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		<b>24,626,108</b>	<b>13,679,281</b>	<b>9,191,182</b>	<b>1,087,329</b>	<b>622,833</b>	<b>-</b>	<b>45,483</b>	<b>-</b>
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	48,822	25,618	22,922	282	-	-	-	-
2120	Guidance Services	810,331	450,582	333,939	24,341	1,469	-	-	-
2130	Health Services	310,533	-	-	310,403	130	-	-	-
2140	Psychological Services	187,379	90,882	42,309	51,036	3,152	-	-	-
2150	Speech Pathology and Audiology Services	285,925	146,795	115,176	18,777	5,177	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	514,588	300,007	192,570	15,495	6,032	-	484	-
2210	Improvement of Instruction Services	112,495	70,284	36,551	3,590	2,070	-	-	-
2220	Educational Media Services	427,402	218,243	194,889	1,038	13,191	-	41	-
2230	Assessment & Testing	116,962	-	-	28,664	88,298	-	-	-
2240	Instructional Staff Development	138,054	14,788	5,871	97,177	2,275	-	17,943	-
2310	Board of Education Services	334,355	15,580	6,127	206,438	2,857	-	103,353	-
2320	Executive Administration Services	497,973	293,146	147,269	36,008	18,912	-	2,638	-
2410	Office of the Principal Services	3,234,620	1,867,164	1,206,416	117,872	34,085	-	9,083	-
2490	Other Support Services - School Administration	188,082	117,974	69,261	-	847	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	768,040	392,778	260,535	48,063	62,039	-	4,625	-
2540	Operation and Maintenance of Plant Services	4,390,708	1,224,884	870,296	1,590,663	305,847	-	399,018	-
2550	Student Transportation Services	1,592,200	670,925	466,263	124,484	291,927	-	38,601	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	519,107	264,098	162,887	52,002	30,000	-	10,120	-
2660	Technology Services	2,121,636	912,060	604,252	144,138	356,447	-	104,739	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	262,078	30,891	231,187	-	-	-	-	-
<b>Total Support Services Expenditures</b>		<b>16,861,290</b>	<b>7,106,699</b>	<b>4,968,720</b>	<b>2,870,471</b>	<b>1,224,755</b>	<b>-</b>	<b>690,645</b>	<b>-</b>
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	5,288	-	-	17	5,271	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		<b>5,288</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>5,271</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	6,484	-	-	-	-	-	-	6,484
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		<b>6,484</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,484</b>
<b>Grand Total</b>		<b>\$ 41,499,170</b>	<b>\$ 20,785,980</b>	<b>\$ 14,159,902</b>	<b>\$ 3,957,817</b>	<b>\$ 1,852,859</b>	<b>\$ -</b>	<b>\$ 736,128</b>	<b>\$ 6,484</b>

**2023-2024 DISTRICT AUDIT EXPENDITURE SUMMARY  
JACKSON COUNTY SCHOOL DISTRICT 5**

**Fund: 200 Special Revenue Funds**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	\$ 834,485	\$ 482,772	\$ 326,372	\$ 4,438	\$ 19,630	\$ -	\$ 1,273	-
1113	Elementary Extracurricular	9,009	5,873	504	-	2,632	-	-	-
1121	Middle/Junior High Programs	168,050	30,960	23,240	85,187	26,739	-	1,924	-
1122	Middle/Junior High School Extracurricular	33,912	25,900	2,741	-	5,271	-	-	-
1131	High School Programs	469,544	226,851	129,710	33,960	78,879	-	144	-
1132	High School Extracurricular	50,935	4,017	996	17,653	20,549	-	7,720	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	20,264	2,300	7,904	6,865	3,195	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	645,291	346,995	239,863	32,617	25,816	-	-	-
1280	Alternative Education	357,679	116,549	99,962	15,434	82,768	-	42,966	-
1291	English Second Language Programs	190,445	110,222	78,045	384	1,794	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	669	-	-	-	669	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		<b>2,780,283</b>	<b>1,352,439</b>	<b>909,337</b>	<b>196,538</b>	<b>267,942</b>	<b>-</b>	<b>54,027</b>	<b>-</b>
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	21,868	12,612	9,256	-	-	-	-	-
2120	Guidance Services	524,023	321,547	201,417	-	1,059	-	-	-
2130	Health Services	439,455	268,471	170,649	335	-	-	-	-
2140	Psychological Services	148,250	78,460	69,790	-	-	-	-	-
2150	Speech Pathology and Audiology Services	302,892	178,057	78,973	45,862	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	9,011	5,799	3,212	-	-	-	-	-
2210	Improvement of Instruction Services	525,392	274,156	182,806	68,430	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	118,141	22,838	8,517	76,794	1,676	-	8,316	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	136,709	-	-	-	-	-	136,709	-
2540	Operation and Maintenance of Plant Services	11,305	-	-	205	-	11,100	-	-
2550	Student Transportation Services	214,576	-	-	14,400	-	-	200,176	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	10,783	5,139	2,020	150	3,474	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		<b>2,462,405</b>	<b>1,167,079</b>	<b>726,640</b>	<b>206,176</b>	<b>6,209</b>	<b>11,100</b>	<b>345,201</b>	<b>-</b>
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	1,147,387	390,480	300,869	30,438	418,067	-	7,533	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	27,355	69	27	22,336	4,923	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		<b>1,174,742</b>	<b>390,549</b>	<b>300,896</b>	<b>52,774</b>	<b>422,990</b>	<b>-</b>	<b>7,533</b>	<b>-</b>
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>		<b>\$ 6,417,430</b>	<b>\$ 2,910,067</b>	<b>\$ 1,936,873</b>	<b>\$ 455,488</b>	<b>\$ 697,141</b>	<b>\$ 11,100</b>	<b>\$ 406,761</b>	<b>\$ -</b>

**2023-2024 DISTRICT AUDIT EXPENDITURE SUMMARY  
JACKSON COUNTY SCHOOL DISTRICT 5**

**Fund: 300 Debt Service Funds**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		-	-	-	-	-	-	-	-
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		-	-	-	-	-	-	-	-
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		-	-	-	-	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		-	-	-	-	-	-	-	-
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	7,813,900	-	-	-	-	-	7,813,900	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		7,813,900	-	-	-	-	-	7,813,900	-
<b>Grand Total</b>		\$ 7,813,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,813,900	\$ -

**2023-2024 DISTRICT AUDIT EXPENDITURE SUMMARY  
JACKSON COUNTY SCHOOL DISTRICT 5**

**Fund: 400 Capital Projects Funds**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		-	-	-	-	-	-	-	-
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	310	-	-	-	310	-	-	-
2210	Improvement of Instruction Services	3,597	-	-	-	3,597	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	266,055	157,846	91,887	-	-	-	16,322	-
2540	Operation and Maintenance of Plant Services	412,745	54,100	22,495	149,818	-	186,332	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		682,707	211,946	114,382	149,818	3,907	186,332	16,322	-
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		-	-	-	-	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	16,266,095	3,926	1,617	2,168,695	57,474	13,807,081	227,302	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		16,266,095	3,926	1,617	2,168,695	57,474	13,807,081	227,302	-
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	97,702	-	-	-	-	-	-	97,702
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		97,702	-	-	-	-	-	-	97,702
<b>Grand Total</b>		<b>\$ 17,046,504</b>	<b>\$ 215,872</b>	<b>\$ 115,999</b>	<b>\$ 2,318,513</b>	<b>\$ 61,381</b>	<b>\$ 13,993,413</b>	<b>\$ 243,624</b>	<b>\$ 97,702</b>

**2023-2024 DISTRICT AUDIT EXPENDITURE SUMMARY  
JACKSON COUNTY SCHOOL DISTRICT 5**

**Fund: 600 Internal Service Funds**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		-	-	-	-	-	-	-	-
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	80,220	60,716	19,504	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	8,405,059	-	183,381	8,221,678	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		8,485,279	60,716	202,885	8,221,678	-	-	-	-
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		-	-	-	-	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		-	-	-	-	-	-	-	-
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		-	-	-	-	-	-	-	-
<b>Grand Total</b>		\$ 8,485,279	\$ 60,716	\$ 202,885	\$ 8,221,678	\$ -	\$ -	\$ -	\$ -

**2023-2024 DISTRICT AUDIT EXPENDITURE SUMMARY  
JACKSON COUNTY SCHOOL DISTRICT 5**

**Fund: 700 Trust and Agency Funds**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		-	-	-	-	-	-	-	-
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		-	-	-	-	-	-	-	-
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	149,850	-	-	149,850	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		149,850	-	-	149,850	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		-	-	-	-	-	-	-	-
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	2,000	-	-	-	-	-	-	2,000
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		2,000	-	-	-	-	-	-	2,000
<b>Grand Total</b>		\$ 151,850	\$ -	\$ -	\$ 149,850	\$ -	\$ -	\$ -	\$ 2,000

**SUPPLEMENTAL INFORMATION**

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.  
 Part A is needed for comoputing Oregon's full allocation for ESSA, Title I & other Federal Funds for Education.

**A. Energy Bill for Heating - All Funds**

Please enter your expenditures for electricity,  
 heating fuel, and water & sewage for these  
 Functions & Objects

	Objects 325 & 326 & 327*
Function 2540	<b>\$823,440</b>
Function 2550	<b>\$9,900</b>

**B. Replacement of Equipment - General Fund**

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

<b>\$0</b>
------------

Exclude these Functions

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

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





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



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

Board of Education  
Jackson County School District No. 5  
Ashland, Oregon

We have audited the basic financial statements of Jackson County School District No. 5 (the District) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 17, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

- The District was not in compliance with local budget law as disclosed in Note 1 of the financial statements.
- The District did not account for State School Fund funds related to depreciation reimbursement in a separate fund as required by ORS 327.033.

- The District loaned General Obligation Bond proceeds, which are restricted to finance capital costs to improve District schools and pay costs of bond issuance, from the Capital Project Fund to the General Fund and Special Revenue Fund to finance current operations. See finding 2024-002 for additional information.
- Negative budgeted fund balances are a violation of Local Budget Law. For the 2024-25 fiscal year the District budgeted a negative beginning fund balance in the Debt Service Fund.
- Amounts on the resolution adopting the budget did not agree to the detailed budget document.

### **OAR 162-010-0230 Internal Control**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did identify certain deficiencies in internal control that are described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 that we consider to be a significant deficiency and a material weakness, respectively.

### **Restrictions on Use**

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



Benjamin R. Cohn, CPA, Director  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 17, 2024



**| ITEMS REQUIRED BY THE  
UNIFORM GUIDANCE**



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

Board of Education  
Jackson County School District No. 5  
Ashland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of Jackson County School District No. 5 (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 17, 2024.

***Report on Internal Control over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2024-002 to be a material weakness.

*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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2024-001 to be a significant deficiency.

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

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2024-002.

## **District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Benjamin R. Cohn, CPA, Director  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 17, 2024



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

Board of Education  
Jackson County District No. 5  
Ashland, Oregon

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

***Qualified and Unmodified Opinions***

We have audited Jackson County District No. 5's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's result section of the accompanying schedule of findings and questioned costs.

***Qualified Opinion on Title I Grants to Local Education Agencies Program***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the District complied, in all material respects with the compliance requirements referred to above that could have a direct and material effect on Title I Grants to Local Education Agencies program for the year ended June 30, 2024.

***Unmodified Opinion on the Other Major Federal Program***

In our opinion, the District complied, in all material respects with the compliance requirements referred to above that could have a direct and material effect on the other major federal program identified in the summary of auditor's result section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

***Basis for Qualified and Unmodified Opinions***

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 Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### *Matter Giving Rise to Qualified Opinion on Title I Grants to Local Education Agencies Program*

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding Title I Grants to Local Education Agencies Program as described in finding number 2024-003 for Allowable Activities/Cost Principles. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

#### ***Responsibilities of Management for Compliance***

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

#### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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



## Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-003 to be a material weakness.

*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 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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Benjamin R. Cohn, CPA, Director  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 17, 2024

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Grantors Number	Federal Expenditures
<b>U.S. Department of Agriculture:</b>			
<b>Passed Through Oregon Department of Education:</b>			
Local Food for Schools Cooperative Agreement	10.185	N/A	\$ 3,946
Total AL 10.185			<u>3,946</u>
National School Breakfast Program (SBP)	10.553	N/A	71,356
National School Lunch Program (NSLP)	10.555	N/A	307,072
National School Lunch Program (NSLP) Supply Chain Assistance	10.555	N/A	83,282
National School Lunch Program Commodities	10.555	N/A	49,621
Summer Food Service Program for Children (SFSP)	10.559	N/A	1,070
Total Child Nutrition Cluster			<u>512,401</u>
COVID- 19 State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Cost	10.649	N/A	653
Total AL 10.649			<u>653</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>517,000</u></b>
<b>U.S. Environmental Protection Agency:</b>			
<b>Passed Through Oregon Department of Education:</b>			
Voluntary School and Child Care Lead Testing and Reduction Grant Program	66.444	36825	32,240
Total AL 66.444			<u>32,240</u>
<b>Total U.S. Environmental Protection Agency</b>			<b><u>32,240</u></b>
<b>U.S. Department of Education:</b>			
<b>Passed Through Oregon Department of Education:</b>			
Title I Grants to Local Education Agencies	84.010	72457	205,148
Title I Grants to Local Education Agencies	84.010	76422	591,632
Total AL 84.010			<u>796,780</u>
Special Education - Grants to States (IDEA, Part B)	84.027	77914	457,124
COVID 19 - Special Education - Grants to States (IDEA, Part B) ARP	84.027	68318	9,011
COVID 19 - Special Education - Preschool Grants (IDEA Preschool) ARP	84.173	69101	333
Special Education - Preschool Grants (IDEA Preschool)	84.173	68857	2,450
Total Special Education (IDEA) Cluster			<u>468,918</u>
Supporting Effective Instruction - State Grants	84.367	76619	101,537
Total AL 84.367			<u>101,537</u>
Student Support and Academic Enrichment Program	84.424	77053	57,758
Total AL 84.424			<u>57,758</u>
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Homeless Children and Youth	84.425W	69278	16,309
Total AL 84.425			<u>16,309</u>
<b>Total U.S. Department of Education</b>			<b><u>1,441,302</u></b>
<b>Total Federal Expenditures</b>			<b><u>\$ 1,990,542</u></b>
<b>U.S. Department of Agriculture:</b>			
<b>Passed Through Southern Oregon ESD:</b>			
Schools and Roads - Grants to States	10.665	N/A	30,054
Total Forest Service Schools and Roads Cluster			<u>\$ 30,054</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 5**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE A – BASIS OF PRESENTATION**

The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Jackson County District No. 5 (the District) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, and changes in fund balance of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the 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 allowable or are limited as to reimbursement.

**NOTE C – FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed for the year ended June 30, 2024, the District received food commodities totaling \$49,621.

**NOTE D – INDIRECT COST RATE**

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

**NOTE E – DISTRICTS AND ROADS – GRANTS TO STATES**

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

**NOTE F – SUBRECIPIENTS**

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

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

***Financial Statements***

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  Yes  No

***Federal Awards***

Internal control over major federal programs:

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

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

Identification of major federal programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Opinion on Compliance</u>
#84.027 and 84.173	Special Education Cluster (IDEA)	Unmodified
#84.010	Title I Grants to Local Education Agencies	Qualified

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

Auditee qualified as a low-risk auditee?  Yes  No

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**2024-001 – Significant Deficiency – Financial Reporting: Audit Adjustments (repeat finding)**

*Criteria* – Management is responsible for establishing and maintaining an effective system of internal control over year-end financial information on a timely basis. Properly tracking and recording assets and liabilities and the associated revenue and expense is a key component of effective internal control over financial reporting.

*Condition* – Year-end account balances and their activity were not properly prepared and/or reviewed accurately.

*Cause* – Internal controls in place did not ensure that assets, liabilities, revenues and expenses were calculated and reported accurately.

*Effect or Potential Effect* – Prior to adjustments, various asset, liability, revenue and expense accounts were not properly recorded at year end by material amounts.

*Recommendations* – We highly recommend that the District enhance internal controls by developing a year-end closing schedule which includes having a preparer and reviewer of all accounts. This control should be used to ensure that all accounts are reconciled timely and all necessary year-end calculations are completed, and that work is reviewed on a regular basis.

*Views of Responsible Officials and Planned Corrective Actions* – Management agrees with this finding. Management will properly apply internal controls to the financial statement close process to ensure the District's financial statements are correctly reported.

**2024-002 – Material Weakness, Noncompliance – General Obligation Bond, Series 2019 Compliance**

*Criteria* – The District utilized General Obligation Bond, Series 2019 (GO Bond) proceeds to finance current operations through an interfund loan from the Capital Projects Fund to the General Fund and Special Revenue Fund.

*Condition* – GO Bond proceeds are restricted to finance capital costs to improve District schools and pay costs of bond issuance. Additionally, ORS 294.468 states that loans shall not be made from moneys credited to any fund when, under applicable constitutional provisions, the moneys are restricted to specific uses unless the purpose for which the loan is to be made is a use allowed under such constitutional provisions.

*Cause* – The District improperly used GO Bond proceeds to finance current operations through an interfund loan due to a temporary cash shortfall.

*Effect or Potential Effect* – The District is not in compliance with the terms of the GO Bond agreement and Oregon Revised Statutes.

*Recommendations* – We recommend that the District develop policies and procedures to maintain compliance with Bond agreements and Oregon Revised Statutes.

*Views of Responsible Officials and Planned Corrective Actions* – Management agrees with this finding. Management will maintain compliance with Bond agreements and Oregon Revised Statutes going forward.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

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

*2024-003 – Allowable Activities/Cost Principles (repeat finding)*

U.S. Department of Education

Title I Grants to Local Education Agencies (AL # 84.010)

*Finding Type:* Material Noncompliance; Material Weakness in Internal Control over Compliance

*Criteria:* In accordance with 2 CFR section 200.430, the local education agency is required to maintain time and effort distribution records for employees who work on federal programs. These distribution records must support the portion of time and effort dedicated to: 1) The federal program or cost objective; and 2) Other programs or cost objectives supported by federal funds or other revenue sources.

*Statement of Condition:* The District was not in compliance with the Uniform Guidance as it was noted that management of the District was not preparing time and effort distribution records and could not produce source documentation to support the time and effort applied to payroll expense that was charged to Title I Grants to Local Education Agencies.

*Cause:* The District's internal controls to identify and document employees that require support for time and effort charged to Title I Grants to Local Education Agencies were not effective for the year ended June 30, 2024.

*Context:* We selected payroll costs associated with nine employees who had wages charged to Title I Grants to Local Education Agencies. Of the nine employees selected for testing, two employees did not have time and effort documentation or other source documentation to support the payroll expense that was charged to the federal program.

*Effect or Potential Effect:* Salary and wage costs could be applied to Title I Grants to Local Education Agencies without appropriate supporting documentation required in accordance with 2 CFR Part 200.430 and District Policy.

*Questioned Costs:* \$26,366 of known questioned costs charged to this federal program in the year under audit.

*Recommendations:* We recommend the District review their internal controls to strengthen processes and improve procedures. We recommend the District complete all required time and effort certifications in a timely manner.

*Views of Responsible Officials and Planned Corrective Actions:* The District agrees with the finding and recommendation and plans to implement a system of completing necessary time and effort documentation for all employees who work on federal programs.

**JACKSON COUNTY SCHOOL DISTRICT NO. 5  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024**

**FINANCIAL STATEMENT FINDINGS**

2023-001 – Significant Deficiency – Financial Reporting: Audit Adjustments

Statement of Condition: Year-end account balances and their activity were not properly prepared and/or reviewed accurately.

Recommendations: We highly recommend that the District enhance internal controls by developing a year-end closing schedule which includes having a preparer and reviewer of all accounts. This control should be used to ensure that all accounts are reconciled timely and all necessary year-end calculations are completed, and that work is reviewed on a regular basis.

Current Status: This finding was not resolved. A significant deficiency has been noted in the fiscal year 2024 audit. This matter was repeated as finding 2024-001.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

2023-002 – Material Noncompliance; Material Weakness in Internal Control over Compliance - Allowable Activities/Cost Principles

U.S. Department of Education - Title I Grants to Local Education Agencies (AL # 84.010)

Statement of Condition: The District was not in compliance with the Uniform Guidance as it was noted that management of the District was not preparing time and effort distribution records and could not produce source documentation to support the time and effort applied to payroll expense that was charged to Title I Grants to Local Education Agencies.

Recommendations: We recommend the District review their internal controls to strengthen processes and improve procedures. We recommend the District complete all required time and effort certifications in a timely manner.

Current Status: This finding was not resolved. A material weakness has been noted in the fiscal year 2024 audit. This matter was repeated as finding 2024-003.