

JACKSON COUNTY SCHOOL DISTRICT No. 91
BUTTE FALLS, OREGON

Annual Financial Report

June 30, 2020

Jackson County School District No. 91

Butte Falls, Oregon

June 30, 2020

BOARD OF DIRECTORS

Stephanie Pitts Chair

Steve Nelson Vice Chair

Dan Murphy Director

Aaron Worman Director

Mark Carlton Director

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Racheal Aiken Business Manager,
Douglas ESD

Jackson County School District No. 91

Butte Falls, Oregon

June 30, 2020

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
INDEPENDENT AUDITORS' REPORT		1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)		3-7
BASIC FINANCIAL STATEMENTS:		
Government-wide Financial Statements:		
Statement of Net Position - Cash Basis	A-1	8
Statement of Activities - Cash Basis	A-2	9
Fund Financial Statements:		
Governmental Funds - Balance Sheet - Cash Basis	B-1	10
Governmental Funds - Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis	B-2	11
Notes to Financial Statements		12-26
SUPPLEMENTARY INFORMATION:		
Budgetary Comparison Schedules		
Budgetary Comparison Schedule for the General Fund - Cash Basis	C-1 & C-2	27-29
Budgetary Comparison Schedule for the Special Rev. Fund - Cash Basis	C-3	30
Budgetary Comparison Schedule for the Capital Projects Fund – Cash Basis	C-4	31
District Audit Revenue Summary (Cash Basis)	D-1	32
District Audit Disbursement Summary (Cash Basis) – General Fund	D-2	33
District Audit Disbursement Summary (Cash Basis) – Special Revenue Fund	D-3	34
District Audit Disbursement Summary (Cash Basis) – Capital Projects Fund	D-4	35
Schedule of Federal Financial Assistance	D-5	36
Independents Auditor's Report Required by Oregon State Regulations		37-38
FORM 581-3211-C		39



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Jackson County School District No. 91
P.O. Box 228
Butte Falls, OR 97522

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson County School District No. 91 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Jackson County School District No. 91
Independent Auditor's Report**

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson County School District No. 91, as of June 30, 2020, and the respective changes in cash basis financial position thereof for the year ended in conformity with the cash basis of accounting as described in note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describe the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's basic financial statements. The management's discussion and analysis, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and other financial schedules as listed in the table of contents are presented for purposes of additional analysis and are not required part of the basic financial statements.

Report on Supplementary Information

The budgetary comparison schedules and combining and individual nonmajor fund financial statements as a whole 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 budgetary comparison schedules and combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Report on Other Information

The management's discussion and analysis and other financial schedules listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Oregon Revised Statutes

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated November 5, 2020, on our consideration of the District's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-100 to 162-10-320. 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.

Neuner Davidson & Co
Certified Public Accountants
Roseburg, Oregon

By: 

Brandon Lee, CPA
November 5, 2020

Management's Discussion and Analysis

Jackson County School District No. 91
Butte Falls, Oregon
Management's Discussion and Analysis
For the Year Ended June 30, 2020

The discussion and analysis of Jackson County School District #91's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- At the end of the fiscal year, fund balance for all governmental funds combined was \$835,866, a decrease of \$150,434 thousand in comparison to the prior year. Of the \$835,866, approximately \$91,921 is restricted, \$552,932 is committed, \$19,400 is assigned and \$171,613 is unassigned.
- State School Support received was up \$112,537 from the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's cash basis of accounting. This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements The *government-wide financial statements* are designated to provide readers with a broad overview of the district's finances, in a manner similar to private-sector business. The Government-Wide Financial Statements can be found as listed in the Table of Contents of this report. These statements include:

- The Statement of Net Position The *Statement of Net Position* presents information on all of the assets of the District at year end resulting from the use of the cash basis of accounting. Net position is equivalent to the equity in pooled cash and cash equivalents. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The Statement of Activities The *Statement of Activities* presents information showing how the net position of the District changed over the year by tracking revenues, expenditures and other transactions resulting from the use of the cash basis of accounting that increase or reduce net position.

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 are in one category: governmental funds. The Fund Financial Statements can be found as listed in the Table of Contents of this report.

- Governmental Funds Governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. Such information may be useful in evaluating a government's near-term financing requirements. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Charges in Fund Balances are reconciled to the

Jackson County School District No. 91
 Butte Falls, Oregon
 Management's Discussion and Analysis
 For the Year Ended June 30, 2020

government-wide Statements of Net Position and Activities. The District considers the General Fund, Special Revenue Funds and the Capital Projects Fund to be significant or major governmental funds.

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

Other Supplementary Information The Management's Discussion and Analysis: Budgetary Comparison Schedules, Schedule of Federal Financial Assistance and District Audit Summaries represent financial information not considered to be Required Supplementary Information on the cash basis of accounting. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements"). Other supplementary financial information is provided to address certain specific needs of various users of the District's annual report.

BASIS OF ACCOUNTING

The District has elected to present its financial statements on a cash basis of accounting. This cash basis of accounting is a basis of accounting other than generally accepted accounting principles. The cash basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenditures, and other related assets and liabilities. Under the District's cash basis of accounting, revenues and expenditures and related assets are recorded when they result from cash transactions in the government-wide financial statements for all activities and in the fund financial statements.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services, received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Statement of Net Position Summary – Cash Basis

	2020	2019
Assets		
Current and other Assets	\$835,866	\$986,300
Total Assets	\$835,866	\$986,300
 Net Position		
Restricted	\$91,921	\$91,223
Unrestricted	\$743,945	\$895,077
Total Net Position	\$835,866	\$986,300

Total net position of governmental activities decreased by approximately \$150,434.

Jackson County School District No. 91
 Butte Falls, Oregon
 Management's Discussion and Analysis
 For the Year Ended June 30, 2020

Statement of Activities Summary – Cash Basis

	2020	2019
Revenues		
Program Revenues		
Charges for services	\$86,506	\$54,050
Operating grants and contributions	\$452,582	\$815,595
General Revenues		
Property taxes	\$460,261	\$444,274
Earnings on investments	\$27,534	\$31,567
Miscellaneous	\$126,744	\$40,211
State school fund - general support	\$2,928,665	\$2,816,128
Other federal, state, and local sources	\$23,549	\$58,643
Total revenues	\$3,566,752	\$4,260,468
Expenditures		
Instruction	\$2,397,648	\$2,179,976
Support services	\$1,558,394	\$1,465,811
Enterprise and community services	\$196,071	\$167,708
Facilities acquisition and construction	\$104,160	\$699,545
Total expenditures	\$4,256,273	\$4,513,041
Change in Net Position	(\$150,433)	(\$252,573)
Net Position - Beginning of the year	\$986,300	\$1,238,873
Net Position - End of the year	\$835,866	\$986,300

GOVERNMENTAL ACTIVITIES

K-12 Education in Oregon is state funded. While the District still levies a fixed amount per \$1,000 of assessed value, this revenue is included in the State's calculation of overall funding. Property taxes made up 13% of general revenues for governmental activities for the Jackson County School District #91 for fiscal year 2020. Instruction comprises 48% of District expenses. Support services make up 32% of the total expenses of the District. However, it should be noted that the support service function includes services to students. Some of the services to students in this function category are transportation and technology. The Statement of Activities – Cash Basis shows the cost of program services and the charges for services and grants offsetting those services. The cost of services summary shows the total cost of services and the net cost of services by identifying the cost of these services supported by tax revenue and unrestricted state entitlements.

Instruction expense includes activities directly dealing with the teaching of students and the interaction between teacher and student.

Jackson County School District No. 91
Butte Falls, Oregon
Management's Discussion and Analysis
For the Year Ended June 30, 2020

Support services expense includes services which provide administrative, technical and transportation and exist to sustain and enhance instruction.

Community service activities include the food service program and community programs related to the education of students.

Transfers to other funds withdraw money from one fund and place it in another to financially assist funds that need an additional resource.

Contingencies are expenditures which cannot be foreseen and planned in the budget process because of an occurrence of an unusual or extraordinary event.

GENERAL FUND BUDGETARY HIGHLIGHTS

Jackson County School District #91's budget is prepared according to Oregon law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. All funds are budgeted but the most significant budgeted fund is the General Fund.

	<u>Budget Final</u>	<u>Actual</u>	<u>Variance</u>
Instruction	\$2,261,337	\$2,266,214	\$(4,877)
Support			
Services	\$1,392,199	\$1,312,560	\$79,639

ANALYSIS OF FUND BALANCES & TRANSACTIONS

The General Fund is the chief operating fund of the District. At the end of fiscal year 2019-2020 the unassigned ending fund balance was \$194,481. This is a decrease of \$177,804.

Fund balances for Governmental Funds other than the General Fund increased from \$614,014 in 2018-2019 to \$641,384 in 2019-2020, a difference of \$27,370.

This is a result of additional funding as a result of COVID-19. Our food service program went from serving only those students who would visit the cafeteria to serving all students in our district.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fiscal year 2019-2020 The District invested in capital improvements of replacement of bus barn doors, elementary gym floor repair, high school restrooms, & security cameras at the elementary & high school buildings.

The District has no outstanding debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Although the most significant revenue factor for the District is the State of Oregon's State School Fund what is equally important is that the State School Fund is built on student membership. Jackson County School District #91 is located in a small community located in the Cascade Mountains 35 miles northeast of Medford in southwestern Oregon. The town has approximately 423 residents. The District includes not only the town of Butte Falls, but also outlying areas above and below town. The major source of employment for the town is the District. Fiscal Year 2019-2020 student enrollment remained steady at approximately 227 students.

The four buildings that comprise Jackson County School District #91 are maintained with limited resources and personnel. The secondary building was built in 1926 and had significant upgrades structurally due to a Seismic Retro Fit Grant in 2018-2019. This grant also included upgrades in the high school gym. Looking into Fiscal Year-2021 the District is looking into safety and security of our students with the anticipation of additional security cameras, fencing, and interior and exterior lighting.

The Natural Resource Center continues to be improved and with instructional staff integrating this theme into their curriculum The District anticipates this to be a benefit that will attract new student to our district.

Jackson County School District No. 91
Butte Falls, Oregon
Management's Discussion and Analysis
For the Year Ended June 30, 2020

Salaries, state-run health and retirement costs, utilities, and fuel costs continue to rise. The District's budget must encompass the increase in expenses in all aspects of the operation of the District.

Enrollment remained steady in 2019-2020 with expectations to maintain and increase to capacity. The 2019-2020 budget included staffing for a teacher at all grade levels K-7 which the District is anticipated to maintain all staffing positions into the next fiscal year. High school is starting to offer more selections of elective classes, in order to increase the interest of students to remain at the District and to attract new students as well.

The District's Board is aware of the economic factors that influence personnel, programs, and the educational level of the students, as they face financial decisions in the year ahead, including the effects that COVID-19 and distance learning will have on our district. With the anticipation of a PERS increase in the next biennium, updating/upgrading facilities, and ever-increasing food services cost, The District has budgeted an \$80,000 transfer from General Funds in 2020-2021 into funds related to these changes.

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 the report or requests for additional information should be addressed to the District's Business Manager at 1409 NE Diamond Lake Blvd, Suite 110, Roseburg, OR 97479.

Basic Financial Statements

Jackson County School District No. 91

Statement of Net Position - Cash Basis

June 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash in Checking	\$ 194,283
Cash in State Pool	<u>641,584</u>
Total Assets	<u>\$ 835,866</u>
 NET POSITION	
Restricted	\$ 91,921
Unrestricted	<u>743,945</u>
Total Net Position	<u>\$ 835,866</u>

The accompanying notes are an integral part
of these financial statements.

Jackson County School District No. 91

Statement of Activities - Cash Basis

For the Fiscal Year Ended June 30, 2020

	(Disbursements)	Program Receipts		Net (Disbursements)
		Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Position
				Governmental Activities
Governmental Activities:				
Instruction	\$ 2,397,648	\$ 57,091	\$ 234,085	\$ (2,106,472)
Support Services:	1,558,394	29,415	84,287	(1,444,692)
Enterprise and Community Services:	196,071	-	124,992	(71,079)
Facilities Acquisition & Construction	104,160	-	9,218	(94,942)
Total Governmental Activities	\$ 4,256,273	\$ 86,506	\$ 452,582	\$ (3,717,186)
General Receipts:				
Local Sources				
Property Taxes				\$ 460,261
Earnings on Investments				27,534
Extra Curricular Fees				
Miscellaneous				126,744
State School Support				2,928,665
Common School Support				21,169
Federal Forest Fees				2,380
Subtotal - General Receipts				3,566,752
Change in Net Position				(150,433)
Net Position July 1, 2019				986,299
Net Position June 30, 2020				\$ 835,866

The accompanying notes are an integral part
of these financial statements.

Jackson County School District No. 91Governmental Funds
Balance Sheet - Cash Basis

June 30, 2020

	General Fund	Special Rev Fund	Capital Projects Fund	Total Governmental Funds
<u>ASSETS</u>				
Cash - Checking	\$ -	\$ 193,443	\$ 840	\$ 194,283
Investments - State Pool	327,798	313,785	-	641,584
Due from Other Funds	22,868	156,185	-	179,053
Total Assets	<u>\$ 350,666</u>	<u>\$ 663,413</u>	<u>\$ 840</u>	<u>\$ 1,014,919</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$ 156,185	\$ 22,868	\$ -	\$ 179,053
Total Liabilities	<u>\$ 156,185</u>	<u>\$ 22,868</u>	<u>\$ -</u>	<u>\$ 179,053</u>
<u>FUND BALANCE</u>				
FUND BALANCES:				
Restricted	\$ -	\$ 91,921	\$ -	\$ 91,921
Committed	-	552,932	-	552,932
Assigned	-	18,560	840	19,400
Unassigned	194,481	(22,869)	-	171,613
Total Fund Balance	<u>\$ 194,481</u>	<u>\$ 640,544</u>	<u>\$ 840</u>	<u>\$ 835,866</u>
Total Liabilities & Fund Balance	<u>\$ 350,666</u>	<u>\$ 663,413</u>	<u>\$ 840</u>	<u>\$ 1,014,919</u>

The accompanying notes are an integral part
of these financial statements.

Jackson County School District No. 91

Governmental Funds
Statement of Receipts, Disbursements, and Changes in Fund Balances - Cash Basis

For the Fiscal Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Improvement Fund	Total Governmental Funds
RECEIPTS:				
Local Sources	\$ 614,538	\$ 55,086	\$ -	\$ 669,624
State Sources	2,959,052	185,422	-	3,144,474
Federal Sources	2,380	289,362	-	291,742
Total Receipts	<u>3,575,970</u>	<u>529,870</u>	<u>-</u>	<u>4,105,840</u>
DISBURSEMENTS:				
Instruction	2,266,214	131,435	-	2,397,648
Supporting Services	1,312,560	245,834	104,160	1,662,554
Enterprise and Community Services	-	196,071	-	196,071
Total Disbursements	<u>3,578,774</u>	<u>573,339</u>	<u>104,160</u>	<u>4,256,273</u>
OTHER FINANCING SOURCES:				
Operating Transfers In	-	170,000	105,000	275,000
Operating Transfers Out	(175,000)	(100,000)	-	(275,000)
Total Other Sources	<u>(175,000)</u>	<u>70,000</u>	<u>105,000</u>	<u>-</u>
Excess of Receipts and Other Sources Over (Under) Disbursements	(177,804)	26,530	840	(150,433)
FUND BALANCE, July 1, 2019	<u>372,285</u>	<u>614,014</u>	<u>-</u>	<u>986,299</u>
FUND BALANCE, June 30, 2020	<u>\$ 194,481</u>	<u>\$ 640,544</u>	<u>\$ 840</u>	<u>\$ 835,866</u>
Schedule:	C-1	C-3	C-4	

The accompanying notes are an integral part
of these financial statements.

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

The Reporting Entity

Jackson County School District No. 91 (the District), Butte Falls, Oregon, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected five-member Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. All activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has separate elected governing body, is a legally separate entity, and is fiscally independent. The criteria for including organizations as component units within the District's reporting entity, as set forth in the Governmental Accounting Standards Board Statement No. 14, including the following:

- 1) The Primary Government (PG) appoints a voting majority of the Component Unit's (CU) governing body and:
 - the PG can impose its will on the CU and/or
 - a financial benefit/burden relationship exists between the PG and the potential CU;
- 2) The CU is fiscally dependent on the PG; or
- 3) The PG's financial statements would be misleading or incomplete if the CU were excluded.

Butte Falls Charter School is considered within the school. The school is fiscally dependent on Jackson County School District No. 91. Butte Falls Charter School operates under authority of the Jackson County School District No. 91, who exercises oversight as required by Oregon law. Butte Falls Charter School is not required by Oregon law to issue separate financial statements per the Oregon Department of Education. This Charter School is considered to be the operational component of the School District as a whole.

There are various other governmental agencies and special 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 financial statements of the District, have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

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

Basis of Presentation

Government-wide Financial Statements

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

Note 1 – Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

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

The District's Net Position is reported as restricted when constraints placed on net assets 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.

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 revenues and expenditures restricted for specific educational purposes. Principal revenue sources are student activities, cash sales of food, and governmental grants.

Capital Projects Fund – This fund accounts for the acquisition, construction and maintenance of improvements within the District. The principal revenue source is a state of Oregon seismic grant.

Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus, within the limitation of the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The cash basis of accounting involves the measurement of cash and cash equivalents and changes in cash and cash equivalents resulting from cash receipt and disbursement transactions. Revenues are recorded when collected and expenditures are recorded when paid. Non-exchange transactions, in which the District receives value without giving equal value in exchange, including property taxes, grants, entitlements and donations. On the cash basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are received. Revenue from grants, entitlements, and donations is recognized in the fiscal year received, regardless of when all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grant and general revenues. Thus, when program expenditures are incurred, there may be both restricted and unrestricted funds 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.

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

Governmental fund financial statements are reported using a “current financial resources” measurement focus, as applied to the cash basis of accounting. Only current financial assets are generally included on the statement of cash basis assets and fund balance. Their operating statement presents sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Expenditures are recorded when paid. Capital asset acquisitions are recorded as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. With the cash basis of accounting, the use of cash to purchase a capital asset or to loan another fund is reported as a cash disbursement and not as an asset.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting and the government-wide financials would be presented on the accrual basis of accounting.

Cash, Cash Equivalents and Investments

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

The District's investments, authorized under state statute, consist of the State of Oregon Treasurer's Local Government Investment Pool (LGIP) 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 funds. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

Property Taxes

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

Uncollected property taxes are not recorded on the Statement of Net Position under the cash basis of accounting.

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as capital outlay expenditures in the statement of Activities. In the government-wide financial statements such costs would, under generally accepted accounting principles, be capitalized and depreciated over their useful lives.

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Net Positions/Fund Balance

- a. Restricted – Consists of net balances with constraints placed on the use of either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted – All other net balances that do not meet the definitions above.

Under the cash basis of accounting, the District only reports restricted and unrestricted net balances classified as Net Position. Net investment in capital assets is not reported.

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

Non-Spendable – Includes items not immediately converted to cash, such as prepaid items and inventory.

Restricted – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.

Committed – Includes items committed by the District's Board of Education, by formal board action.

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

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

When both restricted and unrestricted resources are available for use in a specific program or for a specific purpose, the District's normal policy is to use restricted resources first to finance its activities.

Budget

A budget is prepared and legally adopted for each governmental fund type on the cash basis of accounting. The budgetary basis of accounting is in conformity with a comprehensive basis of accounting other than generally accepted accounting principles (GAAP) for the governmental fund types. Capital outlay expenditures 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.

Jackson County School District No. 91
Notes to the Basic Financial Statements
June 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

Budget (continued)

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

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use or appropriation transfers within a fund between the levels of control (major function levels) with Board approval. During the year, the Board adopted various resolutions that amended the budget. There were no supplemental budgets adopted.

During the fiscal year ended June 30, 2020, the District was in compliance with Local Budget Law.

Retirement Plan

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged as expenditures/expenses as funded. The 2003 Oregon Legislature passed PERS reform legislation and essentially created a new retirement plan for employees hired on or after August 29, 2003. These employees become members of the Oregon Public Service Retirement Plan (OPSRP). OPSRP is a hybrid retirement plan with two components: the Pension Program (defined benefit plan) and the individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). OPSRP is administered by PERS.

Tax Abatements:

GASB Statement No. 77, Tax Abatement Disclosures. Issued August 2015, this statement requires governments that enter into tax abatement agreements to disclose about those agreements. GASB Statement No 77 was implemented by the District for the fiscal year ended June 30, 2018. As of June 30, 2020 the District has not entered into any tax abatement agreements.

Jackson County School District No. 91
Notes to the Basic Financial Statements
June 30, 2020

Note 2 – Equity in Pooled Cash and Investments

Cash and investments are comprised of the following as of June 30, 2020:

Carrying amount of demand deposits	\$ 194,283
Carrying amount of investments	<u>641,584</u>
	<u>\$ 835,867</u>

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, 2020. 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. All deposits in excess of federal depository insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon.

The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. For the fiscal year ended June 30, 2020, the carrying amounts of the District deposits in the financial institution were \$194,283. All deposits are held in the name of the District. At June 30, 2020 the District's deposits were covered by federal depository insurance and Oregon's shared liability structure for participating bank depositories.

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.

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.

Investments. State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasury's Local Government Investment Pool.

Jackson County School District No. 91 has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during the fiscal year 2019-2020. Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board. Investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool.

Jackson County School District No. 91
Notes to the Basic Financial Statements
June 30, 2020

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

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

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

As of June 30, 2020, and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

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

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

The LGIP's portfolio concentration of credit risk at June 30, 2020 included:

U.S. Government and Agency Securities	25.84%
Municipal Government Securities	1.85%
Commingled Investment Pool	0.96%
Non U.S. Government Debt Obligations	8.15%
Corporate Securities	5.44%
Corporate Obligations	37.16%
Asset Backed Securities	18.97%
Certificates of Deposit	1.30%
Cash in Various Banks	0.33%

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. While the District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, it has historically invested only in the LGIP. As of June 30, 2020 59.50% of the investments in the LGIP mature within 93 days, 17.85% within 94 days to one year, and 22.65% within one to three years.

The District has no investment policy, but, in practice, limits its investments to the LGIP which is not rated.

Jackson County School District No. 91
Notes to the Basic Financial Statements
June 30, 2020

Note 3 – Leases (Operating and Capital)

The District leases copiers under a non-cancelable operating lease. Total cost for this lease was \$10,291 for the fiscal year ended June 30, 2020. The future minimum lease payments for these are as follows:

Fiscal year ending June 30,

2021	\$ 10,248
2022	10,248
2023	10,248
2024	<u>2,562</u>
	<u>\$ 33,306</u>

The District entered into a capital lease for a Blue Bird 69 passenger school bus on March 15th, 2019 for a total purchase price of \$179,422 paid over seven yearly installments at a 4.1% interest rate. Payments including principle and interest are \$28,913 per year starting on March 15, 2019. The following is principle and interest payments due:

Fiscal year ending June 30,

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance</u>
2021	\$ 23,650	\$ 5,263	\$ 28,913	\$ 104,704
2022	24,620	4,293	28,913	80,084
2023	25,630	3,283	28,913	54,454
2024	26,680	2,233	28,913	27,774
2025	<u>27,774</u>	<u>1,139</u>	<u>28,913</u>	<u>-</u>
	<u>\$ 128,354</u>	<u>\$ 16,211</u>	<u>\$ 144,565</u>	

Note 4 – Interfund Transaction

Interfund transfers during the fiscal year ended June 30, 2020 were as follows:

	<u>Out</u>	<u>In</u>
General Fund	\$ 175,000	\$ -
Special Revenue Fund	100,000	170,000
Capital Projects Fund	<u>-</u>	<u>105,000</u>
	<u>\$ 275,000</u>	<u>\$ 275,000</u>

Transfers from the General Fund to the Special Revenue Fund to subsidize the operations of the Natural Resource Center and the Food Program. The General Fund and Special Revenue Funds transferred to the Capital Projects Fund to fund capital improvements. All transfers were budgeted and approved by the board.

Jackson County School District No. 91
Notes to the Basic Financial Statements
June 30, 2020

Note 5 – Fund Balance/Net Position

The following is the breakdown of the various categories of restricted, committed, assigned and unassigned ending Fund Balances:

	General Fund	Special Revenue Fund	Capital Projects Fund
Fund Balance, June 30, 2020			
Restricted - Transportation	\$ -	\$ 39,242	\$ -
Restricted - Energy Efficient Schools	-	50,389	-
Restricted - PE Grant Fund	-	529	-
Restricted - Ruby Edwards Fund	-	1,761	-
Committed - Discover Brighter Futures	-	10	-
Committed - Scholarship	-	3,725	-
Committed - PERS	-	175,000	-
Committed - Elementary Student Body	-	8,158	-
Committed - High School Student Body	-	18,539	-
Committed - Reserve Fund	-	347,500	-
Assigned - Natural Resource Center	-	13,066	-
Assigned - Athletics Fund	-	5,494	-
Assigned - Capital Projects Fund	-	-	840
Unassigned	194,481	(22,869)	-
Total Fund Balance, June 30, 2020	\$ 194,481	\$ 640,544	\$ 840

The following is the breakdown of the various categories of restricted and unrestricted ending Net Position:

	Governmental Activities
Net Position, June 30, 2020	
Restricted - Transportation	\$ 39,242
Restricted - Energy Efficient Schools	50,389
Restricted -PE Grant Fund	529
Restricted -Ruby Edwards Fund	1,761
Unrestricted	743,945
Total Net Position, June 30, 2020	\$ 835,866

Note 6 – Pension Plan

The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan.

OPERS, a component unit of the State of Oregon, issues a comprehensive annual financial report, which may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281, by calling (503) 598-7377 or by accessing the PERS web site at <http://oregon.gov/PERS/>.

Note 6 – Pension Plan (continued)

Plan Benefits

All benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapter 238 and 238A.

Tier One/Tier Two Retirement Benefit (Chapter 238)

The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

Pension Benefits – The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage of 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.

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 five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. 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. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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

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

Disability Benefits – A member with 10 or more years of credible 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 PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes After Retirement – Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The COLA for fiscal year 2015 was capped at 1.5 percent for all benefit recipients. As a result of the *Moro Decision (Everice Moro et al v. State of Oregon et al)*, the cap on the COLA was restored to 2.0 percent for fiscal year 2016 and beyond.

Note 6 – Pension Plan (continued)

OPSRP Pension Program (Chapter 238A)

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

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

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

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

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

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.

Benefit Changes After Retirement - Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living changes. The COLA for fiscal year 2015 was capped at 1.5 percent for all benefit recipients. As a result of the *Moro Decision (Everice Moro et al v. State of Oregon et al)*, the cap on the COLA was restored to 2.0 percent for fiscal year 2016 and beyond.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2016 actuarial valuation, which became effective July, 2018. The State of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced. Employer contributions for the year ended June 30, 2020 were \$567,629, excluding amounts to fund employer specific liabilities.

The rates in effect for the year ended were:

- | | |
|---------------------------|--------|
| 1) Tier 1 & Tier 2 | 32.03% |
| 2) OPSRP General Services | 26.58% |

Note 6 – Pension Plan (continued)

Actuarial Valuation

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with unfunded actuarial accrued liabilities being amortized over 20 years.

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

Pension Liabilities Assets and Pension Expense

At June 30, 2020, the District has a liability of \$2,713,295 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of December 31, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was approximately 0.01568596 percent. Under the cash basis of accounting, the pension liability is reported as an expense in the period paid. Accordingly, the liability is not included in the Statement of Net Pension.

Pension Plan Comprehensive Annual Financial Report (CAFR)

Oregon PERS produces an independently audited CAFR which can be found at:
<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

There were no changes subsequent to the June 30, 2019 measurement date.

Defined Contribution Plan – Individual Account Program (IAP):

Pension Benefits. Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. All covered employees are required by State statute to contribute 6% of their salary to the plan. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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

Jackson County School District No. 91
Notes to the Basic Financial Statements
June 30, 2020

Note 6 – Pension Plan (continued)

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.

Contribution. During 2019-2020, the District, as an employee benefit, paid the employees portion of the contribution. For 2019-2020, the District paid for this contribution.

Note 7 – Other Post Employment Benefits

Plan Description – The District offered an early retirement benefit for licensed employees and administrative personnel who had obtained the age of 55 but had not obtained the age of 62 and has had 10 years of experience. An employee electing the early retirement benefit is provided with medical – dental – hospital insurance until age 65 or eligible for Medicare, whichever occurs first. This plan sunsetted June 30, 2001.

Funding Policy – The District pays, on behalf of the retiree, the premium amount paid at the time of retirement. The retiree is responsible for payment of any premium increases above that paid by the District at the time of retirement. The monthly cost of these benefits is charged to expenditures as retirement benefits when the employee retires. Benefit expenditures of \$797 were recognized during the year ended June 30, 2020. As of June 30, 2020 there are no employees receiving early retirement benefits.

In July 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". The statement requires governments to report a net other postemployment obligation liability for explicit and implicit benefits to retirees for benefits such as health insurance and life insurance. An actuarial valuation of the benefits to be provided to retirees is required to determine the amount of this liability. The District is subject to the requirements of GASB 45 effective for the year ended June 30, 2020. The District has determined that the cost of the actuarial valuation is greater than any benefit derived from implementing the requirements of GASB 45 and therefore has not been reported a liability for net other postemployment benefits in the notes to the financial statements.

PERS Retirement Health Insurance Account

Plan Description

The District contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer benefit defined other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. ORS 238.420 establishes this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004, PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy

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

Note 7 – Other Post Employment Benefits (continued)

allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she is (1) receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA as a rate assessed each year by PERS. The Oregon PERS Board of Trustees sets the employer contribution rate. It is based on the annual required contribution of the combined participant employers. This is the amount actuarially determined in accordance with the parameters of GASB statement 45. The ARC represents a lever of funding that, if paid on

an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a closed period not to exceed 30 years. The District's contributions to RHIA for the year ended June 30, 2020 are included in the PERS annual pension amount.

OEBB Health Insurance

The District's health insurance plan is provided through the Oregon Educators Benefit Board (OEBB). The plan offers eligible retirees health insurance coverage from the date of retirement to the Medicare availability age of 65. The District does not pay for any portion of the premiums for its retirees' health care.

While the District does not actually pay for the retirees' premiums, a retired employee receives the implicit benefit of lower health care premiums subsidized by the premium costs for active employees. This benefit is known as an "implicit rate subsidy". The benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing on their own, due to being included in the same pool with the District's younger and statistically healthier active employees. GASB 45 states that this implicit subsidy must be included in the liabilities and costs reported on the entity's financial statements.

GASB 45 offers an exemption from measuring an implicit rate subsidy under certain conditions for employers participating in community-related health care plans. OEBB's health care coverage is community-related, and the premium rates are the same for active and retired members. The District recognizes that due to the District's small size and limited number of retirees included in the plan it is unlikely that the District will affect the OEBB pool as a whole.

At June 30, 2020 the District's net OPEB asset and liability or deferred outflows and deferred inflows were not included on the financial statements since the District uses the cash basis of accounting.

Note 8 – Commitments and Contingencies

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

The District has had no claims that exceeded insurance coverage in the last 3 years. The District does not believe currently there are any matters in which there are pending insurance claims or legal liabilities that are material to the financial statements.

A large portion of the District's funding is provided by the State of Oregon based on student enrollment. Fluctuating student enrollment can cause increases and decreases in revenue. Due to these possible fluctuations it is indeterminable the effect it will have on future operations.

Jackson County School District No. 91
Notes to the Basic Financial Statements
 June 30, 2020

Note 9 – Current Vulnerability Due to Certain Concentrations

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

Note 10 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Worker's compensation insurance is also provided through a commercial carrier. There has been no significant reduction in insurance coverage from the prior year and the District has not been required to pay any settlements in excess of insurance coverage during the past three fiscal years ending June 30, 2020.

Note 11 – Related Party Transactions

The District hired a company owned by a District employee to do work for the district. The transactions took place in the normal course of business. The transactions totaled \$15,385, were appropriately authorized and approved and the accounting treatment of the transaction was appropriate.

Note 12 – Due To/ Due From Balances

	<u>Due To Other Fund</u>	<u>Due From Other Fund</u>
General Fund	\$ 156,185	\$ 22,868
Special Revenue Fund	22,868	156,185
	<u>\$ 179,053</u>	<u>\$ 179,053</u>

The purpose of these due to/ due from balances is to cover grant expenses before these expenses are submitted for reimbursement. The due to / due from balances are expected to be paid back within one year.

Note 13 – Over Expenditures of Appropriations

The District overspent its appropriations in the following funds:

	<u>Actual</u>	<u>Appropriation</u>	<u>Over</u>
General Fund			
Instruction	\$2,266,214	\$2,261,337	\$ 4,877

Note 14 – Subsequent Events

Management of the District has evaluated events and transactions occurring after June 30, 2020 through the date the financial statements were available for issuance, for recognition and/or disclosure in the financial statements. In March of 2020 the World Health Organization declared a world-wide pandemic due to the COVID-19 virus. The pandemic has caused widespread disruption to the economies of the United States and Oregon. The financial impact of COVID-19 is expected to continue, but the duration and severity is unknown. The District is unable to estimate the financial impact COVID-19 will have at this time.

Supplementary Information

Jackson County School District No. 91Budgetary Comparison Schedule
for the General Fund - Cash Basis

For the Fiscal Year Ended June 30, 2020

	Actual	Original Budget	Final Budget	Over (Under) Budget
RECEIPTS:				
Local Sources:				
Tax Levy-Current Year & Offsets	\$ 447,287			
Tax Levy-Prior Years	12,974			
Transportation Fees From Other Dists W/in State	11,145			
Interest on Investments	27,534			
Fees	9,400			
Other Revenues	106,198			
Total Local Sources	<u>614,538</u>	<u>497,980</u>	<u>588,980</u>	<u>25,558</u>
Intermediate Sources:				
County School Fund Levy	-			
Total Intermediate Sources	<u>-</u>	<u>500</u>	<u>500</u>	<u>(500)</u>
State Sources:				
Basic School Support	2,928,665			-
Common School Fund	21,169			-
Small Improvement Grant	9,218			
Total State Sources	<u>2,959,052</u>	<u>2,852,249</u>	<u>2,969,249</u>	<u>(10,197)</u>
Federal Sources:				
Federal Forest Fees	2,380	-	2,000	380
Total Federal Sources	<u>2,380</u>	<u>-</u>	<u>2,000</u>	<u>380</u>
Total Receipts	<u>3,575,970</u>	<u>3,350,729</u>	<u>3,560,729</u>	<u>15,241</u>
DISBURSEMENTS: Schedule C-2	<u>3,578,774</u>	<u>3,618,536</u>	<u>3,703,536</u>	<u>(124,762)</u>
OTHER FINANCING SOURCES:				
Operating Transfers Out	(175,000)	(50,000)	(175,000)	-
Total Other Sources	<u>(175,000)</u>	<u>(50,000)</u>	<u>(175,000)</u>	<u>-</u>
Excess of Receipts and Other Sources Over (Under) Disbursements	(177,804)	(317,807)	(317,807)	140,003
FUND BALANCE, July 1, 2019	<u>372,285</u>	<u>371,307</u>	<u>371,307</u>	<u>978</u>
FUND BALANCE, June 30, 2020	<u>\$ 194,481</u>	<u>\$ 53,500</u>	<u>\$ 53,500</u>	<u>\$ 140,981</u>

Jackson County School District No. 91

Budgetary Comparison Schedule
for the General Fund Disbursements - Cash Basis

For the Fiscal Year Ended June 30, 2020

	<u>Salaries</u>	<u>Employees Benefits</u>	<u>Purchased Services</u>
INSTRUCTION:			
Regular Programs:			
Primary, K-3	\$ 698,029	\$ 485,428	\$ 18,810
Elementary Extracurricular	878	449	-
Middle/Junior High School Extracurricular	12,565	1,552	4,317
High School Programs	353,790	234,346	13,690
High School Extracurricular	45,472	16,717	13,584
Special Programs:			
Less Restrictive Programs for Students with Disabilities	127,037	126,750	34,386
Remediation	2,483	1,541	-
Alternative Education	-	-	3,288
Total Instruction	<u>1,240,253</u>	<u>866,784</u>	<u>88,075</u>
SUPPORTING SERVICES:			
Students:			
Attendance and Social Work Services	-	-	1,277
Guidance Services	5,556	2,529	-
Health Services	-	-	-
Instructional Staff:			
Assessment and Testing	-	-	-
Instructional Staff Development	-	-	9,036
General Administration:			
Board of Education Services	-	-	16,480
Executive Administration Services	80,500	(12,062)	50
School Administration:			
Office of the Principal Services	165,606	124,680	20,796
Business:			
Fiscal Services	19,899	21,647	70,957
Operation and Maintenance of Plant Services	115,730	77,483	89,296
Student Transportation Services	122,167	68,850	29,121
Central Activities:			
Staff Services	-	-	15,991
Technology Services	38,928	34,425	17,704
Total Supporting Services	<u>548,386</u>	<u>317,553</u>	<u>270,709</u>
OPERATING CONTINGENCY	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 1,788,639</u>	<u>\$ 1,184,336</u>	<u>\$ 358,783</u>

(1) Level of Budget Appropriation

Supplies and Materials	Capital Outlay	Other	Total Disbursements	Original Budget		Final Budget		Over (Under) Budget
\$ 26,446	\$ -	\$ -	\$ 1,228,713					
-	-	-	1,327					
2,168	-	425	21,027					
15,616	-	-	617,442					
15,897	-	4,920	96,589					
1,279	-	-	289,452					
4,352	-	-	8,376					
-	-	-	3,288					
<u>65,757</u>	<u>-</u>	<u>5,345</u>	<u>2,266,214</u>	<u>2,211,337</u>	(1)	<u>2,261,337</u>	(1)	<u>4,877</u>
-	-	-	1,277					
-	-	-	8,085					
285	-	-	285					
3,269	-	-	3,269					
176	-	361	9,573					
38	-	42,987	59,505					
3,239	-	1,295	73,022					
6,445	-	1,795	319,322					
6,924	-	1,012	120,438					
33,297	-	49	315,855					
12,834	-	4,458	237,431					
-	-	769	16,760					
56,681	-	-	147,738					
<u>123,188</u>	<u>-</u>	<u>52,725</u>	<u>1,312,560</u>	<u>1,357,199</u>	(1)	<u>1,392,199</u>	(1)	<u>(79,639)</u>
-	-	-	-	50,000	(1)	50,000	(1)	(50,000)
<u>\$ 188,945</u>	<u>\$ -</u>	<u>\$ 58,070</u>	<u>\$ 3,578,774</u>	<u>\$ 3,618,536</u>		<u>\$ 3,703,536</u>		<u>\$ (124,762)</u>

Jackson County School District No. 91Budgetary Comparison Schedule for the Special Revenue
Fund - Cash Basis

For the Fiscal Year Ended June 30, 2020

	Actual	Original Budget	Final Budget	Over (Under) Budget
RECEIPTS:				
Local Sources	\$ 55,086	\$ 99,460	\$ 118,960	\$ (63,874)
State Sources	185,422	11,000	11,000	174,422
Federal Sources	289,362	274,919	274,919	14,443
Total Receipts	<u>529,870</u>	<u>385,379</u>	<u>404,879</u>	<u>124,991</u>
DISBURSEMENTS:				
Instruction	131,435	220,658 (1)	220,658 (1)	(89,223)
Supporting Services	245,834	151,784 (1)	250,784 (1)	(4,950)
Enterprise and Community Services	196,071	157,725 (1)	197,725 (1)	(1,654)
Total Disbursements	<u>573,339</u>	<u>530,167</u>	<u>669,167</u>	<u>(95,828)</u>
OTHER FINANCING SOURCES:				
Operating Transfers In	170,000	50,000 (1)	170,000 (1)	-
Operating Transfers (Out)	(100,000)	(100,000) (1)	(100,000) (1)	-
Sale of Fixed Assets	-			-
Total Other Financing Sources	<u>70,000</u>	<u>(50,000)</u>	<u>70,000</u>	<u>-</u>
OPERATING CONTINGENCY	<u>-</u>	<u>297,500 (1)</u>	<u>297,500 (1)</u>	<u>(297,500)</u>
Excess of Receipts and Other Sources Over (Under) Disbursements	26,530	(492,288)	(491,788)	220,818
FUND BALANCES, July 01, 2019	<u>614,014</u>	<u>738,975</u>	<u>738,975</u>	<u>(124,961)</u>
FUND BALANCES, June 30, 2020	<u>\$ 640,544</u>	<u>\$ 246,687</u>	<u>\$ 247,187</u>	<u>\$ 393,357</u>

Schedule:

(1) Level of Budget Appropriation

Jackson County School District No. 91

Budgetary Comparison Schedule for the
Capital Projects Fund - Cash Basis

For the Fiscal Year Ended June 30, 2020

	Actual	Original Budget	Final Budget	Over (Under) Budget
RECEIPTS:				
State Sources				
Other Restricted Grants-in-Aid	\$ -	\$ -	\$ -	\$ -
Total State Sources	-	-	-	-
Total Receipts	-	-	-	-
DISBURSEMENTS:				
Facilities Acquisition and Construction				
Building Acquisition	104,160	100,000	105,000 (1)	(840)
Total Facilities Acquisition and Construction	104,160	100,000	105,000	(840)
Total Disbursements	104,160	100,000	105,000	(840)
OTHER FINANCING SOURCES:				
Bond Proceeds				-
Operating Transfers in (out)	105,000	100,000	105,000	-
Operating Transfers in (out)		-	-	-
Total Other Financing Sources	105,000	100,000	105,000 (1)	-
Excess of Receipts and Other Sources Over (Under) Disbursements	840	-	-	840
FUND BALANCE, July 1, 2019	-	-	-	-
FUND BALANCE, June 30, 2020	\$ 840	\$ -	\$ -	\$ 840

(1) Level of Budget Appropriation

2019-20 DISTRICT AUDIT REVENUE SUMMARY
Jackson County School District No. 91

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Local Sources							
1110 Ad Valorem Taxes Levied by District	\$ 460,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax							
1190 Penalties and Interest on Taxes							
1200 Revenue from Local Governmental Units Other Than Districts							
1311 Regular Day School Tuition - From Individuals							
1312 Regular Day School Tuition - Other Dist Within State							
1313 Regular Day School Tuition - Other Districts Outside							
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition							
1411 Transportation Fees - From Individuals							
1412 Transportation Fees - Other Dist Within State	11,145						
1413 Transportation Fees - Other Districts Outside							
1420 Summer School Transportation Fees							
1500 Earnings on Investments	27,534	8					
1600 Food Service		1,094					
1700 Extracurricular Activities	9,400	20,640					
1800 Community Services Activities							
1910 Rentals	4,099	1,650					
1920 Contributions and Donations From Private Sources	450	20,700					
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies		3,000					
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure							
1970 Services Provided Other Funds							
1980 Fees Charged to Grants							
1990 Miscellaneous	101,649	7,994					
Total Revenue from Local Sources	\$ 614,538	\$ 55,086	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from Intermediate Sources							
2101 County School Funds	\$ -						
2102 General ESD Revenue							
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources							
2200 Restricted Revenue							
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
Total Revenue from Intermediate Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from State Sources							
3101 State School Fund - General Support	\$ 2,928,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3102 State School Fund - School Lunch Match		933					
3103 Common School Fund	21,169						
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		19,761					
3299 Other Restricted Grants-in-Aid	9,218	164,728					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
Total Revenue from State Sources	\$ 2,959,052	\$ 185,422	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from Federal Sources							
4100 Unrestricted Revenue Direct From the Federal Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4200 the State							
4300 Restricted Revenue From the Federal Government		31,509					
4500 State		218,808					
4700 Intermediate Agencies		30,678					
4801 Federal Forest Fees	2,380						
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		8,367					
Total Revenue from Federal Sources	\$ 2,380	\$ 289,362	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from Other Sources							
5100 Long Term Debt Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Interfund Transfers		170,000		105,000			
5300 Sale of or Compensation for Loss of Fixed Assets							
5400 Resources - Beginning Fund Balance	372,285	614,014		0			
Total Revenue from Other Sources	\$ 372,285	\$ 784,014	\$ -	\$ 105,000	\$ -	\$ -	\$ -
Grand Totals	\$ 3,948,255	\$ 1,313,884	\$ -	\$ 105,000	\$ -	\$ -	\$ -

2019-20 DISTRICT AUDIT EXPENDITURE SUMMARY
Jackson County School District No. 91

Fund: 100 General Fund

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Disbursements								
1111 Primary, K-3	\$ 1,228,713	\$ 698,029	\$ 485,428	\$ 18,810	\$ 26,446	\$ -	\$ -	\$ -
1112 Intermediate Programs	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	1,327	878	449	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	21,027	12,565	1,552	4,317	2,168	-	425	-
1131 High School Programs	617,442	353,790	234,346	13,690	15,616	-	-	-
1132 High School Extracurricular	96,589	45,472	16,717	13,584	15,897	-	4,920	-
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	289,452	127,037	126,750	34,386	1,279	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	8,376	2,483	1,541	-	4,352	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	3,288	-	-	3,288	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Disbursements	\$ 2,266,214	\$ 1,240,253	\$ 866,784	\$ 88,075	\$ 65,757	\$ -	\$ 5,345	\$ -
Support Services Disbursements								
2110 Attendance and Social Work Services	\$ 1,277	\$ -	\$ -	\$ 1,277	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	8,085	5,556	2,529	-	-	-	-	-
2130 Health Services	285	-	-	-	285	-	-	-
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	3,269	-	-	-	3,269	-	-	-
2240 Instructional Staff Development	9,573	-	-	9,036	176	-	361	-
2310 Board of Education Services	59,505	-	-	16,480	38	-	42,987	-
2320 Executive Administration Services	73,022	80,500	(12,062)	50	3,239	-	1,295	-
2410 Office of the Principal Services	319,322	165,606	124,680	20,796	6,445	-	1,795	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	120,438	19,899	21,647	70,957	6,924	-	1,012	-
2540 Operation and Maintenance of Plant Services	315,855	115,730	77,483	89,296	33,297	-	49	-
2550 Student Transportation Services	237,431	122,167	68,850	29,121	12,834	-	4,458	-
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	16,760	-	-	15,991	-	-	769	-
2660 Technology Services	147,738	38,928	34,425	17,704	56,681	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Disbursements	\$ 1,312,560	\$ 548,386	\$ 317,553	\$ 270,709	\$ 123,188	\$ -	\$ 52,725	\$ -
Enterprise and Community Services Disbursements								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Disbursements								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Disbursements								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	175,000	-	-	-	-	-	-	175,000
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Disbursements	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,000
Grand Total	\$ 3,753,774	\$ 1,788,639	\$ 1,184,337	\$ 358,783	\$ 188,945	\$ -	\$ 58,070	\$ 175,000

2019-20 DISTRICT AUDIT EXPENDITURE SUMMARY
Jackson County School District No. 91

Fund: 200 Special Revenue Funds

Instruction Disbursements		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3		\$ 2,630	\$ -	\$ -	\$ 2,141	\$ 489		\$ -	
1112 Intermediate Programs		-							
1113 Elementary Extracurricular		-							
1121 Middle/Junior High Programs		-							
1122 Middle/Junior High School Extracurricular		129			67	62			
1131 High School Programs		50,071	22,003	13,070	1,043	13,954			
1132 High School Extracurricular		15,633			1,955	13,421		257	
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		25,421	14,288	10,571	287	275			
1260 Treatment and Habilitation		-							
1271 Remediation		-							
1272 Title I		37,550	24,750	11,801	-	999			
1280 Alternative Education		-							
1291 English Second Language Programs		-							
1292 Teen Parent Program		-							
1293 Migrant Education		-							
1294 Youth Corrections Education		-							
1299 Other Programs		-							
1300 Adult/Continuing Education Programs		-							
1400 Summer School Programs		-							
Total Instruction Disbursements		\$ 131,434	\$ 61,041	\$ 35,442	\$ 5,493	\$ 29,200	\$ -	\$ 257	\$ -
Support Services Disbursements		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services		\$ 67,882			\$ 59,562	\$ 8,320			
2120 Guidance Services		15,586	1,785	1,118	12,684	-			
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		16,298			16,298				
2220 Educational Media Services		-							
2230 Assessment & Testing		-							
2240 Instructional Staff Development		17,506	8,880	5,877	2,106	30		614	
2310 Board of Education Services		-							
2320 Executive Administration Services		-							
2321 General Administration		-							
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		98,748			69,955	28,794			
2550 Student Transportation Services		28,913					28,913		
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		899			179	720			
2670 Records Management Services		-							
2690 Other Support Services - Central		-							
2700 Supplemental Retirement Program		-							
Total Support Services Disbursements		\$ 245,834	\$ 10,665	\$ 6,995	\$ 160,783	\$ 37,863	\$ 28,913	\$ 614	\$ -
Enterprise and Community Services Disbursements		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services		\$ 194,571	\$ 61,256	\$ 56,703	\$ 3,459	\$ 72,156	\$ -	\$ 997	
3200 Other Enterprise Services		-							
3300 Community Services		1,500			1,500				
3500 Custody and Care of Children Services		-							
Total Enterprise and Community Services Disbursements		\$ 196,071	\$ 61,256	\$ 56,703	\$ 4,959	\$ 72,156	\$ -	\$ 997	\$ -
Facilities Acquisition and Construction Disbursements		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction		\$ -							
4120 Site Acquisition and Development Services		-							
4150 Building Acquisition, Construction, and Improvement Services		-							
4190 Other Facilities Construction Services		-							
Total Facilities Acquisition and Construction Disbursements		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Disbursements		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service		\$ -							
5200 Transfers of Funds		100,000							100,000
5300 Apportionment of Funds by ESD		-							
5400 PERS UAL Bond Lump Sum		-							
Total Other Uses Disbursements		\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Grand Total		\$ 673,339	\$ 132,962	\$ 99,140	\$ 171,235	\$ 139,220	\$ 28,913	\$ 1,868	\$ 100,000

2019-20 DISTRICT AUDIT EXPENDITURE SUMMARY
Jackson County School District No. 91

Fund: 400 Capital Projects Fund

Instruction Disbursements		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ -								
1112 Intermediate Programs	-								
1113 Elementary Extracurricular	-								
1121 Middle/Junior High Programs	-								
1122 Middle/Junior High School Extracurricular	-								
1131 High School Programs	-								
1132 High School Extracurricular	-								
1140 Pre-Kindergarten Programs	-								
1210 Programs for the Talented and Gifted	-								
1220 Restrictive Programs for Students with Disabilities	-								
1250 Less Restrictive Programs for Students with Disabilities	-								
1260 Treatment and Habilitation	-								
1271 Remediation	-								
1272 Title I	-								
1280 Alternative Education	-								
1291 English Second Language Programs	-								
1292 Teen Parent Program	-								
1293 Migrant Education	-								
1294 Youth Corrections Education	-								
1299 Other Programs	-								
1300 Adult/Continuing Education Programs	-								
1400 Summer School Programs	-								
Total Instruction Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services Disbursements		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ -								
2120 Guidance Services	-								
2130 Health Services	-								
2140 Psychological Services	-								
2150 Speech Pathology and Audiology Services	-								
2160 Other Student Treatment Services	-								
2190 Service Direction, Student Support Services	-								
2210 Improvement of Instruction Services	-								
2220 Educational Media Services	-								
2230 Assessment & Testing	-								
2240 Instructional Staff Development	-								
2310 Board of Education Services	-								
2320 Executive Administration Services	-								
2410 Office of the Principal Services	-								
2490 Other Support Services - School Administration	-								
2510 Direction of Business Support Services	-								
2520 Fiscal Services	-								
2540 Operation and Maintenance of Plant Services	\$ 104,160						\$ 104,160		
2550 Student Transportation Services	-								
2570 Internal Services	-								
2610 Direction of Central Support Services	-								
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-								
2630 Information Services	-								
2640 Staff Services	-								
2660 Technology Services	-								
2670 Records Management Services	-								
2690 Other Support Services - Central	-								
2700 Supplemental Retirement Program	-								
Total Support Services Disbursements	\$ 104,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,160	\$ -	\$ -
Enterprise and Community Services Disbursements		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ -								
3200 Other Enterprise Services	-								
3300 Community Services	-								
3500 Custody and Care of Children Services	-								
Total Enterprise and Community Services Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Disbursements		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$ -								
4120 Site Acquisition and Development Services	-								
4150 Building Acquisition, Construction, and Improvement Services	-								
4190 Other Facilities Construction Services	-								
Total Facilities Acquisition and Construction Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Disbursements		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ -								
5200 Transfers of Funds	-								
5300 Apportionment of Funds by ESD	-								
5400 PERS UAL Bond Lump Sum	-								
Total Other Uses Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 104,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,160	\$ -	\$ -

Jackson County School District No. 91

Schedule of Federal Financial Assistance

For the Fiscal Year Ended June 30, 2020

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Number	Grant Period	Grant Amount	2019-20 Receipts	2019-20 Disbursements
CHILD NUTRITION CLUSTER						
<u>U.S. Department of Agriculture</u>						
Passed through State Department of Education:						
National School Breakfast Program	10.553		7/1/19-6/30/20	\$15,130	\$15,130	\$15,130
COVID-19 Unanticipated School Closures 2019-20	10.553		7/1/19-6/30/20	\$22,739	\$22,739	\$22,739
National School Lunch Program	10.555		7/1/19-6/30/20	41,556	41,556	41,556
COVID-19 Unanticipated School Closures 2019-20	10.553		7/1/19-6/30/20	34,038	34,038	34,038
National School Lunch Admin	10.560		7/1/19-6/30/20	229	229	229
Commodities	10.555		7/1/19-6/30/20	8,367	8,367	8,367
Total Child Nutrition Cluster					122,059	122,059
SPECIAL EDUCATION CLUSTER						
<u>U.S. Department of Education</u>						
Passed through State Department of Education:						
IDEA Part B, Section 611	84.027	54221	7/1/19-9/30/21	39,569	12,543	12,481
IDEA Part B, Section 611	84.027	56607	7/1/19-9/30/21	2,049	-	-
IDEA Part B, Section 611	84.027	50024	7/1/18-9/30/20	33,773	18,135	12,377
IDEA Enhancement 18-19	84.027	51345	10/1/18-9/30/19	1,591	283	275
IDEA Part B, Section 619	84.173	54088	7/1/19-9/30/21	20	-	-
IDEA Part B Special Education-SPR&I	84.027	49466	7/1/18-9/30/19	1,296	287	287
Total Special Education Cluster					31,248	25,420
<u>U.S. Department of Education</u>						
Received Directly from Federal Government:						
Rural Education Achievement Program	84.358	S358A192290	7/1/19-9/30/20	17,325	16,614	16,614
Rural Education Achievement Program	84.358	S358A183930	7/1/18-9/30/19	14,895	14,895	-
Passed Through State Department of Education:						
Title I Grants to Local Education Agencies	84.010	45553	7/1/17-9/30/18	51,836	2,245	-
Title I Grants to Local Education Agencies	84.010	50351	7/1/18-9/30/19	50,295	50,295	11,734
Title I Grants to Local Education Agencies	84.010	53226	7/1/19-9/30/20	49,725	24,101	25,816
Student Support and Academic Enrichment	84.424	47681	7/1/17-6/30/18	10,000	5,330	-
Student Support and Academic Enrichment	84.424	50681	7/1/18-6/30/19	10,000	10,000	9,871
Student Support and Academic Enrichment	84.424	54478	7/1/19-6/30/20	10,000	1,915	1,915
Title IIA	84.387	45767	7/1/17-9/30/18	7,036	4,730	4,730
Title IIA	84.387	49265	7/1/18-9/30/19	6,504	5,931	2,795
Total U.S. Department of Education					136,056	73,475
<u>U.S. Department of Agriculture</u>						
Federal Forest Fees	10.665		7/1/19-6/30/20	2,380	2,380	2,380
Total U.S. Department of the Interior					2,380	2,380
Total Other Programs					138,436	75,855
TOTAL FEDERAL ASSISTANCE					\$291,742	\$223,334

INDEPENDENT AUDITORS' REPORT REQUIRED
BY OREGON STATE REGULATION



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

To the Board of Directors
Jackson County School District No. 91
Butte Falls, OR

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 basic financial statements of Jackson County School District No. 91 as of and for the year ended June 30, 2020, and have issued our report thereon dated November 5, 2020.

Compliance

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

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

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

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

The District overspent its budget appropriations for Instruction in the General Fund by \$4,877. See note 13.

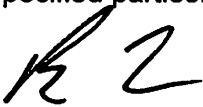
The District did not consistently report partial days of student attendance. Several instances of students checking out of school early and missing more than ½ day were not accurately reported on official attendance records.

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the 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. Deficiencies in internal control, if any, were communicated separately.

Restriction on Use

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

A handwritten signature in black ink, appearing to read 'R L', is positioned above the typed name of Brandon R. Lee.

Brandon R. Lee, CPA
Neuner Davidson & Co
Roseburg, Oregon
November 5, 2020

Form 581-3211-C

Butte Falls School District #91

OREGON DEPARTMENT OF EDUCATION
225 Capitol Street NE
Salem Oregon 97310

Office of Finance and Administration
School Finance Unit

SUPPLEMENTAL INFORMATION, 2019-2020

School District Business Managers and Auditors:

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

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

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

	Objects 325 & 326 & *327
Function 2540	\$ 70,496
Function 2550	\$ 2,027

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

\$ 0

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

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