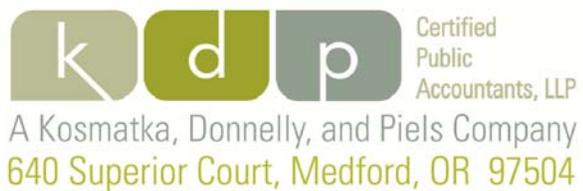


JACKSON COUNTY SCHOOL DISTRICT NO. 6

Central Point, Oregon

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**FISCAL YEAR ENDED JUNE 30, 2016
WITH
INDEPENDENT AUDITOR'S REPORTS**



JACKSON COUNTY SCHOOL DISTRICT NO. 6

June 30, 2016

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

BOARD OF DIRECTORS AS OF JUNE 30, 2016

Jolee Wallace 40 North River Road, Gold Hill, Oregon 97525	Chairman
Tracy Jackson 260 Applewood Drive, Central Point, Oregon 97502	Vice-Chair
Cindy Tilley-Case 3295 Galls Creek Road, Gold Hill, OR 97525	2 nd Vice-Chair
Bret Moore P.O. Box 3577, Central Point, Oregon 97502	Director
Cathy Salmon 647 Cedar Street, Central Point, Oregon 97502	Director

ADMINISTRATIVE STAFF

Samantha Steele	Superintendent-Clerk
Todd Bennett	Director of Education
Spencer Davenport	Financial Services Manager-Deputy Clerk
Mike Meunier	Director of Human Resources
Brock Rowley	Director of Special Programs

JACKSON COUNTY SCHOOL DISTRICT NO. 6

June 30, 2016

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JACKSON COUNTY SCHOOL DISTRICT NO. 6

June 30, 2016

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying cash basis financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Jackson County School District No. 6 (the District), as of and for the year ended June 30, 2016, 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 preparation 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 District'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 District'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance 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 describes 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 opinion is not modified with respect to that matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information as listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The management's discussion and analysis, schedule of funding progress - other postemployment benefits, budget and actual fund schedules, and other financial schedules as listed in the Table of Contents are the responsibility of management, and are presented for purposes of additional analysis and are not a required part of the basic financial statements. We have applied certain limited procedures to the management's discussion and analysis and the schedule of funding progress - other postemployment benefits in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson County School District No. 6's basic financial statements. The schedules of revenues collected, expenses paid and changes in fund balance - cash basis - budget and actual, and the other financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedules of revenues collected, expenses paid and changes in fund balance - cash basis - budget and actual, and the other financial schedules as listed in the table of contents 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 schedules of revenues collected, expenses paid and changes in fund balance - cash basis - budget and actual, the schedule of expenditures of federal awards and the other financial schedules as listed in the table of contents are fairly stated in all material aspects, in relation to the basic financial statements as a whole.

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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards* and *Oregon State Regulations*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

In accordance with Oregon State Regulation, we have also issued our report dated December 16, 2016 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Stewart Parmele, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 16, 2016

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Management's Discussion and Analysis
June 30, 2016

As management of Jackson County School District No. 6 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2016, within the limitations of the District's cash basis of accounting. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes to those financial statements. It should also be noted that all amounts included in text below are rounded for ease of reading.

OVERVIEW OF THE FINANCIAL STATEMENTS

Using this Report

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.

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. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions. As a result of using the 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 report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

BASIC FINANCIAL STATEMENTS

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

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

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

Government-wide financial statements

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

Statement of Net Position. The *Statement of Net Position* includes all assets of the District and net position. Over time, increases or decreases in the District's net position may be an indicator of whether its financial health is improving or deteriorating.

Statement of Activities. The *Statement of Activities* presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported when they result from cash transactions.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Management's Discussion and Analysis
June 30, 2016

BASIC FINANCIAL STATEMENTS (continued)

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

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

Fund financial statements

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

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

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

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

Proprietary funds. The *proprietary funds* are used to account for business-like activities serving other funds within the District on a cost-reimbursement basis. The District uses an internal service fund to account for its self-insurance program for unemployment compensation benefit services. The internal service fund financial statements are presented separately. During the 2016 fiscal year the self-insurance program was dissolved.

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

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Management's Discussion and Analysis
June 30, 2016

BASIC FINANCIAL STATEMENTS (continued)

Notes to the basic financial statements

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

Information such as significant accounting policies and detail of certain assets/deferred outflows and liabilities/deferred inflows are included in the notes which should be read in conjunction with the basic financial statements.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

During the current fiscal year, the District's net position increased by \$1.56 million. This increase can be attributed to a higher level of revenue which was primarily the result of increased enrollment. This increasing trend in net assets is a departure from what the district experienced in prior years. Only recently has the district experienced a true growth in enrollment. This growth along with cost management strategies, including, but not limited to, negotiating wage and benefit levels through collective bargaining, energy costs saving programs, outsourcing, and effective use of technology have helped reverse the prior trend of declines in net position.

Jackson County School District No. 6
Net Position - Cash Basis
(in thousands)

	Governmental Activities		Increase (Decrease)
	June 30, 2016	June 30, 2015	From June 30, 2015
Assets:			
Cash and investments	\$ 5,861	\$ 4,297	\$ 1,564
Total assets	5,861	4,297	1,564
Net position:			
Restricted for debt service	139	257	(118)
Unrestricted	5,722	4,040	1,682
Total net position	\$ 5,861	\$ 4,297	\$ 1,564

Governmental Activities

The key elements of the change in the District's net position for the year ended June 30, 2016 are as follows:

- Oregon State School Fund revenues increased by \$2.9 million (11.3%) during the fiscal year. This increase was primarily the result of higher enrollment, however improving financial conditions for the State of Oregon also contributed to the overall increase.
- Property tax revenue increased by \$461 thousand (3.7%), due to an increase in the District's assessed property values. Assessed value is allowed to increase up to 3% annually.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Management's Discussion and Analysis
June 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

- Governmental program expenses increased by \$1.2 million from the prior year. The increase from the prior year can be primarily attributed to increases in staffing and negotiated contract increases with District labor groups.

Jackson County School District No. 6
Changes in Net Position - Cash Basis
(in thousands)

	Governmental Activities		Increase (Decrease) From
	June 30, 2016	June 30, 2015	June 30, 2015
Revenues:			
Program revenues:			
Charges for service	\$ 1,395	\$ 1,339	\$ 56
Operating grants and contributions	3,513	3,789	(276)
General revenues:			
Property taxes	12,916	12,455	461
State school fund - general support	28,580	25,683	2,897
Other federal, state and local sources	1,211	1,329	(118)
Earnings on investments	57	41	16
Total revenues	<u>47,672</u>	<u>44,636</u>	<u>3,036</u>
Expenses:			
Instruction	26,317	25,264	1,053
Support services	15,332	15,084	248
Enterprise and community services	1,737	1,629	108
Facilities acquisition and construction	-	319	(319)
Principal and interest on long-term debt	2,722	2,630	92
Total expenses	<u>46,108</u>	<u>44,926</u>	<u>1,182</u>
Change in net position	<u>\$ 1,564</u>	<u>\$ (290)</u>	<u>\$ 1,854</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

At June 30, 2016, the District's governmental funds reported combined ending fund balance of \$5.8 million, an increase of \$1.6 million from the prior year. Approximately \$4.0 million (69%) of the ending fund balance constitutes unassigned *ending fund balance*, which is available for spending at the District's discretion.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2016, the unassigned fund balance was \$4.0 million. This is an increase of about \$2.1 million (108%) from the previous year. The general fund unassigned balance represents 10.7 percent of total general fund expenditures. This balance represents a significant increase when compared to 2015 and will serve the District well as it heads into the next budget cycle.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Management's Discussion and Analysis
June 30, 2016

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

Special Revenue Fund. The Special Revenue Fund is used to account for Federal, State, and Local grants, as well as our food service and associated student body. All funds are utilized to carry out specific programs, and the ending fund balance of \$1.6 million is assigned to associated student body programs and activities, and grant related activities. This is a decrease of about \$416 thousand (20%) from the previous year. Special revenue funding has become much more volatile over the last four years, with lower levels of some federal grants (i.e. Title), the completion of other state and federal grants (i.e. LTCT and HRSA), and the return of other grant-funded programs (i.e. YTP)

Debt Service Fund. The Debt Service Fund has a total fund balance of \$139 thousand which is restricted for the payment of general obligation bond debt service. The decrease in fund balance during the current year was about \$118 thousand or (46%). This decrease represents the District's continued efforts to avoid unnecessary burdens on its tax base by over-levying taxes.

CURRENT ECONOMIC FACTORS

The most significant economic factor for the District continues to be the State of Oregon's State School Fund (SSF) as appropriated by the Oregon Legislature on a biennial basis. The severe economic events that occurred beginning in 2005 and stretching through 2012 had a tremendous impact on Oregon's ability to fund K-12 education. Even with federal stimulus assistance in the form of the American Recovery and Reinvestment Act (ARRA) and Edu-Jobs legislation, significant expenditure reductions were required. However, beginning with the 12-13 school year economic and financial information suggested that the state had hit bottom and was starting to climb back towards pre-recession levels, although at a very slow and fragile pace. This trend continued through the 13-14 school year and in 14-15 funding from the state finally reached "normal" levels. This encouraged the District to add back service levels lost during the great recession. In 12-13 the District began reinstating operational days, hiring staff, and completing various deferred maintenance projects. Utilization of a significant portion of the District's accumulated fund balance, in addition to the return of "normal" funding levels from the state provided the resources needed to support these activities. The 2015-16 school year represented a turning point for the District in that economic conditions sustained funding from the State, in addition to growth in enrollment within the District. This growth in enrollment is a welcome departure from the District's prior trend of flat to declining enrollment. The District plans to maintain its current service level, but this will be dependent upon steady to increasing enrollment and the resources (i.e. SSF) made available during the 2016-2017 year and beyond.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2016**

	<u>Governmental Activities</u>
ASSETS:	
Cash and investments	\$ 5,861,377
TOTAL ASSETS	<u>\$ 5,861,377</u>
NET POSITION:	
Restricted for debt service	\$ 139,365
Unrestricted	<u>5,722,012</u>
TOTAL NET POSITION	<u><u>\$ 5,861,377</u></u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF ACTIVITIES - CASH BASIS
FISCAL YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenditures	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 26,317,126	\$ 846,565	\$ 1,791,250	\$ (23,679,311)
Supporting services	15,332,545	492,318	633,306	(14,206,921)
Enterprise and community services	1,737,170	55,787	1,088,680	(592,703)
Principal and interest on long-term debt	2,721,740	-	-	(2,721,740)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total government activities	\$ 46,108,581	\$ 1,394,670	\$ 3,513,236	(41,200,675)
General revenues:				
Property taxes levied for general purposes				10,322,218
Property taxes levied for debt service				2,593,325
State school fund - general support				28,580,600
Common school fund				415,866
Federal forest fees				67,732
Construction excise tax				246,300
Earnings on investments				56,769
Donations				183,618
Miscellaneous				298,091
				<u> </u>
Total general revenues				42,764,519
CHANGE IN NET POSITION				1,563,844
Net Position - July 1, 2015				<u>4,297,533</u>
Net Position - June 30, 2016				<u>\$ 5,861,377</u>

FUND FINANCIAL STATEMENTS

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CASH BASIS ASSETS, LIABILITIES AND FUND BALANCE
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
ASSETS				
Equity in pooled cash and investments	\$ 4,070,569	\$ 1,651,443	\$ 139,365	\$ 5,861,377
TOTAL ASSETS	<u>\$ 4,070,569</u>	<u>\$ 1,651,443</u>	<u>\$ 139,365</u>	<u>\$ 5,861,377</u>
FUND BALANCES:				
Restricted - Debt Service	-	-	139,365	139,365
Assigned	-	1,651,443	-	1,651,443
Unassigned	4,070,569	-	-	4,070,569
Total fund balances	<u>4,070,569</u>	<u>1,651,443</u>	<u>139,365</u>	<u>5,861,377</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,070,569</u>	<u>\$ 1,651,443</u>	<u>\$ 139,365</u>	<u>\$ 5,861,377</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT
OF CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
TO STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2016**

TOTAL FUND BALANCES \$ 5,861,377

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

Internal service funds are used by the District to charge the costs of unemployment benefits. The assets of the internal service fund are included in governmental activities in the Statement of Net Position.

TOTAL NET POSITION -
\$ 5,861,377

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CASH COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - CASH BASIS
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
REVENUES				
Property and other taxes	\$ 10,322,218	\$ 246,300	\$ 2,593,325	\$ 13,161,843
Intergovernmental	29,268,380	3,310,054	-	32,578,434
Charges for services	390,593	1,003,077	-	1,393,670
Interest on investments	46,157	166	10,446	56,769
Donations	3,917	179,701	-	183,618
Miscellaneous	172,001	126,090	-	298,091
TOTAL REVENUES	<u>40,203,266</u>	<u>4,865,388</u>	<u>2,603,771</u>	<u>47,672,425</u>
EXPENDITURES				
Instruction	23,660,563	2,656,563	-	26,317,126
Support services	14,445,066	887,479	-	15,332,545
Enterprise and community services	-	1,737,170	-	1,737,170
Debt service	-	-	2,721,740	2,721,740
TOTAL EXPENDITURES	<u>38,105,629</u>	<u>5,281,212</u>	<u>2,721,740</u>	<u>46,108,581</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,097,637</u>	<u>(415,824)</u>	<u>(117,969)</u>	<u>1,563,844</u>
OTHER FINANCING SOURCES (USES):				
Interfund Transfer	16,198	-	-	16,198
TOTAL OTHER FINANCING SOURCES (USES)	<u>16,198</u>	<u>-</u>	<u>-</u>	<u>16,198</u>
NET CHANGE IN FUND BALANCE	2,113,835	(415,824)	(117,969)	1,580,042
FUND BALANCE, July 1, 2015	<u>1,956,734</u>	<u>2,067,267</u>	<u>257,334</u>	<u>4,281,335</u>
FUND BALANCE, June 30, 2016	<u>\$ 4,070,569</u>	<u>\$ 1,651,443</u>	<u>\$ 139,365</u>	<u>\$ 5,861,377</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
RECONCILIATION OF THE STATEMENT OF CASH COLLECTED, EXPENDITURES
PAID AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES - CASH BASIS
FISCAL YEAR ENDED JUNE 30, 2016**

NET CHANGE IN FUND BALANCE \$ 1,580,042

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

Internal service fund are used by the District to charge the costs of insurance premiums and claims to the individual funds. The change in net position in the internal service fund is reported with the governmental activities.

(16,198)

CHANGE IN NET POSITION \$ 1,563,844

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CASH RECEIVED, EXPENDITURES PAID,
AND CHANGES IN FUND NET POSITION - CASH BASIS
INTERNAL SERVICE FUND
FISCAL YEAR ENDED JUNE 30, 2016**

	Internal Service Fund
	<u> </u>
OPERATING EXPENSES:	
Support services	\$ <u> </u> -
OPERATING LOSS	<u> </u> -
NONOPERATING REVENUES (EXPENSES):	
Interfund Transfer	<u> </u> (16,198)
CHANGE IN NET POSITION	<u> </u> (16,198)
NET POSITION, July 1, 2015	<u> </u> 16,198
NET POSITION, June 30, 2016	<u><u> </u></u> \$ -

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CASH FLOWS - CASH BASIS
INTERNAL SERVICE FUND
FISCAL YEAR ENDED JUNE 30, 2016**

	Internal Service Fund
Cash Flows From Operating Activities	
Payments to suppliers	\$ -
Net Cash Provided By Operating Activities	-
Cash Flows From Investing Activities	
Interest and dividends received	-
Net Cash Used By Investing Activities	-
Cash Flows From Non-Operating Activities	
Transfer Out	(16,198)
Net Increase (Decrease) In Cash And Cash Equivalents	(16,198)
Cash and Cash Equivalents - July 1, 2015	16,198
Cash and Cash Equivalents - June 30, 2016	\$ -

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUND
JUNE 30, 2016**

	<u>Scholarship Fund</u>
ASSETS:	
Cash and investments	\$ 41,116
TOTAL ASSETS	<u>\$ 41,116</u>
NET POSITION:	
Restricted - scholarships	\$ 41,116
TOTAL NET POSITION	<u>\$ 41,116</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUND
FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Scholarship Fund</u>
ADDITIONS	
Contributions	\$ 16,500
Investment earnings	<u>4</u>
TOTAL ADDITIONS	<u>16,504</u>
DEDUCTIONS	
Supporting Services	15
Community services	<u>14,300</u>
TOTAL DEDUCTIONS	<u>14,315</u>
CHANGE IN NET POSITION	2,189
NET POSITION, July 1, 2015	<u>38,927</u>
NET POSITION, June 30, 2016	<u><u>\$ 41,116</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 1 – Summary of Significant Accounting Policies

The Reporting Entity

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

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

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

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

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

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

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

Fund Financial Statements

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

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. The principal resources are property taxes and the state school support funds from the State of Oregon.

Special Revenue Fund - This fund accounts for revenues and expenditures of federal grants, student activities, athletics, and food services. Principal revenue sources are government grants, food sales and student fees.

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

Additionally, the District reports the following fund types:

Internal Service Fund - The Internal Service Fund accounts for costs incurred by the District under its self-insurance program for unemployment compensation benefit services. The principal revenue source is interest earned on accumulated assets. In accordance with local budget law, the surplus that remained was transferred to the general fund. This fund was dissolved in fiscal 2016.

Scholarship Fund - This fund accounts for resources received and held by the District in a fiduciary capacity. The District receives donations for various scholarship funds, which are disbursed in accordance with the trust agreement or conditions of the various donors. Within this fund, there is permanently restricted trust corpus which must remain intact under the provisions of the trust agreements. The permanently restricted amount is \$26,000.

Funds included in this category are:

Grace Brownlee Scholarship Non-expendable Trust Fund – \$10,000
Barkhurst Scholarship Non-expendable Trust Fund – \$16,000

Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus, within the limitations of the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Revenues are recorded when collected and expenses are recorded when paid. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include 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 grants and general revenues. Thus, when program expenses are incurred and there are both restricted and unrestricted net position available to finance the program; it is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues. Under the cash basis of accounting, certain modifications normally having substantial support, such as depreciation, capital assets and the associated long-term debt are not included in the Statement of Net Position and the Statement of Activities.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

Governmental fund financial statements are reported using a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. Their operating statements present 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, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

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). The LGIP is stated at cost which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

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

Property Taxes

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

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

Inventories

The District utilizes the "purchase" method of accounting for inventories. Under this method, inventories are recorded as expenditures upon acquisition.

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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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.

Depreciation is not recorded on capital assets. Upon disposal of any capital asset any receipt from the disposal is accounted for as revenue in the Governmental Fund Type.

Expenditures and other financing sources are also recognized at lease inception at the net present values of future minimum capital lease payments in the governmental funds from which lease payments will be made. Subsequent lease payments are recorded as expenditures in the appropriate governmental fund on the due date as principal and interest on debt service.

Self-Insurance

The District is self-insured for unemployment benefits. The Board of Directors establishes the annual charges necessary to cover any expected benefit payments. Unemployment benefit claims are charged to expense as paid.

The activities of the self-insurance program are accounted for in the Unemployment Fund, a proprietary fund type, an internal service fund. As of June 30, 2016 this fund was dissolved by transferring the remaining balance to the General Fund.

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.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation accrues during the year and expires with each fiscal year end if not used. Sick leave accrues and can be carried over under certain voluntary retirement conditions included in the collective bargaining agreement. There is no liability recorded for unpaid accumulated vacation and sick leave. All unused vacation and sick leave pay is accumulated and reported in the governmental funds only if they have matured, for example, when paid as a result of employee resignation and retirements.

Long-Term Debt

In the government-wide financial statements, long-term debt is not reported as a liability in the Statement of Net Position under the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. Bond premiums and discounts, as well as bond issuance costs, are recognized when incurred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The payment of principal and interest are reported as expenditures when paid.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

Net Position/Fund Balance

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

1. Net investment in Capital Assets – Consists of the cost of capital assets less the accumulated depreciation less any outstanding principal related to the capital asset.
2. Restricted net position – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – All other remaining net position that does not meet the definition of “restricted”.

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

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

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

Committed – Includes items committed by the District’s Board of Director’s, 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.

Budget

A budget is prepared and legally adopted for each 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 fund types. Capital outlay expenditures, including items below the District's capitalization level, 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. The District did not exceed its appropriations for the year ended June 30, 2016.

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 of appropriation transfers within a fund between the levels of control (major function levels) with Board approval. Appropriations lapse at the end of each fiscal year.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 2 – Equity in Pooled Cash and Investments

Cash and investments are comprised of the following as of June 30, 2016:

Carrying amount of demand deposits	\$ 955,829
Petty cash	4,487
Local government investment pool	4,942,177
	\$ 5,902,493

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

Statement of Net Position - Cash Basis	
Cash and investments	\$ 5,861,377
Statement of Fiduciary Net Position - Cash Basis	
Cash and investments	41,116
	\$ 5,902,493

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, 2016. If bank deposits at year end are not entirely insured or collateralized with securities held by the District or by its agent in the District's name, the District must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. For deposits in excess of federal depository insurance, Oregon Revised Statutes require depository institutions to be in compliance with ORS 295. For the fiscal year ended June 30, 2016, the carrying amounts of the District deposits in various qualifying financial institutions were \$955,829. The bank balances at June 30, 2016 were \$2,474,312. Of this balance, FDIC covered \$261,000 and the remainder was considered un-collateralized, however, these funds were deposited in an approved depository as identified by the State's Treasurer.

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

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

Investments. Jackson County School District No. 6 has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2016. The Oregon Short-term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an external investment pool managed by the State Treasurer's office, which allow governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB statement No. 40. LGIP is not rated.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

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 or ORS 295.015. Investments are stated at amortized cost, which approximated fair value.

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool. As of June 30, 2016 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 or those issued and explicitly guaranteed by the U.S. Government. The District has no such investments.

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

As of June 30, 2016, the District had the following investments:

<u>Investment Type</u>	<u>Maturity</u>	<u>of Portfolio</u>	<u>Fair Value</u>
Local Government Investment Pool	1 day	100%	<u>\$ 4,942,177</u>

Note 3 – Other Postemployment Benefits

Postemployment Health Insurance Subsidy (Explicit Benefit)

Plan Description. The District operates a single-employer defined benefit post-retirement health benefits program. The District may pay all or a portion of a retiree's postemployment health, dental, vision, and life insurance benefits until Medicare eligibility. This explicit benefit is required to be valued under GASB Statement 45. Benefits and eligibility for members are established through the collective bargaining agreements and employment contracts.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 3 – Other Postemployment Benefits (continued)

Different contracts govern the employees. Eligible administrative staff must have at least ten years of service with the District. Supervisors have no additional service requirements. Confidential employees must have at least ten years of service with the District as a confidential employee. Licensed employees are eligible if they retired prior to August 26, 2007 as PERS eligible retirees, or with at least eight years of service as of June 30, 2007. The benefit amount is equal to the premiums paid by the District to the extent covered for their active counterparts. However, the District will pay 100% of medical/prescription drug and vision premiums for licensed retirees who retired prior to August 26, 2004 with at least ten years of service, or who have at least 13 years of service as of June 30, 2007. Classified employees are not eligible. Qualified spouses, domestic partners, and children may qualify for coverage.

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

Funding Policy. The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance. During fiscal year 2016 the District recognized, on a budgetary basis, expenditures of \$686,468 for the post-employment healthcare benefits.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level 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) over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost (explicit) for the year ending June 30, 2016, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

Annual required contribution (ARC)	\$ 646,731
Interest on net OPEB obligation	4,819
Adjustment to ARC	<u>(15,445)</u>
Annual OPEB cost (expense)	636,105
Less: Contributions made	<u>(686,468)</u>
Increase (decrease) in net OPEB obligation	(50,363)
Net OPEB obligation - beginning of year	<u>21,490</u>
Net OPEB asset - end of year	<u>\$ (28,873)</u>

Postemployment Health Insurance Subsidy (Implicit Benefit)

In addition to the explicit medical benefits for certain retirees, continued medical coverage is offered to the District's eligible retirees and their spouses and dependents until Medicare eligibility. The active premium rate (whether paid by the District or by the retiree) still applies. However, in some cases the premium itself does not represent the full cost of covering these retirees (since they are older than the active population, retirees can be expected to generate higher medical claims and therefore higher premiums for the active population). This additional cost is called the "implicit subsidy", and is required to be valued under GASB Statement No. 45.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 3 – Other Postemployment Benefits (continued)

However, an implicit subsidy does not exist in arrangements that are deemed to be “community rated” by a qualified actuary. In general, a community rated situation is one in which the health care claims experience of the employer is not expected to impact the premiums being charged the employer. For example, the District participates in the Oregon Educators Benefit Board (OEBB) health plans, along with many other school districts, community colleges, and educational service districts. For plans in which the District’s claims experience represents only a very small percentage of the total claims experience of the plans as a whole, the arrangement is deemed community related. The District’s participation in ODS Health Plans does not constitute a community rated arrangement; therefore, there is an implicit subsidy to value.

This program was established in accordance with Oregon Revised Statutes (ORS) 243.303, which requires that all eligible retirees be allowed to continue receiving health insurance benefits, at their cost, until age 65 or they become otherwise eligible for Medicare. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based upon all plan members, including active members and retirees. Due to medical premium rates being determined by blending both active employee and retiree experience, there is an implicit medical benefit to retirees because the medical premium rates charged for coverage typically are less than actual expected retiree claim costs. Qualified spouses, domestic partners, and children may qualify for coverage. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District’s implicit employer contribution.

The following table shows the components of the District’s annual OPEB cost (implicit) for the year ending June 30, 2016, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation.

Annual required contribution (ARC)	\$ 368,295
Interest on net OPEB obligation	33,010
Adjustment to ARC	<u>(30,497)</u>
Annual OPEB cost (expense)	370,808
Less: Contributions made (Actuarial)	<u>(189,303)</u>
Increase (decrease) in net OPEB obligation	181,505
Net OPEB obligation - beginning of year	<u>825,243</u>
Net OPEB obligation - end of year	<u><u>\$ 1,006,748</u></u>

Three year trend information (explicit and implicit medical benefits) follows:

Fiscal year	Annual OPEB Cost	Contributions	Percentage of Annual OPEB cost Contributed	Net OPEB Obligation
2016	\$ 1,006,913	\$ 875,771	87%	\$ 977,875
2015	972,025	897,251	92%	846,733
2014	1,351,156	1,181,857	87%	771,959

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 3 – Other Postemployment Benefits (continued)

Actuarial methods and assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial assumptions included: (1) an assumed inflation rate of 2.50% and an assumed overall payroll growth rate of 3.25% per year, (2) annual premium increase rate which ranges from 6.5% in 2015-2016 to 5% in 2030-2031 and later, (3) turnover and disability rates by age and years of service, as developed by Oregon PERS, (4) range of retirement ages for employees with fewer, and more, than 30 years of service, (5) marital status, (6) coverage of eligible children, (7) 2014-15 health claims costs for an age 64 retiree or spouse are assumed to be \$9,846, (8) the impact of age to the claims cost which range from 5% per year under age 40 to 4.2% per year for ages 60-64, and (9) and no investment return, due to lack of assets set aside to fund this program.

Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future.

The Projected Unit Credit Method was the valuation method used to determine the District's OPEB liability. The Projected Unit Credit Method is comprised of two components: normal cost, and amortization payments. In its application of this method the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year.

The present value of benefits accrued in as of the valuation date is called the accrued liability. The difference between the accrued liability and the actuarial value of plan assets is called the unfunded actuarial accrued liability (UAAL). All changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial data are amortized separately. In additions, all gains or losses may be amortized each year. The UAAL is being amortized as a level percentage of payroll over future open periods.

Funded Status and Funding Progress. As of July 1, 2014 (the most recent period an actuarial report was completed) the actuarial accrued liability for benefits was \$7,736,925, and the actuarial value of assets was \$0, resulting in a UAAL of \$7,736,925. The covered payroll (annual payroll of active employees covered by the plan) was \$19.5 million for fiscal year 2014 and the ratio of the UAAL to the covered payroll was 39.5%. Using a 30-year amortization period the Annual Required Contribution (ARC) for 2016 has been actuarially determined to be \$1,015,026.

STIPEND

Plan Description. The District provides a single-employer defined benefit early retirement supplement program for certain employees until the participants are eligible for full Social Security benefits. This pension-type benefit is required to be valued under GASB Statement 27.

Benefits and eligibility for members are established through the collective bargaining agreements and employment contracts. Different contracts govern the employees.

Eligible administrative staff must have at least ten years of service with the District and Supervisors must have at least thirty years of PERS service. Monthly benefit amounts for eligible Administrative staff and Supervisors is based on years of service.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 3 – Other Postemployment Benefits (continued)

Licensed staff that retired prior to August 26, 2004 with at least ten years of service in the District are eligible to receive \$200 per month up to the age of 58, the \$275 per month for the remaining payments. Licensed staff that retired between August 26, 2004 and August 25, 2007 are eligible to receive \$230 per month. Licensed staff that retire on or after August 26, 2007 are not eligible for stipend benefits.

Confidential and Classified employees are not eligible.

For all classes of retirees, the last stipend payment is made in the month preceding the earlier of the participant's 65th birthday, or death. Total number of payments is not to exceed 120 (months).

Funding Policy. The District pays for all the benefits. The contributions are financed on a pay-as-you-go basis. During fiscal year 2016 the District recognized, on a budgetary basis, expenditures of approximately \$75,947 for the early retirement supplement program.

Annual Pension Cost and Net Pension Obligation. The District's annual pension cost (expense) is calculated on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 27. The ARC represents a level 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) over a period not to exceed 4 years. An amortization base of 4 years was used due to the large number of retirees currently receiving a stipend benefit. Given the current population, the District expects that number to decrease in future years. The following table shows the components of the District's annual pension cost for the year ending June 30, 2016, the amount actually contributed to the plan, and changes in the District's net pension obligation.

Annual required contribution (ARC)	\$ 99,488
Interest on net OPEB obligation	2,877
Adjustment to ARC	<u>(18,163)</u>
Annual OPEB cost (expense)	84,202
Less: Contributions made	<u>(75,947)</u>
Increase (decrease) in net OPEB obligation	8,255
Net OPEB obligation - beginning of year	<u>51,414</u>
Net OPEB obligation - end of year	<u><u>\$ 59,669</u></u>

Three year trend information follows:

<u>Fiscal year</u>	<u>Annual Pension Cost</u>	<u>Contributions</u>	<u>Percentage of Annual Pension cost Contributed</u>	<u>Net Pension Obligation</u>
2016	\$ 99,488	75,947	76%	\$ 59,669
2015	80,740	102,803	127%	51,414
2014	142,655	142,125	100%	73,477

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 3 – Other Postemployment Benefits (continued)

Actuarial methods and assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial assumptions included: (1) an assumed inflation rate of 2.50% and an assumed overall payroll growth rate of 3.25% per year, (2) turnover and disability rates by age and years of service, as developed by Oregon PERS, (3) range of retirement ages for employees with fewer, and more, than 30 years of service, (4) and no investment return, due to lack of assets set aside to fund this program.

Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future.

The Projected Unit Credit Method was the valuation method used to determine the District's pension liability. The Projected Unit Credit Method is comprised of two components: normal cost, and amortization payments. In its application of this method the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year.

The present value of benefits accrued in as of the valuation date is called the accrued liability. The difference between the accrued liability and the actuarial value of plan assets is called the unfunded actuarial accrued liability (UAAL). All changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial data are amortized separately. In additions, all gains or losses may be amortized each year. The UAAL is being amortized as a level percentage of payroll over future open periods.

Funded Status and Funding Progress. As of July 1, 2014 (the most recent period an actuarial report was completed) the actuarial accrued liability for stipend benefits was \$340,660, and the actuarial value of assets was \$0, resulting in a UAAL of \$340,660. The covered payroll (annual payroll of active employees covered by the plan) was \$19.5 million for fiscal year 2014 and the ratio of the UAAL to the covered payroll was 1.7%. Using a 4-year amortization period the Annual Required Contribution (ARC) for 2016 has been actuarially determined to be \$99,488.

Note 4 – Long-Term Debt

General obligation bonds

The District passed a general obligation bond in September 2000 in the amount of \$29,804,705. These bonds were sold on October 17, 2000 with various interest rates and maturities from 2001-2020. Bond proceeds were used to remodel the 1908 building that was part of Central Point Elementary into administration offices; build a new auditorium at the high school; construct a new elementary school; provide for major additions at Hanby Middle School; and various other construction projects throughout the District. In September 2004, the District defeased general obligation bonds in the amount of \$23,725,000 to advance refund the 2011-2020 maturities of the Series 2000 bonds and placed the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. In March 2013, the District defeased general obligation bonds in the amount of \$15,685,000 to advance refund the 2015-2020 maturities of the Series 2004 bonds and placed the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. This refunding enabled the District to obtain lower interest rates thereby reducing future debt service requirements. At June 30, 2016, the District's commitment for general obligation bonds outstanding not included in the Statement of Net Position under the cash basis of accounting is \$11,335,000.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 4 – Long-Term Debt (continued)

Payments on general obligation bonds are made by the Debt Service Fund from property taxes and earnings on investments. Interest paid on the general obligation bonds during the year ended June 30, 2016 totaled \$196,740.

The 2013 Series bond maturities are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rates
2017	\$ 2,650,000	\$ 177,702	\$ 2,827,702	1.1240%
2018	2,755,000	147,916	2,902,916	1.4240%
2019	2,890,000	108,685	2,998,685	1.6790%
2020	3,040,000	60,162	3,100,162	1.9790%
	<u>\$ 11,335,000</u>	<u>\$ 494,465</u>	<u>\$ 11,829,465</u>	

Full faith and credit obligation bonds

The District approved a full faith and credit obligation bond in June 2014 in the amount of \$800,000. These bonds were sold on June 10, 2014 with a fixed interest rate of 2.40% and maturities from 2015-2018. Bond proceeds were used to upgrade the District's network and storage infrastructure. At June 30, 2016, the District's commitment for the full faith and credit obligations outstanding not included in the Statement of Net Position under the cash basis of accounting is \$409,619. Interest paid on the full faith and credit obligation bonds during the year ended June 30, 2016 totaled \$14,574.

The 2014 Series bond maturities are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rates
2017	\$ 202,381	\$ 9,831	\$ 212,212	2.400%
2018	207,238	4,974	212,212	2.400%
	<u>\$ 409,619</u>	<u>\$ 14,805</u>	<u>\$ 424,424</u>	

Note 5 – Operating Leases

The District leases equipment under non-cancelable operating leases. Total costs for such leases were \$104,091 for the fiscal year ended June 30, 2016. The future minimum lease payments for these leases are as follows:

Fiscal Year Ending June 30	
2017	\$ 70,490
2018	58,192
2019	58,192
2020	4,849
Total	<u>\$ 191,723</u>

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 6 – Pension Plan

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

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 benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General Service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The 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 creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

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.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 6 – Pension Plan (continued)

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.

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:

Police and Fire - 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

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

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. This 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, 2013 actuarial valuation, which became effective July 1, 2015. 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, 2016 were \$3,999,259, excluding amounts to fund employer specific liabilities.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 6 – Pension Plan (continued)

A 10 year schedule of Defined Benefit Pension Plan Contributions can be found beginning on page 62 of the June 30, 2015 PERS CAFR.

Pension Liabilities/Assets and Pension Expense

At June 30, 2016, Oregon PERS reported the District had a liability of \$21,094,524 for its proportionate share of the net pension asset. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. 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, 2015, the District's proportion was approximately 0.3674 percent.

Pension Plan Comprehensive Annual Financial Report (CAFR)

Oregon PERS produces an independently audited CAFR which can be found at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Actuarial Valuation

The employer contribution rates effective July 1, 2013, through June 30, 2015 and July 1, 2015, through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tire 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 new 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 accrued liabilities being amortized over 16 years.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 6 – Pension Plan (continued)

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation date	December 31, 2013
Measurement date	June 30, 2015
Experience Study	2014, published September 2015
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.75 percent
Long-term expected rate of return	7.75 percent
Discount rate	7.75 percent
Projected salary increases	3.75 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><i>Healthy retirees and beneficiaries:</i> RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p><i>Active members:</i> Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p><i>Disabled retirees:</i> Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

Proportionate Share Allocation Methodology

The basis for the employer's proportion is actuarially determined by comparing the employer's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 6 – Pension Plan (continued)

Proportionate Share Allocation Methodology (continued)

Since the December 31, 2013 actuarial valuation, the system-side actuarial accrued liability has increased primarily due to the *Moro* Decision and assumption changes, along with interest on the liability as current active members get closer to retirement. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future system Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the benefits projected to be paid by employers compared to those developed in the prior actuarial valuation, and consequently increased plan liabilities. The employers' projected long-term contributions effort has been adjusted for the estimated impact of the *Moro* Decision. In accordance with statute, a biennial review of actuarial methods and assumptions was completed in 2015 to be used for the December 31, 2014 actuarial valuation. After completion of this review and subsequent to the measurement date, the PERS Board adopted several assumption changes, including lowering the investment return assumption to 7.50%, which will be effective January 1, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means; see PERS' audited financial statements at:

http://www.oregon.gov/pers/docs/financial_reports/2015_cafr.pdf.

Note 7 – Self-Insurance

The District is self-insured for unemployment benefits. The Board of Directors establishes the annual charges necessary to cover any expected benefit payments. Unemployment benefits claims are charged to expense when paid. The activities of the self-insurance program were previously accounted for in the internal service fund, which was dissolved in fiscal 2016. The District paid \$10,427 in benefit claims in total for the year.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Notes to Basic Financial Statements
June 30, 2016

Note 8 – Contingencies

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

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, 2016.

Note 11 – Subsequent Events

Management of the District has evaluated events and transactions occurring after June 30, 2016 through December 16, 2016 the date of the financial statements were available for issuance, for recognition and/or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget
				Positive
				(Negative)
REVENUES				
Local sources				
Property taxes	\$ 10,233,748	\$ 10,233,748	\$ 10,322,218	\$ 88,470
Charges for services	303,500	303,500	390,593	87,093
Interest on investments	35,000	35,000	46,157	11,157
Donations	1,000	1,000	3,917	2,917
Miscellaneous	200,000	200,000	172,001	(27,999)
Intermediate sources				
State sources				
State school support	26,834,540	26,834,540	28,580,600	1,746,060
Intergovernmental	427,191	427,191	620,048	192,857
Federal sources				
Intergovernmental	-	-	67,732	67,732
TOTAL REVENUES	38,034,979	38,034,979	40,203,266	2,168,287
EXPENDITURES				
Instruction	24,092,850	23,992,850	23,660,563	332,287
Support services	14,403,348	14,503,348	14,445,066	58,282
Enterprise and community services	3,500	3,500	-	3,500
Contingency	961,531	961,531	-	961,531
TOTAL EXPENDITURES	39,461,229	39,461,229	38,105,629	1,355,600
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,426,250)	(1,426,250)	2,097,637	3,523,887
OTHER FINANCING SOURCES (USES):				
Interfund Transfer	16,250	16,250	16,198	(52)
TOTAL OTHER FINANCING SOURCES (USES)	16,250	16,250	16,198	(52)
NET CHANGE IN FUND BALANCE	(1,410,000)	(1,410,000)	2,113,835	3,523,835
FUND BALANCE, July 1, 2015	1,410,000	1,410,000	1,956,734	546,734
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 4,070,569	\$ 4,070,569

JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FISCAL YEAR ENDED JUNE 30, 2016

	Budget		Actual	Variance with
	Adopted	Final		Final Budget
				Positive
				(Negative)
REVENUES				
Local sources				
Construction excise tax	\$ 180,000	\$ 180,000	\$ 246,300	\$ 66,300
Charges for services	932,375	932,375	1,003,077	70,702
Intergovernmental	1,000	1,000	-	(1,000)
Interest on investments	750	750	166	(584)
Donations	319,750	319,750	179,701	(140,049)
Miscellaneous	122,000	122,000	126,090	4,090
State sources				
Intergovernmental	185,000	185,000	131,952	(53,048)
Federal sources				
Intergovernmental	3,133,410	3,133,410	3,178,102	44,692
TOTAL REVENUES	4,874,285	4,874,285	4,865,388	(8,897)
EXPENDITURES				
Instruction	3,308,820	3,308,820	2,656,563	652,257
Support services	1,232,073	1,232,073	887,479	344,594
Enterprise and community services	1,743,431	1,743,431	1,737,170	6,261
Facilities acq. and construction	185,000	185,000	-	185,000
Contingency	543,261	543,261	-	543,261
TOTAL EXPENDITURES	7,012,585	7,012,585	5,281,212	1,731,373
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	(2,138,300)	(2,138,300)	(415,824)	1,722,476
FUND BALANCE, July 1, 2015	2,138,300	2,138,300	2,067,267	(71,033)
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 1,651,443	\$ 1,651,443

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL
DEBT SERVICE FUND
FISCAL YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Local sources				
Property taxes	\$ 2,621,750	\$ 2,621,750	\$ 2,593,325	\$ (28,425)
Interest on investments	7,500	7,500	10,446	2,946
TOTAL REVENUES	<u>2,629,250</u>	<u>2,629,250</u>	<u>2,603,771</u>	<u>(25,479)</u>
EXPENDITURES				
Debt service	<u>2,929,250</u>	<u>2,929,250</u>	<u>2,721,740</u>	<u>207,510</u>
TOTAL EXPENDITURES	<u>2,929,250</u>	<u>2,929,250</u>	<u>2,721,740</u>	<u>207,510</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(300,000)	(300,000)	(117,969)	182,031
FUND BALANCE, July 1, 2015	<u>300,000</u>	<u>300,000</u>	<u>257,334</u>	<u>(42,666)</u>
FUND BALANCE, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,365</u>	<u>\$ 139,365</u>

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL
INTERNAL SERVICE FUND
FISCAL YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		Positive (Negative)
REVENUES				
Local sources				
Interest	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Current				
Redemption of Principal	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Interfund Transfer	(16,250)	(16,250)	(16,198)	52
TOTAL OTHER FINANCING SOURCES (USES)	(16,250)	(16,250)	(16,198)	52
NET CHANGE IN FUND BALANCE	(16,250)	(16,250)	(16,198)	52
FUND BALANCE, July 1, 2015	16,250	16,250	16,198	(52)
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ -	\$ -

**JACKSON COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH COLLECTED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL
FIDUCIARY TRUST & AGENCY FUND
FISCAL YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Local sources				
Interest	\$ 15	\$ 15	\$ 4	\$ (11)
Contributions	16,500	16,500	16,500	-
TOTAL REVENUES	16,515	16,515	16,504	(11)
EXPENDITURES				
Current				
Supporting services	50	50	15	35
Community services	54,765	54,765	14,300	40,465
TOTAL EXPENDITURES	54,815	54,815	14,315	40,500
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(38,300)	(38,300)	2,189	40,489
NET CHANGE IN FUND BALANCE	(38,300)	(38,300)	2,189	40,489
FUND BALANCE, July 1, 2015	38,300	38,300	38,927	627
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 41,116	\$ 41,116

OTHER FINANCIAL SCHEDULES

**JACKSON COUNTY SCHOOL DISTRICT NO.6
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2016**

	<u>Tax Year</u>	<u>Uncollected July 1, 2015</u>	<u>Levy as Extended by Assessor</u>	<u>Discounts and Adjustments</u>	<u>Collections Per Treasurer</u>	<u>Uncollected June 30, 2016</u>
<u>GENERAL FUND:</u>						
Current	2015-16		\$ 10,590,720	\$ (350,155)	\$ (9,959,887)	\$ 280,678
Prior	2014-15	\$ 295,734	-	55,237	(189,532)	161,439
	2013-14	153,481	-	12,537	(62,562)	103,456
	2012-13	96,664	-	10,274	(51,902)	55,036
	2011-12	54,505	-	22,005	(40,705)	35,805
	2010-11	12,722	-	2,062	(6,907)	7,877
	Prior	36,577	-	5,000	(15,622)	25,955
Total prior		649,683	-	107,115	(367,230)	389,568
TOTAL GENERAL FUND		\$ 649,683	\$ 10,590,720	\$ (243,040)	\$ (10,327,117)	\$ 670,246
<u>DEBT SERVICE:</u>						
Current	2015-16		\$ 2,652,932	\$ (87,712)	\$ (2,494,911)	\$ 70,309
Prior	2014-15	\$ 77,310	-	14,440	(49,547)	42,203
	2013-14	42,170	-	3,444	(17,189)	28,425
	2012-13	27,893	-	2,965	(14,977)	15,881
	2011-12	15,877	-	6,410	(11,857)	10,430
	2010-11	3,451	-	558	(1,873)	2,136
	Prior	9,642	-	(438)	(2,362)	6,842
Total prior		176,343	-	27,379	(97,805)	105,917
TOTAL DEBT SERVICE FUND		\$ 176,343	\$ 2,652,932	\$ (60,333)	\$ (2,592,716)	\$ 176,226

SCHOOL DISTRICT FINANCIAL
ACCOUNTING SUMMARIES

JACKSON COUNTY SCHOOL DISTRICT NO 6
 2015 - 16 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 100 General Fund

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$8,825,344	\$5,720,124	\$2,713,287	\$250,711	\$141,222	\$0	\$0	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$4,143,069	\$2,593,476	\$1,351,139	\$104,727	\$92,972	\$0	\$755	\$0
1122 Middle/Junior High School Extracurricular	\$143,796	\$99,317	\$28,311	\$13,842	\$2,096	\$0	\$230	\$0
1131 High School Programs	\$5,662,106	\$3,492,533	\$1,836,831	\$238,190	\$91,771	\$2,504	\$277	\$0
1132 High School Extracurricular	\$724,642	\$436,403	\$136,350	\$82,300	\$64,299	\$0	\$5,290	\$0
1140 Pre-Kindergarten Programs	\$82,352	\$0	\$0	\$82,352	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$7,584	\$5,352	\$1,875	\$0	\$357	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$1,461,337	\$690,195	\$391,185	\$360,282	\$19,263	\$0	\$412	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$1,743,309	\$1,091,068	\$641,550	\$81	\$10,610	\$0	\$0	\$0
1260 Treatment and Habilitation	\$101,438	\$66,647	\$34,791	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$3,845	\$3,572	\$273	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$239,996	\$141,193	\$78,004	\$20,554	\$245	\$0	\$0	\$0
1291 English Second Language Programs	\$515,616	\$349,583	\$164,659	\$734	\$640	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$6,129	\$2,694	\$814	\$2,570	\$51	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$23,660,563	\$14,692,157	\$7,379,069	\$1,156,343	\$423,526	\$2,504	\$6,964	\$0
Support Services Expenditures								
2110 Attendance and Social Work Services	\$137,327	\$30,753	\$22,224	\$81,216	\$3,134	\$0	\$0	\$0
2120 Guidance Services	\$647,019	\$428,928	\$217,697	\$0	\$394	\$0	\$0	\$0
2130 Health Services	\$44,499	\$7,294	\$558	\$36,034	\$613	\$0	\$0	\$0
2140 Psychological Services	\$366,798	\$237,877	\$107,297	\$4,911	\$16,563	\$0	\$150	\$0
2150 Speech Pathology and Audiology Services	\$327,711	\$186,362	\$80,252	\$54,084	\$6,593	\$0	\$420	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$263,062	\$160,699	\$83,951	\$8,693	\$9,124	\$0	\$595	\$0
2210 Improvement of Instruction Services	\$204,074	\$127,985	\$60,808	\$10,125	\$4,561	\$0	\$595	\$0
2220 Educational Media Services	\$440,812	\$224,789	\$191,709	\$225	\$23,854	\$0	\$235	\$0
2230 Assessment & Testing	\$67,675	\$39,895	\$27,780	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$74,149	\$21,760	\$12,103	\$39,455	\$831	\$0	\$0	\$0
2310 Board of Education Services	\$94,935	\$0	\$0	\$76,530	\$10,275	\$0	\$8,130	\$0
2320 Executive Administration Services	\$340,110	\$199,661	\$99,487	\$29,895	\$8,982	\$0	\$2,085	\$0
2410 Office of the Principal Services	\$2,964,103	\$1,794,978	\$1,016,487	\$87,837	\$56,791	\$0	\$8,010	\$0
2490 Other Support Services - School Administration	\$3,620	\$138	\$46	\$0	\$1,911	\$0	\$1,525	\$0
2510 Direction of Business Support Services	\$333,643	\$175,932	\$98,756	\$24,900	\$23,921	\$0	\$10,134	\$0
2520 Fiscal Services	\$238,936	\$130,317	\$73,366	\$0	\$30,979	\$0	\$4,274	\$0
2540 Operation and Maintenance of Plant Services	\$3,668,140	\$1,269,326	\$743,000	\$1,106,732	\$199,477	\$12,330	\$337,275	\$0
2550 Student Transportation Services	\$2,419,955	\$0	\$0	\$2,289,157	\$130,798	\$0	\$0	\$0
2570 Internal Services	\$661	\$486	\$175	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$5,984	\$0	\$0	\$5,984	\$0	\$0	\$0	\$0
2630 Information Services	\$20,840	\$11,492	\$9,348	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$290,230	\$172,567	\$79,602	\$14,919	\$18,575	\$0	\$4,567	\$0
2660 Technology Services	\$728,368	\$152,539	\$93,240	\$236,437	\$237,857	\$7,695	\$600	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$762,415	\$75,947	\$686,468	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$14,445,066	\$5,449,725	\$3,704,354	\$4,107,134	\$785,233	\$20,025	\$378,595	\$0
Enterprise and Community Services Expenditures								
3100 Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures								
5100 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$38,105,629	\$20,141,882	\$11,083,423	\$5,263,477	\$1,208,759	\$22,529	\$385,559	\$0

JACKSON COUNTY SCHOOL DISTRICT NO 6
2015 - 16 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 200 Special Revenue Funds

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$128,494	\$49,220	\$20,950	\$7,399	\$50,925	\$0	\$0	\$0
1113 Elementary Extracurricular	\$185,329	\$4,631	\$381	\$32,638	\$146,002	\$0	\$1,677	\$0
1121 Middle/Junior High Programs	\$14,798	\$0	\$0	\$275	\$14,523	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$159,850	\$610	\$148	\$29,091	\$129,507	\$0	\$494	\$0
1131 High School Programs	\$68,380	\$2,721	\$854	\$17,876	\$1,402	\$45,527	\$0	\$0
1132 High School Extracurricular	\$498,852	\$9,641	\$2,314	\$180,028	\$301,318	\$0	\$5,551	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$411,399	\$222,935	\$173,378	\$14,981	\$35	\$0	\$70	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$312,343	\$149,771	\$162,548	\$0	\$24	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$859,507	\$605,026	\$249,467	\$0	\$5,014	\$0	\$0	\$0
1280 Alternative Education	\$282	\$0	\$0	\$282	\$0	\$0	\$0	\$0
1291 English Second Language Programs	\$5,147	\$0	\$0	\$2,672	\$2,475	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$12,182	\$8,081	\$2,488	\$1,562	\$51	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$2,656,563	\$1,052,636	\$612,528	\$286,804	\$651,276	\$45,527	\$7,792	\$0
Support Services Expenditures								
2110 Attendance and Social Work Services	\$2,150	\$0	\$0	\$312	\$1,738	\$0	\$100	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$56,136	\$0	\$0	\$56,136	\$0	\$0	\$0	\$0
2140 Psychological Services	\$614	\$565	\$49	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$104,218	\$69,805	\$34,413	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$134,352	\$7,872	\$2,602	\$101,755	\$14,673	\$0	\$7,450	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$4,989	\$0	\$0	\$0	\$0	\$0	\$4,989	\$0
2540 Operation and Maintenance of Plant Services	\$367,409	\$6,764	\$1,200	\$188,894	\$97,407	\$72,907	\$237	\$0
2550 Student Transportation Services	\$322	\$0	\$0	\$322	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$217,289	\$0	\$0	\$0	\$4,088	\$990	\$212,211	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$887,479	\$85,006	\$38,264	\$347,419	\$117,906	\$73,897	\$224,987	\$0
Enterprise and Community Services Expenditures								
3100 Food Services	\$1,729,417	\$555,894	\$318,143	\$13,522	\$814,104	\$13,090	\$14,664	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$7,753	\$0	\$0	\$0	\$7,753	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$1,737,170	\$555,894	\$318,143	\$13,522	\$821,857	\$13,090	\$14,664	\$0
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures								
5100 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$5,281,212	\$1,693,536	\$968,935	\$647,745	\$1,591,039	\$132,514	\$247,443	\$0

JACKSON COUNTY SCHOOL DISTRICT NO 6
 2015 - 16 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 300 Debt Service Funds

		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures									
1111 Elementary, K-5 or K-6		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132 High School Extracurricular		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Second Language Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures									
2110 Attendance and Social Work Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550 Student Transportation Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures									
3100 Food Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures									
4110 Service Area Direction		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures									
5100 Debt Service		\$2,721,740	\$0	\$0	\$0	\$0	\$2,721,740	\$0	\$0
5200 Transfers of Funds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures		\$2,721,740	\$0	\$0	\$0	\$0	\$2,721,740	\$0	\$0
Grand Total		\$2,721,740	\$0	\$0	\$0	\$0	\$2,721,740	\$0	\$0

JACKSON COUNTY SCHOOL DISTRICT NO 6
 2015 - 16 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 600 Internal Service Funds

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132 High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures								
2110 Attendance and Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550 Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures								
3100 Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures								
5100 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$16,198	\$0	\$0	\$0	\$0	\$0	\$0	\$16,198
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$16,198	\$0	\$0	\$0	\$0	\$0	\$0	\$16,198
Grand Total	\$16,198	\$0	\$0	\$0	\$0	\$0	\$0	\$16,198

JACKSON COUNTY SCHOOL DISTRICT NO 6
 2015 - 16 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 700 Trust and Agency Funds

		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures									
1111 Elementary, K-5 or K-6		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132 High School Extracurricular		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Second Language Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures									
2110 Attendance and Social Work Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services		\$15	\$0	\$0	\$0	\$0	\$0	\$15	\$0
2520 Fiscal Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550 Student Transportation Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures		\$15	\$0	\$0	\$0	\$0	\$0	\$15	\$0
Enterprise and Community Services Expenditures									
3100 Food Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services		\$14,300	\$0	\$0	\$14,300	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures		\$14,300	\$0	\$0	\$14,300	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures									
4110 Service Area Direction		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures									
5100 Debt Service		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$14,315	\$0	\$0	\$14,300	\$0	\$0	\$15	\$0

JACKSON COUNTY SCHOOL DISTRICT NO 6

SUPPLEMENTAL INFORMATION, 2015-2016

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 ESEA, Title I & other Federal Funds for Education.

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

	Objects 325 & 326
Function 2540	\$ 614,436
Function 2550	\$ 0.00

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

\$ 0.00

Exclude these functions:

1113, 1122 & 1132 Co-curricular Activities
 1140 Pre-Kindergarten
 1300 Continuing Education
 1400 Summer School

Exclude these functions:

4150 Construction
 2550 Pupil Transportation
 3100 Food Service
 3300 Community Services

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

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

We have audited the basic financial statements of the Jackson County School District No. 6 (the District) as of and for the year ended June 30, 2016, and have issued our report thereon dated December 16, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 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 the objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

OAR 162-10-0230 Internal Control

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

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

Stewart Parmele CPA, Partner

Stewart Parmele, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 16, 2016

Items required by Uniform Guidance

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jackson County School District No. 6 (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2016-1.

Jackson County School District No 6's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Stewart Parmele, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 16, 2016

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

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

Report on Compliance for Each Major Federal Program

We have audited Jackson County School District No. 6's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each of the Other Major Federal Programs

In our opinion the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-1. Our opinion on each major federal program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2016-1 to be a significant deficiency.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Stewart Parmele CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 16, 2016

**JACKSON COUNTY SCHOOL DISTRICT NO.6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2016**

Federal Program Title Pass through Grantor	Grant Period	Sub Grant Number	CFDA Number	Grant Amount	2015-16 Receipts	2015-16 Expenditures
U.S. Department of Education:						
Passed through Oregon State Department of Education:						
Title I 14-15	07/01/14-09/30/15	32548	84.010	\$ 858,255	\$ 353,204	\$ 209,730
Title I 15-16	07/01/15-09/30/16	35939	84.010	924,265	541,971	703,925
				1,782,520	895,175	913,655
IDEA 14-15	07/01/15-09/30/16	33235	84.027	658,618	124,108	6,292
IDEA 15-16	07/01/15-09/30/17	36822	84.027	633,383	472,964	570,275
SPR & I 15-16	08/01/15-06/30/16	37813	84.027	4,003	3,925	4,003
IDEA Extended Assessment 15-16	07/01/15-06/30/16	35737	84.027	900	876	900
IDEA Enhancement 15-16	10/01/15-09/30/16	38283	84.027	7,957	2,920	7,957
LTCT 13-15-IDEA	07/01/13-06/30/15	34234	84.027	1,666	1,666	-
IDEA 619 Preschool Grant 14-15	07/01/14-09/30/16	33422	84.173	9,135	7,413	6,799
IDEA 619 Preschool Grant 15-16	07/01/15-09/30/17	37137	84.173	7,952	2,776	3,765
Total IDEA Cluster				1,323,614	616,648	599,991
Title IIA Teacher Quality 14-15	07/01/14-09/30/15	32872	84.367	116,676	33,802	-
Title IIA Teacher Quality 15-16	07/01/15-09/30/16	36136	84.367	115,524	77,464	115,524
				232,200	111,266	115,524
Title III English Language Acquisition 14-15	07/01/14-09/30/15	32313	84.365	15,239	12,533	10,037
Title III English Language Acquisition 15-16	07/01/15-09/30/16	36311	84.365	18,396	12,032	12,400
				33,635	24,565	22,437
LTCT 13-15-Title I	07/01/13-06/30/15	34209	84.013	6,366	6,366	-
				6,366	6,366	-
Passed through Oregon State Department of Health and Human Services:						
YTP 15-17	07/01/15-06/30/17	NA	84.126A	\$ 162,783	\$ -	\$ 93,871
				162,783	-	93,871
Total U.S. Department of Education				\$ 3,541,118	\$ 1,654,020	\$ 1,745,478
U.S. Department of Agriculture:						
Passed through Oregon State Department of Education:						
National School Lunch/Snack	07/01/15-06/30/16		10.555	\$ -	\$ 1,054,357	\$ 1,077,911
National School Lunch/Snack Commodities	07/01/15-06/30/16		10.555	-	123,423	123,423
National School Breakfast	07/01/15-06/30/16		10.553	-	292,187	299,566
Summer Food Service	07/01/15-06/30/16		10.559	-	28,579	31,374
Summer Food Service Commodities	07/01/15-06/30/16		10.559	-	142	142
Total Child Nutrition Cluster				-	1,498,688	1,532,416
Passed through Oregon State Department of Education:						
Fresh Fruit and Vegetable Program	07/01/15-06/30/16		10.582	12,349	25,393	30,682
Passed through Southern Oregon ESD:						
Federal Forest Fees	07/01/14-06/30/15		10.666	67,732	67,732	67,732
Total U.S. Department of Agriculture				\$ 80,081	\$ 1,591,813	\$ 1,630,830
Total Federal Financial Assistance				\$ 3,621,199	\$ 3,245,833	\$ 3,376,308

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - BASIS OF PRESENTATION

The schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Jackson County School District No. 6 (the District) under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net assets.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

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

Note D - Food distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

1. The auditor’s report expresses an unmodified opinion on the basic financial statements of Jackson County School District No. 6 (District).
2. No significant deficiencies or material weaknesses in internal controls were disclosed by the audit of the basic financial statements of the District.
3. No instances of noncompliance material to the financial statements of the District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

Federal Awards

4. One significant deficiency in internal control over the District’s Child Nutrition Cluster was disclosed by the audit. No material weaknesses relating the audit of each of the major program was disclosed.
5. The auditor’s report on compliance for the major federal award programs for the District expresses an unmodified opinion on each of the major programs.
6. Audit findings that are required to be reported in accordance with the Uniform Guidance are reported in this Schedule.
7. The program tested as major program include:

U.S. Department of Agriculture

Child Nutrition Cluster (CFDA #10.553, 10.555, 10.559)

8. The threshold for distinguishing Types A and B Programs was \$750,000.
9. The District did not qualify as a low-risk auditee under the criteria specified in the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Schedule of Findings and Questioned Costs
June 30, 2016

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

US Department of Agriculture

Child Nutrition Cluster – CFDA #10.553, 10.555, 10.559

2016-1 Special Tests and Provisions – Significant Deficiency

Annual Verification

Criteria: In accordance with 7 CFR Section 245.6a, the local educational agency must verify eligibility of children in a sample of household applications approved for free and reduced meal benefits for that school year. Sources of information for verification may include written evidence, collateral contacts, and systems of records or participation in programs for which a case number may be provided in lieu of income information. Based upon the verification activities, the local educational agency shall make appropriate modifications to the eligibility determinations made initially.

Statement of Condition: The District completed the annual verification within the required timeline; however, District personnel miscalculated the monthly income for one of the applications within the sample verified. The actual income exceeded the limits for reduced meal benefits.

Cause: Management did not have a procedure in place to review District personnel calculations.

Effect or Potential Effect: The miscalculation could require the District to have to pay back the monies received under the Federal program that paid the reduced meal benefits for the ineligible household members.

Questioned Costs: \$0

Recommendations: We recommend the District review their process of the annual verification and implement a secondary review and recalculation of the monthly income documentation received.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding and plans to implement a secondary review of the annual verification documentation.

JACKSON COUNTY SCHOOL DISTRICT NO. 6
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

DEPARTMENT OF EDUCATION

Title II, Part A – CFDA #84.367

2015-1 Matching, Level of Effort and Earmarking – Material Weakness

Time and Effort Documentation

Statement of Condition: The District was not in compliance with OMB Circular A-87 for payroll costs charged to the Federal grant listed above. There was a lack of evidence to support the time and effort for the Federal program payroll expenditures.

Recommendations: We recommend the District review their process of identifying time charges to federal programs and ensure that all employees, regardless of position, complete required time and effort documentation.

Current Status: The District improved notification of Time and Effort requirements for all of its federally-funded employees. In addition the District conducted regular reviews of documentation to ensure accuracy. No similar findings were noted in the FY 2016 audit.

2015-2 Level of Effort - Material Weakness

Supplanting versus Supplementing

Statement of Condition: The District was not in compliance with OMB Circular A-133, as an item charged to Title IIA funds in the year under audit, had been purchased in the prior year with non-Federal funds.

Recommendations: We recommend the District establish a prevent control in which Budget Narratives for Federal program funds are reviewed for expenditure approval.

Current Status: The District improved communication between the education and accounting departments. In addition the District conducted regular reviews of budget narratives and expenditures. No similar findings were noted in the FY 2016 audit.

2015-3 Allowable Activities - Material Weakness

Statement of Condition: The District was not in compliance with OMB Circular A-133, as an item was charged to Title IIA funds that was not included in the approved Budget Narrative.

Recommendations: We recommend the District establish a prevent control in which Budget Narratives for Federal program funds are reviewed for expenditure approval.

Current Status: The District improved communication between the education and accounting departments. In addition the District conducted regular reviews of budget narratives and expenditures. No similar findings were noted in the FY 2016 audit.