

| JACKSON COUNTY LIBRARY DISTRICT

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2022  
WITH

INDEPENDENT AUDITOR'S REPORT



**JACKSON COUNTY LIBRARY DISTRICT**  
**June 30, 2022**

Administrative Office:

205 S Central Avenue  
Medford, Oregon 97501

BOARD OF DIRECTORS AS OF JUNE 30, 2022

Eric Dziura	President
Jill Turner	Vice President
Viki Brown	Director
Kim Young	Director
Susan Kiefer	Director

All Board Members receive mail at the address listed above.



# TABLE OF CONTENTS

## JACKSON COUNTY LIBRARY DISTRICT

Year Ended June 30, 2022

<b>Independent Auditor's Report</b>	<b>A1-A3</b>
<b>Management's Discussion and Analysis</b>	<b>B1-B6</b>
<b>Basis Financial Statements:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Position	1
Statement of Activities	2
<b>Fund Financial Statements:</b>	
Balance Sheet - Governmental Funds	3
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	6
Notes to the Financial Statements	7-23
<b>Required Supplementary Information:</b>	
<b>Major Governmental Funds Budgetary Comparison Information:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	24
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Improvement Fund	25
Budgetary Comparison Schedule Budget to GAAP Reconciliation - General Fund	26
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund	27
<b>Independent Auditor's Report Required by State Regulations</b>	<b>28-29</b>



**Oregon Office:**  
841 O'Hare Pkwy., Suite 200, Medford, OR 97504  
Phone: (541) 773-6633 | Fax: (541) 773-1965

**Idaho Office:**  
101 S. 27<sup>th</sup> St., Suite 100, Boise, ID 83702  
Phone: (208) 373-7890 | Fax: (208) 373-7889



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Jackson County Library District  
Jackson County, Oregon

### Report on the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Jackson County Library District, Oregon, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Jackson County Library District as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

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

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

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

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

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

substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplementary Information***

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

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

### **Other Reporting Required by the State of Oregon**

In accordance with Oregon State Regulations, we have also issued our report dated March XX, 2023 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 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.

A handwritten signature in cursive script that reads "Aria Bettinger". The signature is written in black ink on a light-colored background.

Aria Bettinger, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
April 14, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year Ended June 30, 2022

This Management Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the Jackson County Library District (the District) for the fiscal year ended June 30, 2022. Information in the MD&A is based on currently known facts, decisions and conditions. Please read it in conjunction with the basic financial statements and the accompanying notes to those financial statements.

#### FINANCIAL HIGHLIGHTS

- During the fiscal year ended June 30, 2022, it was determined that the Jackson County Library Foundation should be presented as a blended component unit of the District. The resulted in an increase in beginning net position in the government-wide financial statements and an increase in beginning fund balance in the fund financial statements by \$1,792,217. See Note 2 in the financial statements for additional information.
- During the year ended June 30, 2022, the District implemented GASB 87, the new accounting standard for leases. The implementation of this pronouncement had no effect on net assets. There was an initial lease liability and right-of-use asset recorded in the amount of \$76,981. Additional information can be found in *Note 1*, *Note 7*, and *Note 10* of the notes to the basic financial statements as listed in the table of contents of this report.
- In the **government-wide statements**, the District's assets and deferred outflows totaled \$54,211,720 at June 30, 2022 consisting of \$32,472,985 in capital assets, \$20,504,801 in cash and investments, \$522,527 in receivables, and \$711,407 in other assets. The District's assets and deferred outflows increased by \$1,593,509, or 3% from the prior year, prior to the restatement.
- In the **government-wide statements**, the District's liabilities and deferred inflows totaled \$933,774 at June 30, 2022 consisting of accounts payable and other current liabilities. The District's liabilities decreased by \$183,979, or 16% from the prior year, prior to the restatement.
- In the **government-wide statements**, the District's net position, as restated to include the Foundation, (assets/deferred outflows minus liabilities/deferred inflows) totaled \$53,277,946 at June 30, 2022, of which \$32,417,263 was net investment in capital assets, \$7,135,200 was considered restricted, and \$13,725,483 was considered unrestricted. In the prior year, net position totaled \$53,293,675 (*as restated*).
- The District's fund balance decreased \$15,729 during the fiscal year ended June 30, 2022 from the *restated* prior year fund balance.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The Basic Financial Statements and supplementary information are presented using the integrated approach as prescribed by GASB Statement No. 34. The Basic Financial Statements are comprised of three components:

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

## 1. Government-wide Financial Statements

The government-wide financial statements are designed to present the financial picture of the District in a manner similar to a private-sector business, i.e. from the economic resources measurement focus using the accrual basis of accounting.

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

The statement of activities reports all revenues when earned and expenses when incurred regardless of the timing of related cash flows. The focus of the statement of activities is to present the major program costs, matching major resources with each. To the extent a program's costs are not recovered by grants and direct charges, it is paid from general taxes and other general revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

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

- Library Services – The District's basic functions are shown here, such as library operations, library collections, software, maintenance and utilities. These activities are primarily financed through property taxes.

## 2. Fund Financial Statements

Following the government-wide statements is a section containing 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 Library as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District funds are governmental funds.

**Governmental Funds.** The governmental fund statements emphasize available financial resources rather than net income. They are prepared using the current financial resources measurement focus and modified accrual basis of accounting. A reconciliation of the fund balance reported in the governmental funds balance sheet to the net position reported on the government-wide statement of net position, and a reconciliation of the change in fund balances reported in the governmental funds statement of revenues, expenditures and changes in fund balances to the change in net position reported in the government-wide statement of activities are provided to facilitate a comparison between governmental funds and governmental activities.

The District has two individual governmental funds, both of which are considered major funds and presented separately in the governmental funds financial statements. These funds are:

- The General Fund – funded primarily with property tax collections, expenditures are for general operation of the Library.
- The Special Revenue Fund – funded by grants and contributions designated for specific purposes.
- The Library Foundation Fund – reported as a blended component unit funded by investment income, grants and contributions designated to build community support for the District.

The District also has a Capital Improvement Fund which is included in the General Fund for financial reporting purposes.



### 3. Notes to the Basic Financial Statements

The notes provide information that is essential for a full understanding of the data presented in the government-wide and fund financial statements (the basic 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.

#### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information as listed in the Table of Contents.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

##### Analysis of Net Position

The District's assets/deferred outflows exceeded liabilities/deferred inflows by \$53,277,946 at June 30, 2022. Net position for governmental activities totaled \$53,277,946.

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase/(Decrease)</u>
Cash and investments	\$ 17,801,279	\$ 15,879,023	\$ 1,922,256
Receivables	522,527	3,191,867	(2,669,340)
Other assets	175,326	778,628	(603,302)
Assets held in trust (endowment)	2,703,522	174,978	2,528,544
Beneficial interest in assets held by OCF	536,081	-	536,081
Net capital assets	<u>32,472,985</u>	<u>32,593,715</u>	<u>(120,730)</u>
<b>Total assets</b>	<b><u>54,211,720</u></b>	<b><u>52,618,211</u></b>	<b><u>1,593,509</u></b>
Current liabilities	<u>933,774</u>	<u>1,117,753</u>	<u>(183,979)</u>
<b>Total liabilities</b>	<b><u>933,774</u></b>	<b><u>1,117,753</u></b>	<b><u>(183,979)</u></b>
<b>Net position:</b>			
Net investment in capital assets	32,417,263	32,593,715	(176,452)
Restricted - nonexpendable	1,351,761	1,595,934	(244,173)
Restricted - expendable	5,783,439	2,524,170	3,259,269
Unrestricted	<u>13,725,483</u>	<u>14,786,639</u>	<u>(1,061,156)</u>
<b>Total Net Position</b>	<b><u>\$ 53,277,946</u></b>	<b><u>\$ 51,500,458</u></b>	<b><u>\$ 1,777,488</u></b>

As noted in Note 2 of the financial statements, beginning Net Position was restated to include the Jackson County Library Foundation. This resulted in a restatement of beginning net position from \$51,500,458 to \$53,293,675 for 2022. 2021 is shown prior to the restatement.

As shown in the table above, the largest portion of the District's net position (61 percent) is its net investment in capital assets followed by its unrestricted net position, representing 26 percent of total net position.

Analysis of Changes in Net Position

The District's Statement of Activities for fiscal years ended June 30 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase/(Decrease)</u>
<b>Program Revenues</b>			
Charges for Services	\$ 27,806	\$ 99,214	\$ (71,408)
Operating Grants and Contributions	1,190,041	419,236	770,805
<b>General Revenues</b>			
Property taxes	11,733,244	11,531,436	201,808
Earnings on investments	35,971	144,744	(108,773)
Change in value of endowment	(488,345)	530,713	(1,019,058)
Change in value of beneficial interest in trust	(51,875)	-	(51,875)
Miscellaneous	47,199	114,607	(67,408)
Special item - capital contribution	-	29,723,278	(29,723,278)
<b>Total Revenues</b>	<u>12,494,041</u>	<u>42,563,228</u>	<u>(30,069,187)</u>
<b>Expenses</b>			
Library services	12,509,770	10,498,217	2,011,553
<b>Total Expenses</b>	<u>12,509,770</u>	<u>10,498,217</u>	<u>2,011,553</u>
Change in Net Position	<u>\$ (15,729)</u>	<u>\$ 32,065,011</u>	<u>\$ (32,080,740)</u>

Activities for the year ended June 30, 2021 are shown prior to the restatement described in Note 2 to the financial statements.

**CAPITAL ASSETS**

The District's capital assets at June 30, 2022 include land, buildings, and equipment for the various library locations, as well as digital and physical library collections and right-to-use assets. The net value at June 30, 2022 is \$32,472,985.

<u>Capital assets, net</u>	
Land	\$ 2,947,990
Construction in progress	50,718
Buildings and Improvements	27,475,679
Machinery/Equipment/Vehicles	431,739
Library collections	1,511,437
Right-of-use-assets	55,422
Total	<u>\$ 32,472,985</u>

## **FUND ANALYSIS**

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

### Governmental Funds

The focus of the District's governmental fund is to provide information on near-term inflows and balances of resources that are available for spending. 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 the fiscal year. Types of governmental funds reported by the District include the General Fund (combined with the Capital Improvement Fund) and the Special Revenue Fund.

At June 30, 2022, the District's general fund reported an ending fund balance of \$14,983,112. \$10,079,017 represents unassigned ending fund balance which is available for spending at the District's discretion.

At June 30, 2022, the District's Special Revenue Fund reported an ending fund balance of \$3,962,712. The entire fund balance was restricted at year end.

At June 30, 2022, the Library Foundation Special Revenue Fund reported an ending fund balance of \$1,608,245. The entire fund balance was restricted at year end.

### Key Budget Variances

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

Additional information on the District's budget can be found in the notes to the financial statements.

## **ECONOMIC FACTORS, NEXT YEAR'S BUDGET AND RATES**

The District's adopted revenues for fiscal year 2023 total \$12,251,436. Of this total, \$12,013,936 comes from property taxes which represent 98.06% of the total adopted revenues to be received. The Almeda and South Obenchain fires in September 2020 destroyed over 2,400 homes and 100 businesses in the Phoenix and Talent areas, as well as in the Upper Rogue, which caused the District a loss in tax revenues.

The District's adopted expenses for fiscal year 2023 total \$15,036,016, with a significant portion of the increase in operating expenses anticipated for increasing library hours of operations across the branches. The District increased hours of operation in Medford and Ashland in December 2022, and the final phase of increased hours will take place in April 2023. Libraries will be open an additional 100 hours per week, a 30% increase in total.

- The 2022/2023 budget includes a total of \$9,109,005 for personnel services which includes \$6,470,089 and \$2,638,916 in wages and benefits respectively.
- The 2022/2023 budget includes \$1,555,000 for library materials, including databases, physical and digital materials, and items that can be borrowed from the Library of Things.

- The 2022/2023 budget includes monies to support the following budget priorities:
  - Expand services across the branches through increased hours and technology that can enhance and provide access to library services outside of normal operating hours.
  - Leverage the role of the library as a community convener.
  - Encourage employee retention by offering a competitive wage and benefits package, fostering staff engagement, and facilitating professional development.
  - Provide consistent and equitable access to library services. Increase library usage by promoting library services to reach new audiences.

In February of 2022, the District was made aware of a proposed new Talent Urban Renewal Plan to help the community recover from the Almeda fire and to create a more resilient community. It is estimated that, if passed, the District will forgo approximately \$636,810 in deferred assessments over the course of 30 years. This is a large decrease from the original estimated loss of \$3.7M due to a smaller urban renewal area and time period than previously planned. As of February 21, 2023, the City Council has decided to use the assessed values for January 2023 as the plan's freeze date. The Urban Renewal will be listed on the May 2023 ballot.

### **REQUEST FOR INFORMATION**

This financial report is designed to present users with a general overview of the Jackson County Library District's finances for all those with an interest in the District's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Finance Manager, Jackson County Library District, 205 S. Central Avenue, Medford Oregon, 97501.



## | **BASIC FINANCIAL STATEMENTS**



**| GOVERNMENT-WIDE FINANCIAL  
STATEMENTS**

**JACKSON COUNTY LIBRARY DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Cash and investments	\$ 17,801,279
Property taxes receivable	475,117
Other receivables	47,410
Prepaid expenses	175,326
Assets held in trust (Hulburt endowment)	2,703,522
Beneficial interest in assets held by OCF	536,081
Capital assets, net	<u>32,472,985</u>
<b>TOTAL ASSETS</b>	<u><u>54,211,720</u></u>
 <b>LIABILITIES:</b>	
Accounts payable	437,250
Accrued payroll liabilities	232,384
Accrued compensated absences	208,418
Lease payable	<u>55,722</u>
<b>TOTAL LIABILITIES</b>	<u><u>933,774</u></u>
 <b>NET POSITION:</b>	
Net investment in capital assets	32,417,263
Restricted - nonexpendable	1,351,761
Restricted - expendable	5,783,439
Unrestricted	<u>13,725,483</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 53,277,946</u></u>

**JACKSON COUNTY LIBRARY DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

Functions/Programs:	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Library services	\$ 12,509,770	\$ 27,806	\$ 1,190,041	\$ (11,291,923)
Total governmental activities	<u>\$ 12,509,770</u>	<u>\$ 27,806</u>	<u>\$ 1,190,041</u>	<u>(11,291,923)</u>
General revenues:				
Property taxes levied for general purposes				11,733,244
Earnings on investments				35,971
Change in value of beneficial interest in trust				(51,875)
Change in value of endowment				(488,345)
Miscellaneous				47,199
Total general revenues				<u>11,276,194</u>
<b>CHANGE IN NET POSITION</b>				(15,729)
<b>NET POSITION - JUNE 30, 2021 (as restated)</b>				<u>53,293,675</u>
<b>NET POSITION - JUNE 30, 2022</b>				<u>\$ 53,277,946</u>





| **FUND FINANCIAL STATEMENTS**

**JACKSON COUNTY LIBRARY DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	General Fund	Special Revenue Fund	Library Foundation Fund	Total
<b>ASSETS:</b>				
Cash and investments	\$ 15,498,898	\$ 1,230,217	\$ 1,072,164	\$ 17,801,279
Property taxes receivable	475,117	-	-	475,117
Accounts receivable	18,437	28,973	-	47,410
Assets held in trust (Hulburt endowment)	-	2,703,522	-	2,703,522
Beneficial interest in assets held by OCF	-	-	536,081	536,081
Interfund receivable	18,804	-	-	18,804
<b>TOTAL ASSETS</b>	<u>\$ 16,011,256</u>	<u>\$ 3,962,712</u>	<u>\$ 1,608,245</u>	<u>\$ 21,582,213</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 431,625	\$ 4,856	\$ 769	\$ 437,250
Payroll liabilities	232,384	-	-	232,384
Interfund payable	-	-	18,804	18,804
<b>TOTAL LIABILITIES</b>	<u>664,009</u>	<u>4,856</u>	<u>19,573</u>	<u>688,438</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	364,135	-	-	364,135
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>364,135</u>	<u>-</u>	<u>-</u>	<u>364,135</u>
<b>Fund Balances:</b>				
Non-spendable	-	1,351,761	-	1,351,761
Restricted:				
Assets held in trust (endowment)	-	1,351,761	-	1,351,761
Hulburt Trust	-	489,393	-	489,393
Ashland public library	-	373,697	-	373,697
Central Point public library	-	314,291	-	314,291
Foundation	-	-	1,588,672	1,588,672
Miscellaneous	-	76,953	-	76,953
Committed:				
Capital projects	4,904,095	-	-	4,904,095
Unassigned	10,079,017	-	-	10,079,017
<b>TOTAL FUND BALANCES</b>	<u>14,983,112</u>	<u>3,957,856</u>	<u>1,588,672</u>	<u>20,529,640</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<u>\$ 16,011,256</u>	<u>\$ 3,962,712</u>	<u>\$ 1,608,245</u>	<u>\$ 21,582,213</u>

**JACKSON COUNTY LIBRARY DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2022**

<b>TOTAL FUND BALANCES</b>		\$ 20,529,640
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 43,922,555	
Accumulated depreciation and amortization	<u>(11,449,570)</u>	32,472,985
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		364,135
Prepays are not included in the governmental funds.		175,326
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. These liabilities consist of:		
Accrued compensated absences	(208,418)	
Lease payable	<u>(55,722)</u>	<u>(264,140)</u>
<b>TOTAL NET POSITION</b>		<b><u>\$ 53,277,946</u></b>

**JACKSON COUNTY LIBRARY DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Library Foundation Fund</b>	<b>Total</b>
<b>REVENUES</b>				
Property taxes	\$ 11,703,311	\$ -	\$ -	\$ 11,703,311
Grants and donations	481,017	501,532	237,226	1,219,775
Charges for services	27,806	-	-	27,806
Earnings on investments	97,479	11,040	(72,548)	35,971
Change in value of beneficial interest in trust	-	-	(51,875)	(51,875)
Change in value of endowment	-	(488,345)	-	(488,345)
Miscellaneous	272,661	254,951	-	527,612
<b>TOTAL REVENUES</b>	<b>12,582,274</b>	<b>279,178</b>	<b>112,803</b>	<b>12,974,255</b>
<b>EXPENDITURES</b>				
Current:				
Library services	11,495,214	259,726	317,348	12,072,288
Capital outlay	263,070	181,700	-	444,770
<b>TOTAL EXPENDITURES</b>	<b>11,758,284</b>	<b>441,426</b>	<b>317,348</b>	<b>12,517,058</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>823,990</b>	<b>(162,248)</b>	<b>(204,545)</b>	<b>457,197</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>823,990</b>	<b>(162,248)</b>	<b>(204,545)</b>	<b>457,197</b>
<b>FUND BALANCE, JUNE 30, 2021 (as restated)</b>	<b>14,159,122</b>	<b>4,120,104</b>	<b>1,793,217</b>	<b>20,072,443</b>
<b>FUND BALANCE, JUNE 30, 2022</b>	<b>\$ 14,983,112</b>	<b>\$ 3,957,856</b>	<b>\$ 1,588,672</b>	<b>\$ 20,529,640</b>

**JACKSON COUNTY LIBRARY DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

**NET CHANGE IN FUND BALANCE** \$ 457,197

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

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

Expenditures for capital assets	\$ 1,469,087	
Less current year depreciation and amortization	<u>(1,666,798)</u>	(197,711)

Repayment of liabilities are an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets. The amount of the repayments are:

Lease principal payments	21,259
--------------------------	--------

Expenditures for services extending over more than one accounting period may be accounted for as expenditures of the period of acquisition in the governmental funds. This is the change in the amount of prepaids in the Statement of Activities.

348

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.

29,933

Payments on the note receivable are recognized as revenue in the governmental funds and a reduction in the note receivable in the Statement of Activities.

(254,951)

Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expenditure when earned.

(71,804)

**CHANGE IN NET POSITION** \$ (15,729)



**| NOTES TO BASIC FINANCIAL  
STATEMENTS**

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 1 - Summary of Significant Accounting Policies**

**The District**

The Jackson County Library District (the District) was created by the voters of Jackson County through Measure 15-122 on May 20, 2014. The District is a municipal corporation governed by a five-member board of directors.

The financial statements of Jackson County Library District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. The more significant of the District's accounting policies are described below.

**The Financial Reporting Entity**

As required by GAAP, the reporting entity for the District consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if: 1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, 2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or 3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax-exempt organizations should also be reported as a component unit if all of the following criteria are met: 1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; 2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and 3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: 1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, 2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, 3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Based on the aforementioned criteria, the District has one component unit, the Jackson County Library Foundation (Foundation), which will be presented as a blended component unit with the District. The District is not a component unit of any other entity.

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Blended Component Unit**

The Foundation was created in 1982 and organized as a legally separate entity in 1993 as a 501(c)(3) not-for-profit organization. The Foundation exists for the purpose of securing and responsibly managing contributions from individuals, businesses, and foundations to help build community support for the Jackson County Library District in its efforts to learn, grow, and connect with the entire community. The Foundation board consists of nine members from the community that direct the functions of the Foundation and make decisions regarding the direction of the Foundation and the projects it will support. The District has evaluated the Foundation and determined that it does meet the requirements to be presented as a blended component unit as the resources held are considered to be significant to the District and the District is able to impose its will on the day-to-day operations of the Foundation. Although legally separate, the Foundation is reported as a major special revenue fund of the primary government. Separate financial statements for the Foundation are not issued.

**Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities report information on all of the activities of the District. The primary focus of the District is to provide library services to the citizens of Jackson County. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities presents the direct expenses of the District and the related revenues categorized into charges for services, operating grants and contributions, and capital grants and contributions. Direct expenses are those that are clearly identifiable with a specific function or program. Indirect expenses are those costs, usually administrative in nature, that support all District functions and enable direct services to be provided.

Program revenues include: 1) fees, fines and charges to patrons who purchase, use or directly benefit from goods, services or privileges and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, investment income and other items not included among program revenues are reported as general revenues.

The government-wide financial statements are accounted for using an economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Non-exchange transactions, in which the District receives value without giving equal value in exchange include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the year for which the taxes are levied. Revenues from grants and similar items are recognized when all eligibility requirements have been satisfied. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

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

**Fund Financial Statements**

The District uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Major individual governmental funds are reported as separate columns in the fund financial statements. The District has designated all of its funds as major funds.



**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Fund Financial Statements (continued)**

The governmental fund financial statements are presented on a modified accrual basis of accounting with a current financial resources measurement focus whereby only current assets (deferred outflows) and current liabilities (deferred inflows) generally are included in the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases and decreases in those current net fund balances. Governmental funds use the modified accrual basis of accounting where revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Under this method, revenues, when material, are recognized when susceptible to accrual (measurable and available to finance expenditures for the current period). “Measurable” means the amount can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The District considers property taxes available and susceptible to accrual if they are collected within 60 days after year-end.

Intergovernmental revenues are recognized when all eligibility requirements are met. Eligibility requirements for intergovernmental revenues received on a reimbursement basis (i.e., where monies must be expended on specific projects or for a specific purpose before any amounts are paid to the District) are determined to be met when the underlying expenditures are recorded. Eligibility requirements for intergovernmental revenues which are unrestricted as to purpose of the expenditure and are usually revocable only for failure to comply with prescribed requirements, are considered to be met at the time of receipt or when susceptible to accrual.

Property taxes are reflected as revenues in the fiscal period for which they were levied, provided they are due, or past due, and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days). Otherwise, they are reported as a deferred inflow of resources (unavailable revenue). Property taxes, which are held at year end by the collecting agency, Jackson County, and are remitted to the District within the 60-day period, are reported as “Property Taxes Receivable”.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, reconciliation is provided to explain the differences between the governmental fund statements and the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

The District reports the following major governmental funds:

*General Fund* – This is the District’s primary operating fund. It accounts for the general operations of the government. Principal sources of revenues are property taxes and earnings on investments. Expenditures are for the operation and maintenance of the library system. The Capital Improvement Fund, which is used to account for capital improvement projects and major capital equipment purchases has been combined with the General Fund as reserve funds do not meet the definition of a fund under generally accepted accounting principles.

*Special Revenue Fund* – This fund accounts for revenues designated for specific purposes. This fund accounts for the revenues and expenditures related to specific purpose grants, donations, and other revenues when required by statute or the terms of the grant.

*Library Foundation Fund* – This fund is reported as a blended component unit funded by grants, investment income, and contributions designated to build community support for the District.

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Cash and Investments**

The District's cash and cash equivalents consist of cash on hand and demand deposits.

The District's investments include the State of Oregon Treasurer's Local Government Investment Pool (LGIP) and investments held by the Foundation. Changes in the fair value of investments are recorded as earnings on investments.

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).

The Foundation investments are held at Morgan Stanley and are composed of cash and cash equivalents, equities, and fixed income treasury notes.

**Assets Held in Trust (endowment)**

The District is the sole beneficiary to the Kenneth A. & Lucille D. Hulburt Family Trust (see Note 5). The District recognizes this endowment on the Balance Sheet and Statement of Net Position as Assets held in trust (endowment). This endowment has both an expendable and non-expendable component. Adjustments to the endowment's carrying value are reported as a change in the value of endowment.

**Beneficial Interest in the Assets of the Oregon Community Foundation (OCF)**

The District recognizes its right to assets held by a trustee as beneficial interest in trust when it has the right to receive all or a portion of the specified cash flows. Subsequent adjustments to the assets' carrying value are reported as a change in the value of beneficial interest in trust. These assets are included in the fund balance restricted for the Foundation.

**Property Taxes**

Property taxes are levied on all taxable property as of January 1. Property taxes become a lien on July 1. Collection dates are November 15, February 15 and May 15. Discounts are allowed if the full amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

**Accounts and Other Receivables**

Accounts receivable and other receivables consist primarily of charges for services, claims for reimbursement of costs under various federal and state grant programs and refunds of prior year expenditures.

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Leases**

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

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

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

**Note Receivable**

On July 24, 2017, the District sold real property situated in Ashland, Oregon for the amount of \$390,000. As part of this sale, the District agreed to act as the noteholder for \$290,000 at 5% interest. The borrower was obligated to make monthly principal and interest payments of \$1,557, with all indebtedness due by December 31, 2023. During the fiscal year, the District received a payment of \$254,951, which paid off the loan in full.

**Capital Assets**

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or greater and an estimated useful life in excess of one year. Capital assets are recorded at historical cost. Donated capital assets are recorded at their acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings – 40 years
Building improvements – 7 to 10 years
Furniture, Vehicles, and Equipment – 8 to 20 years
Library Collections – 3 to 5 years
Right-of-use Assets – Depends on life of the lease

**Prepays**

In the government-wide financial statements, prepaids are considered a current asset because they are expected to be consumed, used, or exhausted in a future accounting period. In the fund financial statements, prepaids are not reported and are included as an expenditure in the period of acquisition.

**Compensated Absences**

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

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Net Position**

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

Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvements of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – Net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or by donors. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – Consists of all other net position that does not meet the definition of the above two components and is available for general use by the District (such as property taxes, fines, fees, and charges for services).

**Fund Balance Reporting**

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

Non-Spendable – Includes items that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

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

Committed – Includes items that can be used only for the specific purposes determined by a formal action of the District's governing board.

Assigned – Includes items assigned for specific purposes but which do not meet the criteria to be classified as restricted or committed.

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

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

The District has established a policy to maintain a minimum General Fund ending fund balance equal to four months' worth of General Fund expenditures at year end. The District believes a reserve of this level is prudent to provide for cash flow until property taxes are received, and to protect the District from the effects of a down turn in the economy.

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Friends of the Library**

Jackson County Friends of the Library (Friends) organizations support the libraries by providing partnership and support in their own community as 13 of the 15 branches have their own Friends organization. The Friends organizations provide support in a variety of ways including supporting education and literacy by funding important programs for children and youth, volunteerism, sponsoring book clubs, author visits and presenters of cultural and historical programs, and community advocacy and awareness. None of the Friends organizations are considered to meet the qualifications to be a component unit of the District.

**Deferred Outflows/Inflows of Resources**

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

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

Additionally, the District has deferred inflows which arise only under the modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, unavailable revenue related to property taxes is reported only in the governmental funds balance sheet.

**Use of Estimates**

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

**Adoption of New GASB Pronouncement**

During the year ended June 30, 2022, the District implemented the following GASB Pronouncements:

GASB Statement No. 87, *Leases*. Issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this statement had no effect on net assets. There was an initial lease liability by \$76,981 and right-of-use asset recorded in the amount of \$76,981. This resulted in a reclassification of opening balances that is reflected in *Note 7 - Capital Assets* and *Note 10 - Leases Payable* of the District's financial statements.

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Adoption of New GASB Pronouncements (continued)**

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. This statement was issued June 2018 to establish accounting requirements for interest cost incurred before the end of a construction period. The objectives of the Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. There is no effect on the District's financial statements as a result of this statement.

GASB Statement No 92, *Omnibus 2020*. Issued January 2020, this statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, post-employment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. There is no effect on the District's financial statements as a result of this statement.

**Future GASB Pronouncements**

The following GASB pronouncements have been issued, but are not effective as of June 30, 2022:

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 will be effective for the District for the fiscal year ending June 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement's objective is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This Statement will be effective for the District for the fiscal year ending June 30, 2023.

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

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

**Note 2 – Restatement of Beginning Net Position and Fund Balance**

During the fiscal year ended June 30, 2022, it was determined that the Jackson County Library Foundation should be presented as a blended component unit of the District, resulting in a restatement on beginning fund balance and beginning net position:

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 2 – Restatement of Beginning Net Position and Fund Balance (continued)**

The summary below denotes the increase in net position in the Statement of Activities as a result of the inclusion of the Foundation:

Total Net Position	
Beginning	\$ 51,500,458
Restatement adjustments:	
Library Foundation included as a component unit	1,793,217
Total Net Position	
Beginning - as restated	\$ 53,293,675

The summary below denotes the increase in the Governmental Funds Fund Balance as a result of the inclusion of the Foundation:

Governmental Funds Fund Balance	
Beginning Fund Balance	\$ 18,279,226
Restatement adjustments:	
Library Foundation (Beginning)	1,793,217
Total Governmental Funds Fund Balance	
Beginning - as restated	\$ 20,072,443

**Note 3 – Appropriation and Budgetary Controls**

The District is subject to provisions of the Oregon Revised Statutes, which set forth local budget procedures. A budget is prepared for each fund on the modified accrual basis of accounting. Expenditure budgets are appropriated by the following categories within each fund: personnel services; materials and services; capital outlay; debt service; transfers and contingency. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

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 of 10% or more 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.

During the fiscal year ended June 30, 2022, actual expenditures on a budgetary basis did not exceed appropriations.

**Note 4 – Cash and Investments**

**Pooled Deposits and Investments**

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

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 4 – Cash and Investments (continued)**

**Pooled Deposits and Investments (continued)**

Cash and investments are comprised of the following as of June 30, 2022:

Cash and investments are comprised of the following as of June 30, 2022:

Carrying amount of investments (LGIP)	\$ 16,353,867
Carrying amount of demand deposits	371,968
Petty cash	<u>3,280</u>
Total cash and investments (excluding Foundation)	<u>16,729,115</u>
Carrying amount of investments (Morgan Stanley)	1,000,801
Carrying amount of demand deposits	<u>71,363</u>
Total cash and investments (Foundation)	<u>1,072,164</u>
Total cash and investments (District)	<u><u>\$ 17,801,279</u></u>

The District participates in the State of Oregon Local Investment Pool (LGIP or Pool) which is an open ended, no-load diversified portfolio created under ORS 294.805 to 294.895 and is not registered with the U.S. Securities and Exchange Commission as an investment company. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool.

These funds must be invested and managed, like that of a prudent investor, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-term Funds Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. The State of Oregon Local Government Investment Pool is not rated. Same day wire redemptions cannot exceed \$1.5 million and withdrawals in excess of \$25 million may require 48 hours notice.

The District's position in the pool at June 30, 2022 is carried at cost, which approximates fair value.

**Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require that all bank deposits in excess of the FDIC or FSLIC insurance amounts be collateralized through the Oregon State Treasurer's Public Funds Collateralization Program. This program provides a structure for specified depositories to participate in a shared liability collateral pool.

The Oregon State Treasurer is responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized to the extent required by Oregon Revised Statute (ORS) 295. ORS 295 requires depository banks to place and maintain on deposit with a third-party custodian bank securities having a value of 10 percent, 25 percent or 110 percent of public funds on deposit depending primarily on the capitalization level of the depository bank. Deposits in the Public Funds Collateralization Pool are not 100 percent guaranteed.

Deposits with financial institutions are comprised of bank demand deposits. For the fiscal year ended June 30, 2022, the carrying amounts of the District's deposits in various financial institutions were \$443,332 and the bank balances were \$583,991. For deposits in excess of federal depository insurance (currently limited to balances less than \$250,000), Oregon Revised Statute 295 requires a multiple financial institution collateral pool and eliminated Certificates of Participation. As a result, all balances over the \$250,000 FDIC limit are collateralized. As of June 30, 2022, the District's deposits with various financial institutions were covered by the federal depository insurance.



**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 4 – Cash and Investments (continued)**

**Investments and Credit Risk**

The State of Oregon statutes restrict the types of investments in which the District may invest. Under these guidelines, public funds may be invested in time certificates of deposit, general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances and the State Treasurer's Investment Pool, among others.

*Credit Risk* - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Investments in the LGIP are not required to be rated.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the risk that its fair value will decline if the interest rates rise. 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, 2022, all investments of the District had maturities of less than one year.

*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.

*Custodial Credit Risk – Investments* - Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the District will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The LGIP's portfolio rules provide that brokers/dealers meet certain qualifications and that investments are delivered to and held by a third-party custodian which holds the securities in the State of Oregon's name.

As of June 30, 2022, the District's investments had the following credit rating:

	<u>Moody Rating</u>	<u>Standard &amp; Poor's Rating</u>	<u>Percentage of Total Investments</u>
Local government investment pool	N/A	N/A	81.53%
Assets held in trust (endowment):			
Cash and cash equivalents	N/A	N/A	0.15%
Equities	N/A	N/A	8.28%
Fixed income	N/A	N/A	4.28%
Mutual funds	N/A	N/A	0.77%
Foundation investments:			
Cash and cash equivalents	N/A	N/A	0.68%
Equities	N/A	N/A	1.69%
Fixed income	AAA	N/A	2.62%
			100.00%

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 4 – Cash and Investments (continued)**

**Fair Value Measurements**

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

**Level 1** – Inputs to the valuation methodology are adjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

**Level 2** – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table discloses by level the fair value hierarchy of the District's assets at fair value as of June 30, 2022:

Investments measured at:	Totals as of 06/30/22	Level One	Level Two	Level Three	Amortized Cost Measurement Not Measured at Fair Value
Fair value					
Local government investment pool	\$16,353,867	\$ -	\$ -	\$ -	\$ 16,353,867
Assets held in trust (endowment):					
Cash and cash equivalents	30,454	30,454	-	-	-
Equities	1,661,547	1,661,547	-	-	-
Fixed income	857,920	857,920	-	-	-
Mutual funds	153,601	153,601	-	-	-
Foundation investments:					
Cash and cash equivalents	136,007	136,007	-	-	-
Equities	338,450	338,450	-	-	-
Fixed income	526,344	526,344	-	-	-
	<u>\$20,058,190</u>	<u>\$ 3,704,323</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,353,867</u>
Beneficial interest in trust					
Beneficial interest in assets held by OCF	\$ 536,081	\$ -	\$ -	\$ 536,081	\$ -
	<u>\$ 536,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 536,081</u>	<u>\$ -</u>

**Beneficial Interest in Trusts**

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs and the perpetual nature of the trust, the interest is classified within Level 3 of the hierarchy.

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 4 – Cash and Investments (continued)**

**Beneficial Interest in Trusts (continued)**

***Level 3 Reconciliation***

	Beneficial Interest in Trust
Balance at July 1, 2021	\$ 587,956
Distributions	(20,235)
Net change in value of trust	(31,640)
Balance at June 30, 2022	\$ 536,081

**Note 5 – Assets Held in Trust (endowment)**

The Kenneth A. & Lucille D. Hulburt Family Trust (the Trust) was created under Article II of the last will of Kenneth A. Hulburt. The will provided that Kenneth A. Hulburt, II would be the sole beneficiary of the Trust until his death, which occurred on September 21, 2007. At this point, per the will, the Trust became a wholly charitable trust, the purpose of which is to provide a permanent endowment for the benefit of the District.

U.S. Bank National Association (US Bank) is the trustee for the endowment. US Bank provides distributions to the District each year to in an amount equal to the greater of a) 5% of the net fair market value of the trust assets, valued as of the first business day of such year, or b) the minimum amount required under Section 4942 of the Code. In the year ended June 30, 2022, the District received \$132,845 in distributions from the Trust.

The net income from the Trust is restricted for the following purpose: One half of the net income shall be allocated to the youth department, and one half of the net income shall be allocated towards programs to assist mature readers.

If a new library building is built, one half of the principal of the endowment may be disbursed to assist the District in endowing a youth section.

The change in the value of the endowment for the year ended June 30, 2022 was as follows:

Interest and dividends	\$ 69,562
Net realized and unrealized gain (loss)	(419,267)
Distributions	(138,640)
	\$ (488,345)

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 6 – Beneficial Interest in the Assets of the Oregon Community Foundation**

The Foundation elected to participate in the Oregon Community Foundation (OCF). The Foundation transferred assets to OCF which is holding them as an endowed component fund (Fund) for the benefit of the Foundation. The Foundation has granted OCF variance power which gives the OCF's Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to the OCF's investment and spending policies which currently result in reinvestment of any distributions to be paid to the Foundation, of a certain percent of the average quarterly value over time, until further notice.

The Foundation reports the fair value of the Fund as Beneficial Interest in Assets Held by OCF in the statement of financial position. Changes in the value of the Fund are reported in change in value of beneficial interest in trust.

The fair value of the funds held by OCF at June 30, 2022 was \$536,081.

**Note 7 – Capital Assets**

Capital asset activity for the year was as follows:

	Balance July 1, 2021, as restated	Additions	Transfers/ Disposals	Balance June 30, 2022
Capital assets not being depreciated/amortized:				
Land	\$ 2,947,990	\$ -	\$ -	\$ 2,947,990
Construction in progress	-	50,718	-	50,718
Total capital assets not being depreciated/amortized	2,947,990	50,718	-	2,998,708
Capital assets being depreciated/amortized:				
Buildings and improvements	28,540,046	604,135	-	29,144,181
Machinery/equipment/vehicles	569,504	220,570	-	790,074
Library collections	10,997,468	593,664	(678,521)	10,912,611
Right-of-use assets	76,981	-	-	76,981
Total	40,183,999	1,418,369	(678,521)	40,923,847
Less accumulated depreciation/amortization for:				
Buildings and improvements	(742,351)	(926,151)	-	(1,668,502)
Machinery/equipment/vehicles	(273,791)	(84,544)	-	(358,335)
Library collections	(9,445,151)	(634,544)	678,521	(9,401,174)
Right-of-use assets	-	(21,559)	-	(21,559)
Total	(10,461,293)	(1,666,798)	678,521	(11,449,570)
Total capital assets, net:				
Land	2,947,990	-	-	2,947,990
Construction in progress	-	50,718	-	50,718
Buildings and Improvements	27,797,695	(322,016)	-	27,475,679
Machinery/equipment/vehicles	295,713	136,026	-	431,739
Library collections	1,552,317	(40,880)	-	1,511,437
Right-of-use assets	76,981	(21,559)	-	55,422
Total	\$ 32,670,696	\$ (197,711)	\$ -	\$ 32,472,985

Depreciation/amortization expense of \$1,666,798 was charged to library services in the Statement of Activities.

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 7 – Capital Assets (continued)**

**Right-of-use assets**

A lease is defined as a contract that conveys control of the right of use of another entity’s nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The District is party to a variety of lease contracts as lessee for which this right-of-use (ROU) has been recognized as an asset on the balance sheet. This recognition is new for the current fiscal year due to the implementation of GASB 87. Further information on these transactions can be found in *Note 10*.

**Note 8 – Interfund Transactions**

Transactions between individual funds are recorded as “due to” and “due from.” The due to the General Fund from the Foundation represents activity within the normal course of business. Interfund balances are expected to be repaid within one year.

	Receivable	Payable
General Fund	\$ 18,804	\$ -
Foundation	-	18,804
	\$ 18,804	\$ 18,804

**Note 9 – Accrued Compensated Absences**

The changes in accrued compensated absences for the year ended June 30, 2022 are as follows:

	Balance June 30, 2021	Earned	Used	Balance June 30, 2022	Due Within One Year
Governmental activities	\$ 136,614	\$ 308,366	\$ 236,562	\$ 208,418	\$ 208,418

**Note 10 – Leases Payable**

**Copier Lease**

The District leases equipment under non-cancelable lease agreements related to copiers which are qualified leases under GASB Statement No. 87 with periods covering various ranges and the latest expiring in March 2025. Monthly payments for the current year range from \$459 to \$810, with an interest rate of 3.00%. During the year ended June 30, 2022, lease principal and interest payments of \$21,259 and \$1,961 were made, respectively. Lease payable at June 30, 2022 consisted of the following:

The future minimum lease payments for these leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 21,906	\$ 1,314	\$ 23,220
2024	22,572	648	23,220
2025	11,244	75	11,319
	\$ 55,722	\$ 2,037	\$ 57,759

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 10 – Leases Payable (continued)**

	Balance June 30, 2021 (as restated)	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Leases payable	\$ 76,981	\$ -	\$ 21,259	\$ 55,722	\$ 21,906

**Lease of Premises**

The District has ground lease only obligations associated with five libraries, and building and land lease agreements associated with two libraries. The District is obligated to pay \$1 per year for each lease agreement. The current term conclusions for these agreements range from June 30, 2043 through June 30, 2103.

**Note 11 – Retirement Plan**

The District offers its employees a retirement plan program established pursuant to Section 401(a) of the Internal Revenue Code (the Code). The District provides each employee with a 401(a) contribution equivalent to 6% of their salary automatically after 90 days of employment. The District also matches 0.5% for every 1% an employee puts into their 457 retirement savings up to a 2% match. Contributions and earning vest incrementally beginning after one year of service, and vest fully after five years of service. Contributions and earnings are forfeited for the period of service during which the employee does not achieve incremental vesting, if separation occurs before five years of credited service. These contributions are not considered assets of the District, and the District has no further liability to this plan. Contributions made by the District for qualified employees for the year ended June 30, 2022 totaled \$310,758. In addition, the District offers the option for employees to contribute to a retirement plan established pursuant to Section 457 of the Code. This plan is not contributed to by the District and is the sole responsibility of the employee to elect to contribute.

**Note 12 – 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, primarily from property tax revenue. In the normal course of operations, the District receives grant funds from various 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 13 – Risk Management**

The District is exposed to various risk of loss related to torts; theft or damage to, and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. The District reviews the coverage periodically, and there have not been any significant claims.

**Note 14 – Tax Abatements**

As of June 30, 2022, Jackson County provides tax abatements through four programs: Enterprise Zone, Commercial Facilities Under Construction, Food Processor, and Solar. For the fiscal year ended June 30, 2022, the District's abated property taxes totaled \$40,013 under these programs.

**JACKSON COUNTY LIBRARY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 15 – Subsequent Events**

Management of the District has evaluated events and transactions occurring after June 30, 2022 through the date the financial statements were available for issuance, for recognition and/or disclosure in the financial statements.



**| REQUIRED SUPPLEMENTARY  
INFORMATION**



Required Supplementary Information consists of schedules and other information that the Governmental Accounting Standards Board (GASB) has determined are an essential part of financial reporting and should be presented with, but are not part of, the basic financial statements of a governmental entity. With the exception of management's discussion and analysis, all other required supplementary information is presented immediately following the notes to the basic financial statements. Required Supplementary Information presented here includes budgetary comparisons for the general fund and for each major special revenue fund that has a legally adopted annual budget. Budgetary comparison information is not presented for the Library Foundation Fund because it is not legally required to adopt a budget.

**JACKSON COUNTY LIBRARY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2022**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Adopted</b>	<b>Final</b>		
<b>REVENUES</b>				
Property taxes	\$ 11,673,499	\$ 11,673,499	\$ 11,703,311	\$ 29,812
Grants and donations	106,500	106,500	481,017	374,517
Charges for services	30,000	30,000	27,806	(2,194)
Earnings on investments	250,000	250,000	68,584	(181,416)
Miscellaneous	2,500	2,500	272,661	270,161
<b>TOTAL REVENUE</b>	<b>12,062,499</b>	<b>12,062,499</b>	<b>12,553,379</b>	<b>490,880</b>
<b>EXPENDITURES</b>				
Current:				
Personnel costs	8,088,533	8,088,533	6,692,079	1,396,454
Material and services	4,596,433	4,596,433	4,488,033	108,400
Capital outlay	600,000	600,000	-	600,000
Contingency	500,000	500,000	-	500,000
<b>TOTAL EXPENDITURES</b>	<b>13,784,966</b>	<b>13,784,966</b>	<b>11,180,112</b>	<b>2,604,854</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,722,467)</b>	<b>(1,722,467)</b>	<b>1,373,267</b>	<b>3,095,734</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(50,000)	(50,000)	(50,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,772,467)</b>	<b>(1,772,467)</b>	<b>1,323,267</b>	<b>3,095,734</b>
<b>FUND BALANCE, June 30, 2021</b>	<b>8,900,000</b>	<b>8,900,000</b>	<b>8,755,750</b>	<b>(144,250)</b>
<b>FUND BALANCE, June 30, 2022</b>	<b>\$ 7,127,533</b>	<b>\$ 7,127,533</b>	<b>\$ 10,079,017</b>	<b>\$ 2,951,484</b>

**Note to Schedule:**

The General Fund is combined with the Capital Improvement Fund on a GAAP basis. The Budgetary Comparison Schedule Budget-To-GAAP Reconciliation - General Fund is used reconcile the Budgetary to GAAP basis (page 26).

**JACKSON COUNTY LIBRARY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL IMPROVEMENT FUND  
YEAR ENDED JUNE 30, 2022**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Earnings on investments	\$ -	\$ -	\$ 28,895	\$ 28,895
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>28,895</u>	<u>28,895</u>
<b>EXPENDITURES</b>				
Materials and services	600,000	600,000	315,102	284,898
Capital outlay	1,200,000	1,200,000	263,070	936,930
<b>TOTAL EXPENDITURES</b>	<u>1,800,000</u>	<u>1,800,000</u>	<u>578,172</u>	<u>1,221,828</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,800,000)</u>	<u>(1,800,000)</u>	<u>(549,277)</u>	<u>1,250,723</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	50,000	50,000	50,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,750,000)</u>	<u>(1,750,000)</u>	<u>(499,277)</u>	<u>1,250,723</u>
<b>FUND BALANCE, June 30, 2021</b>	<u>5,600,000</u>	<u>5,600,000</u>	<u>5,403,372</u>	<u>(196,628)</u>
<b>FUND BALANCE, June 30, 2022</b>	<u>\$ 3,850,000</u>	<u>\$ 3,850,000</u>	<u>\$ 4,904,095</u>	<u>\$ 1,054,095</u>

**Note to Schedule:**

The General Fund is combined with the Capital Improvement Fund on a GAAP basis. The Budgetary Comparison Schedule Budget-To-GAAP Reconciliation - General Fund is used reconcile the Budgetary to GAAP basis (page 26).

**JACKSON COUNTY LIBRARY DISTRICT  
 BUDGETARY COMPARISON SCHEDULE BUDGET-  
 TO-GAAP RECONCILIATION  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Total General Fund</u>
<b>REVENUES</b>			
Property taxes and other taxes	\$ 11,703,311	\$ -	\$ 11,703,311
Grants and donations	481,017	-	481,017
Charges for services	27,806	-	27,806
Earnings on investments	68,584	28,895	97,479
Miscellaneous	272,661	-	272,661
<b>TOTAL REVENUES</b>	<u>12,553,379</u>	<u>28,895</u>	
<b>EXPENDITURES</b>			
Current			
Library services	11,180,112	315,102	11,495,214
Capital outlay	-	263,070	263,070
<b>TOTAL EXPENDITURES</b>	<u>11,180,112</u>	<u>578,172</u>	<u>11,758,284</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>1,373,267</u>	<u>(549,277)</u>	<u>823,990</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in/(out)	<u>(50,000)</u>	<u>50,000</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(50,000)</u>	<u>50,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,323,267	(499,277)	823,990
<b>FUND BALANCE, JUNE 30, 2021</b>	<u>8,755,750</u>	<u>5,403,372</u>	<u>14,159,122</u>
<b>FUND BALANCE, JUNE 30, 2022</b>	<u>\$ 10,079,017</u>	<u>\$ 4,904,095</u>	<u>\$ 14,983,112</u>

**Note to Schedule:**

The funds listed above are maintained separately by the District. However, for financial reporting purposes the District considers the combined funds to represent the General Fund in accordance with GASB 54. As such, the information above is presented as the General fund (a major fund) in the District's financial statements.

**JACKSON COUNTY LIBRARY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Grants and donations	\$ 250,000	\$ 250,000	\$ 501,532	\$ 251,532
Earnings on investments	11,000	11,000	11,040	40
Miscellaneous revenue	-	-	254,951	254,951
<b>TOTAL REVENUE</b>	<b>261,000</b>	<b>261,000</b>	<b>767,523</b>	<b>506,523</b>
<b>EXPENDITURES</b>				
Current:				
Personnel costs	200,000	200,000	45,415	154,585
Material and services	650,000	650,000	214,311	435,689
Capital outlay	250,000	250,000	181,700	68,300
<b>TOTAL EXPENDITURES</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>441,426</b>	<b>658,574</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(839,000)</b>	<b>(839,000)</b>	<b>326,097</b>	<b>1,165,097</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(839,000)</b>	<b>(839,000)</b>	<b>326,097</b>	<b>1,165,097</b>
<b>FUND BALANCE, June 30, 2021</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>4,120,104</b>	<b>3,020,104</b>
<b>FUND BALANCE, June 30, 2022</b>	<b>\$ 261,000</b>	<b>\$ 261,000</b>	<b>4,446,201</b>	<b>\$ 4,185,201</b>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Change in value of endowment			(488,345)	
<b>FUND BALANCE, June 30, 2022 (GAAP basis)</b>			<b>\$ 3,957,856</b>	



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

Board of Directors  
Jackson County Library District  
Jackson County, Oregon

We have audited the basic financial statements of the Jackson County Library District (the District) as of and for the year ended June 30, 2022, and have issued our report thereon dated March \_\_, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 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.

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

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

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions 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.

### **Restrictions on Use**

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



Aria Bettinger, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
April 14, 2023