



JACKSON COUNTY LIBRARY DISTRICT (JCLD)
REGULAR BOARD MEETING AGENDA
Board Meeting Room, Medford Branch Library
205 S Central Ave, Medford, OR
Dial 1-669-900-6833 to attend by phone
Enter Meeting ID (access code): 965 9527 6734
Or, click the link below to attend using Zoom:
<https://zoom.us/j/96595276734>
December 11, 2023, at 4:00 p.m.

CALL TO ORDER/ROLL CALL

LAND ACKNOWLEDGEMENT

INTRODUCTIONS / PROCLAMATIONS

AGENDA AMENDMENTS AND APPROVAL

CONSENT AGENDA

1. November 13, 2023 JCLD Board Meeting Minutes.....1
2. November 13, 2023 JCLD Board Executive Session Minutes.....3
3. JCLD & JCLF Relationship Committee Charter and Workplan 2023-2024.....4

ORAL REQUESTS AND COMMUNICATIONS FROM AUDIENCE (Comments will be limited to 3 minutes per individual and shall be limited to comments on non-agenda items or on agenda items that do not otherwise provide for public comment. The Board will listen to all comments but will not respond during the meeting)

REPORTS (Inform)

4. Library Director – Kari May.....5
5. Facilities Master Plan – Kari May.....12
6. Quarterly Financial Report – Thomas McLanahan.....15

UNFINISHED BUSINESS (Inform/Discuss/Action)

7. SOHS Contract – Kari May.....21
8. Budget Committee Recruitment – Kari May and Kevin Keating

NEW BUSINESS (Inform/Discuss/Action)

9. 2024 Holidays – Brynn Fogerty.....33
10. 2022-2023 Audit Acceptance – Thomas McLanahan and Aria Bettinger.....35
11. January Board Meeting – Viki Brown

COMMITTEE AND BOARD MEMBER REPORTS (Inform)

12. Finance and Statistics Committee
13. Relationship Committee.....80

ADJOURNMENT

FUTURE MEETINGS/EVENTS/OBSERVANCES:

January 8, 2024 JCLD Regular Board Meeting
February 8-11, 2024 SDAO Annual Conference Seaside, OR
February 12, 2024 JCLD Regular Board Meeting
April 23-27, 2024 OLA Annual Conference Salem, OR

The Jackson County Library District Board meets regularly at 4:00 p.m. on the third Monday of every month at the Medford Library in the Board Conference Room, unless otherwise noticed. You may find proposed agendas and prior meeting minutes at www.jcls.org. If you have further questions or would like to be added to the email notification list, please contact Val Nowak at 541-774-6406 or vnowak@jcls.org.

If a physical accommodation is needed to participate in a Jackson County Library District meeting, please contact Val Nowak at 541-774-6406. Notification of at least 48 hours prior to the meeting, preferably in writing, will assist us in providing reasonable accommodation.



MINUTES

ATTENDEES

Present at the meeting were: Board Members Viki Brown (President), Kim Young (Vice President), Susan Kiefer, Marissa Barrientos Shepherd, and Kevin Keating.

Additional attendees: Kari May (Library Director), Kelda Vath (Assistant Director, Support Services), Joan Vigil (Assistant Director, Public Services), Brynn Fogerty (HR Manager), Ginny Auer (Foundation Executive Director), Thomas McLanahan (Finance Manager), Jacquelyn Bunick (Legal Counsel), and Val Nowak (Executive Assistant).

CALL TO ORDER/ROLL CALL

President Brown called the meeting to order at 4:02 p.m. Roll call was taken, and the Land Acknowledgement read.

INTRODUCTIONS / PROCLAMATIONS

CONSENT AGENDA

MOTION: Director Young moved to approve the agenda and accept the items on the consent agenda. Director Keating seconded, and the motion was approved unanimously.

ORAL REQUESTS AND COMMUNICATIONS FROM AUDIENCE

The Board heard comment from community member Eric Dziura, who commented favorably on the Facilities Master Plan and thanked the Board for their efforts. He suggested that recordings of board meetings be made available on the JCLS website.

REPORTS

Library Director's Report

Director May introduced Carrie Turney Ross, who presented an overview of the upcoming Rogue Reads titles and the programming that will relate to them. Director Brown asked what happens to additional copies of the titles once the programming is over. Worn copies are withdrawn, others may be gathered into book club bags, and the remainder would be donated to the Friends groups to sell. Director May then highlighted items in the October report, focusing on the eclipse programming and the cozy mystery weekend in Ashland. She also noted that the Collection Development Department is working on developing the Library of Things collection in accordance with the results of the task force work.

Facilities Master Plan

Director May summarized the progress that has been made in the Facilities Master Plan. The Community Survey will be finalized in the next couple of weeks and will be translated into Spanish and also available in print for those without access to the online version. The survey will be available on the JCLS website and be distributed through a variety of e-newsletters. It will also be made available at community events that the library attends. There will be a Strategic Visioning Workshop scheduled in February with local community stakeholders. May invited the Board to email her with suggestions of community members to include in the workshop.

UNFINISHED BUSINESS

none

NEW BUSINESS

Budget Committee Member Recruitment

There is currently one vacancy and one seat that may be reappointed, and the seats will be open for recruitment. Directors Kiefer and Keating were appointed to a Budget Recruitment subcommittee. The positions will be advertised on the website, and the committee will contact and interview applicants. The selected candidate(s) will be presented at the February Board Meeting for appointment. The Budget Committee will begin their work in March 2024.

COMMITTEE AND BOARD MEMBER REPORTS

Advocacy Committee

Director Young summarized the meeting, which largely focused on updating the charter and workplan.

Director's Evaluation Committee

Director Brown summarized the recommended process that the subcommittee has established. A third party will be sought in January.

Director Brown adjourned the public meeting into Executive Session at 4:40.

The Board rejoined the public meeting at 4:56 p.m.

ADJOURN

President Brown adjourned the meeting at 4:58 p.m.

/s/ Val Nowak

Recording Secretary



MINUTES

ATTENDEES

Present at the meeting were: Board Members Viki Brown (President), Kim Young (Vice President), Susan Kiefer, Marissa Barrientos Shepherd, and Kevin Keating.

Additional attendees: Kari May (Library Director), Jacquelyn Bunick (Legal Counsel), and Val Nowak (Executive Assistant).

NEW BUSINESS

At 4:40p.m., President Brown called the executive session to order pursuant to ORS 192.660 (2)(3) to deliberate with persons designated by the governing body to negotiate real property transactions. Real property transactions are not limited to the purchase or sale of real property.

ADJOURN

President Brown adjourned the executive session at 4:56 p.m. and rejoined the public meeting session already in progress. No votes or actions were taken.

/s/ Val Nowak
Recording Secretary



2023-2024 Charter and Work Plan JCLD/JCLF Relationship Committee

Presented to Jackson County Library District Board of Directors on December 11, 2023

Purpose

The Relationship Committee will ensure that the District and Foundation work together to further the mission of Jackson County Library District (District). The Committee will oversee the relationship between the two entities, including assistance in setting priorities and goals for the Foundation.

Membership

The District Board appointed Library Director Kari May as Committee chair; and District Board members Viki Brown and Susan Kiefer; Foundation Board members Phil Meyer and Brian Young; and Foundation Executive Director Ginny Auer as committee members.

Responsibilities

The Committee has the following areas of focus:

1. Maintain strong communication
2. Facilitate alignment between the District's Strategic Plan and the Foundation's Fundraising goals
3. Develop and keep updated a shared vision
4. Update the financial terms, establish benchmarks, and ensure compliance with the MOU

Meetings

The Committee will meet and report to the District Board and the Foundation Board quarterly. The Committee chair may invite any director, officer, staff member, expert or other advisor who is not a member of the Committee to attend, but these individuals have no voting power.

Annual Work Plan

For Fiscal Year 2023-2024, the Relationship Committee has established the following Work Plan:

- October 2023: annual meeting with the District and Foundation Boards
- November 2023: Meet to discuss workplan; Ginny and Kari start to develop benchmarks
- December 2023: Report to each Board
- January 2024: meeting to discuss Addendum to current MOU, including benchmarks and possible cost split terms
- Feb/March 2024: present benchmarks for review and approval by both Boards
- Feb/March 2024: District presents Strategic Plan priorities for FY25 to Foundation; Foundation develops Fundraising Plan
- March 2024: determine cost split during budget development for both entities
- May 2024: Adoption of MOU Addendum

Committee Review and Board Approval

The Committee will review its charter and work plan and recommend any proposed changes to the Board for review.



Director's Report December 2023

Public Services

Bear Creek

Ashland

November 8th was the 400th Anniversary of the publication of Shakespeare's First Folio, which seemed like a natural cause for celebration in Ashland. Head of Adult Services Ellie Anderson executed a full lineup of Shakespeare-themed programs throughout the month, including a talk from local actor and dramaturg Barry Kraft on the significance of the First Folio, and a presentation from Oregon Shakespeare Festival Cultural and Community Liaison Tara Houston on designing Shakespeare's plays. There was also a hands-on program learning to make Commedia dell'arte masks, and a Shakespeare Open Mic, where amateur thespians delivered their favorite soliloquies, sonnets, and speeches from the Bard's body of work. For patrons who might experience a bit more stage-fright, staff placed baskets holding slips of paper printed with selected insults from Shakespeare's plays around the library. Shakespeare can be intimidating, and this is a playful, low-stakes way to make his work feel more accessible to everyone. The series of popular programs wrapped up with a concert of Renaissance music played on period instruments from local historical music consort Musica Matrix.

As a fun Halloween Chemistry Treat, Library specialists Cody Walburn and Ellen Werner, along with Children's Librarian Lyn Heerema, demonstrated the explosive power found in common household goods. Colorful baking soda foam and other reactions spewed from the mouths (and sometimes noses and eyes) of carved pumpkins, much to the delight of the children.

The Children's staff later received an email from a grateful parent, who thanked them for helping her young patron find exactly the right books. *"I meant to send an update last Sunday to thank you and your staff for all your recommendations for silly animal books,"* she wrote. *"We immediately took the whole stack to the Lithia Park duck pond and read them all... he had me read the interactive Bruce the bear book twice more at bedtime that night, so I think that one was the biggest hit. :) Thank you all for being so wonderful at the library; we appreciate you!!"*

Teen Librarian Katie Fischer visited Ashland Middle School and led a macrame lunchtime program at the school library with School Librarian Karl Pryor's assistance. Many middle schoolers participated across the two lunch periods, with more participation than Fischer and Pryor expected for the first outreach event of the school year. The response was extremely positive, and students were excited



about future visits. They were interested in learning about upcoming teen events, and staff look forward to connecting with the teens throughout the school year.

Phoenix

Branch Manager Jody Fleming attended the second annual Día de los Muertos event at Phoenix Elementary School. She met and spoke with more than one hundred parents, kids, and teachers and promoted the library and its services. Many folks affirmed how much they loved the Phoenix library, specifically Library Associate Lori Wilson's story time and the value of the take and make craft kits.

Talent

The big event at the Talent library in November was the Thankfulness-themed Storytime and craft. Preschool-age patrons attended a special storytime that featured books focused on being mindful of others. Then they participated in a craft where they constructed a gratitude tree. They wrote what they were thankful for on the leaves and branches, and it was heartwarming to see what meant the most to the kids and their families. For those who could not attend in person, there were take and make kits available so that children could make the craft at home. There was also a display of books related to thankfulness and gratitude that were available for check-out.

Central Area

Medford Adult Services Librarian Jonathan Ulrich finished the fall series of adventure movie programs for adults. *Dungeons & Dragons: Honor Among Thieves* (2023) and *Jungle Cruise* (2021) were both well-attended. The films engaged the patrons, and one patron commented that *Jungle Cruise* was better than he expected.

A few months ago, a young adult experiencing homelessness expressed interest to Medford Adult Services staff in completing his GED, and they helped him access some print and online test prep resources that JCLS offers. He just shared with Adult Services staff that he passed all three exams and is now considering junior college classes.

The Children's Department took part in Mcloughlin Middle School's downtown walking tour field trip, where students learned about the many ways the library contributes to the community, both locally and at large. Students learned the history of the library system and what services the library offers, and many showed interest in volunteer opportunities.

Medford Teen Librarian Andrea Leone attended an outreach event with Community Librarian Evelyn Lorence at one of the Housing Authority properties in South Medford. The event focused on making seasonal Perler bead creations. This event was very popular with teens (and some younger patrons as well) and will be repeated in December at a different Housing Authority location.

Central Point

Dinosaurs were celebrated in November. At S.O. Fun: Cool Kids Read, kids combined their efforts to make a large and intricate dinosaur diorama. They constructed fossils alongside leaves, water features, mountains, and clouds and had a great time creating the prehistoric environment.

Spark Space Specialist Kayla Adamiec curated a program celebrating the magical world of fungi. Attendees crafted mushrooms out of clay and were challenged to try some truffle potato chips and various flavors of mushroom jerky. "Those who came to the Mushroom Mania program really enjoyed the novelty of exploring weird mushroom foods while making art," Adameic wrote. "They were pretty timid about trying something new at first, but once they started, they really liked it. It was cute to see the kids leave their comfort zones a little."



Lower Rogue

Applegate

A patron requested fun math books for her neurodivergent grandson who has been struggling in school. Staff worked to collect a few books at his reading level that were entertaining while being educational. She later reported that he was engaged with the books and really loved them, and she is grateful for the thoughtful selections.

Gold Hill

In celebration of Native American Heritage month, Gold Hill staff worked with Native American patrons Teri Hansen and Jessica Bochart Leusch to display their personal collection of artifacts. Alongside the display were copies of the *Travel Guide to Oregon Indian Country* that Library Associate Amy Fann requested from TravelOregon.com.

Jacksonville

The Jacksonville Branch had the great pleasure of hosting Phoenix Branch Manager Jody Fleming at the branch for a historical presentation on Olive Oatman, a fascinating figure who was connected with the Rogue Valley.

The Jacksonville staff created a wide variety of displays to help increase circulation, and it looks like it paid off, as circulation increased 9% over last year. Some of the November displays included children's mermaid books and movies (which were very popular), biographies, holiday movies, the Blue Zone way of life, and autumnal crafting books to accompany a take and make.

After the success of a similar program during the summer, Library Associate Betsy Schiller has offered sessions of Qigong this fall for Jacksonville patrons. Most of the attendees came to the whole series and commented that they want to have an ongoing class at the library. There will be another series in February, and ongoing program planning will try to include some sort of movement-based classes.

Rogue River

Rogue River purchased a light table for the branch, and the second it was assembled, kids and their parents were playing with it.

Library Associate Jax Gordon led the program "Exploring Japan Through Manga, Anime & Language." Gordon lived and taught in Japan for over a decade, and their experience was invaluable to this program, which drew a very enthusiastic crowd, who are already asking for a follow up program.

Library Associate Laurel Mills, put on a *Make Your Own Slime* program that was expected to draw mostly children and their parents or caretakers, but it turned out that slime appeals to older kids, too! Staff were happy to engage with the teens who attended and hope to see them at more programs soon.

Ruch

One of the most successful programs this month was "Unearthing the Past," which introduced kids to the science of archaeology and what it can reveal about the past. Archaeologist Katie Johnson of Southern Oregon University led participants in some fun, hands-on activities and taught them how to use tools of the trade to unearth artifacts and explore their significance.





Upper Rogue

Butte Falls

The recently-formed Butte Falls Art Adventure Club had fun this month using leftover craft materials from the Autumnal Door Hangers to create new art. They ended up creating a colorful and festive display of artwork around the branch. Patrons added messages of gratitude, and the leaves were hung in the windows so they could be shared with everyone visiting the branch.

Both Butte Falls and Eagle Point offered the “Live Action Oregon Trail” program in November. The event drew a big crowd at both branches, and the high-energy attendees kept the staff on their toes and rollicking along with the fun. The most popular activity was the tin foil boat challenge. Patrons loved seeing which designs worked, but discovering which ones were not as effective and sent their cargo down to the bottom of the river was, perhaps, the most fun.

Eagle Point

As part of an effort by the Community Resources Team, Eagle Point hosted some members of the Jackson County Sheriff’s Department in a program that combined a safety lesson with some more lighthearted fun. The first half of the event focused on firearm safety, and a deputy led attendees in a discussion about what they should do if they find a firearm. He taught them the seriousness of firearm safety and gave parents some pointers on how to practice it in their homes. Kids asked questions and interacted with the deputy. The educational portion of the event wrapped up just as the branch closed, and then it was time for the kids and parents (and the deputy) to have a NERF battle all throughout the Eagle Point library. It was a fun and informative time for all, and even weeks later, Eagle Point staff are still finding darts under shelves.



Prospect

An ongoing program on Gratitude Journaling was popular with patrons this month. Packets included research showing the benefits of gratitude practice, along with a few writing prompts and a fresh new notebook for folks to get started. Staff had meaningful discussions all month with gratitude practice newcomers and pros and provided a curated selection of items for patrons to take home to further their studies.



White City

Branch staff kicked off the month with a community celebration of Día de los Muertos. Staff set up a traditional ofrenda with photos of Latinx/o/a historical members; sweet treats; and marigolds, sugar skulls, and cards explaining the significance of each of the items. Program attendees learned about Día de los Muertos and painted and decorated their own sugar skulls. The next day, the branch held a screening of the movie *Coco*, which takes place over Día de los Muertos, and staff engaged with young patrons and taught them more about the celebration.

Outreach and Programs

Outreach

One of the highlights in Outreach this month was *Project Cozy*, a joint effort between Educations Services and At Home Services to combat feelings of loneliness in homebound patrons and foster intergenerational connection.

The Education Services team provided kits with cards and customizable wooden bookmarks to Innovation Academy in Medford and South Medford High School. More than 100 *Project Cozy* bundles were delivered to the At Home Services patrons. They were helped by two volunteers who had completed their training and were eager to help the At Home Services team.

The Outreach Department participated in Unete's Día de los Muertos event, where Library Specialist Nick Rementeria and Outreach Coordinator Katrina Ehrnman-Newton interacted with attendees and registered new library cards, most of whom use Spanish as their primary language.

Business Librarian

Business Librarian Roslyn Donald had her hands full this month focusing on the Downtown Quest promotion. This partnership with Downtown Medford Association recruited 23 businesses to participate in a scavenger hunt promotion centered around Small Business Saturday on November 25. The program ran through December 4. Media attention and community feedback was extremely positive. Donald was also invited to present at a meeting of the Eagle Point Rotary Club, where she spoke about the library's role in economic development.

Education Services

In addition to facilitating Project Cozy with the local schools, November also included visits to the Juvenile Detention Center, a visit to a local Housing Authority, and an additional visit to Orchard Hill Elementary's fourth grade class to kick-off Rogue Reads. Before leaving the classroom at Orchard Hill, one fourth grade student asked, "Why are you guys the funnest ever?" to which staff responded, "Because we're the library!"

Outreach to Child Care

The department participated in LISTO's preschool welcome event, hosted at the Medford Library. Rementeria read a story at the event and presented a craft. He was assisted by Evelyn Lorence and Stephanie Polendey from the Education Services team, Children's Librarian Nancy Nightingale, and White City Library Associate Milagros Morales, who led a tour of the Children's Department in Spanish.

Digital Services

As patrons become more aware of Digital Services' monthly visits to Butte Falls and Prospect, they have been reaching out to schedule appointments. The growth in those locations has led staff to explore ideas for expanding the services in the Upper Rogue.

The Digital Services team conducted a Cybersecurity Basics class at Rogue Valley Manor. It was set up in two sessions over two days, and 24 residents attended each session. The class covered passwords, secure and non-secure websites, online fraud, and device management for safety. It was part of the Digital Learn series of tutorials in connection with a Public Library Association (PLA) grant. At the classes, the team also shared information on how to set up appointments with the team and promoted Rogue Reads programs.



Community Resources

As the weather gets colder and wetter, the Community Resources Department has seen an increase in patrons seeking information and referrals. Staff helped three patrons who have been chronically unhoused for more than nine years each get into stable housing through the Rapid Rehousing Program. Their health has significantly improved, and they regularly come into the library to see staff and enjoy reading in the Grand Reading Room.

The team has been working to develop fun and informational programming throughout the system. In partnership with the local Sheriff's department, branches offered a "Learn and Play" program that focused on children learning safety around weapons. November's Art in the Afternoon program used watercolors to

balance mental health. The department is excited to see a steady number of patrons enjoying a space for art and mental health within the library.

During November, Community Resources took over one of the entryway cases in Medford and put together a display honoring veterans using retired gear leant by library staff who are former servicemembers. The Department hopes to plan further collaborative displays.

Finance

Internally, October was a period of renewed focus on organization and efficiency. The department successfully implemented a set of comprehensive accounts payable procedures, ensuring greater clarity and control over the payable processes. Additionally, the audit has been finalized, solidifying the District's financial standing and ensuring adherence to relevant regulations.

Human Resources

With a robust benefits package comes the duty for continuous education and reminders about those staff benefits. Benefit Coordinator Kaya Courtrol is planning seminars to remind staff of fringe benefits such as Employee Assistance Programs, the District's retirement match, and the discounted bus pass program. Along with the benefit education, Courtrol recently completed the annual audit of the 401a and 457 retirement programs. These audits ensure that contributions were made appropriately.

The Supervisor Series for the month of November focused on creating emotional safety in the workplace. This bimonthly training is given to JCLS supervisors, managers and the Admin Team. The topic was in response to feedback received in the Climate Survey results, and the training focused on ways to improve department culture and create space for feedback, questions, and positive response for when mistakes happen.

Marketing

In November the Marketing Department led efforts to promote the release of the JCLS app, the Folio 400 celebrations in Ashland, and the Downtown Quest in Medford. The Rogue Reads Event Guide also came out in November and has been distributed to all branches and inserted into the print edition of the Rogue Valley Times; several local businesses have also agreed to display copies. In celebration of the Folio, the Beanstack challenge for the month of November focused on Shakespeare retellings, and readers could earn customized achievement badges. The department also produced and released a promotional video for the Downtown Quest event.

Press Releases:

Folio 400: <https://bit.ly/481qKq9>

Downtown Quest: <https://bit.ly/3RudqUX>

Windows in Time: <https://bit.ly/46SluU0>

Media Coverage:

KOBI on Folio 400: <https://bit.ly/3spwJWG>

RV Times on Downtown Quest: <https://bit.ly/3sM2OZ1>

KDRV on Downtown Quest: <https://bit.ly/3t5TaRc>

Notable Videos:

Downtown Quest Promo: https://youtu.be/JTx6k_QYj1s



Support Services

Collection Development

The Collection Development Department is experimenting with a new way to boost awareness of JCLS digital offerings among both staff and library patrons by highlighting a Database of the Month, starting with Udemy in December. Udemy is an online learning platform with on-demand video courses for adults who want to improve work-related or technology skills, or further develop a personal interest. Collection Development Manager Laurin Arnold collaborated with Staff Development Coordinator Loren Clupny to help prepare staff by setting up trainings with the service vendor and submitting articles in the staff newsletter to familiarize employees with the databases and its features.

Technical Services

The Technical Services Department has been adjusting to a variety of factors that impact workflow. The Courier Department has been responding to changing patterns in materials usage and routing because of the service hours increase in April 2023. Additionally, the whole team have noticed the increases in new materials shipments. Late summer saw a particularly high influx of new materials, which caused some slowdowns in box-to-shelf turnaround. But by November, thanks to the attention of Technical Services Manager Ashley Johnson and the hard work of the entire team, the workload has been balanced and is now being handled more efficiently than ever.

Information Technology

Network Administrator Jason Whyte recently deployed a faster Wi-Fi 6 for the Public Network at all branches. This network is identical to the current public Wi-Fi in terms of gaining access to the internet but provides staff and patrons the option to connect devices to a faster and more secure network. The previous branch Wi-Fi network will remain in operation for older devices that are incompatible with Wi-Fi 6.

As part of JCLS's ongoing efforts to improve cybersecurity, the IT department has deployed NinjaOne, a Remote Monitoring and Management (RMM) software, on all staff desktop and laptop computers. RMM allows continuous monitoring and automated deployment of software updates and patches to ensure that all JCLS computers are up to date and secure. NinjaOne will also help with tracking and managing hardware and software assets across the District. It provides remote desktop access and control capabilities, allowing IT staff to troubleshoot and resolve issues after gaining permission from staff.

Facilities

December will see some new office spaces and staff re-arrangement to better support and accommodate JCLS's growing needs. The Admin Conference Room, an internal staff meeting room adjacent to the Administrative Offices, is being converted into four new cubicle spaces to be occupied by the 3-person Finance Team, and the Data and Analytics Coordinator. Finance Manager Thomas McLanahan will be relocating to the vacant office in the Administrative Offices. This will allow for the HR Team and Facilities Assistant to occupy the existing cubicle spaces in the Business Office. A new cubicle will be installed in the Adult Services office area in Medford to accommodate additional staff on that team.

Also in December, Central Point Library will be getting new carpet. The branch will be closed to the public beginning Monday, December 11th with plans to re-open the following week. Central Point Staff will be offering Front Door Services out of the back door for holds pick-up during the closure.



Facilities Master Plan Report December 2023

The [Community Survey](#) went live on the JCLS website on Wednesday, November 29th, and will remain available through the end of the year. In addition to the online survey, the library will be inviting community members to participate in a pop-up survey to be held at various community events and locations throughout the county. The consultants want to hear from people in every community. Please help encourage people to fill out the survey – the flyer is included with this report.

The Project Management Team continues to work with Group 4 consultants to plan for focus groups to be held in early January 2024 and the Strategic Visioning Session, scheduled for February 15, 2024.



**JACKSON COUNTY
LIBRARY SERVICES**

LONG-RANGE FACILITIES PLAN WORK PLAN v. 2023-09-19



HAVE YOUR VOICE HEARD!

Help shape the future of your libraries by taking a short survey.

Visit jcls.org or scan the QR code!



¡Dé su opinión!

**Ayude a construir el futuro de sus bibliotecas
tomando esta breve encuesta.**

¡Visite jcls.org o escanee el código QR!





Date: December 11, 2023

Title: 1st Quarter Budget Report

From: Thomas McLanahan, Finance Manager

Recommendation:

The Finance Committee recommends that the JCLD Board accept the FY24 Q1 Finance Report as presented.

Analysis:

The District has adopted a total **revenue** budget of **\$13,710,962**. As of the end of Q1, \$459,174.50 has been received. Since the end of Q1 additional tax and grant revenues have been received that will be represented in the Q2 report.

The District has adopted a total **expense** budget of **\$20,159,701** of which \$3,477,031.35 or 17.25% has been used. There are quite a few expenses that will not be accrued until Q2. The end of Q2 expenses should be much closer to the expected 50%.

101- General Fund: Total expenditures in the General Fund are 21% of budgeted. As Finance has reviewed the categories below, they have noticed some discrepancies in where expenditures have possibly been miscategorized or miscoded, and these will be addressed.

- **Personnel Costs** – Salaries and wages are at 23% for the first quarter, which is on track. Fringe benefits are showing at 74% of budget, which Finance will be reviewing to verify that all benefits expenditures have been allocated appropriately.
- **Library Materials-** There are some outstanding acquisitions invoices that have been paid and once reconciled will be accrued back to Q1.
- **Other Materials & Services** – Tracking at 22% of budget, which is also on track. Computers and technology was under budget, and some significant purchases are expended in the second quarter. Expenses related to library programs is slightly under budget at 19%. Meetings and travel-related expenses are also under budget, as most of the conferences staff will attend are not until 2024.

200- Capital Improvement Fund: There was no activity out of the Capital Improvement Fund in the first quarter. Significant payments for the book locker in Shady Cove and the final payout for the Ashland HVAC system were made in October and will be represented in the Q2 budget report.

300- Grants: Revenues are only at 11% at this time, and expenditures are also at 2.5%. These should both begin to balance out in Q2 and Q3.

- **Hulburt Grant:** Funds are not received until April and will be represented in the Q4 report.
- **Ready to Read:** Funds will be received and posted to the Q3 report.
- **Friends Funds:** Friends groups will be billed and pay for Q1 expenses during Q2.

Policies, Plans, and Goals Supported:

The presentation of these financial documents follows Policy 2-1 “Financial Management” which states that the District’s Finance Manager is responsible for preparing financial reports for the Board detailing year-to-date revenues and expenditures.

Attachments:

FY23-24 Budget to Actuals

FY23-24 JCLD Financial Narrative	Q1			Q1 TOTAL	FY 23-24 Total	FY 23-24 Budgeted	FY 23-24 % of Budgeted	FY 23-24 % Remaining
	July	August	September					
<u>Revenue</u>	\$ 217,595.94	\$ 98,762.32	\$ 142,816.24	\$ 459,174.50	\$ 459,174.50	\$ 13,710,962.00	3.35%	96.65%
101	\$ 195,716.27	\$ 85,078.76	\$ 142,816.24	\$ 423,611.27	\$ 423,611.27	\$ 12,890,962.00	3.29%	96.71%
201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000.00	0.00%	100.00%
300's	\$ 21,879.67	\$ 13,683.56	\$ -	\$ 35,563.23	\$ 35,563.23	\$ 320,000.00	11.11%	88.89%
<u>Expenses</u>	\$ 1,315,666.61	\$ 1,142,263.43	\$ 1,019,101.31	\$ 3,477,031.35	\$ 3,477,031.35	\$ 20,159,701.00	17.25%	82.75%
101	\$ 1,302,931.14	\$ 1,142,263.43	\$ 1,019,101.31	\$ 3,464,295.88	\$ 3,464,295.88	\$ 16,284,701.00	21.27%	78.73%
201	\$ 4,000.00			\$ 4,000.00	\$ 4,000.00	\$ 2,500,000.00	0.16%	99.84%
300's	\$ 8,735.47	\$ -		\$ 8,735.47	\$ 8,735.47	\$ 1,375,000.00	0.64%	99.36%
Total Monthly Net >>>>>>	\$ (1,098,070.67)	\$ (1,043,501.11)	\$ (876,285.07)	\$ (3,017,856.85)				
	Q1 Net Activity							
	\$ (3,017,856.85)							

FY 23-24 JCLD Revenue	Q1			FY 23-24 Total	FY 23-24 Budgeted	FY 23-24 % of Budgeted
	July	August	September			
<u>Revenue 101</u>	<u>\$ 195,716.27</u>	<u>\$ 85,078.76</u>	<u>\$ 142,816.24</u>	<u>\$ 423,611.27</u>	<u>\$ 12,890,962.00</u>	<u>3.29%</u>
Current year tax	\$ 142,322.71	\$ 32,678.46	\$ 94,072.01	\$ 269,073.18	\$ 12,305,962.00	2.19%
Prior year tax				\$ -	\$ 215,000.00	0.00%
Interest Income	\$ 53,393.56	\$ 52,400.30	\$ 48,744.23	\$ 154,538.09	\$ 300,000.00	51.51%
<u>Other Income</u>	<u>\$ 738.86</u>	<u>\$ 6,598.89</u>	<u>\$ 4,159.90</u>	<u>\$ 11,497.65</u>	<u>\$ 70,000.00</u>	<u>16.43%</u>
Branch Dep/TSYS Pmts	\$ 738.86	\$ 6,598.89	\$ 4,159.90	\$ 11,497.65		
Misc Income				\$ -		
				\$ -		
<u>CIF Transfer 201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000.00</u>	<u>0.00%</u>
				\$ -		
<u>Grant Revenue 300's</u>	<u>\$ 21,879.67</u>	<u>\$ 13,683.56</u>	<u>\$ -</u>	<u>\$ 35,563.23</u>	<u>\$ 320,000.00</u>	<u>11.11%</u>
Interest Income					\$ 20,000.00	<u>0.00%</u>
Carpenter 321	\$ 4,000.00			\$ 4,000.00		
Friends 322	\$ 8,735.47	\$ 13,683.56		\$ 22,419.03		
Gebhardt 323				\$ -		
Hulburt 324				\$ -		
JCLF 325	\$ 6,079.31	\$ -		\$ 6,079.31		
OCF 328	\$ 3,064.89			\$ 3,064.89		
Ready to Read 329				\$ -		
Misc Restricted 330				\$ -		
Total Monthly Expenses >>>>>>	\$ 217,595.94	\$ 98,762.32	\$ 142,816.24	Total Budgeted	\$ 13,710,962.00	
	Q1 Revenue					
	\$ 459,174.50					
	% of Budgeted 3.35%					

FY 23-24 JCLD General Funds	Q1			FY 23-24	FY 23-24	FY 23-24
	July	August	September	Total	Budgeted	% of Budgeted
<u>Personnel Services</u>	\$ 748,582.23	\$ 763,398.54	\$ 753,870.58	\$ 2,265,851.35	\$ 9,773,251.00	23.18%
<u>Salaries & Wages</u>	\$ 395,813.74	\$ 426,112.28	\$ 419,041.83	\$ 1,240,967.85		
<u>Fringe</u>	\$ 352,768.49	\$ 337,286.26	\$ 334,828.75	\$ 1,024,883.50		
<u>Materials and Services</u>	\$ 554,348.91	\$ 378,864.89	\$ 265,230.73	\$ 1,198,444.53	\$ 5,361,450.00	22.35%
<u>Library Materials</u>	\$ 262,166.64	\$ 111,845.23	\$ 20,328.06	\$ 394,339.93	\$ 1,478,000.00	26.68%
<u>Facilities & Contracted Services</u>	\$ 128,247.16	\$ 136,836.44	\$ 128,112.67	\$ 393,196.27	\$ 1,773,000.00	22.18%
<u>Computers & Equipment</u>	\$ 34,683.45	\$ 6,605.92	\$ 7,446.35	\$ 48,735.72	\$ 533,100.00	9.14%
<u>Administrative</u>	\$ 21,784.07	\$ 24,933.49	\$ 30,864.01	\$ 77,581.57	\$ 382,800.00	20.27%
<u>Programs</u>	\$ 29,251.72	\$ 16,396.01	\$ 14,819.64	\$ 60,467.37	\$ 311,450.00	19.41%
<u>Meetings and travel</u>	\$ -	\$ 17.91	\$ 664.96	\$ 682.87	\$ 45,200.00	1.51%
<u>Telecom</u>	\$ 20,617.83	\$ 31,010.79	\$ 29,381.90	\$ 81,010.52	\$ 294,850.00	27.48%
<u>Other Materials & Services</u>	\$ 44,330.51	\$ 50,567.90	\$ 31,379.48	\$ 126,277.89	\$ 466,800.00	27.05%
<u>Training & Recognition</u>	\$ 13,267.53	\$ 651.20	\$ 2,233.66	\$ 16,152.39	\$ 76,250.00	21.18%
<u>Capital Outlay</u>	\$ -	\$ -	\$ -	\$ -	\$ 150,000.00	0.00%
<u>6500 Contingencies</u>	\$ -	\$ -	\$ -	\$ -	\$ 500,000.00	0.00%
<u>Interfund Transfer</u>	\$ -	\$ -	\$ -	\$ -	\$ 500,000.00	0.00%
Total Monthly Expenses >>>>>>	\$ 1,302,931.14	\$ 1,142,263.43	\$ 1,019,101.31	Total Budgeted	\$ 16,284,701.00	
	Q1 Expenses					
	\$ 3,464,295.88					
	% of Budgeted 21.27%					

FY 23-24 JCLD Capital Improvement Funds	Q1			FY 23-24	FY 23-24	FY 23-24
	July	August	September	Total	Budgeted	% of Budgeted
<u>Personnel Services</u>	\$ -	\$ -	\$ -	\$ -		
<u>Salaries & Wages</u>	\$ -	\$ -	\$ -	\$ -		
<u>Fringe</u>	\$ -	\$ -	\$ -	\$ -		
<u>Materials and Services</u>				\$ -	\$ 500,000.00	0.00%
<u>Library Materials</u>	\$ -	\$ -	\$ -	\$ -		
<u>Facilities & Contracted Services</u>	\$ -	\$ -	\$ -	\$ -	\$ 500,000.00	0.00%
<u>Computers & Equipment</u>	\$ -	\$ -	\$ -	\$ -		
<u>Administrative</u>	\$ -	\$ -	\$ -	\$ -		
<u>Programs</u>	\$ -	\$ -	\$ -	\$ -		
<u>Meetings and travel</u>	\$ -	\$ -	\$ -	\$ -		
<u>Telecom</u>	\$ -	\$ -	\$ -	\$ -		
<u>Other Materials & Services</u>	\$ -	\$ -	\$ -	\$ -		
<u>Training & Recognition</u>	\$ -	\$ -	\$ -	\$ -		
<u>Capital Outlay</u>	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000.00	0.00%
<u>6500 Contingencies</u>				\$ -		
<u>Interfund Transfer</u>				\$ -		
Total Monthly Expenses >>>>>>	\$ -	\$ -	\$ -	Total Budgeted	\$ 2,500,000.00	
	Q1 Expenses					
	\$ -					
	% of Budgeted 0.00%					



Date: 12/11/2023

Title: SOHS Contract

From: Library Director Kari May

Recommendation:

Library Director May recommends that JCLD approve the new 5-year contract with SOHS as presented.

Resource Requirements:

The proposed cost is \$30,000 a year for five years, for a total of \$150,000. \$30,000 for FY24 was included in the adopted budget.

Policies, Plans, and Goals Supported:

The agreements in this contract enable Jackson County residents with full-service cards to access SOHS Archives materials and services, which aligns with the Library's mission to connect patrons with information, ideas, and each other.

Background and Additional Information:

In September, the JCLD Board approved a six-month contract extension with SOHS at \$15,000 total, while negotiations for a longer-term agreement were finalized. In October, Library Director Kari May and SOHS Executive Director Ron Kramer met to discuss the strengths of the partnership between the organizations and recommendations for what the re-negotiated contract would include. In November, the JCLD Executive Committee met with Kramer and SOHS President Doug McGearry to present the recommendations and review the drafted contract, which is presented to the Board today.

The five-year term of the presented contract will commence on January 1, 2024, and end on December 31, 2028. The terms of the contract were updated to include an agreement to collaborate on programs such as Windows in Time, which were not covered under the previous contract, as well removing the obligation for SOHS to pursue outside funding. Other minor edits were made, namely clarifying language and updating branding images. This contract terminates and replaces any former contracts in place.

The proposed contract has been reviewed and approved by representatives of both parties and by JCLD legal counsel.

Attachments:

- SOHS Memo
- Proposed SOHS Contract 2024-2028



November 21, 2023

Kari May, Library Director
Jackson County Library Services
Medford OR 97501

Dear Kari,

Having more deeply explored our organizations' relationship over recent months, I would like to posit my overall view. Under our contract SOHS has sought to functionally operate our Library/Archives as an adjunct Library system facility – kind of functioning like a special collection providing access to, and services from, our Archives although necessarily somewhat differing from the manner services are provided elsewhere in JCLS.

SOHS spends approximately \$100,000 annually to maintain and operate our Library and Archives. Those costs include professional salaries, maintenance/preservation costs of the Archives which includes archival supplies, maintaining appropriate environmental conditions, insurance coverages and similar costs. In addition to in-person service in our Library, SOHS also provides full access to our online research site which is among the most extensive online historic research facilities in Oregon.

While most historical society libraries charge for access to their collection, SOHS has waived access fees for Jackson County residents and additionally provides them with certain research and duplication services described more fully in our contracts with you. We do, however, charge for those services for persons who are not local.

SOHS believes that free public access to libraries is important in a democracy although, like any other 501[c][3], we need to generate income to sustain our operations. Given that, we deeply appreciate that we are able to offer these services for local citizens because JCLS is providing us the support which enables us to do so.

Our contractual relationship additionally facilitates public access because it relieves SOHS of the administrative functions involved in charging local residents for access and the other services we provide under our agreement, minimizes paperwork and associated costs for Library/Archives patrons, and even perhaps simplifies referrals to SOHS from your staff. In short, operations under our agreement has been a much simpler and efficient process for all.

Because we have viewed the SOHS/JCLS relationship as a true partnership, we have engaged in undertakings with JCLS, such as “Windows in Time”, which have not been part of our agreement. We believe “Windows in Time” has great public value, represents an appropriate public outreach function for both of our organizations, and we have, therefore, been happy to partner with JCLS on that as well.

In short, SOHS very much appreciates its relationship with JCLS and looks forward to its continuation.

Thanks to you, your staff and your Board for our deeper engagement in this conversation in recent months and for our long-term association.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ron', with a stylized flourish at the end.

Ronald Kramer
Executive Director

SOHS Services Provided to Jackson County Library District

Summary – October 17, 2023

Entrance to Library	Annual	Day Rate Waived	Value
Free to Jackson County residents	1,000	\$10	\$ 10,000
Remote Entry via website*	66,678	\$ 10	\$ 666,680
Research Services (over 60 minutes) **	700	\$20/hr	\$ 14,000
TOTAL			\$ 690,680

NOTES:

- Services associated with Windows in Time not included above
- SOHS provides photocopying, digitization and/or duplication of materials for Jackson County residents in accord with JCLD agreement with at SOHS's standard rates
- SOHS overall costs of maintaining and preservation of Archives not reflected above
- *Remote entry via website \$10 daily rate, not previously discussed but newly proposed in 2023. In 2022 SOHS's research website (research.sohs.org) served 66,668 **unique** visitors (including the general research, Truwe and markers sections of the research site). Since SOHS does not have a login paywall, there is no record of how many of these sessions came from Jackson County although such access clearly benefits local residents
- **2021 agreed upon rate was \$10/half-hour



This agreement (Agreement) is effective January 1, 2024, by and between Southern Oregon Historical Society (SOHS) and Jackson County Library District (hereinafter "JCLD"), together referred to as the "Parties". The term of the agreement shall be January 1, 2024 – December 31, 2028.

RECITALS

- A. The Jackson County Library District (JCLD) works to connect Jackson County residents to information, ideas, and each other; and
- B. JCLD values accessibility and champions access to ideas, information, and content; and
- C. JCLD is committed to implementing new models and collaborating with others to improve information access and delivery; and
- D. The Southern Oregon Historical Society (SOHS) follows the best practices of the Society of American Archivists, which meets an exemplary standard established by the Oregon Library Association; and
- E. This agreement between JCLD and SOHS is intended to provide public access to special collections of value to the community in convenient forms, including print, non-print and electronic; and
- F. The Jackson County Library District (JCLD) is a county tax-funded special district with authority to enter into, maintain and pursue breaches, if any, of agreements, contracts, joint ventures and/or partnerships, etc.; and
- G. SOHS is a registered 501(c)(3) nonprofit. SOHS's bylaws permit and authorize SOHS to enter into, maintain and pursue breaches, if any of agreements, contracts, joint ventures and/or partnerships, etc.; and
- H. JCLD presently operates a countywide library network for the benefit of Jackson County residents; and
- I. SOHS maintains archives which consist of materials including photographs, maps, manuscripts and other documents ranging in age from approximately 1851 through the present, which are organized, cataloged and preserved for continuing public information, education, and recreation (SOHS Library and Archives). SOHS has performed this function since its founding in 1946; and
- J. As used herein, SOHS Library and Archive, Library, Holdings, and/or Collection refers to the archival materials described in Recital J in any format; and

- K. The SOHS Library and Archives is an appropriate space open to the public specifically for use of archive and library materials; and
- L. The SOHS Library and Archives is a maintained, climate-controlled environment suitable for archival materials at the SOHS History Center, 106 N. Central Ave, Medford, OR.; and
- M. The SOHS Library and Archives are solely owned by and under the sole control and management of the SOHS, which adheres to Society of American Archivists Guidelines for Evaluation of Archival Institutions.
- N. This Agreement serves to terminate and replace the existing agreement between the Parties that became effective on January 1, 2022, and amended on July 1, 2022, and July 1, 2023.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **RECITALS.** The recitals set forth above are true and correct and are incorporated herein by this reference.
2. **DURATION.** Except for earlier termination as provided herein, the term of this Agreement commences January 1, 2024 and terminates December 31, 2028.
3. **SOHS SERVICES, FUNCTIONS AND RESPONSIBILITIES.** SOHS shall use its best efforts, which shall be objectively reasonable, to achieve the following objectives during the period of this Agreement and under any Extensions:
 - 3.1 **Summary.** SOHS shall maintain volunteer and/or paid staffing levels to provide consistent public access to the SOHS Library and Archives. For the purposes of this Agreement, consistent public access shall mean a minimum of twenty (20) hours per week with a minimum of four (4) of those hours occurring outside of the standard business hours of Monday – Friday, 8:00am-5:00pm.
 - 3.2 **Basic Benefits.** On the Effective Date of this Agreement:
 - 3.2.1 SOHS will provide free access to the SOHS Library and Archives for Jackson County Residents with an active JCLD library card.
 - 3.2.2 SOHS shall maintain a website including, at a minimum, the following information: SOHS Library and Archives physical address, phone number, email address for information requests, operating hours, and description of Collection.
 - 3.2.3 SOHS will respond without charge to phone and email requests from Jackson County residents related to information contained in the SOHS library and Archives collection.
 - 3.2.4 SOHS will provide all residents scanned materials that respond to such requests unless such materials are too fragile, too lengthy, or under copyright. Such assessments are at the sole discretion of the Archivist or designated representative(s). Such discretion shall not be unreasonably withheld.

- 3.2.5 SOHS staff and volunteers will generally limit research efforts on a request from a Jackson County resident to one hour and provide up to 20 pages of scanned materials. Extended research is available, at cost to Jackson County residents, as provided in 3.5, below.
- 3.2.6 Jackson County Library employees have priority phone and email access to the SOHS Library and Archives. All materials sent electronically to the libraries may be printed out for patrons, added to local files or otherwise used to improve local library services, unless such use would violate copyright laws.
- 3.2.7 SOHS will commit to the continuation and enhancement of digital preservation of the SOHS collection.
- 3.2.8 SOHS will prepare semi-annual reports of SOHS Library and Archives usage that include statistics of patronage (including tracking whether patrons are active JCLD cardholders) and use type, including website use. The reports will also include information on SOHS's progress toward digitizing the SOHS collection. SOHS will seek methods to increase public interest and periodically prepare narratives concerning SOHS projects and activities.
- 3.2.9 SOHS and JCLD will collaborate on programs on local history that are of interest to the community, such as the Windows in Time historic lecture series, and other programs that tie in with the Library's strategic plan.
- 3.2.10 SOHS shall promote JCLD as a prominent partner by mentioning or including JCLD's logo on the SOHS website and social media accounts, signage at the SOHS Library and Archives, and on any marketing materials used to advertise SOHS events. JCLD will include SOHS's logo on programs as outlined in 3.2.9.
- 3.3 **Restrictions.** The SOHS Library does not lend materials for use outside the building without expressed authorization and in the sole discretion of the Archivist.
- 3.4 **Fees.** SOHS will continue to charge Jackson County Residents for appropriate services as outlined on their Research Library Fee Schedule – see Exhibit A.
- 3.5 **Access.** JCLD staff will have direct access to the SOHS Library and Archives only through arrangements with the SOHS archivist, their designated representative, or the SOHS Board of Trustees.
- 3.6 **Training.** The SOHS archivist will train JCLD staff regarding the contents of the SOHS Library and Archives, and familiarizing JCLD staff with the basic operations of the SOHS Library and Archives. The SOHS archivist will provide one (1) training annually to familiarize staff with SOHS holdings and other local history resources, either at the SOHS Library or at a mutually agreed time and place designated by JCLD.
- 3.7 **Meetings.** The SOHS Archivist or other knowledgeable staff member/volunteer shall attend regular meetings with designated JCLD staff to assist in the fulfillment of the terms of this Agreement.

- 3.8 **Archivist/Staffing.** SOHS shall maintain a paid archivist to work during the SOHS Library and Archive's open hours to provide supervision, oversight, and consultation with the SOHS Library volunteers. It shall be the responsibility of SOHS to provide for adequate staffing levels of suitably qualified or trained staff or volunteers such that the services, contemplated herein, are provided for JCLD staff and Jackson County Residents.
4. **PAYMENT.** Subject to the terms and conditions set out in this Agreement, JCLD shall pay SOHS for access to the SOHS Library and Archives and related archival services pursuant to this Agreement from legally available funds.
- 4.1 This payment shall be monthly in the amount of \$ 2,500 (\$30,000 total) and will be sent to:
- Southern Oregon Historical Society
106 N. Central Ave
Medford, OR 9750
5. **REVENUE.** This Agreement does not involve the receipt of revenue. Each party shall be solely responsible for revenue, if any received.
6. **PERSONNEL.** No employees will be transferred pursuant to this Agreement. SOHS shall be solely responsible for wages and benefits paid to employees working for SOHS.
7. **REAL OR PERSONAL PROPERTY.** There shall be no transfer of title or possession to any real or personal property pursuant to this Agreement.
8. **TERMINATION.**
- 8.1 All or part of this Agreement may be terminated by mutual consent by both Parties; or by either party at any time, upon ninety (90) days' notice in writing and delivered by certified mail.
- 8.2 Except in the event of breach, in the event of termination of this Agreement, each party shall be responsible for its own costs and expenses in complying with the Agreement.
- 8.3 This Agreement may be terminated by either party if the other party commits any material breach of any of the terms or conditions of this Agreement and fails or neglects to correct the same within 30 days after written notice of such breach. If the breach is of such nature that it cannot be completely remedied within the 30-day period, this provision shall be complied with if correction of the breach begins within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as is practicable.
9. **REMEDIES.** In the event of termination, JCLD shall pay SOHS, or SOHS shall reimburse JCLD, as applicable, a pro-rated payment amount for services rendered prior to the termination date. This payment for services rendered shall be the only remedy available to SOHS in the event of termination.
10. **ASSIGNMENT.** SOHS shall not assign or transfer any interest in this Agreement without prior written consent of JCLD, provided, however, that SOHS may subcontract the performance of any provision or obligation required by this Agreement, so long as SOHS remains primarily responsible to the JCLD for the performance of such provision or obligation.

11. **INSPECTION RECORDS.** JCLD shall have access at all reasonable times, including during normal working hours, and to all books and records, electronic or hard copy, of SOHS that pertain to management of the SOHS Library and Archives. SOHS shall maintain books, records, documents, and other evidence and accounting procedures and practices sufficient to properly reflect all costs, of whatever nature, claimed to have been incurred and anticipated in the performance of the Agreement. JCLD and their duly authorized representatives shall have access to the books, documents, papers, and records of SOHS which are directly pertinent to the Agreement for the purpose of making audit, examination, excerpts, and transcripts. Such books and records shall be maintained by SOHS for three years or any longer period required by Local, State or Federal law. SOHS shall be solely responsible for any SOHS demonstrated audit discrepancies involving deviation from the terms of the Agreement.
12. **HOLD HARMLESS AND INDEMNIFICATION.** The Jackson County Library District is not providing services but purchasing services through SOHS. Accordingly, to the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the Party found at fault shall hold the other harmless, defend and indemnify the other from any and all claims, demands, damages or injuries, liability of damage, directly or proximately caused by the Party at fault, including injury resulting in death or damage to property, that anyone may have or assert by reasons of any error, act or omission of the Party found at fault, its officers, employees or agents. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this indemnification.
- 12.1 If the loss or claim is caused by the joint concurrent negligence or other fault of both Parties, all loss or claim shall be borne by each in proportion to the degree of negligence or other fault attributable to each. The obligations of each party under this paragraph shall survive the termination of this contract.
- 12.2 Except as provided for in this Agreement, the JCLD shall not be liable for any obligations incurred by SOHS. SOHS shall not represent to any person that JCLD is liable for SOHS's obligations, except as provided for in this Agreement.
13. **INSURANCE.** SOHS, at its sole cost and expense shall maintain all risk property and public liability insurance policies on the prospective properties and resources included in this Agreement.
14. **DISPUTE RESOLUTION.** JCLD and SOHS shall attempt to resolve all disputes through staff discussions. Both Parties to this Agreement agree to provide other resources and personnel to negotiate and resolve disputes that are not resolved at the staff level. In the event the first attempts are pursued in good faith but are unsuccessful, claims, disputes or other matters in questions between the Parties to this Agreement, arising out of or relating to this Agreement, or breach thereof, shall be determined by mediation, arbitration, or litigation. Disputes shall be initially submitted to mediation by a mediator chosen by the Parties. The cost of mediation shall be borne equally by the Parties. If the Parties are unable to agree upon a mediator within 5 days or if mediation fails to resolve the dispute and if either party wants to further pursue the dispute, either party may request that the dispute be submitted to arbitration before a single arbitrator mutually agreed to by the Parties. If both Parties agree to arbitration but are unable to agree upon an

arbitrator, each party shall select an arbitrator. The arbitrators so chosen shall select a third arbitrator, who shall serve as the sole arbitrator. Unless the Parties mutually agree otherwise, any arbitration proceeding shall be conducted in accordance with the currently in effect Arbitration Rules of the American Arbitration Association pursuant to ORS 190.720. Notwithstanding the above, either party may, at its own discretion, elect to resolve disputes in excess of \$50,000 by litigation, if mediation is not successful.

- 15 **ATTORNEY FEES.** If the services of an attorney are retained to enforce any provision of this Agreement, or with respect to any dispute relating to this Agreement, the prevailing party will be entitled to recover from the losing party its attorneys' fees, paralegal fees, accountant fees, and other expert fees, as well as other fees, costs, and expenses actually incurred in connection therewith. In the event of a suit, an action, an arbitration, or other proceeding, the amount of fees will be determined by the judge or arbitrator, will include fees and expenses incurred on any appeal or review, and will be in addition to all other amounts provided by law.
- 16 **REPRESENTATION OF AUTHORITY.** Each person signing this Agreement represents and warrants that they are duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.
- 17 **VENUE, GOVERNING LAW, AND INTERPRETATION.** This Agreement has been executed and delivered in the State of Oregon and the laws of such state shall govern the validity, construction, enforcement, and interpretation of this Agreement without regard to its conflict of laws provision. Exclusive jurisdiction for any dispute concerning this Agreement shall be in Jackson County, Oregon.
- 18 **FURTHER ASSURANCES.** The parties agree to cooperate fully and to execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force to the terms of this Agreement.
- 19 **LEGAL REPRESENTATION ACKNOWLEDGEMENTS.** The parties acknowledge that they have been represented by counsel of their own choice, that they have read this Agreement and have had the opportunity to have it fully explained to them by counsel of their own choice, and that they are fully aware of the contents of this Agreement and of its legal effect.
- 20 **NOTICE AND REPRESENTATIVES.** All notices, certificates, or communications shall be delivered or mailed postage prepaid to the Parties at their respective places of business as set forth below or at a place designated hereafter in writing by the Parties.

Southern Oregon Historical Society:
Ron Kramer, Executive Director
106 N Central Ave
Medford, OR 97501

Jackson County Library District:
Kari May, Library Director
205 S Central Ave
Medford, OR 97501

And when so addressed, shall be deemed given three days after deposit in the United States Mail, postage prepaid. In all other instances, notices, bills, and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills, and payments are to be given by giving notice pursuant to this paragraph.

- 21 **MERGER.** This Agreement constitutes the Entire Agreement between the Parties. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No amendment, consent, or waiver or terms of this Agreement shall bind either party unless in writing and signed by all Parties. Any such amendment, consent or waiver shall be effective only in the specific instance and for the specific purpose given. The Parties, by the signatures below or their authorized representatives, acknowledge having read and understood the Agreement and the Parties agree to be bound by its terms and conditions.
- 22 **TERMINATION OF PRIOR AGREEMENT.** By entry into this Agreement, the Parties hereby agree to the mutual termination of the prior agreement between the Parties which first became effective on January 1, 2022, and amended on July 1, 2022, and July 1, 2023, and waive any causes of actions or claims against one another with respect to such prior agreement or the early termination thereof.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed in two (2) duplicate originals, either as individuals, or by their officers thereunto duly authorized.

DATED this ____ day of _____, 2023.

JACKSON COUNTY LIBRARY DISTRICT

SOUTHERN OREGON HISTORICAL SOCIETY

By: Kari May
Title: Director, JCLD
Date: _____

By: Ron Kramer
Title: Executive Director, SOHS
Date: _____

Approved as to legal sufficiency

Jacquelyn Bunick Date

Southern Oregon Historical Society Research Library Fee Schedule - 2023

Library Use

Society Members and Media Representatives	Free
Non-Jackson County residents	\$10.00

Photocopies and Postage

Photocopy (per page)	\$0.25
Postage and Handling (minimum)	\$3.50

Research

½ hour source search by Research Library staff	Free
Each additional ½ hour (2 hour maximum)	\$20.00

Photographic Scans

Digital Tiff, 600 dpi	\$15.00
Murals (Ask Librarian)	Varies
Rush Order (per order)	50% Surcharge

Publication and Commercial Use Fees

The following fees are for one time use only; no other rights. Southern Oregon Historical Society images must be credited in accordance with its "Commercial Use" agreement. No physical or digital alterations of images may be made without permission. ***Requests for publication or reuse must be made in writing.***

The following fees do not include finishing or scanning costs:

Periodicals / Serials

Circulation under 5,000	\$15.00 per Image
5,001 – 50,000	\$20.00 per Image
50,001 – 100,000	\$60.00 per Image
Over 100,000	\$150.00 per Image

Books, Posters, Postcards, Calendars, Videotapes, DVD's,

Production under 2,500	\$36.00 per Image
2,500 – 4,999	\$54.00 per Image
5,000 – 9,999	\$78.00 per Image
10,000 – 24,999	\$150.00 per Image
25,000 – 49,000	\$200.00 per Image
50,000 and Over	\$250.00 per Image
Jacket Cover	\$60.00 per Image
Television or Film	\$80.00 per Image
Internet/Websites – Commercial	\$75.00 per Image

Advertising and Promotional Use Television, World Wide Web

Local Campaign	\$35.00 per image per second video
Regional Campaign	\$40.00 per image per second video
National Campaign	\$60.00 per image per second video



JCLD Board Meeting

Agenda Item Memo

December 11, 2023

Title: 2024 Holidays

From: Brynn Fogerty, Human Resources Manager

Recommendation:

Human Resources Manager Brynn Fogerty recommends that JCLD approve the Holiday Closure Schedule as presented, adding Indigenous People's Day and a floating holiday, for a total of thirteen paid holidays.

Budget Impacts:

For the 2023 calendar year, JCLD provided eleven (11) paid holidays to all regular employees working 20 hours per week or more. With the proposed recommendation of thirteen holidays, the budgetary impact is neutral, as the holidays would be paid instead of regular wages.

Policies, Plans, and Goals Supported:

The holiday closure schedule reflects the policy outlined in the Employee Handbook. The table below indicates the holidays to be recognized. In addition, staff hired before October 1st would have a floating holiday that could be taken any time during the year. The Handbook would need to be updated to reflect the additional approved holidays.

Date	Holiday Observed
Monday, 1/1/2024	New Year's Day
Monday, 1/15/2024	MLK Jr. Day
Monday, 2/19/2024	President's Day
Monday, 5/27/2024	Memorial Day
Wednesday, 6/19/2024	Juneteenth
Thursday, 7/4/2024	Independence Day
Monday, 9/2/2024	Labor Day
Monday, 10/14/2024	Indigenous Persons Day
Monday, 11/11/2024	Veterans' Day
Thursday, 11/28/2024	Thanksgiving Day
Tuesday, 12/24/2024	Christmas Eve
Wednesday, 12/25/2024	Christmas Day

Background and Additional Information:

HR Manager Brynn Fogerty met with Administrative staff to discuss the 2024 holiday schedule, and she proposed two additions to the holiday schedule: Indigenous People's Day and a floating holiday, which would allow staff who celebrate other holidays as part of their culture to take time off without using vacation time. Alternatively, the Board could approve only the addition of the 12th paid holiday, Indigenous Persons Day. Staff recommends the Board approve the first option, which represents two more paid holiday than observed in 2023.

Indigenous People's Day is a state- and federally-recognized holiday that JCLD has not observed. The recommendation to add a floating holiday is in recognition of the growing diversity of staff including more BIPOC individuals and an increase in the number of employees who observe holidays which are not federally recognized. In order to take time off to celebrate their cultural holidays, staff must use accrued vacation time. Adding a floating holiday allows staff to take time off to observe cultural and religious holidays that are not on the list.

Emergency Closures

Libraries may also need to be closed on a case-by-case basis due to inclement weather or other emergencies. The procedure for such closure decisions is outlined in the Employee Handbook:

Emergencies such as severe weather, fires, power failures, earthquakes, and other natural disasters can disrupt organizational operations. Infectious disease outbreaks could also trigger an emergency. In extreme cases, these circumstances may require the closing of the District.

In the event that JCLS makes the decision to close the office prior to the start of the business day, the closure will be announced via an organization-wide email from the Library Director or Human Resources Manager.

If a decision is made to close the office after the business day has already begun, the closure message will also be announced via email and other appropriate communication channels.

Dependent upon the nature and duration of emergency closure, and at the direction of the Board of Directors, exempt employees will be paid for all absences, full day or partial day and should be available to work from home if necessary.

When Administration decides to close any branch library in response to an emergency, staff will be paid for their regularly scheduled hours during the time the library is closed. Staff should mark their time as Administrative Paid Leave on their time card for their regularly-scheduled shift. If staff chooses to leave work early or does not report to work when the library is open, they are not eligible to utilize Admin Paid Leave, but may, with supervisory approval, use available vacation hours.

Extended closures may require additional Board action and guidance.

| JACKSON COUNTY LIBRARY DISTRICT

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023
WITH
INDEPENDENT AUDITOR'S REPORT



JACKSON COUNTY LIBRARY DISTRICT
June 30, 2023

Administrative Office:

**205 S Central Avenue
Medford, Oregon 97501**

BOARD OF DIRECTORS AS OF JUNE 30, 2023

Eric Dziura	President
Viki Brown	Vice President
Kim Young	Director
Susan Kiefer	Director
Marissa Barrientos	Director

All Board Members receive mail at the address listed above.



TABLE OF CONTENTS

JACKSON COUNTY LIBRARY DISTRICT

Year Ended June 30, 2023

Independent Auditor's Report	A1-A3
Management's Discussion and Analysis	B1-B6
Basis Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
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	7-21
Required Supplementary Information:	
Major Governmental Funds Budgetary Comparison Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	22
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Improvement Fund	23
Budgetary Comparison Schedule Budget to GAAP Reconciliation - General Fund	24
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund	25
Independent Auditor's Report Required by State Regulations	26-27



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, 2023, 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, 2023, 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 December 4, 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 black ink, reading "Aria Bettinger". The signature is fluid and cursive, with the first name "Aria" and last name "Bettinger" clearly distinguishable.

Aria Bettinger, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 4, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

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, 2023. 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

- In the **government-wide statements**, the District's assets and deferred outflows totaled \$53,592,929 at June 30, 2023 consisting of \$32,378,963 in capital assets, \$19,735,571 in cash and investments, \$625,016 in receivables, and \$853,379 in other assets. The District's assets and deferred outflows decreased by \$641,709, or 1% from the prior year.
- In the **government-wide statements**, the District's liabilities and deferred inflows totaled \$982,239 at June 30, 2023 consisting of accounts payable and other current liabilities. The District's liabilities increased by \$48,465, or 5% from the prior year.
- In the **government-wide statements**, the District's net position (assets/deferred outflows minus liabilities/deferred inflows) totaled \$52,610,690 at June 30, 2023, of which \$32,345,147 was net investment in capital assets, \$5,550,048 was considered restricted, and \$14,715,495 was considered unrestricted. In the prior year, net position totaled \$53,277,946.
- The District's fund balance decreased \$733,972 during the fiscal year ended June 30, 2023 from the 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.

All of the District's Funds are governmental funds, 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 \$52,610,690 at June 30, 2023. Net position for governmental activities totaled \$52,610,690.

	June 30, 2023	June 30, 2022	Increase/(Decrease)
Current Assets	\$ 17,911,991	\$ 18,499,132	\$ (587,141)
Other assets	3,301,975	3,239,603	62,372
Net capital assets	32,378,963	32,472,985	(94,022)
Total assets	53,592,929	54,211,720	(618,791)
Current liabilities	970,995	933,774	37,221
Long-term liabilities	11,244	-	11,244
Total liabilities	982,239	933,774	48,465
Net position:			
Net investment in capital assets	32,345,147	32,417,263	(72,116)
Restricted - nonexpendable	1,378,306	1,351,761	26,545
Restricted - expendable	4,171,742	5,783,439	(1,611,697)
Unrestricted	14,715,495	13,725,483	990,012
Total Net Position	\$ 52,610,690	\$ 53,277,946	\$ (667,256)

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 28 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, 2023</u>	<u>June 30, 2022</u>	<u>Increase/(Decrease)</u>
Program Revenues			
Charges for Services	\$ 30,299	\$ 27,806	\$ 2,493
Operating Grants and Contributions	536,941	1,190,041	(653,100)
General Revenues			
Property taxes	12,234,799	11,733,244	501,555
Earnings on investments	572,812	35,971	536,841
Change in value of endowment	53,090	(488,345)	541,435
Change in value of beneficial interest in trust	9,282	(51,875)	61,157
Miscellaneous	87,553	47,199	40,354
Total Revenues	<u>13,524,776</u>	<u>12,494,041</u>	<u>1,030,735</u>
Expenses			
Library services	<u>14,192,032</u>	<u>12,509,770</u>	<u>1,682,262</u>
Total Expenses	<u>14,192,032</u>	<u>12,509,770</u>	<u>1,682,262</u>
Change in Net Position	<u>\$ (667,256)</u>	<u>\$ (15,729)</u>	<u>\$ (651,527)</u>

CAPITAL ASSETS

The District's capital assets at June 30, 2023 include land, buildings, and equipment for the various library locations, as well as digital and physical library collections and right-of-use assets. The net value at June 30, 2023 is \$32,378,963.

<u>Capital assets, net</u>	
Land	\$ 2,947,990
Construction in progress	823,290
Buildings and Improvements	26,599,015
Machinery/Equipment/Vehicles	373,120
Library collections	1,601,685
Right-of-use-assets	33,863
Total	<u>\$ 32,378,963</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. At June 30, 2023, the District governmental funds reported combined ending fund balance of \$19.8 million, a decrease of \$700 thousand in comparison with the prior year. \$9.5 million, or 47.5%, of the ending fund balance constitute amounts which are available for spending at the District's discretion, and \$4.8 million, or 24%, of combined ending fund balance is committed for capital projects.

Types of governmental funds reported by the District include the General Fund (combined with the Capital Improvement Fund), the Special Revenue Fund, and the Library Foundation Fund.

At June 30, 2023, the District's general fund reported an ending fund balance of \$14,245,620. \$9,402,954 represents unassigned ending fund balance which is available for spending at the District's discretion.

At June 30, 2023, the District's Special Revenue Fund reported an ending fund balance of \$3,941,845. The entire fund balance was restricted at year end.

At June 30, 2023, the Library Foundation Special Revenue Fund reported an ending fund balance of \$1,608,203. The entire fund balance was restricted at year end.

Budget

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

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 2024 total \$13,240,96. Of this total, \$12,520,962 comes from property taxes which represent 91.12% of the total adopted revenues to be received.

The District's adopted expenses for fiscal year 2024 total \$18,385,826 with an additional \$2,450,000 budgeted to Capital Outlay.

A significant portion of the increase in operating expenses because of the increased hours of operations across the system. The District increased hours of operation April 2023, expanding hours of operation by an additional 100 hours per week, a 30% increase in total. FY2024 represents the first full fiscal year at these new hours of operation.

- The 2023/2024 budget includes a total of \$10,073,251 for personnel services, including wages and benefits.

- The 2023/2024 budget includes \$1,638,000 for library materials, including databases, physical and digital materials, and items that can be borrowed from the Library of Things.
- The 2023/2024 budget includes monies to support the following budget priorities:
 - Expand services across the branches through increased hours and technology that 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.
 - Complete a Facilities Master Plan, which will guide future facilities projects, renovations, and expansions.

In September 2023, the District's insurance broker conducted a physical appraisal of all library properties valued over \$150,000, which included all 15 branch facilities. The new total insured value of all properties increased 46.4%.

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, 2023

	Governmental Activities
ASSETS:	
Cash and investments	\$ 16,978,959
Property taxes receivable	529,158
Other receivables	95,858
Prepaid expenses	308,016
Assets held in trust (Hulburt endowment)	2,756,612
Beneficial interest in assets held by OCF	545,363
Capital assets, net	32,378,963
TOTAL ASSETS	53,592,929
LIABILITIES:	
Accounts payable	406,022
Accrued payroll liabilities	307,316
Accrued compensated absences	235,085
Lease payable:	
Due within one year	22,572
Due within more than one year	11,244
TOTAL LIABILITIES	982,239
NET POSITION:	
Net investment in capital assets	32,345,147
Restricted - nonexpendable	1,378,306
Restricted - expendable	4,171,742
Unrestricted	14,715,495
TOTAL NET POSITION	\$ 52,610,690

JACKSON COUNTY LIBRARY DISTRICT

Statement of Activities Year Ended June 30, 2023

Functions/Programs:	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Library services	\$ 14,192,032	\$ 30,299	\$ 536,941	\$ (13,624,792)
Total governmental activities	<u>\$ 14,192,032</u>	<u>\$ 30,299</u>	<u>\$ 536,941</u>	<u>(13,624,792)</u>
General revenues:				
Property taxes levied for general purposes				12,234,799
Earnings on investments				572,812
Change in value of beneficial interest in trust				9,282
Change in value of endowment				53,090
Miscellaneous				<u>87,553</u>
Total general revenues				<u>12,957,536</u>
CHANGE IN NET POSITION				(667,256)
NET POSITION - JUNE 30, 2022				<u>53,277,946</u>
NET POSITION - JUNE 30, 2023				<u>\$ 52,610,690</u>



| FUND FINANCIAL STATEMENTS

JACKSON COUNTY LIBRARY DISTRICT

Balance Sheet Governmental Funds June 30, 2023

	General Fund	Special Revenue Fund	Library Foundation Fund	Total
ASSETS:				
Cash and investments	\$ 14,819,631	\$ 1,096,388	\$ 1,062,940	\$ 16,978,959
Property taxes receivable	529,158	-	-	529,158
Accounts receivable	6,079	89,239	540	95,858
Assets held in trust (Hulburt endowment)	-	2,756,612	-	2,756,612
Beneficial interest in assets held by OCF	-	-	545,363	545,363
TOTAL ASSETS	\$ 15,354,868	\$ 3,942,239	\$ 1,608,843	\$ 20,905,950
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 404,988	\$ 394	\$ 640	\$ 406,022
Payroll liabilities	307,316	-	-	307,316
TOTAL LIABILITIES	712,304	394	640	713,338
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	396,944	-	-	396,944
TOTAL DEFERRED INFLOWS OF RESOURCES	396,944	-	-	396,944
Fund Balances:				
Non-spendable	-	1,378,306	-	1,378,306
Restricted:				
Assets held in trust (endowment)	-	1,378,306	-	1,378,306
Hulburt Trust	-	569,437	-	569,437
Central Point public library	-	314,291	-	314,291
Foundation	-	-	1,608,203	1,608,203
Miscellaneous	-	301,505	-	301,505
Committed:				
Capital projects	4,842,666	-	-	4,842,666
Unassigned	9,402,954	-	-	9,402,954
TOTAL FUND BALANCES	14,245,620	3,941,845	1,608,203	19,795,668
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 15,354,868	\$ 3,942,239	\$ 1,608,843	\$ 20,905,950

JACKSON COUNTY LIBRARY DISTRICT
Reconciliation of Governmental Funds
Balance Sheet to Statement of Net Position
June 30, 2023

TOTAL FUND BALANCES		\$ 19,795,668
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 44,968,979	
Accumulated depreciation and amortization	<u>(12,590,016)</u>	
		32,378,963
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.		396,944
Prepays are not included in the governmental funds.		308,016
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. These liabilities consist of:		
Accrued compensated absences	(235,085)	
Lease payable	<u>(33,816)</u>	
		<u>(268,901)</u>
TOTAL NET POSITION		<u>\$ 52,610,690</u>

JACKSON COUNTY LIBRARY DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Library Foundation Fund	Total
REVENUES				
Property taxes	\$ 12,201,990	\$ -	\$ -	\$ 12,201,990
Grants and donations	-	401,014	261,854	662,868
Charges for services	30,299	-	-	30,299
Earnings on investments	424,552	106,904	41,356	572,812
Change in value of beneficial interest in trust	-	-	9,282	9,282
Change in value of endowment	-	53,090	-	53,090
Miscellaneous	190,855	-	-	190,855
TOTAL REVENUES	<u>12,847,696</u>	<u>561,008</u>	<u>312,492</u>	<u>13,721,196</u>
EXPENDITURES				
Current:				
Library services	13,052,620	203,322	292,961	13,548,903
Capital outlay	532,568	373,697	-	906,265
TOTAL EXPENDITURES	<u>13,585,188</u>	<u>577,019</u>	<u>292,961</u>	<u>14,455,168</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(737,492)</u>	<u>(16,011)</u>	<u>19,531</u>	<u>(733,972)</u>
NET CHANGE IN FUND BALANCE	(737,492)	(16,011)	19,531	(733,972)
FUND BALANCE, JUNE 30, 2022	<u>14,983,112</u>	<u>3,957,856</u>	<u>1,588,672</u>	<u>20,529,640</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ 14,245,620</u>	<u>\$ 3,941,845</u>	<u>\$ 1,608,203</u>	<u>\$ 19,795,668</u>

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, 2023

NET CHANGE IN FUND BALANCE	\$ (733,972)
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	\$ 1,646,434
Less current year depreciation and amortization	<u>(1,740,456)</u>
	(94,022)
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	21,906
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.	
	132,690
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.	
	32,809
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.	
	<u>(26,667)</u>
CHANGE IN NET POSITION	<u>\$ (667,256)</u>



| NOTES TO BASIC FINANCIAL STATEMENTS

JACKSON COUNTY LIBRARY DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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, 2023

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 are either externally restricted, imposed by creditors (such as through grantors, contributors, or laws) or through constitutional provisions or enabling resolutions.

Fund Financial Statements

The 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.

JACKSON COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Financial Statements (continued)

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.

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.

JACKSON COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Financial Statements (continued)

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.

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 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 4*). 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, 2023

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.

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 the 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.

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.

JACKSON COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Net Position (continued)

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.

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

JACKSON COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

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 Pronouncements

During the year ended June 30, 2023, the District implemented the following GASB Pronouncements:

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. There is no effect on the District's financial statements as a result of this Statement.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement's objective is to address accounting and financial reporting for arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a capital asset for a period of time in an exchange or exchange-like transaction. There is no effect on the District's financial statements as a result of this Statement.

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. 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, 2023:

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement clarifies the presentation and disclosures requirements for prior period adjustments to beginning net position. This Statement will be effective for the District for fiscal year ending June 30, 2024.

JACKSON COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Future GASB Pronouncements (continued)

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 – 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, 2023, actual expenditures on a budgetary basis did not exceed appropriations.

Note 3 – 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."

Cash and investments are comprised of the following as of June 30, 2023:

Cash and investments are comprised of the following as of June 30, 2023:

Carrying amount of investments (LGIP)	\$ 15,770,383
Carrying amount of demand deposits	145,636
Total cash and investments (excluding Foundation)	<u>15,916,019</u>
Carrying amount of investments (Morgan Stanley)	1,012,134
Carrying amount of demand deposits	50,806
Total cash and investments (Foundation)	<u>1,062,940</u>
Total cash and investments (District)	<u><u>\$ 16,978,959</u></u>

JACKSON COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 3 – Cash and Investments (continued)

Pooled Deposits and Investments (continued)

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, 2023 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 deposits in excess of federal depository insurance, Oregon Revised Statutes require depository institutions to be in compliance with ORS 295. For the fiscal year ended June 30, 2023, the carrying amounts of the District's deposits in various financial institutions were \$196,442 and the bank balances were \$229,337. As of June 30, 2023, the District's deposits with various financial institutions were covered by the federal depository insurance.

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, 2023, all investments of the District had maturities of less than one year.

JACKSON COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 3 – Cash and Investments (continued)

Investments and Credit Risk (continued)

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, 2023, the District's investments had the following credit rating:

	<u>Moody Rating</u>	<u>Standard & Poor's Rating</u>	<u>Percentage of Total Investments</u>
Local government investment pool	N/A	N/A	80.71%
Assets held in trust (endowment):			
Cash and cash equivalents	N/A	N/A	0.35%
Equities	N/A	N/A	7.95%
Fixed income	N/A	N/A	4.87%
Mutual funds	N/A	N/A	0.94%
Foundation investments:			
Cash and cash equivalents	N/A	N/A	0.50%
Stocks	N/A	N/A	1.53%
ETFS & CEFS	N/A	N/A	0.09%
Corporate fixed income	BAA3	BB+	0.58%
Government securities	AAA	N/A	1.07%
Mutual funds	N/A	N/A	1.23%
Certificate of deposit	N/A	N/A	0.18%
			<u>100.00%</u>

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.

JACKSON COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 3 – Cash and Investments (continued)

Fair Value Measurements (continued)

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, 2023:

	Totals as of 06/30/23	Level One	Level Two	Level Three	Amortized Cost Measurement Not Measured at Fair Value
Investments measured at:					
Fair value					
Local government investment pool	\$ 15,770,383	\$ -	\$ -	\$ -	\$ 15,770,383
Assets held in trust (endowment):					
Cash and cash equivalents	68,802	68,802	-	-	-
Equities	1,553,320	1,553,320	-	-	-
Fixed income	951,013	951,013	-	-	-
Mutual funds	183,477	183,477	-	-	-
Foundation investments:					
Cash and cash equivalents	96,947	96,947	-	-	-
Stocks	299,647	299,647	-	-	-
ETFs & CEFS	17,323	17,323	-	-	-
Corporate fixed income	113,080	113,080	-	-	-
Government securities	209,898	209,898	-	-	-
Mutual funds	240,111	240,111	-	-	-
Certificate of deposit	35,128	-	-	-	35,128
	<u>\$ 19,539,129</u>	<u>\$ 3,733,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,805,511</u>
Beneficial interest in trust					
Beneficial interest in assets held by OCF	\$ 545,363	\$ -	\$ -	\$ 545,363	\$ -
	<u>\$ 545,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 545,363</u>	<u>\$ -</u>

JACKSON COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 3 – Cash and Investments (continued)

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.

Level 3 Reconciliation

	<u>Beneficial Interest in Trust</u>
Balance at July 1, 2022	\$ 536,081
Distributions	(21,383)
Net change in value of trust	<u>30,665</u>
Balance at June 30, 2023	<u>\$ 545,363</u>

Note 4 – 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, 2023, the District received \$147,616 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, 2023 was as follows:

Interest and dividends	\$ 85,840
Net realized and unrealized gain (loss)	110,820
Distributions	<u>(143,570)</u>
	<u>\$ 53,090</u>

JACKSON COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 5 – 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, 2023 was \$545,363.

Note 6 – Capital Assets

Capital asset activity for the year was as follows:

	Balance June 30, 2022	Additions	Transfers/ Disposals	Balance June 30, 2023
Capital assets not being depreciated/amortized:				
Land	\$ 2,947,990	\$ -	\$ -	\$ 2,947,990
Construction in progress	50,718	772,572	-	823,290
Total capital assets not being depreciated/amortized	2,998,708	772,572	-	3,771,280
Capital assets being depreciated/amortized:				
Buildings and improvements	29,144,181	89,651	-	29,233,832
Machinery/equipment/vehicles	790,074	43,959	-	834,033
Library collections	10,912,611	740,252	(600,010)	11,052,853
Right-of-use assets	76,981	-	-	76,981
Total	40,923,847	873,862	(600,010)	41,197,699
Less accumulated depreciation/amortization for:				
Buildings and improvements	(1,668,502)	(966,315)	-	(2,634,817)
Machinery/equipment/vehicles	(358,335)	(102,578)	-	(460,913)
Library collections	(9,401,174)	(650,004)	600,010	(9,451,168)
Right-of-use assets	(21,559)	(21,559)	-	(43,118)
Total	(11,449,570)	(1,740,456)	600,010	(12,590,016)
Total capital assets, net:				
Land	2,947,990	-	-	2,947,990
Construction in progress	50,718	772,572	-	823,290
Buildings and Improvements	27,475,679	(876,664)	-	26,599,015
Machinery/equipment/vehicles	431,739	(58,619)	-	373,120
Library collections	1,511,437	90,248	-	1,601,685
Right-of-use assets	55,422	(21,559)	-	33,863
Total	<u>\$ 32,472,985</u>	<u>\$ (94,022)</u>	<u>\$ -</u>	<u>\$ 32,378,963</u>

Depreciation/amortization expense of \$1,740,456 was charged to library services in the Statement of Activities.

JACKSON COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 6 – Capital Assets (continued)

Right-of-use assets

A lease is defined as a contract that conveys control of the right of use of another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The District is party to a variety of lease contracts as lessee for which this right-of-use (ROU) has been recognized as an asset on the balance sheet. Further information on these transactions can be found in *Note 8*.

Note 7 – Accrued Compensated Absences

The changes in accrued compensated absences for the year ended June 30, 2023 are as follows:

	Balance June 30, 2022	Earned	Used	Balance June 30, 2023	Due Within One Year
Governmental activities	\$ 208,418	\$ 122,067	\$ 95,400	\$ 235,085	\$ 235,085

Note 8 – 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, 2023, lease principal and interest payments of \$21,906 and \$1,314 were made, respectively. Lease payable at June 30, 2023 consisted of the following:

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

Year Ending June 30,	Principal	Interest	Total
2024	22,572	648	23,220
2025	11,244	75	11,319
	\$ 33,816	\$ 723	\$ 34,539

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Leases payable	\$ 55,722	\$ -	\$ 21,906	\$ 33,816	\$ 22,572

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.

JACKSON COUNTY LIBRARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 9 – 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, 2023 totaled \$382,809. 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 10 – 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 11 – 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 12 – Tax Abatements

As of June 30, 2023, 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, 2023, the District's abated property taxes totaled \$41,801 under these programs.

Note 13 – Subsequent Events

Management of the District has evaluated events and transactions occurring after June 30, 2023 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, 2023

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Property taxes	\$ 12,013,936	\$ 12,013,936	\$ 12,201,990	\$ 188,054
Grants and donations	10,000	10,000	-	(10,000)
Charges for services	27,500	27,500	30,299	2,799
Earnings on investments	200,000	200,000	307,011	107,011
Miscellaneous	-	-	190,855	190,855
TOTAL REVENUE	12,251,436	12,251,436	12,730,155	478,719
EXPENDITURES				
Current:				
Personnel costs	9,109,005	9,109,005	8,503,003	606,002
Material and services	4,927,011	4,997,011	4,545,013	451,998
Capital outlay	250,000	250,000	58,202	191,798
Contingency	750,000	680,000	-	680,000
TOTAL EXPENDITURES	15,036,016	15,036,016	13,106,218	1,929,798
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,784,580)	(2,784,580)	(376,063)	2,408,517
OTHER FINANCING SOURCES (USES):				
Transfers out	(300,000)	(300,000)	(300,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(300,000)	(300,000)	(300,000)	-
NET CHANGE IN FUND BALANCE	(3,084,580)	(3,084,580)	(676,063)	2,408,517
FUND BALANCE, June 30, 2022	10,750,000	10,750,000	10,079,017	(670,983)
FUND BALANCE, June 30, 2023	\$ 7,665,420	\$ 7,665,420	\$ 9,402,954	\$ 1,737,534

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 24).

JACKSON COUNTY LIBRARY DISTRICT

Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual Capital Improvement Fund Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Earnings on investments	\$ 30,000	\$ 30,000	\$ 117,541	\$ 87,541
TOTAL REVENUES	<u>30,000</u>	<u>30,000</u>	<u>117,541</u>	<u>87,541</u>
EXPENDITURES				
Materials and services	200,000	200,000	4,604	195,396
Capital outlay	<u>3,000,000</u>	<u>3,000,000</u>	<u>474,366</u>	<u>2,525,634</u>
TOTAL EXPENDITURES	<u>3,200,000</u>	<u>3,200,000</u>	<u>478,970</u>	<u>2,721,030</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,170,000)</u>	<u>(3,170,000)</u>	<u>(361,429)</u>	<u>2,808,571</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,870,000)</u>	<u>(2,870,000)</u>	<u>(61,429)</u>	<u>2,808,571</u>
FUND BALANCE, June 30, 2022	<u>4,550,000</u>	<u>4,550,000</u>	<u>4,904,095</u>	<u>354,095</u>
FUND BALANCE, June 30, 2023	<u>\$ 1,680,000</u>	<u>\$ 1,680,000</u>	<u>\$ 4,842,666</u>	<u>\$ 3,162,666</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 24).

JACKSON COUNTY LIBRARY DISTRICT

Budgetary Comparison Schedule

Budget to GAAP Reconciliation

General Fund

Year Ended June 30, 2023

	General Fund	Capital Improvement Fund	Total General Fund
REVENUES			
Property taxes and other taxes	\$ 12,201,990	\$ -	\$ 12,201,990
Charges for services	30,299	-	30,299
Earnings on investments	307,011	117,541	424,552
Miscellaneous	190,855	-	190,855
TOTAL REVENUES	<u>12,730,155</u>	<u>117,541</u>	<u>12,847,696</u>
EXPENDITURES			
Current			
Library services	13,048,016	4,604	13,052,620
Capital outlay	58,202	474,366	532,568
TOTAL EXPENDITURES	<u>13,106,218</u>	<u>478,970</u>	<u>13,585,188</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(376,063)</u>	<u>(361,429)</u>	<u>(737,492)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in/(out)	(300,000)	300,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(300,000)</u>	<u>300,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(676,063)	(61,429)	(737,492)
FUND BALANCE, JUNE 30, 2022	<u>10,079,017</u>	<u>4,904,095</u>	<u>14,983,112</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ 9,402,954</u>	<u>\$ 4,842,666</u>	<u>\$ 14,245,620</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, 2023

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Grants and donations	\$ 250,000	\$ 250,000	\$ 401,014	\$ 151,014
Earnings on investments	14,000	14,000	106,904	92,904
TOTAL REVENUE	264,000	264,000	507,918	243,918
EXPENDITURES				
Current:				
Personnel costs	300,000	300,000	17,500	282,500
Material and services	650,000	400,000	185,822	214,178
Capital outlay	250,000	500,000	373,697	126,303
TOTAL EXPENDITURES	1,200,000	1,200,000	577,019	622,981
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(936,000)	(936,000)	(69,101)	866,899
NET CHANGE IN FUND BALANCE	(936,000)	(936,000)	(69,101)	866,899
FUND BALANCE, June 30, 2022	1,370,000	1,370,000	3,957,856	2,587,856
FUND BALANCE, June 30, 2023	\$ 434,000	\$ 434,000	3,888,755	\$ 3,454,755
Adjustment to generally accepted accounting principles (GAAP) basis:				
Change in value of endow ment			53,090	
FUND BALANCE, June 30, 2023 (GAAP basis)			\$ 3,941,845	

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, 2023, and have issued our report thereon dated December 4, 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

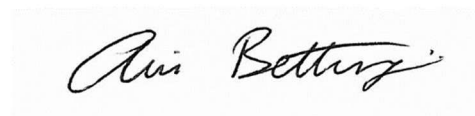
In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of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

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

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

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
December 4, 2023



MINUTES

I. ATTENDEES AND NOTE TAKER

Kari May (note taker), Ginny Auer, Phil Meyer, Viki Brown

II. UNFINISHED BUSINESS

The Committee reviewed and updated the Charter and Workplan, which will be presented to the respective Boards at their December meetings.

III. NEW BUSINESS

The committee discussed whether they wanted to work on an addendum to the current MOU or draft a new agreement and determined that an addendum was the appropriate avenue at this time. They discussed determining benchmarks towards success – both unrestricted funds that can be used towards operating expenses, and increased grant funds/restricted dollars coming in for the District. The basis for benchmarking will be JCLD's Strategic Plan and JCLF's Fundraising Plan.

The addendum will be for multiple years, proposed through FY27. The financial obligations for both parties will be outlined in the addendum and reviewed annually. The committee discussed how the financial split could be driven by benchmarks.

The Committee agreed that they want to see growth and projection targets for the Foundation.

IV. NEXT MEETING DATE

Ginny and Kari will meet in December to draft benchmarks.

The Committee will meet January 18, 2024, at 2:00pm.