FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023



12700 SW 72nd Ave. Tigard, OR 97223

FINANCIAL REPORT For the Fiscal Year Ended June 30, 2023

BOARD OF DIRECTORS

BOARD OF DIRECTORS	TERM EXPIRES
Stacey Pelster, Chair	June 30, 2025
Susan Wagner, Vice Chair	June 30, 2025
Greg Kintz	June 30, 2023
Amy Cieloha	June 30, 2023
Joanie Jones	June 30, 2025
Javoss McGuire	June 30, 2025
Scott Rickard	June 30, 2023

All board members will receive mail at the following address:

Vernonia School District No. 47J 1201 Texas Ave Vernonia, Oregon 97064

Jim Helmen, Superintendent and Budget Officer Marie Knight, Business Manager

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PAULY, ROGERS, AND CO., P.C. 12700 SW 72nd Ave. Tigard, OR 97223 (503) 620-2632 (503) 684-7523 FAX www.paulyrogersandcocpas.com

December 27, 2023

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Vernonia School District No. 47J Columbia County, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Vernonia School District No. 47J as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit Governmental Activities Each Major Fund Type of Opinion
Qualified
Qualified

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Vernonia School District No. 47J as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

Matter giving rise to the Qualified Opinions

The District is required by Governmental Accounting Standards Board (GASB) Statement No. 96 – Subscription-Based Information Technology Arrangements to record these arrangements as capital assets and long term debt in the government wide financial statements. In the fund financial statements, they are required to be recorded as debt service payments. As of June 30, 2023 the District did not implement this standard as

required by GASB Statement No. 96. The amount by which this departure would affect the net position, assets, liabilities, and expenditures of the governmental activities and each major fund is not reasonably determinable.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Vernonia School District No. 47J's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Vernonia School District No. 47J'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 Vernonia School District No. 47J'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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and,

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 27, 2023, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

 $Tara\ M.\ Kamp,\ CPA$

Mam Lang, CPA

PAULY, ROGERS AND CO., P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS Year ended June 30, 2023

As management of Vernonia School District 47J (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the net position of the District at June 30, 2023 was \$16,063,287. Of this amount, \$18,154,474 represents the District's net investment in capital assets, \$241,845 is restricted for debt service, grants and student body activities and the deficit of \$2,333,032 is unrestricted.
- The District's total net position increased by \$507,621 for the fiscal year.
- The District's governmental funds reported a combined ending fund balance of \$1,084,519 at June 30, 2023, an increase of \$261,112.
- At the end of the fiscal year ended June 30, 2023, the fund balance for the General Fund was \$811,918, which represents an increase of \$247,346 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

The Statement of Net Position. The statement of net position presents information on all of the assets and liabilities of the District as of the date on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS Year ended June 30, 2023

In the government-wide financial statements, the District's activities are shown as governmental activities. All basic District functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The basic governmental fund financial statements can be found on pages 9 and 11 of this report.

The District maintains five individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental fund's statement of revenues, expenditures and changes in fund balances for the General Fund, the Capital Reserve Fund, and the Debt Service Fund, which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the other supplementary information.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 13 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* consisting of schedules detailing ten years of pension (assets)/liabilities, pension contributions and schedule of changes in other post-employment benefit. Required supplementary information can be found on page 42 and 43 of this report.

Supplementary Information present on pages 44 – 48, includes the budgetary comparisons for the non-major funds and schedules of property tax transactions and balances. Other Information including the schedule of expenditures of federal awards, schedules and supplemental information

MANAGEMENT'S DISCUSSION AND ANALYSIS Year ended June 30, 2023

required by the Oregon Department of Education and continuing disclosure information can be found on pages 58-67.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position was \$16,063,287 as of June 30, 2023, an increase of \$507,621 during the year.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, net of accumulated depreciation, represent about 94 percent of total assets. The remaining assets consist mainly of investments, cash, and grants and property taxes receivable.

The District's largest liability, which represents 94 percent of total liabilities, is for the repayment of long-term obligations and its proportionate share of the net pension liability. Other liabilities consist primarily of payables on accounts, salaries and benefits, and amounts received but unearned as of June 30, 2023.

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

During the current year, the District's net position increased by \$507,621 compared to the previous year's net position. The District's net investment in capital assets decreased by \$2,200,064, primarily due principally to payment of related debt during the year. The unrestricted net position increased by \$2,660,515 due mainly to the changes in the PERS net pension liability and related deferrals.

MANAGEMENT'S DISCUSSION AND ANALYSIS Year ended June 30, 2023

VERNONIA SCHOOL DISTRICT NO. 47J

STATEM	EN	Γ OF NET PO	SITIC	ON						
	Governmental Activities									
		June 30, 2023		· · · · · · · · · · · · · · · · · · ·		· ·		June 30, 2022		Increase (Decrease)
ASSETS										
Current and Other Assets	\$	2,481,197	\$	2,446,647	\$	34,550				
Capital Assets, net of depreciation		37,025,349		38,073,267		(1,047,918)				
Total Assets		39,506,546		40,519,914		(1,013,368)				
DEFERRED OUTFLOWS OF RESOU Pension Related Deferrals Total OPEB Related Deferred Outflows		3,186,841 70,959		2,809,952 69,945		376,889 1,014				
Deferred charge on refunding Total Deferred Outflows of Resources		1,039,855 4,297,655		1,126,510 4,006,407		(86,655) 291,248				
LIABILITIES										
Current Liabilities		2,402,359		2,543,243		(140,884)				
PERS net pension liability		6,028,391		4,173,093		1,855,298				
Long-Term Obligations		17,177,260		18,316,370		(1,139,110)				
Total Liabilities		25,608,010		25,032,706		575,304				

2,059,524

2,132,904

18,154,474

241,845

(2,333,032)

16,063,287

73,380

3,876,982

3,937,949

20,354,538

194,675

(4,993,547)

15,555,666

60,967

(1,817,458)

(1,805,045)

(2,200,064)

2,660,515

507,621

47,170

12,413

Statement of Activities. During the current fiscal year, the District's net position increased by \$507,621. The key elements of the change in the District's net position for the year ended June 30, 2023 are as follows:

DEFERRED INFLOWS OF RESOURCES

Total OPEB Related Deferred Inflows

Total Deferred Inflows of Resources

Net Investment in Capital Assets

Pension Related Deferrals

NET POSITION

Restricted

Unrestricted

Total Net Position

- Operating grants and contributions increased by \$244,821, mainly due to state and local grants.
- State sources revenue increased \$544 thousand, primarily due to an increase in the State

MANAGEMENT'S DISCUSSION AND ANALYSIS Year ended June 30, 2023

School Fund allocation.

• Overall changes in expenses increased by \$967 thousand, primarily to increase in salaries and benefits, contracted services and pension expenses. There was a decrease of \$61 thousand in interest expense for bonded debt.

VERNONIA SCHOOL DISTRICT NO. 47J CHANGES IN NET POSITION Year Ended June 30,2023									
	Governmental Activities Increase								
		2023		2022	(L	ecrease)			
REVENUES									
Program Revenues									
Charges for Services	\$	230,554	\$	93,544	\$	137,010			
Operating Grants and Contributions		2,798,759		2,553,938		244,821			
Capital Grants and Contributions		-		-		-			
General Revenues									
Property Taxes Levied for:									
General Purposes		3,369,159		3,177,235		191,924			
Debt Service		1,058,706		1,005,250		53,456			
Earnings on Investments		59,178		10,118		49,060			
Other Local Sources		132,946		186,474		(53,528)			
Intermediate Sources		65,194		71,367		(6,173)			
State Sources		5,098,773		4,554,831		543,942			
Total revenues		12,813,269		11,652,757		1,160,512			
EXPENSES									
Instruction		6,493,059		6,037,141		455,918			
Support services		5,333,722		4,764,693		569,029			
Enterprise and Community Services		397,820		394,908		2,912			
Interest on Long-Term Debt		81,046		141,911		(60,865)			
Total expenses		12,305,648		11,338,653		966,995			
Increase (Decrease) in Net Position		507,621		314,104		193,517			
Net Position - Beginning		15,555,666		15,241,562		314,104			
Net Position - Ending	\$	16,063,287	\$	15,555,666	\$	507,621			

MANAGEMENT'S DISCUSSION AND ANALYSIS Year ended June 30, 2023

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At June 30, 2023, the District's governmental funds reported combined ending fund balances of \$1,084,519 an increase of \$261,112.

General Fund. The General Fund is the primary operating fund of the District. As of June 30, 2023, fund balance is \$811,918. The fund balance increased by \$247,346 during the current fiscal year. As a measure of the fund's liquidity, it may be useful to compare general fund balance to the total general fund expenditures. The fund balance represents 9.5 percent of the total General Fund expenditures.

Special Revenue Fund. The Special Revenue Fund accounts for revenue and expenditures of monies restricted for future school programs, grants, the food service program, student activities and other activities. Revenues primarily consist of federal and state grants. As of June 30, 2023 the ending fund balance is \$272,601. Of this amount, \$241,845 is restricted and \$30,756 is non-spendable. The fund balance increased \$48,496 during the current fiscal year.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$0. The fund balance decreased \$4,005 during the current fiscal year.

Capital Projects Fund. The Capital Projects Fund has a total fund balance of \$0. The fund balance decreased \$30,725 during the 2022-2023 fiscal year.

General Fund Budgetary Highlights

The Board adopted the budget for the General Fund on June 9, 2022. The Board approved Resolution Number 2023-05 to adjust the original budget on June 8, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS Year ended June 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment. As of June 30, 2023, the District had invested \$37,025,349 in capital assets, net of depreciation, as shown in the following table, total capital assets net of depreciation decreased overall by \$1,047,918, due to an increase of \$14,357, for vehicles and equipment, offset by \$1,062,275 in depreciation of buildings, vehicles, equipment, and Intangible leased vehicles and equipment.

VERNONIA SCHOOL DISTRICT NO 47J CAPITAL ASSETS (net of depreciation)

	Governmen				
	June 30, 2023	June 30, 2022	Increase (Decrease)		
Land	\$ 1,528,510	\$ 1,528,510	\$	-	
Construction in Progress	-	-		-	
Building and improvements	34,687,609	35,452,023		(764,415)	
Vehicles and equipment	360,963	346,606		14,357	
Intangible leased vehicles and equipment	 448,267	 746,127		(297,860)	
Total Capital Assets, net of depreciation	\$ 37,025,349	\$ 38,073,266	\$	(1,047,918)	

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

Long-term Debt. At the end of the current fiscal year, the District had \$17,924,321 in outstanding debt. This is a decrease of \$1,031,557 from prior year, as the District is continuing to pay down other outstanding obligations.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS Year ended June 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the District is the financial condition of Oregon's State School Fund (SSF). For the year ended June 30, 2023, the State School Fund – General Purpose Grant provided about 98 percent of the District's General Fund resources. The Oregon Legislature passed a statewide education budget of \$10.2 billion for the 2023-25 biennium. SSF support payments are made to districts based on that budget. However, the budget is contingent upon a forecast of Oregon's continued economic recovery and the projected tax receipts associated with that forecast.

Salaries and benefits costs are projected to increase in 2023-24 based on negotiated contractual obligations. Additionally the 2023-24 budget includes the addition of a K-5 Behavior Classroom, a 6-12 Dean of Students, and a K-5 Behavior Specialist. Professional Development for staff and an increase in Facility and Grounds Maintenance and Repair budgets are included in the 2024-25 budget.

Employer rates for the Public Employees Retirement System (PERS) will increase for the 2023-2025 biennium (from 26.83% to 27.87% for Tier 1 and 23.72% to 25.03% for Tier 2).

The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2023-24 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Financial Services, 1201 Texas Avenue, Vernonia, Oregon 97064.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION June 30, 2023

5 dile 50, 2025		-
		ERNMENTAL CTIVITIES
ASSETS	\ <u></u>	
Cash and Investments	\$	1,131,750
Taxes Receivables		174,571
Other Receivables		1,144,120
Supply Inventory		30,756
Capital Assets:		·
Land		1,528,510
Buildings and Equipment, net of depreciation		35,496,839
Total Assets		39,506,546
DEFERRED OUTFLOWS OF RESOURCES		
Net Pension Related Deferred Outflows		3,186,841
Total OPEB Related Deferred Outflows		70,959
Deferred charge on refunding		1,039,855
Total Deferred Outflows of Resources		4,297,655
LIABILITIES		
Accounts Payable		183,021
Accrued Payroll Liabilities		578,418
Other Liabilities		445,144
Accrued Interest Payable		16,816
Accrued Compensated Absences		9,286
Unearned Revenue		26,505
Long-term Obligations:		20,303
Proportionate Share of Net Pension Liability (PERS)		6,028,391
Total OPEB Liability		396,108
Due within one year		1,143,169
		16,781,152
Due in more than one year		10,781,132
Total Liabilities		25,608,010
DEFERRED INFLOWS OF RESOURCES		
Net Pension Related Deferred Inflows		2,059,524
Total OPEB Related Deferred Inflows		73,380
Total Deferred Inflows		2,132,904
NET POSITION		
Net Investment in Capital Assets		18,154,474
Restricted for Grants and Student Activities		241,845
Unrestricted		(2,333,032)
Onestreted		(2,333,032)
Total Net Position	\$	16,063,287

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2023

FUNCTIONS	 EXPENSES		PROGRAM ARGES FOR SERVICES	Ol GR	NUES PERATING ANTS AND TRIBUTIONS	REV CE	T (EXPENSE) VENUE AND HANGES IN T POSITION
Instruction	\$ 6,493,059	\$	-	\$	2,432,801	\$	4,060,258
Support Services	5,333,722		190,471		190,474		4,952,777
Enterprise and Community Services	397,820		40,083		175,484		182,253
Interest on Long-Term Debt	 81,046						81,046
Total Governmental Activities	\$ 12,305,648	\$	230,554	\$	2,798,759		9,276,335
		General Revenues Property Taxes General purposes Debt Service State school fund - general support Common School Fund Unrestricted state and local support Earnings on Investments Miscellaneous Total General Revenues Changes in Net Position					3,369,159 1,058,706 4,190,702 72,689 782,232 59,178 251,290 9,783,956 507,621
			et Position - Beg				15,555,666
		No	et Position - End		\$	16,063,287	

BALANCE SHEET - GOVERNMENTAL FUNDS June 30, 2023

			,							_
	GENERA	L_	RE	PECIAL EVENUE FUND	SI	DEBT ERVICE FUND	PRC	PITAL DJECTS UND		TOTALS
ASSETS										
Deposits and Investments	\$ 920,7	59	\$	210,246	\$	_	\$	745	\$	1,131,750
Property Taxes Receivable	133,69		•	,	*	40,874	*	-	-	174,571
Other Accounts Receivable	523,9			612,329		7,852		_		1,144,120
Supply Inventory	,	_		30,756		-		_		30,756
Due from Other Funds	541,4	78								541,478
Total Assets	\$ 2,119,8	73	\$	853,331	\$	48,726	\$	745	\$	3,022,675
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANG Liabilities:	CES									
Accounts Payable	\$ 159,92	28	\$	23,093	\$	_	\$	_	\$	183,021
Payroll Liabilities	578,4		Ψ	23,073	Ψ	_	Ψ	_	Ψ	578,418
Unearned Revenue	370,4	-		26,505		_		_		26,505
Other Liabilities	445,14	44		20,303		_		_		445,144
Due to Other Funds		-		531,132		9,601		745		541,478
Total Liabilities	1,183,4	90		580,730		9,601		745		1,774,566
Deferred Inflows of Resources:										
Unavailable Revenue - Property Taxes	124,4	65				39,125				163,590
Fund Balances:										
Nonspendable		_		30,756		_		_		30,756
Restricted for:										-
Other Purposes		-		31,600		-		-		31,600
Committed for:										
Student Body		-		210,245		-		-		210,245
Unassigned	811,9	18								811,918
Total Fund Balances	811,9	18		272,601		<u>-</u>				1,084,519
Total Liabilities, Deferred Inflows of										
Resources and Fund Balances	\$ 2,119,8	73	\$	853,331	\$	48,726	\$	745	\$	3,022,675

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2023

June 20, 2022			
Total Fund Balances - Governmental Funds		\$	1,084,519
Amounts reported for governmental activities in the statement of net position are different b	ecause:		
Capital assets used in governmental activities are not financial resources and therefore are no governmental funds	not reported in the		
Cost Accumulated Depreciation	\$ 47,453,917 (10,428,568)		37,025,349
A portion of the District's property taxes are collected after year-end, but are not available pay for the current year's operations, and therefore are not reported as revenue in the government.	_		
Unavailable property taxes			163,590
In 2016-17 bond refunding, a larger amount paid to the escrow agent than the premiums of trefunded that was recorded as interest expense. This deferred outflow of resources is recognithe schedule of maturities of the refunded bonds.			1,039,855
The Net Pension Asset (Liability) is the difference between the total pension liability and the pay benefits earned to past and current employees and beneficiaries.	e assets set aside to		(6,028,391)
The Total OPEB Liability is liability related to the other post employment benefits for health	h insurace premiums		(396,108)
Deferred Inflows and Outflows of resources related to the pension plan include differences between projects and actual earning, subsequent to the measurement date. Pension deferred inflows Pension deferred outflows Total OPEB deferred inflows Total OPEB deferred outflows		d	1,124,896
Long term liabilities applicable to the District's governmental activities are not due and paya period and accordingly are not reported as fund liabilities. All liabilities, both current and loin the Statement of Net Position.		d	
Long Term Obligations Long Term Debt Accrued Interest Payable Early Retirement Accrued Vacation Payable	(17,831,031) (16,816) (93,290) (9,286)		(17,950,423)
Net Position	,	\$	16,063,287

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended June 30, 2023

	(GENERAL	SPECIAL REVENUE FUND		DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS	
REVENUES								_
Taxes	\$	3,364,239	\$ -	\$	1,058,706	\$ -	\$ 4,422,94	1 5
State and local Sources		5,194,721	1,210,791		-	-	6,405,51	12
Federal Sources		-	1,303,081		-	-	1,303,08	31
Charges for Services		35,808	196,492		-	-	232,30)0
Interest		59,156	-		1	21	59,17	78
Contributions and Donations		109,206	24,837		-	-	134,04	13
Other		234,856	12,927	_	3,507		251,29) 0
Total Revenues		8,997,986	2,748,128		1,062,214	21	12,808,34	19
EXPENDITURES								
Current:								
Instruction		4,508,779	1,469,840		-	-	5,978,61	19
Support Services		3,912,256	876,508		-	-	4,788,76	
Enterprise & Community Services			366,302		-	-	366,30	
Capital Outlay		113,791	144,191		-	30,746	288,72	
Debt Service		-		_	1,148,987	-	1,148,98	37
Total Expenditures		8,534,826	2,856,841		1,148,987	30,746	12,571,40)0_
Excess of Revenues Over								
(Under) Expenditures		463,160	(108,713)		(86,773)	(30,725)	236,94	19
OTHER FINANCING SOURCES (USES) Lease Purchase Receipts		24,163					24,16	c2
Transfers In		24,103	157,209		82,768	-	239,97	
Transfers Out		(239,977)	137,209		62,706	-	(239,97	
Total Other Financing Sources (Uses)		(215,814)	157,209		82,768	-	24,16	53
Net Change in Fund Balance		247,346	48,496		(4,005)	(30,725)	261,11	12
Beginning Fund Balance		564,572	224,105		4,005	30,725	823,40)7_
Ending Fund Balance	\$	811,918	\$ 272,601	\$		\$ -	\$ 1,084,51	19

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds		\$ 261,	,112
Amounts reported for government-wide statements in the Statement of Activities are different because of the following:			
Governmental funds report capital outlays as expenditures while government-wide statements report depreciation expense to allocate those expenditures over the life of the assets. The difference between these two amounts is: Depreciation and Amortization Capital asset additions	\$ (1,336,645) 288,727	(1,047,	,918)
Some expenses reported in the statements do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. Change in accrued compensated absences Addition of leased equiptment debt Change in early retirement Change in accrued interest payable	(483) (24,163) (13,377) (1,156)		,179)
The Pension Expense represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.		339,	,049
The expense related to OPEB liability represents the net changes in the liability balance from year to year and is not recorded in the governmental funds.		7,	,195
Repayment of long term & short term obligations is an expenditure in the governmental funds, reduces debt obligations in the government-wide statements. Decrease in long term obligations	but the repayment	1,069,	,097
In refunding bonds, the amount of new bonds in excess of the refunded bonds is a deferred outfine resources for the Statement of Activities, whereas it is recorded as an interest expense in the year refunding.		(86,	,655)
Change in net position of governmental activities		\$ 507,	,621

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE ACTUAL AND BUDGET

For the Year Ended June 30, 2023

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				=						
	ORIGINAL BUDGET		FINAL BUDGET				ACTUAL	VARIANCE TO FINAL BUDGET		
REVENUES	DUDUEI		BUDGET		•	ACTUAL		TINE	AL BUDGET	
Local Sources	\$	3,247,165	\$	3,247,165		\$	3,750,567	\$	503,402	
Intermediate Sources		100,500		100,500			52,698		(47,802)	
State Sources		4,954,055		4,954,055	-		5,194,721		240,666	
Total Revenue		8,301,720		8,301,720	•		8,997,986		696,266	
EXPENDITURES										
Instruction		4,693,688		4,493,688	(1)		4,525,170		(31,482)	
Support Services		3,615,599		3,761,599	(1)		3,956,663		(195,064)	
Facilities Acquisition and Construction		-		54,000	(1)		52,993		1,007	
Contingency		350,000		350,000	(1)				350,000	
Total Expenditures		8,659,287		8,659,287	-		8,534,826		124,461	
Excess of Revenues Over (Under) Expenditures		(357,567)		(357,567)			463,160		820,727	
OTHER FINANCING SOURUCES (USES)										
Lease Purchase Receipts		-		-			24,163		24,163	
Transfer Out		(142,433)		(142,433)	(1)		(239,977)		(97,544)	
Total Other Financing Sources (Uses)		(142,433)		(142,433)	-		(215,814)		(73,381)	
Net Change in Fund Balance		(500,000)		(500,000)			247,346		747,346	
Beginning Fund Balance		600,000		600,000			564,572		(35,428)	
Ending Fund Balance	\$	100,000	\$	100,000	:	\$	811,918	\$	711,918	

(1) Appropriation Level

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE ACTUAL AND BUDGET

For the Year Ended June 30, 2023

	<u>SF</u>	PECIAL REVE	<u>NUE</u>	<u>FUND</u>					
	ORIGINAL FINAL BUDGET BUDGET		ACTUAL		VARIANCE TO FINAL BUDGET				
REVENUES									
Local Sources	\$	429,107	\$	429,107		\$	228,731	\$	(200,376)
Intermediate Sources		573,839		573,839			8,989		(564,850)
State Sources		1,330,443		1,330,443			1,207,327		(123,116)
Federal Sources		793,194		793,194			1,303,081		509,887
Total Revenue		3,126,583		3,126,583			2,748,128		(378,455)
EXPENDITURES									
Instruction		1,909,138		1,709,138	(1)		1,484,340		224,798
Support Services		905,977		1,085,977	` ′		876,508		209,469
Enterprise and Community Services		438,368		438,368	(1)		372,893		65,475
Facilities Acquisition and Construction		123,100		143,100	(1)		123,100		20,000
Total Expenditures		3,376,583		3,376,583			2,856,841		519,742
Excess of Revenues Over (Under) Expenditures		(250,000)		(250,000)			(108,713)		141,287
OTHER FINANCING SOURUCES (USES)									
Transfer In		65,000		65,000			157,209		92,209
Total Other Financing Sources (Uses)		65,000	-	65,000	- ,		157,209		92,209
Net Change in Fund Balance		(185,000)		(185,000)			48,496		233,496
Beginning Fund Balance		185,000		185,000			224,105		39,105
Ending Fund Balance	\$		\$	-	_ ,	\$	272,601	\$	272,601

⁽¹⁾ Appropriation Level

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

Vernonia School District No. 47J (the District) is a municipal corporation governed by a separately elected seven-member board authorized to transact all business on the District's behalf. The District is a primary government exercising financial accountability for all public education within its boundaries. The Board approves administrative officials. The daily functioning is under supervision of the Superintendent. As required by generally accepted accounting principles, all activities have been included in the basic financial statements.

The financial statements include all funds and account groups. The District is not financially accountable for any other governmental entity. Financial accountability is determined in accordance with criteria set forth in GAAP and Governmental Accounting Standards Board (GASB) Statement No. 61. Financial accountability is based primarily on the authority to appoint voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that organization to provide specific financial benefits or impose specific financial burdens and that organization's fiscal dependency. There are no component units.

BASIS OF PRESENTATION – FUND ACCOUNTING

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and Statements of Activities display information about the reporting government as a whole.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the general revenues.

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest of general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND FINANCIAL STATEMENTS

The accounts are organized and operated on the basis of funds. A fund is a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences and claims and judgments which are recognized as expenditures because they will be liquidated with expendable financial resources.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The following major governmental funds are reported:

GENERAL FUND

This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. Principal revenue sources are an apportionment from the State of Oregon and property taxes.

SPECIAL REVENUE FUND

This fund accounts for the revenues and expenditures related to federal and other grants received from various federal, state and local sources restricted for specific educational projects as well as the various food service programs provided by the District. The sale of food and Federal reimbursements administered by the State are the major revenue sources.

DEBT SERVICE FUND

This fund accounts for the resources accumulated and payments made for the principal and interest on long-term general obligation debt and other long-term debt.

CAPITAL PROJECTS FUND

This fund accounts for the resources accumulated and payments made for capital projects.

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. All revenues reported in the governmental funds are considered to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

BUDGETS

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except that property taxes received after year-end are not considered budgetary resources in the funds, inventory is expensed when purchased, capital outlay is reported as an expenditure rather than capitalized, depreciation and amortization are not recorded and debt and vacation pay are expensed when paid instead of when incurred.

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through early spring with the budget committee approving the budget in late spring. Public notices of the budget hearing are generally published in spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent without re-publication. The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30th.

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

Fair value is defined as 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. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

<u>Level 1</u> – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

<u>Level 2</u> – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)

<u>Level 3</u> – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

PROPERTY TAXES RECEIVABLE

Uncollected real and personal property taxes are reflected on the statement of net position and the balance sheet as receivables. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens. All property taxes receivable are due from property owners within the District.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants. No allowance for uncollectible accounts has been recorded because all receivables are considered by management to be collectible.

GRANTS

Inventories of supplies and materials in the governmental funds are stated at cost. Inventories of food and supplies are valued at invoice cost (first-in, first-out). Inventoried items are charged to expenditures of the user department at the time of withdrawal from inventory (consumption method). Commodity inventories are not recorded as title to them is not considered to pass to the District until they are consumed.

SUPPLY INVENTORIES

School food and other cafeteria supplies are stated at average invoice cost. Commodities purchased from the United States Department of Agriculture in the Food Service Fund are included in inventories at USDA wholesale value. Supplies are accounted for based on the purchase method. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused donated commodities at balance sheet date is considered immaterial by management for reporting purposes.

CAPITAL ASSETS

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

Building and improvements 20 to 60 years Equipment 3 to 20 years

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 positions that applies to a future period(s) and so will not be recognized as on outflow of resources (expense/expenditure) until then. The government's deferred outflows are clearly labeled on the face of the financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)

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

RETIREMENT PLANS

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

POSTEMPLOYMENT HEALTH CARE BENEFITS

The Board of Directors, through contract negotiations, previously authorized the District to offer early retirement incentive benefits to eligible employees. The District provides payments in accordance with current employee contracts primarily on a pay-as-you-go basis. Expenditures are recorded in the governmental funds as the insurance premiums are paid.

LEASE ASSETS

Lease assets are assets which the government leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the government's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

LEASE PAYABLE

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPENSATED ABSENCES

Full-time employees are permitted to accumulate unused sick leave at the rate of twelve days per year over the working careers. The District does not compensate the employees for unused accumulations upon termination of employment. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service.

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 except as noted below.

- 1. 16.7% of the unused sick leave accumulated will be paid as severance pay if the employee has completed 10 or more years, but less than 15 years of service in the District, limited to 17 days of pay.
- 2. 25% of the unused sick leave accumulated will be paid as severance pay if the employee has completed 15 years or more of service in the District, limited to 25 days of pay.

All unused vacation pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements. Vacation pay does not accumulate beyond 200 and 280 hours for classified and confidential personnel, respectively. Accrued vacation payable as of June 30, 2023 totaled \$9,286.

USE OF ESTIMATES

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

LONG-TERM OBLIGATIONS

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION

Net position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net Investment in Capital Assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There is net position restricted for debt service, grants, and student activities.

Unrestricted net position – consists of all other assets that are not included in the other categories previously mentioned.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

FUND BALANCE

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- <u>Nonspendable fund balance</u> represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaids.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- <u>Committed fund balance</u> represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- <u>Assigned fund balance</u> represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.
- <u>Unassigned fund balance</u> is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 unassigned.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. The budget is adopted, appropriations made, and the tax levy declared no later than June 30th each year. Unexpected additional resources may be added to the budget through the use of a supplemental budget or appropriation resolution.

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

Expenditures of the various funds were within authorized appropriations, except for General Fund – Instruction by \$31,482, General Fund – Support Services by \$195,064, General Fund – Transfers Out by \$97,544, Debt Service Fund – Debt Service by \$1,189, and Capital Projects Fund – Facilities Acquisition and Construction by \$746.

3. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions include bank demand deposits. The total bank balance per the bank statements on June 30, 2023 was \$952,146, \$261,501, of which was covered by federal depository insurance. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The District's cash is deposited in an approved depository for public funds, and thus is collateralized under ORS295.

INVESTMENTS

State statutes governing cash management are followed. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

Cash and Investments at June 30, 2023 (recorded at fair value) consisted of:

Petty Cash	\$ 100
Demand Deposits	767,502
Investments:	
LGIP	 364,148
Total	\$ 1,131,750

There were the following investments and maturities at June 30, 2023:

			Investment Maturities (in months)						
Investment Type	Fair Value		Le	ess than 3	3-17		18-59		
State Treasurer's Investment Pool	\$	364,148	\$	364,148	\$	_	\$	-	
Total	\$	364,148	\$	364,148	\$	-	\$	-	

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it materially approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. At June 30, 2023 the fair value of the position in the LGIP was 99.63%. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx

If the link has expired please contact the Oregon Short Term Fund directly.

<u>Credit Risk – Deposits</u>

In the case of deposits, there is a risk that in the event of a bank failure, deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of June 30, 2023, none of the bank balance was exposed to custodial credit risk because it was fully insured.

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond three months.

Credit Risk – Investments

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

At June 30, 2023, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

4. ACCOUNTS/GRANTS RECEIVABLE

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. Property taxes are levied and become a lien on all taxable property as of July 1. Taxes unpaid and outstanding on May 16 are considered delinquent. No allowance for uncollectible accounts has been recorded because all receivables are considered by management to be collectible.

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

	July 1, 2022	Additions	Deletions	June 30, 2023
Capital assets not being depreciated:				
Land	\$ 1,528,510	\$ -	\$ -	\$ 1,528,510
Total capital assets not being depreciated	1,528,510			1,528,510
Capital assets being depreciated:				
Buildings and Improvements	43,974,842	195,404	-	44,170,246
Equipment	571,971	69,161	-	641,132
Vehicles	25,650	-	-	25,650
Intangible - right to used leased vehicle	789,347 274,870	24.162	-	789,347 299,032
Intangible - right to used leased equipment		24,162		299,032
Total capital assets being depreciated	45,636,680	288,727		45,925,407
Less total accumulated depreciation and ammort	tization:			
Buildings and Improvements	(8,522,818)	(959,821)	-	(9,482,639)
Equipment	(225,365)	(54,802)	_	(280,167)
Vehicles	(25,650)	-	_	(25,650)
Intangible - right to used leased vehicle	(263,116)	(263,116)	_	(526,232)
Intangible - right to used leased equipment	(54,974)	(58,906)		(113,880)
Total accumulated				
depreciation/ammortization	(9,091,923)	(1,336,645)		(10,428,568)
Total capital assets being depreciated, net	36,544,756	(1,047,918)		35,496,839
Total Capital Assets, Net	\$ 38,073,266			\$ 37,025,349

Depreciation expense for the year was charged to the following programs:

Program:

Instruction	\$ 716,199
Support Services	576,006
Enterprise and Community Services	 44,440
	\$ 1,336,645

NOTES TO BASIC FINANCIAL STATEMENTS

6. <u>DEFINED BENEFIT PENSION PLAN</u>

<u>Plan Description</u> – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238)**. The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits**. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

 A member is considered vested and will be eligible at minimum retirement age for a service
 - A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits**. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits**. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement**. Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

- ii. **Death Benefits**. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits**. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$1,086,970, excluding amounts to fund employer specific liabilities. In addition approximately \$255,930 in employee contributions were paid or picked up by the District in fiscal 2023. At June 30, 2023, the District reported a net pension liability of \$6,028,391 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2022 and 2021, the District's proportion was .039 percent and .035 percent, respectively. Pension expense for the year ended June 30, 2023 was \$(339,049).

NOTES TO BASIC FINANCIAL STATEMENTS

6. <u>DEFINED BENEFIT PENSION PLAN (CONTINUED)</u>

The rates in effect for the year ended June 30, 2023 were:

- (1) Tier 1/Tier 2 26.83%
- (2) OPSRP general services 23.72%

	Deferred Outflow		Deferred Inflow	
	of Resources		of Resources	
Difference between expected and actual experience	\$	292,630	\$	37,594
Changes in assumptions		945,887		8,642
Net difference between projected and actual				
earnings on pension plan investments		-		1,077,760
Net changes in proportionate share		615,983		491,718
Differences between contributions				
and proportionate share of contributions		245,371		443,810
Subtotal - Amortized Deferrals (below)		2,099,871		2,059,524
Contributions subsequent to measuring date		1,086,970		<u>-</u>
Deferred outflow (inflow) of resources	\$	3,186,841	\$	2,059,524

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

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

Year ending June 30,	Amount		
2024	\$ (11,604)		
2025	(151,680)		
2026	(402,468)		
2027	573,597		
2028	32,502		
Thereafter	 -		
Total	\$ 40,347		

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:

https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf

<u>Actuarial Valuations</u> – The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

NOTES TO BASIC FINANCIAL STATEMENTS

6. <u>DEFINED BENEFIT PENSION PLAN (CONTINUED)</u>

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
	Healthy retirees and beneficiaries:
Mortality	Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

NOTES TO BASIC FINANCIAL STATEMENTS

6. <u>DEFINED BENEFIT PENSION PLAN (CONTINUED)</u>

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2022 PERS ACFR; p. 104)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

	Target	Compound Annual
Asset Class	Allocation	(Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Assumed Inflation - Mean		2.40%

(Source: June 30, 2022 PERS ACFR; p. 74)

NOTES TO BASIC FINANCIAL STATEMENTS

6. <u>DEFINED BENEFIT PENSION PLAN (CONTINUED)</u>

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate – the following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1%	% Discount			1%
	Decrease		rease Rate		Increase
	 (5.90%)	(6.90%)			(7.90%)
Proportionate share of					
the net pension liability	\$ 10,690,829	\$	6,028,391	\$	2,126,145

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

NOTES TO BASIC FINANCIAL STATEMENTS

6. <u>DEFINED BENEFIT PENSION PLAN (CONTINUED)</u>

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions:

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

http://www.oregon.gov/pers/EMP/Pages/GASB.aspx

NOTES TO BASIC FINANCIAL STATEMENTS

6. <u>DEFINED BENEFIT PENSION PLAN (CONTINUED)</u>

Other Post-Employment Benefit Plan - (RHIA)

Plan Description:

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

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating Districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.00% of annual covered OPERF payroll and 0.05% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2021, 2022 and 2023 were \$692, \$805, and \$635, respectively, which equaled the required contributions each year.

At June 30, 2023, the District's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

7. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75

Plan Description

The District operates a single-employer retiree benefit plan that provides postemployment health, dental and vision insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. All classes of employee are eligible to continue coverage upon retirement. Qualified spouses domestic partners, and children may qualify for coverage. Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible).

NOTES TO BASIC FINANCIAL STATEMENTS

7. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75 (CONTINUED)

Benefits and eligibility for members are established through the collective bargaining agreements. The postretirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

<u>Funding Policy</u> - The benefits from this program are paid by the District on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is not obligation on the part of the District to fund these benefits in advance.

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation as of July 1, 2021 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

Discount Rate per year		3.54%
General Inflation Rate per year		2.40%
Salary Scale per year		3.40%
Annual Medical Premium increase rate	2023	5.25%
	2024-2025	5.00%
	2026-2028	4.75%
	2029-2061	4.50%
	2062-2067	4.25%
	2068-2072	4.00%
	2073+	3.75

Mortality: Non-annuitant male: 125% of the combined 80% Pub-2010 Teacher / 20% Pub-2010 General Employee male table. Non-annuitant female: 100% of Pub-2010 Teacher Employee female table. Annuitant Male: 80% of Pub-2010 Healthy Teacher Retiree male table and 20% of Pub-2010 Health General Retiree male table. Annuitant female: 100% of Pub-2010 Healthy Teacher Retiree female Table. Future mortality improvement: unisex Social Security Data Scale.

Turnover rates were based on percentage s developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability: not used.

Retirement rates were calculated based on age and years of service with the assumption that are 60% are to remain enrolled and 50% of retirees electing coverage will cover a spouse as well.

NOTES TO BASIC FINANCIAL STATEMENTS

7. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75 (CONTINUED)

Changes in Medical Benefit OPEB Liability:

	2023	2022	2021
Total OPEB Liability - Beginning	\$ 414,702	\$ 454,170	\$425,021
Changes for the Year:			
Service Cost	55,149	43,017	37,433
Interest	9,600	10,358	15,399
Differences Between Expected and Actual Experience	-	(40,018)	-
Changes of Assumptions or Other Input	(32,268)	4,506	21,652
Benefit Payments	(51,075)	(57,331)	(45,335)
Net Changes for the Year	(18,594)	(39,468)	29,149
Total OPEB Liability - Ending	\$ 396,108	\$ 414,702	\$454,170

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Trend Rates

The following analysis presents the net OPEB liability using a discount rate of 3.54% as well as what the District's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	1%	Current	1%	
	Decrease	Discount Rate	Increase	
Total OPEB Liability	\$ 417,617	\$ 396,108	\$ 375,754	
	1%	Current	1%	
	Decrease	Trend Rate	Increase	
	Healthcare	Healthcare	Healthcare	
Total OPEB Liability	\$ 364,768	\$ 396,108	\$ 432,539	

<u>Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits</u>

The District reports information on deferred outflows and deferred inflows of resources at year end as well as a schedule of amounts of those deferred outflows of resources and deferred inflows of resources that will be recognized in other post-employment benefit expense for the following five years.

	Deferred Outflow of Resources		Deferred Inflow of Resources	
Difference between expected and actual experience	\$	-	\$	(41,662)
Changes in assumptions		14,913		(31,718)
Benefit Payments		56,046		
Deferred outflow (inflow) of resources	\$	70,959	\$	(73,380)

NOTES TO BASIC FINANCIAL STATEMENTS

7. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75 (CONTINUED)

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	 Amount
2024	\$ (13,509)
2025	(12,298)
2026	(9,134)
2027	(7,748)
2028	(9,414)
Thereafter	 (6,364)
Total	\$ (58,467)

8. LONG-TERM OBLIGATIONS

The following table shows changes indirect borrowings consisting of general obligation bonds, limited tax bonds, and other long-term debt for the fiscal year ended June 30, 2023:

			Outstanding	Matured and Oustanding		Due Within		
BONDS	Interest Rate	Original Issue	July 1, 2022	Issued	Redeemed	June 30, 2023	One Year	
Cert of Participation - 2004	1	\$ 995,000	\$ 145,000	\$ -	\$ 70,000	\$ 75,000	\$ 75,000	
QZAB - 2005		487,660	168	-	168	-	-	
Refunding - 2016		12,637,624	11,108,938	-	601,600	10,507,338	635,746	
GO Bond 2017A		4,205,275	4,102,231	-	43,764	4,058,467	-	
GO Bond 2017B		2,590,000	2,590,000			2,590,000	64,812	
Total Bonds			17,946,337		715,532	17,230,805	775,558	
Issuance Premium			174,947		11,663	163,284		
Total Bonds Payable			18,121,284		727,195	17,394,089	775,558	
			70.012	02.200	70.012	02.200		
EARLY RETIREMENT			79,913	93,290	79,913	93,290		
LEASES								
Curl School Bus	4.00%	789,347	551,626	-	264,678	286,948	286,948	
POA 1	3.00%	269,471	198,890	-	72,728	126,162	74,940	
POA 2	3.00%	5,399	4,164	-	1,272	2,892	1,311	
POA 3	3.00%	-	-	24,163	3,224	20,939	4,412	
Total Leases			754,680	24,163	341,902	436,941	367,611	
Total Long Term Debt			\$ 18,955,878	\$ 117,453	\$ 1,149,010	\$ 17,924,321	\$ 1,143,169	

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG-TERM OBLIGATIONS (CONTINUED)

Advance Refunding

The government issued \$12,804,322 in general obligation refunding bonds with an interest rate of 2.85%. The proceeds were used to advance refund \$10,905,000 of outstanding Series 2010 general obligation bonds which had interest rates ranging from 3.00% to 4.25%. The net proceeds of \$12,699,914 (including a \$252,884 premium and after payment of \$104,406 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, \$10,905,000 of the Series 2010 general obligation bonds are considered defeased.

The advance refunding reduced total debt service payments over the next 20 years by \$885,332. This results in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of \$691,819. The government issued \$7,028,538 in general obligation bonds to finance capital costs of the District and to refinance the Installment Financing Agreements of the Oregon School Board Association Series 2010B QSCB and Oregon Cool Schools Loan L00864 and L00881. The Oregon Cool Schools Loan was paid off and \$2,484,698 was deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded debt. As a result, \$2,015,000 of the Series 2010B are considered defeased.

Future maturities of unmatured bond and note principal and interest for fiscal years ending June 30 are as follows:

Year Ended	Total	Interest		
2024	\$ 775,746	\$ 405,322		
2025	738,677	396,578		
2026	810,820	362,185		
2027	866,471	338,934		
2028	892,898	350,857		
2028-33	5,668,677	1,129,098		
2033-38	4,642,171	1,541,792		
2038-43	1,628,289	2,796,711		
2043-48	1,207,056	2,832,944		
	\$ 17,230,805	\$ 10,154,421		

Certificate of Participation Bonds

2004 Certificate of Participation Flex Fund

In July of 2004, \$995,000 in certificate of participation bonds were issued which were used for improvements of an existing facility roof and the construction of a new educational facility. If an Event of Default occurs, the Trustee, as assignee of the Bank, is entitled to take one or any combination of the following remedial steps: (a) Without terminating the Installment Purchase Agreement, and by written notice to the District, the Trustee may declare all Installment Payments and other amounts payable by the District to the end of the then current budget year of the District to be due, including without limitation delinquent Installment Payments from prior budget

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG-TERM OBLIGATIONS (CONTINUED)

years; (b) Terminating the Installment Purchase Agreement, and by written notice to the District, the Trustee may accelerate all outstanding Installment Payments, in which case the District agrees to pay to the Trustee a sum sufficient to defease the Installment Purchase Agreement as well as any other sums due under the Installment Purchase Agreement; (c) The Trustee may take whatever action at law or in equity necessary or desirable to enforce its rights under the Installment Purchase Agreement.

QZAB

QZAB 2005 Capital Improvements Bond

In August of 2005, \$487,660 in general obligation bonds were issued for capital improvements for various school projects. Remedies on Default: Whenever any Event of Default exists, the Seller shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps: (a) Without terminating this ~Agreement, and by Written notice to the District, the Seller may declare all Installment Payments and other amounts payable by the District hereunder to the end of the then current budget year of the District to be due, including without limitation delinquent Installment Payments from prior budget years, and all such amounts shall bear interest until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less; (b) Terminating this Agreement, and by written notice to the District, the Seller may accelerate all outstanding Installment Payments, in which case the District agrees to pay to the Seller an amount equal to the outstanding Installment Payments, as well as any other sums due hereunder; all remaining and unspent Proceeds, and upon written notice to the Custodian and Provider, all funds in the Vernonia School District 47J Note Fund held by the Custodian in the Account pursuant to the Forward Delivery Agreement, shall be paid to Seller and shall be applied by Seller to the amount due by the District under this Agreement; (c) The Seller may take whatever action at law or in equity necessary or desirable to enforce its rights under this Agreement.

General Obligation Bonds

General Obligation 2016 Refunding Bond

In July of 2016, \$12,804,322 in general obligation bonds were issued to advance refund any certain maturities of the District's General Obligation Bond Series 2010. Upon the occurrence and continuance of any Event of Default hereunder the Owners of fifty-one (51%) percent or more of the principal amount of Refunding Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Refunding Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Resolution or the Refunding Bonds or in aid of the exercise of any power granted in this Resolution or in the Refunding Bonds or for the enforcement of any other legal or equitable right vested in the Owners of Refunding Bonds by the Resolution or the Refunding Bonds or by law. However, the Refunding Bonds shall not be subject to acceleration. No remedy in the Resolution conferred upon or reserved to Owners of Refunding Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at Jaw or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Owners of Refunding Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by this Resolution or by law.

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation 2017A and 2017B Capital and Refinancing Bonds

In June of 2017, \$4,205,275 and in December of 2017, \$2,590,000 for a total of \$6,795,275 were issued to finance capital costs of the District and to refinance the Installment Financing Agreements of the Oregon School Board Association Series 2010B QSCB and Oregon Cool Schools Loan L00864 and L00881. Upon the occurrence and continuance of any Event of Default the Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Resolution or the Bonds or in aid of the exercise of any power granted in the Resolution or in the Bonds or for the enforcement of any other legal or equitable right vested in the Owners of Bonds by the Resolution or the Bonds or by law. However, the Bonds shall not be subject to acceleration. No remedy in the Resolution conferred upon or reserved to Owners of Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default to shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Owners of Bonds to exercise any remedy reserved them, it shall not be necessary to give any notice other than such notice as may be required by the Resolution or by law.

Certificates of participation - issued July 2004, due in annual installments of \$35,000 to \$75,000, plus interest paid semi-annually at 1.80% to 5.15% through 2024.	\$ 75,000
Qualified zone academy bonds, series 2005 - issued August 2005, due in annual installments of principle and interest of \$25,565 through 2021.	-
The government issued \$12,804,322 in general obligation refunding bonds with an interest rate of 2.85%. The proceeds were used to advance refund \$10,905,000 of outstanding Series 2010 general obligation bonds which had interest rates ranging from 3.00% to 4.25%.	10,507,338
General obligation bonds, series 2017A and 2017B - issued July 2017 due in annual installments of \$9,709 to \$755,000 plus interest rates paid semi-annually at 1.40% to 4.00% through 2037.	6,648,467
	\$ 17,230,805

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG-TERM OBLIGATIONS (CONTINUED)

Governmental Activities

On 7/1/2021 the District entered into a lease as the lessee for use of Curl Busses. An initial lease liability was recorded in the amount of \$789,347. As of June 30, 2023, the value of the lease liability is \$286,948. The District is required to make monthly fixed payments of \$23,912. The vehicle estimated useful life was 36 months as of the contract commencement. The value of the right to use the asset as of June 30, 2023 is included in the capital asset disclosure.

On 7/1/2021 the District entered into a lease as the lessee for Pacific Office Automation Printers. An initial lease liability was recorded in the amount of \$269,471. As of June 30, 2023, the value of the lease liability is \$126,162. The District is required to make monthly fixed payments of \$6,245. The value of the right to use the asset as of June 30, 2023 is included in the capital asset disclosure.

On 7/1/2021 the District entered into a lease as the lessee for use of Pacific Office Automation Printers. An initial lease liability was recorded in the amount of \$5,399. As of June 30, 2023, the value of the lease liability is \$2,892. The District is required to make monthly fixed payments of \$110. The value of the right to use the asset as of June 30, 2023 is included in the capital asset disclosure.

On 9/8/2022 the District entered into a lease as the lessee for use of Pacific Office Automation Printers. An initial lease liability was recorded in the amount of \$24,163. As of June 30, 2023, the value of the lease liability is \$20,940. The District is required to make monthly fixed payments of \$368. The value of the right to use the asset as of June 30, 2023 is included in the capital asset disclosure.

Future payments are as follows:

Fiscal Year		Principal		Interest
2024	\$	367,611	\$	296,600
2025	Ψ	57,120	Ψ	1,041
2026		4,914		296
2027		4,827		153
2028		2,469		22
	\$	436,941	\$	298,112

9. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is carried for other risks of loss including excess liability, workers' compensation, boiler and machinery, public official bond and employee dishonesty and contractors license bond coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTES TO BASIC FINANCIAL STATEMENTS

10. COMMITMENTS AND CONTINGENCIES

There is participation in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2023 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts are expected by management to be immaterial.

11. PROPERTY TAX LIMITATION

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

12. INTERFUND ACTIVITY

	Trans	fers In	Transfers Out		
General Fund	\$	-	\$	239,977	
Special Revenue		157,209		-	
Debt Service		82,768		-	
	\$	239,977	\$	239,977	

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The General Fund transferred \$157,209 to the Special Revenue Fund to cover expenditures and \$82,768 to the Debt Service Fund for principal and interest payments.

NOTES TO BASIC FINANCIAL STATEMENTS

12. INTERFUND ACTIVITY (CONTINUED)

	Due Fr	om Other Funds	Due to Other Funds		
General Fund	\$	541,478	\$	-	
Special Revenue		-		531,132	
Debt Service		-		9,601	
Capital Projects Fund		-		745	
	\$	541,478	\$	541,478	

Due to and Due from in the funds are due to pooled cash transactions.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2023

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	(a)		(b)				(b/c)	Plan fiduciary	y
	Employer's	I	Employer's	(c)		NPL as a		net position as	
Year	proportion of	prop	ortionate share		District's		percentage	a percentage o	\mathbf{f}
Ended	the net pension	of t	he net pension		covered		of covered	the total pension	
June 30,	liability (NPL)	lia	bility (NPL)		payroll		payroll	liability	
2023	0.04 %	\$	6,028,391	\$	4,301,540		140.1 %	84.5	%
2022	0.03		4,173,093		3,869,232		107.9	87.6	
2021	0.04		7,861,447		3,673,474		214.0	75.8	
2020	0.04		7,173,433		3,647,557		196.7	80.2	
2019	0.04		6,341,898		3,317,717		191.2	82.1	
2018	0.05		6,131,081		3,224,074		190.2	83.1	
2017	0.05		7,444,010		3,477,707		214.0	80.5	
2016	0.05		3,139,627		2,903,530		108.1	91.9	
2015	0.07		(1,507,622)		2,859,997		(52.7)	103.6	
2014	0.07		3,394,170		3,144,356		107.9	92.0	

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Year Statutorily Ended required June 30, contribution		rel statu	atributions in ation to the torily required ontribution	de	ntribution ficiency excess)	Employer's covered payroll	Contributions as a percent of covered payroll	
2023	\$	1,086,970	\$	1,086,970	\$	-	\$ 4,638,054	23.4 %
2022		1,017,635		1,017,635		-	4,301,540	23.7
2021		1,105,320		1,105,320		-	3,869,232	28.6
2020		965,663		965,663		-	3,673,474	26.3
2019		750,801		750,801		-	3,647,557	20.6
2018		766,158		766,158		-	3,317,717	23.1
2017		590,336		590,336		-	3,224,074	18.3
2016		631,607		631,607		-	3,477,707	18.2
2015		618,679		618,679		-	2,903,530	21.3
2014		564,335		564,335		-	2,859,997	19.7
2014		564,335		564,335		-	2,859,997	19.7

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY For the fiscal year ended June 30,2023

Total OPEB Liability - Beginning	2023 \$ 414,702	2022 \$ 454,170	\$\frac{2021}{425,021}	2020 \$ 446,230	2019 \$ 441,006	2018 \$ 446,091
Changes for the year:			,	· · · · · · · · · · · · · · · · · · ·		*,
Service Cost	55,149	43,017	37,433	41,063	40,094	40,922
Interest	9,600	10,358	15,399	18,080	16,427	13,271
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	_	(40,018)	-	(33,180)	-	-
Changes of Assumptions or Other Input	(32,268)	4,506	21,652	(6,549)	(6,384)	(16,196)
Benefit Payments	(51,075)	(57,331)	(45,335)	(40,623)	(44,913)	(43,082)
Net Changes for the Year	(18,594)	(39,468)	29,149	(21,209)	5,224	(5,085)
Total OPEB Liability - Ending	\$ 396,108	\$ 414,702	\$ 454,170	\$ 425,021	\$ 446,230	\$ 441,006
Covered Payroll	4,638,054	4,301,540	3,869,232	3,673,474	3,647,557	3,317,717
Net Single Employer Pension Plan as a Percentage of Covered Payroll	8.54%	9.64%	11.74%	11.57%	12.23%	13.29%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 75 in the fiscal year ending June 30, 2018.

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE ACTUAL AND BUDGET

For the Year Ended June 30, 2023

DEBT SERVICE FUND

	ORIGINAL BUDGET		FINAL BUDGET			ACTUAL	VARIANCE TO FINAL BUDGET	
REVENUES Local Sources	\$ 1	,065,365	\$	1,065,365	\$	1,058,707	\$	(6,658)
Intermediate Sources	Ψ 1	,005,505	Ψ	-	Ψ	3,507	Ψ	3,507
						<u> </u>		
Total Revenue	1	,065,365		1,065,365		1,062,214		(3,151)
EXPENDITURES								
Debt Service	1	,147,798		1,147,798 (1))	1,148,987		(1,189)
2 404 501 140		,1 . , , , , , , ,		1,1 1,7,70		1,1 10,5 07		(1,10)
Total Expenditures	1	,147,798		1,147,798		1,148,987		(1,189)
Excess of Revenues Over (Under) Expenditures		(82,433)		(82,433)		(86,773)		(4,340)
OTHER FINANCING SOURCES (USES) Transfer In		77,433		77,433		82,768		5,335
Total Other Financing Sources (Uses)		77,433		77,433		82,768		5,335
Net Change in Fund Balance		(5,000)		(5,000)		(4,005)		995
Beginning Fund Balance		5,000		5,000		4,005		(995)
Ending Fund Balance	\$		\$	_	\$	-	\$	

(1) Appropriation Level

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE ACTUAL AND BUDGET

For the Year Ended June 30, 2023

CAPITAL PROJECTS FUND

	ORIGINAL BUDGET			FINAL BUDGET		A	CTUAL	VARIANCE TO FINAL BUDGET	
REVENUES									
Local Sources	\$		\$	-		\$	21	\$	21
Total Revenue				-			21		21
EXPENDITURES									
Support Services		30,000		-	(1)		-		-
Facilities Acquisition & Construction			_	30,000	(1)		30,746		(746)
Total Expenditure		30,000		30,000			30,746		(746)
Net Change in Fund Balance	((30,000)		(30,000)			(30,725)		(725)
Beginning Fund Balance		30,000		30,000			30,725		725
Ending Fund Balance	\$		\$: :	\$	_	\$	

⁽¹⁾ Appropriation Level

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED For the Year Ended June 30, 2023

					<u>C</u>	GENERAL FUN	<u>D</u>					
TAX YEAR	B. UNC	RIGINAL LEVY OR ALANCE COLLECTED NE 30, 2022		EDUCT COUNTS	ΑI	DJUSTMENTS TO ROLLS	IN'	TEREST	B	CASH LLECTIONS Y COUNTY REASURER	UNC	ALANCE COLLECTED OR EGREGATED NE 30, 2023
Current: 2022-2023	\$	3,421,104	\$	(92,573)	\$	(5,745)	\$	1,413	\$	3,248,908	\$	75,291
Prior Years:												
2021-2022		68,802		65		(2,874)		2,842		32,578		36,257
2020-2021		39,612		-		(12)		3,750		21,423		21,927
2019-2020		19,879		-		1		5,919		23,552		2,247
2018-2019		3,164		-		(99)		2,737		5,753		49
Prior		511				(118)		1,885		4,352		(2,074)
Total Prior		131,968		65		(3,102)		17,133		87,658		58,406
Total	\$	3,553,072	\$	(92,508)	\$	(8,847)	\$	18,546	\$	3,336,566	\$	133,697
RECONCILIA	ATIO	N TO REVENU	JE:									
Cook Collection	ong by	County Treasu	mana A	hove							\$	3,336,566
Taxes from W	-	•	neis A	.0076							Ф	28,807
Accrual of Re												20,007
June 30, 20												8,345
June 30, 20												(9,479)
Total GA	AP Re	evenue									\$	3,364,239

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED For the Year Ended June 30, 2023

				:	<u>DEBT</u>	SERVICE FU	ND					
TAX YEAR	I B UNC	DRIGINAL LEVY OR BALANCE COLLECTED NE 30, 2022		EDUCT SCOUNTS	ADJ	USTMENTS TO ROLLS	IN	ΓEREST	B	CASH LLECTIONS 7 COUNTY REASURER	UNG	SALANCE COLLECTED OR EGREGATED NE 30, 2023
Current: 2022-2023	\$	1,088,813	\$	(29,442)	\$	(22,825)	\$	119	\$	993,808	\$	42,857
Prior Years: 2021-2022 2020-2021 2019-2020 2018-2019 Prior Total Prior		18,151 9,546 7,891 2,169 1,504 39,261		- - - - -		2,149 (2,224) (997) (1,264) (890) (3,226)		898 250 64 19 12		24,491 7,412 5,964 874 520 39,261		(3,293) 160 994 50 106 (1,983)
Total	\$	1,128,074	\$	(29,442)	\$	(26,051)	\$	1,362	\$	1,033,069	\$	40,874
RECONCILIA	ATION	N TO REVENU	JE:									
Cash Collectic Taxes from W Accrual of Red June 30, 20 June 30, 20	ashing ceivab 23	_	irers A	bove							\$	1,033,069 26,020 2,635 (3,018)
Total GA	AP R	evenue									\$	1,058,706

VERNONIA SCHOOL DISTRICT NO. 47J SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS SPECIAL PROGRAMS FUND YEAR ENDED JUNE 30, 2023

Programme	EAR ENDED JUNE 30, 2023			D			
Program Title Program Titl		Dogg	Fadaval	Pass			Dags
ProgramTitle				U	Daviad		
Department of Education Direct Section Direct Dire	Program Title	0		•		Evnenditures	
Small Runal School Achievement Program DIRECT \$4,358 \$358,4223399 71/2022 101/2029 \$2,4500 \$3.500		Organization	Number	Number	Covereu	Expenditures	Subrecipents
Firle Grants to Local Educational Agencies	Small Rural School Achievement Program	DIRECT	84.358A	S358A223399	7/1/2022`10/1/2023`	\$ 34,500	\$ -
Title I Grants to Local Educational Agencies ODE 84.010 64039 0701021-063022 43,700 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Total Small Rural School Achievement Program					34,500	
Title I Grants to Local Educational Agencies ODE 84.010 64039 0701021-063022 43,700 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Title I Grants to Local Educational Agencies	ODE	84 010	72638	7/1/22-9/30/23	126 889	
Title I Circuits to Local Educational Agencies ODE 84.010 68023 71/22-9/30023 980 -	Fitle I Grants to Local Educational Agencies						-
Total Title I, Fart A supporting Effective Instruction State Grants	e e						-
Total Title IIA - Supporting Effective Instruction State Grants ODE 84,367 72535 71/22-9/3023 19,498	Title I Grants to Local Educational Agencies	ODE	84.010	68023	7/1/22-9/30/23	980	
Total Title IIA - Supporting Effective Instruction State Grants 19,498 - 19,000	Total Title I, Part A					203,513	
Total Title IIA - Supporting Effective Instruction State Grants 19,498 - 19,000	Fitle II A Suppositing Effective Instruction State Counts	ODE	94 267	72525	7/1/22 0/20/22	10.409	
Special Education Cluster (IDEA) Special Education Grants to States ODE 84.027 74146 71/12022-9/30/2024 119.157 - Total Special Education Grants to States ODE 84.027 74146 71/12022-9/30/2024 119.157 - Total Special Education Grants to States ODE 84.173 69020 07/01/21-06/30/22 77.8 Special Education Grants to States ODE 84.173 74322 71/12022-9/30/2024 6532 - Total Special Education Grants to States ODE 84.173 74322 71/12022-9/30/2024 6532 - Total Special Education Grant to States ODE 84.173 74322 71/12022-9/30/2024 6532 - Total Special Education Grant to States ODE 84.173 74322 71/12022-9/30/2024 6532 - Total Special Education Grant to States ODE 84.424 73032 71/122-9/30/23 10.899 - Total Special Education Grant Program ODE 84.424 73032 71/122-9/30/23 10.899 - Total Special Education Cluster (IDEA) ODE 84.425D 64706 03/13/20-09/30/24 691.538 - Total U.S. Department of Education Total Support and Academic Enrichment Program ODE 84.425D 64706 03/13/20-09/30/24 691.538 - Total U.S. Department of Education Total U.S. Department of U.S. N/A 07/01/22-06/30/23 18.039 - Total School Lunch Program ODE 10.555 N/A 07/01/22-06/30/23 15.067 N/A 07/01/22-06/30/23 15.067 N/A 07/01/22-06/30/23 15.067 15.054 15.054 15.054 15.054 15.054 15.054 15.054 15.054 15.054 15.054 15.055 15.054 15.055			04.307	12333	//1/22-9/30/23		
Special Education Grants to States ODE	11 8						
Special Education Grants to States ODE 84.027 74146 71/2022-9/30/2024 119.157							
Total Special Education Grants to States 119,157							-
Special Education Grants to States ODE 84.173 69020 07/01/21-06/30/22 778 778 778 778 778 779 778 779 778 778 779 778 779 778 778 779 778 779 779 778 779 778 779 779 778 779 779 778 779 779 778 779 779 779 778 779 779 778 779 77		ODE	84.027	74146	7/1/2022-9/30/2024		
Special Education Grants to States ODE 84.173 69020 07/01/21-06/30/22 778	Total Special Education Grants to States					119,157	
Special Education Grants to States ODE 84.173 69020 07/01/21-06/30/22 778	Special Education Grants to States	ODE	84.173				
Total Special Education Cluster (IDEA) 120.587		ODE	84.173	69020	07/01/21-06/30/22	778	
Total Special Education Cluster (IDEA) 120.587 -	Special Education Grants to States	ODE	84.173	74322	7/1/2022-9/30/2024	652	
Student Support and Academic Enrichment Program ODE 84.424 73032 71/122-9/30/23 10,899 - 10,890 - 10,890	Total Special Education Grant to States					1,430	_
Student Support and Academic Enrichment Program ODE 84.424 73032 71/122-9/30/23 10,899 - 10,890 - 10,890							
Student Support and Academic Enrichment Program ODE 84.424 73032 71/122-9/30/23 10,899 - 10,890 - 10,890	Total Special Education Cluster (IDEA)					120 587	
Content Cont	Total Special Education Cluster (ISEA)					120,307	
Content Cont	Student Support and Academic Enrichment Program	ODE	84.424	73032	7/1/22-9/30/23	10,899	
Total U.S. Department of Education	Total Support and Academic Enrichment Program					10,899	
Total U.S. Department of Education	Education Stabilization Fund COVID 10	ODE	84 425D	64706	02/12/20 00/20/24	601 528	(
Total U.S. Department of Education		ODE	84.423D	04/06	03/13/20 - 09/30/24		(
Department of Agriculture Child Nutrition Cluster: School Breakfast Program ODE 10.553 N/A 07/01/22-06/30/23 18,039 - Total School Breakfast Program CFDA 10.553 N/A 07/01/22-06/30/23 18,039 - Total School Breakfast Program ODE 10.555 N/A 07/01/22-06/30/23 101,337 - National School Lunch Program Commodities-Non Cash ODE 10.555 N/A 07/01/22-06/30/23 15,067 National School Lunch Program Commodities-Non Cash ODE 10.555 N/A 07/01/22-06/30/23 21,410 - Total National School Lunch Program ODE 10.555 N/A 07/01/22-06/30/23 21,410 - Total National School Lunch Program ODE 10.559 N/A 07/01/22-06/30/23 17,621 - Summer Food Service Program for Children ODE 10.559 N/A 07/01/22-06/30/23 17,621 - Summer Food Service Program for Children ODE 10.559 N/A 07/01/22-06/30/23 80 - Total Summer Food Service Program for Children ODE 10.559 N/A 07/01/22-06/30/23 80 - Total Summer Food Service Program for Children ODE 10.559 N/A 07/01/22-06/30/23 80 - Total Child Nutrition Cluster ODE 177,701 - Total Child Nutrition Cluster ODE	Tomi ESSER					071,550	
Child Nutrition Cluster: School Breakfast Program ODE 10.553 N/A 07/01/22-06/30/23 18,039 - Total School Breakfast Program CFDA 10.553 N/A 07/01/22-06/30/23 18,039 - Total School Lunch Program ODE 10.555 N/A 07/01/22-06/30/23 101,337 - National School Lunch Program Supply Chain ODE 10.555 N/A 07/01/22-06/30/23 15,067 National School Lunch Program Commodities-Non Cash ODE 10.555 N/A 07/01/22-06/30/23 15,067 Assistance ODE 10.555 N/A 07/01/22-06/30/23 21,410 - Total National School Lunch Program ODE 10.559 N/A 07/01/22-06/30/23 17,621 - Summer Food Service Program for Children ODE 10.559 N/A 07/01/22-06/30/23 17,621 - Summer Food Service Program for Children ODE 10.559 N/A 07/01/22-06/30/23 80 - Total Summer Food Service Program for Children ODE 10.559 N/A 07/01/22-06/30/23 80 - Total U.S. Department of Agriculture Food and Nutrition Services 173,554 - Total U.S. Department of Agriculture Food and Nutrition Services Company Co	Total U.S. Department of Education					1,080,535	
Child Nutrition Cluster: School Breakfast Program ODE 10.553 N/A 07/01/22-06/30/23 18,039 - Total School Breakfast Program CFDA 10.553 N/A 07/01/22-06/30/23 18,039 - Total School Lunch Program ODE 10.555 N/A 07/01/22-06/30/23 101,337 - National School Lunch Program Supply Chain ODE 10.555 N/A 07/01/22-06/30/23 15,067 National School Lunch Program Commodities-Non Cash ODE 10.555 N/A 07/01/22-06/30/23 15,067 Assistance ODE 10.555 N/A 07/01/22-06/30/23 21,410 - Total National School Lunch Program ODE 10.559 N/A 07/01/22-06/30/23 17,621 - Summer Food Service Program for Children ODE 10.559 N/A 07/01/22-06/30/23 17,621 - Summer Food Service Program for Children ODE 10.559 N/A 07/01/22-06/30/23 80 - Total Summer Food Service Program for Children ODE 10.559 N/A 07/01/22-06/30/23 80 - Total U.S. Department of Agriculture Food and Nutrition Services 173,554 - Total U.S. Department of Agriculture Food and Nutrition Services Company Co	S. Department of Agriculture						
Total School Breakfast Program CFDA 10.553 18,039	Child Nutrition Cluster:						
National School Lunch Program	School Breakfast Program	ODE	10.553	N/A	07/01/22-06/30/23	18,039	-
National School Lunch Program Supply Chain ODE 10.555 N/A 07/01/22-06/30/23 15,067 National School Lunch Program Commodities-Non Cash Assistance	Total School Breakfast Program CFDA 10.553					18,039	
National School Lunch Program Supply Chain ODE 10.555 N/A 07/01/22-06/30/23 15,067 National School Lunch Program Commodities-Non Cash Assistance	N.C. ICL II. I.B.	ODE	10.555	27/4	07/01/22 07/20/22	101 227	
National School Lunch Program Commodities-Non Cash Assistance ODE 10.555 N/A 07/01/22-06/30/23 21,410 - Total National School Lunch Program ODE 10.555 N/A 07/01/22-06/30/23 21,410 - Summer Food Service Program for Children Summer Food Service Program for Children Commodities-Non Cash Assistance ODE 10.559 N/A 07/01/22-06/30/23 17,621 - Summer Food Service Program for Children Commodities-Non Total Summer Food Service Program for Children Total Child Nutrition Cluster Total U.S. Department of Agriculture Food and Nutrition Services Chabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48,992 - Total U.S. Department of Health & Human Services Total U.S. Department of Health & Human Services Total U.S. Department of Health & Human Services A8,992 - Total U.S. Department of Health & Human Services 48,992 -							-
Assistance ODE 10.555 N/A 07/01/22-06/30/23 21,410 - Total National School Lunch Program		ODE	10.555	18/24	07/01/22-00/30/23	15,007	
Summer Food Service Program for Children ODE 10.559 N/A 07/01/22-06/30/23 17,621 - Summer Food Service Program for Children Commodities-Non Cash Assistance ODE 10.559 N/A 07/01/22-06/30/23 80 - Total Summer Food Service Program for Children Total Child Nutrition Cluster 173,554 - Total U.S. Department of Agriculture Food and Nutrition Services Rehabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48,992 - Total U.S. Department of Health & Human Services 48,992 - Total U.S. Department of Health & Human Services	· · · · · · · · · · · · · · · · · · ·	ODE	10.555	N/A	07/01/22-06/30/23	21,410	-
Summer Food Service Program for Children Commodities-Non Cash Assistance ODE 10.559 N/A 07/01/22-06/30/23 80 - Total Summer Food Service Program for Children Total Child Nutrition Cluster 173,554 - Total U.S. Department of Agriculture Food and Nutrition Services Rehabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48.992 - Total Rehabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48.992 - Total U.S. Department of Health & Human Services Total U.S. Department of Health & Human Services 48.992 -	Total National School Lunch Program						-
Summer Food Service Program for Children Commodities-Non Cash Assistance ODE 10.559 N/A 07/01/22-06/30/23 80 - Total Summer Food Service Program for Children Total Child Nutrition Cluster 173,554 - Total U.S. Department of Agriculture Food and Nutrition Services Rehabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48.992 - Total Rehabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48.992 - Total U.S. Department of Health & Human Services Total U.S. Department of Health & Human Services 48.992 -							
Summer Food Service Program for Children Commodities-Non Cash Assistance ODE 10.559 N/A 07/01/22-06/30/23 80 - Total Summer Food Service Program for Children Total Child Nutrition Cluster 173,554 - Total U.S. Department of Agriculture Food and Nutrition Services Rehabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48.992 - Total Rehabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48.992 - Total U.S. Department of Health & Human Services Total U.S. Department of Health & Human Services 48.992 -	Summer Food Service Program for Children	ODE	10.559	N/A	07/01/22-06/30/23	17 621	_
Total Summer Food Service Program for Children Total Child Nutrition Cluster Total U.S. Department of Agriculture Food and Nutrition Services Rehabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48.992 - Total Rehabilitation Services/Vocational Rehabilitation Grants to States Total U.S. Department of Health & Human Services 48.992 - Total U.S. Department of Health & Human Services Total U.S. Department of Health & Human Services		022	10.557	1771	07/01/22 00/30/23	17,021	
Total Child Nutrition Cluster Total U.S. Department of Agriculture Food and Nutrition Services Department of Health & Human Services Rehabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48.992 - Total Rehabilitation Services/Vocational Rehabilitation Grants to States 48.992 - Total U.S. Department of Health & Human Services 48.992 -	Cash Assistance	ODE	10.559	N/A	07/01/22-06/30/23		
Total U.S. Department of Agriculture Food and Nutrition Services Department of Health & Human Services Rehabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48,992 - Total Rehabilitation Services/Vocational Rehabilitation Grants to States Total U.S. Department of Health & Human Services 48,992 -							
Department of Health & Human Services Rehabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48.992 - Total Rehabilitation Services/Vocational Rehabilitation Grants to States 48.992 - Total U.S. Department of Health & Human Services 48.992 -	Total Child Nutrition Cluster					173,554	
Department of Health & Human Services Rehabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48.992 - Total Rehabilitation Services/Vocational Rehabilitation Grants to States 48.992 - Total U.S. Department of Health & Human Services 48.992 -							
Rehabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48,992 - Total Rehabilitation Services/Vocational Rehabilitation Grants to States 48,992 - Total U.S. Department of Health & Human Services 48,992 -	Total U.S. Department of Agriculture Food and Nutrition	Services				173,554	-
Rehabilitation Services/Vocational Rehabilitation Grants to States ODHS 84.126 160758 07/01/21-06/30/23 48,992 - Total Rehabilitation Services/Vocational Rehabilitation Grants to States 48,992 - Total U.S. Department of Health & Human Services 48,992 -	5. Department of Health & Human Services						
Total U.S. Department of Health & Human Services 48,992	Rehabilitation Services/Vocational Rehabilitation Grants to States	ODHS	84.126	160758	07/01/21-06/30/23		
·	Total Rehabilitation Services/Vocational Rehabilitation Grant	s to States				48,992	
·	Total II S Department of Health & Hume- Services					49.002	
TOTAL FEDERAL FINANCIAL ASSISTANCE \$ 1,303,081 \$ -	Total U.S. Department of Health & Human Services					40,992	
	TOTAL FEDERAL FINANCIAL ASSISTA	NCE				\$ 1,303,081	<u>\$</u> -

^{(1) -} Major Program (2) - Covid-19 Funding

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS



PAULY, ROGERS, AND CO., P.C. 12700 SW 72nd Ave. Tigard, OR 97223 (503) 620-2632 (503) 684-7523 FAX www.paulyrogersandcocpas.com

December 27, 2023

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of Vernonia School District No. 47J for the year ended June 30, 2023, and have issued our report thereon dated December 27, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the Vernonia School District No.47J'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 Statues as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the Vernonia School District No. 47J was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except the following:

1. Expenditures exceeding budgeted appropriations as noted on page 21 of this report.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered 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 internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

We noted a matter involving the internal control structure and its operations we consider to be a significant deficiency under standards established by the American Institute of Certified Public Accountants, which is noted in the Schedule of Findings and Questioned Costs.

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

Tara M Kamp, CPA

PAULY, ROGERS AND CO., P.C.

Men MLang, CPA

GRANT COMPLIANCE REVIEW



PAULY, ROGERS, AND CO., P.C. 12700 SW 72nd Ave. Tigard, OR 97223 (503) 620-2632 (503) 684-7523 FAX www.paulyrogersandcocpas.com

December 27, 2023

To the Board of Directors Vernonia School District No. 47J Columbia County, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities each major fund, of Vernonia School District No. 47J as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 27, 2023.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. We noted a matter we consider to be a significant deficiency as noted as FS-2023-01 in the Schedule of Findings and Questioned Costs.

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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to the Finding

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

Purpose of this Report

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

Mamp, CPA

Tara M. Kamp, CPA PAULY, ROGERS AND CO., P.C.



PAULY, ROGERS, AND CO., P.C. 12700 SW 72nd Ave. Tigard, OR 97223 (503) 620-2632 (503) 684-7523 FAX www.paulyrogersandcocpas.com

December 27, 2023

To the Board of Directors Vernonia School District No. 47J Columbia County, Oregon

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Vernonia School District No. 47J's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2023. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Vernonia School District No. 47J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Vernonia School District No. 47J and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Mam Kang, CPA

Tara M. Kamp, CPA PAULY, ROGERS AND CO., P.C.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITORS' RESULTS

SECTION SCHOOL OF THE STORY THE SECTION		
FINANCIAL STATEMENTS		
Type of auditors' report issued	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	yes	⊠ no
Significant deficiency(s) identified that are not considered to be material weaknesses?	⊠ yes	none reported
Noncompliance material to financial statements noted?	yes	⊠ no
Any GAGAS audit findings disclosed that are required to be reporting in accordance with the Uniform Guidance?	yes	⊠ no
FEDERAL AWARDS		
Internal control over major programs:		
Material weakness(es) identified?	yes	⊠ no
Significant deficiency(s) indentified that are not considered to be material weaknesses?	yes	none reported
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	yes	⊠ no
<u>IDENTIFICATION OF MAJOR PROGRAMS</u>		
AL NUMBER 84.425 NAME OF FEDERAL PROGRAM CLUSTER Education Stabilization Fund - ESSER		
Dollar threshold used to distinguish between type A and type B programs:	\$750,000	
Auditee qualified as low-risk auditee?	yes	o no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

FS-2023-01 – SIGNIFICANT DEFICIENCY

CONDITION: The District was not adequately prepared for the audit at the agreed upon date.

<u>CRITERIA</u>: The District should have books closed and data finalized, as well as be prepared to deliver requested items at the agreed upon scheduled time of audit.

<u>EFFECT:</u> Unpreparedness and related delays in performing the audit increases the risk of misstatement of the financial statements and delays in audit issuance.

CAUSE: The finance department had turnover of key staff during the year.

<u>RECOMMENDATION:</u> We recommend that the District reevaluate business practices and internal controls in order to finalize data and be properly prepared for audits at the agreed upon time.

<u>VIEWS OF RESPONSBILE OFFICIALS</u>: The District will allow sufficient time for audit preparations to be completed prior to the scheduled audit.

PRIOR YEAR FINDINGS

FS-2022-01 - SIGNFICANT DEFICIENCY

<u>CONDITION</u>: Cash was not accurately reconciled at year end. When testing bank balances at 6/30, we noted the general ledger did not match the reconciliation for the ASB account. We recommend that cash accounts being reconciled in the general ledger against the monthly reconciliations to ensure they balance.

STATUS: The issue appears to have been corrected for the year under audit.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Noted.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has not elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.

OTHER INFORMATION

Columbia County, Oregon

REVENUE SUMMARY - ALL FUNDS YEAR ENDED JUNE 30, 2023

Reven	ue from Local Sources		Fund 100		Fund 200		Fund 300	Fund 400		TOTAL
	Taxes - current year's levy	\$		\$	-	\$	1,042,437	\$ -	\$	4,318,477
	Taxes - prior year's levies	-	85,213	•	_	•	15,306	-	•	100,519
	Taxes - payments in lieu of property taxes		385		_		122	_		507
	Penalties and interest on taxes		2,602		_		841	_		3,443
1510			59,156		_		1	21		59,178
	Food Service		-		40.082		-			40,082
1700	Extracurricular Activities		28,123		154,663		_	_		182,786
	Rentals		7,684		-		_	_		7,684
1920	Contributions and donations from private sources		109,206		24,838		_	_		134,044
	Recovery of prior year expenditures		18,302		5,209		_	_		23,511
	Fees Charged to Grants		41,821				_	_		41,821
	Miscellaneous		65,604		3,939		_	_		69,543
	Medicaid admin claiming		10,437		-		_	_		10,437
	Erate		45,994		_		_	_		45,994
1,,,0	Total Revenue from Local Sources		3,750,567		228,731		1,058,707	21		5,038,026
Reven	ue from Intermediate Sources									
	County school funds		32,275		_		_	_		32,275
	General education service district funds		18,126		8,989			_		27,115
	Natural gas, oil and mineral receipts		2,297		8,989		3,507	-		5,804
2103	Total Revenue from Intermediate Sources		52,698		8,989		3,507	-		65,194
	Total Revenue from Intermediate Sources		32,070		0,707		3,307	_		03,174
Reven	ue from State Sources									
3101	State School Support		4,190,702		-		-	-		4,190,702
3102	SSF School Lunch Match		-		1,929		-	-		1,929
3103	Common school fund		72,689		-		-	-		72,689
3104	State managed county timber		833,453		-		-	-		833,453
3199	Other unrestricted sources		42,156		-		-	-		42,156
3299	Other restricted grants-in-aid		55,721		1,205,398		-	-		1,261,119
	Total Revenue from State Sources		5,194,721		1,207,327		-	-		6,402,048
Reven	ue from Federal Sources									
	Restricted Rev Fed Gov through State		_		34,500		_	_		34,500
	Restricted Rev Fed Gov through State		_		1,247,090		_	_		1,247,090
	USDA Donated Commodities		_		21,491		_	_		21,491
1700	Total Revenue from Federal Sources				1,303,081					1,303,081
	Total Revenue from Lederal Sources				1,505,001					1,505,001
Reven	ue from Other Sources									
5160	Lease Purchase Receipts		24,163		-		-	-		24,163
5200	Interfund Transfers		-		157,209		82,768	-		239,977
5400	Resources - Beginning Fund Balance		564,572		224,105		4,005	30,725		823,407
	Total Revenue from Other Sources		588,735		381,314		86,773	30,725		1,087,547
	Total	\$	9,586,721	\$	3,129,442	\$	1,148,987	\$ 30,746	\$	13,895,896

Columbia County, Oregon

GENERAL FUND EXPENDITURE SUMMARY YEAR ENDED JUNE 30, 2023

	Fund: 100 General Fund								
Instru	ection Expenditures	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
1111	Primary, K-3	\$ 686,494	\$ 414,033	\$ 24,259	\$ 19,715	\$ -	\$ 27,972	\$ - \$	1,172,473
1121	Middle/Junior high school programs	284,520	171,996	29,890	3,726	-	7,770	-	497,902
1122	Middle/Junior high school extracurricular	25,552	8,271	4,426	644	-	-	-	38,893
1131	High school programs	661,153	362,257	21,601	26,766	16,391	12,932	-	1,101,100
1132	High school extracurricular	111,869	31,491	46,453	19,991	-	2,760	-	212,564
1210	8	-	-	-	-	-	-	-	-
1220	Restrictive programs for student with disabilities	-	-	120,245	-	-	-	-	120,245
1250		577,736	328,071	63,715	17,984	_	_	_	987,506
	Less restrictive programs for student with disabilities	377,730	320,071	05,715	17,704	_	_	_	767,500
1260	Treatment and Habilitation	-	-	7,446	-	-	-	-	7,446
1271	Remediation	-	-	26,009	-	-	-	-	26,009
1280		153,604	99,840	27,433	60,101	-	-	-	340,978
1400	Summer School Programs	5,399	2,029	-	12,626	-	-	-	20,054
	Total Instruction Expenditures	2,506,327	1,417,988	371,477	161,553	16,391	51,434	-	4,525,170
Suppo	ort Services Expenditures								
2110	Attendance and social work services	27,039	12,874	-	7,667	-	-	-	47,580
2120	Guidance services	82,009	50,137	-	69	-	-	-	132,215
2130	Health services	-	-	52,250	766	-	-	-	53,016
2140		-	-	90,000	2,314	-	-	-	92,314
2150		-	-	81,080	2,123	-	-	-	83,203
2190	, 11	37,674	33,812	-	-	-	-	-	71,486
2210	1	10,715	4,055	41,888	81	-	-	-	56,739
2220	Educational media services	6,348	529	-	3,127	-	-	-	10,004
2310		7,384	4,560	49,176	150	24,162	1,821	-	87,253
2320	Executive administration services	191,995	108,822	15,254	8,495	-	19,376	-	343,942
2410	Office of the principal services	312,241	191,324	24,975	6,312	-	21,055	-	555,907
2490	Other support services	92,844	45,245	434	228	-	903	-	139,654
2520	Fiscal services	130,516	58,002	(265,010)	9,797	-	286,841	-	220,146
2540	1	179,626	107,778	233,653	45,555	20,245	112,621	-	699,478
2550	Student transportation services	-	-	1,198,470	1,697	-	-	-	1,200,167
2640	Staff services	1,302	446	-	-	-	-	-	1,748
2660	87	1,175	479	31,407	72,911	-	150	-	106,122
2700	Supplemental retirement program		55,689	-	-	-	-	-	55,689
	Total Support Services Expenditures	1,080,868	673,752	1,553,577	161,292	44,407	442,767	-	3,956,663
Facili 4150	ties Acquisition and Construction Expenditures Buildings/Construction					52,993			52,993
4130	E			-		52,993 52,993		-	
	Total Facilities and Construction Expenditures	-	-	-	-	52,993	-	-	52,993
	Uses Expenditures								_
5200	Transfers of Funds		-	-	-	-	-	239,977	239,977
	Total Other Uses Expenditures	_	_	_	_	_	_	239,977	239,977

\$ 3,587,195 \$ 2,091,740 \$ 1,925,054 \$ 322,845 \$ 113,791 \$ 494,201 \$ 239,977 \$ 8,774,803

Total 100 General Fund

Columbia County, Oregon

SPECIAL REVENUE FUND EXPENDITURE SUMMARY YEAR ENDED JUNE 30, 2023

Fund: 200 Special Revenue Fund

Instructi	on Expenditures	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
1111	Primary, K-3	\$ 116,827		\$ -		\$ -	\$ -	\$ -	\$ 244,364
1121	Middle/Junior high school	2,938	1,152	2,900	12,796	-	4,809	-	24,595
1122	Middle/Junior high school extracurricular	-	-	-	2,639	-	-	-	2,639
1131	High school programs	356,087	191,078	22,277	63,604	_	9,576	_	642,622
1132	High school extracurricular	-	-	4,155	118,078	-	-	-	122,233
1250	Less restrictive programs for student with			· ·	-,				
	disabilities	4,812	9,511	-	-	-	-	-	14,323
1260	Treatment and Habilitation	-	-	1,430	-	-	-	-	1,430
1272	Title I	73,032	50,628	1,590	1,638	-	-	-	126,888
1280	Alternative education	139,636		2,722		-	-	-	247,353
1400	Summer school program	9,561	3,228		30,604	14,500	-	-	57,893
	Total Instruction Expenditures	702,893	442,481	35,074	275,007	14,500	14,385	-	1,484,340
Support	Services Expenditures								
2110	Attendance and social work services	96,278	45,685	_	23,051	-	-	-	165,014
2120	Guidance services	-	-	_	-	_	-	_	-
2130	Health services	-	-	50,276	2,265	-	-	-	52,541
2140	Psychological services	-	-	_	_	-	-	-	· -
2190	Indirect Student Support	82,096	37,060	4,324	2,694	-	-	-	126,174
2210	Improve instruction services	11,783	4,094	6,692	_	-	-	-	22,569
2220	Support Services - Instruction	58,884		_	-	-	-	-	119,870
2240	Instructional staff development	4,700		-	-	-	-	-	6,486
2310	Board of Education	· -	· -	-	-	-	-	-	_
2320	Office of Superintendent	545	207	101	-	-	-	-	853
2410	Office of the principal services	_	_	_	1,278	_	_	_	1,278
2490	Other support services-school administration	-	-	_	_	_	_	_	-,-,-
2520	Fiscal Services	-	-	_	_	_	41.821	_	41,821
2540	Operation and maintenance of plant services	7,487	2,840	35,773	4,321	_	-	_	50,421
2550	Student transportation services	-	-	1,148	-	_	_	_	1,148
2640	Staff services	34,895	13,213	443	7,290	_	_	_	55,841
2660	Technology services	11,521	8,574	_	212,397	_	_	_	232,492
	Total Support Services Expenditures	308,189		98,757	253,296	-	41,821	-	876,508
Enternri	se and Community Services								
3100	Food services	140,811	103,844	7,020	112,014	6,591	2,613	_	372,893
3300	Community services	140,011	105,044	7,020	112,014	0,571	2,013		372,073
3300	Total Enterprise and Community Services	140,811	103,844	7,020	112,014	6,591	2,613	-	372,893
Facilities	Acquisition and Construction Expenditures								
4120	Dues & Fees, Professional & Technical								
4150		-	-	_	-	123,100	-	-	123,100
4130	Building acquisition, construction and improvement		-			123,100		-	123,100
	Total Facilities and Construction Expenditures	-	-	-	-	123,100	-	-	123,100
Other Us	ses Expenditures								
5200	Transfers of funds	-	-	-	-	-	-	-	-
	Total Other Uses Expenditures	-	-		-	-	-	-	-
	Total 200 Special Revenue Fund	\$ 1,151,893	\$ 720,770	\$ 140,851	\$ 640,317	\$ 144,191	\$ 58,819	s -	\$ 2,856,841
	1 otai 200 Special Revenue r unu	o 1,151,693	o /20,//0	3 140,031	3 040,31/	o 144,191	J 30,019	9 -	σ 4,000,041

Columbia County, Oregon

DEBT SERVICE FUND EXPENDITURE SUMMARY YEAR ENDED JUNE 30, 2023

Fund: 300 Debt Service																
	Obje	ct 100	Obje	ect 200	Obje	ect 300	Obje	ect 400	•	Object 500		Object 600	Ob	ject 700		TOTAL
Other Uses Expenditures										-		_				
5100 Debt Service	\$	-	\$	-	\$	-	\$	-	\$	-	\$	77,433	\$	-	\$	77,433
5110 Long Term Debt Service	\$	_	\$	-	\$	-	\$	_	\$	-	\$	1,071,554	\$	-	\$	1,071,554
Total Other Uses Expenditures		-		-		-		-		-		1,148,987		-		1,148,987
Total 300 Debt Service Fund	-		•		•		•		¢		2	1 148 987	_		•	1 148 987

Columbia County, Oregon

CAPITAL PROJECTS FUND EXPENDITURE SUMMARY YEAR ENDED JUNE 30, 2023

Object 100	Objec	t 200	Object	300	Object	400	Object 500	Object 600	Object	700	TOTAL
\$	- \$	-	\$	-	\$	- \$	-	\$	- \$	- \$	-
	-	-		-		-	-		-	-	
	-	-		-		-	-		-	-	-
\$	- \$	-	\$	-	\$	- \$	-	\$	- \$	- \$	-
	_	_		_		_	30 746		_	_	30,746
							,,				
	-	-		-		-	30,746		-	-	30,746
\$	- \$	-	\$	-	\$	- \$	30,746	\$	- \$	- \$	30,746
	6	- S S S 	- S	S - \$ - \$ 	- S - S	S - S - S - S - S - S - S - S - S - S -		30,746			

SUPPLEMENTAL INFORMATION

As Required by The Oregon Department of Education - Form 3211-C For the Year Ended June 30, 2023

A.	Energy bills for heating -	- all funds:			Objects (325, 326 & 327
				Function 2540 Function 2550	\$	171,622
В.	Replacement of equipme Include all General Fund Exclude these functions:	expenditures in Object 542, excep	ot for the following	g exclusions:		Amount
	1113, 1122 & 1132	Co-curricular activities	4150	Construction	\$	-
	1140	Pre-kindergarten	2550	Pupil transportation		
	1110	110 111111111111111	2000			
	1300	Continuing education	3100	Food service		

Form 581-3211-C (Rev 9/05)

Taxable Property Values - Oustanding GO Debt and Capacity

	Ta	otal Assessed	Ur	ban Renewal		Net Assessed	N	I5 Real Market	G	O Bond Capacity	GO Bonds	Remaining
Fiscal Year	- (Value		Excess		Value	11.	Value		7.95% of RMV)	utstanding	Capacity
2023	\$	712,275,451	\$	-	9	712,275,451	\$	1,146,671,262	\$	91,160,365	\$ 17,155,804	\$ 74,004,561
2022	\$	666,604,863	\$	-	9	666,604,863	\$	956,025,493	\$	76,004,027	\$ 17,801,168	\$ 58,202,859
2021	\$	633,665,269	\$	-	9	633,665,269	\$	876,398,078	\$	69,673,647	\$ 18,403,823	\$ 51,269,824
2020		599,825,090		-		599,825,090		796,598,108		63,329,550	18,962,531	44,367,019
2019		509,741,417		-		509,741,417		659,900,768		52,462,111	19,477,871	32,984,240
2018		501,519,376		-		501,519,376		654,427,898		52,027,018	19,949,804	32,077,214
2017		489,303,966		-		489,303,966		598,463,653		47,577,860	13,597,624	33,980,236
2016		480,865,903		-		480,865,903		583,849,828		46,416,061	12,360,000	34,056,061
2015		456,757,487		-		456,757,487		542,435,560		43,123,627	12,575,000	30,548,627
2014		441,241,742		-		441,241,742		515,741,506		41,001,450	12,750,000	28,251,450

Columbia County

						Colum	1016	County
Fiscal Year	T	Total Assessed Valuation	Urban Renewal Excess		AV Used to Calculate Rates		M	5 Real Market Value
2023	\$	704,176,941	\$	-	\$	704,176,941	\$	1,131,962,652
2022	\$	658,866,873	\$	-	\$	658,866,873	\$	942,552,303
2021	\$	626,276,419	\$	-	\$	626,276,419	\$	863,260,408
2020		592,444,520		-		592,444,520		783,652,142
2019		502,576,187		-		502,576,187		647,542,338
2018		494,669,246		-		494,669,246		642,322,372
2017		482,564,876		-		482,564,876		586,983,893
2016		474,335,093		-		474,335,093		572,871,222
2015		450,539,627		-		450,539,627		532,002,985
2014		435,253,122		-		435,253,122		505,863,516

Washington County

							9	r county
	1	Total Assessed	Ur	ban Renewal		AV Used to	M5	Real Market
Fiscal Year		Valuation		Excess	C	alculate Rates		Value
2023	\$	8,098,510	\$	-	\$	8,098,510	\$	14,708,610
2022	\$	7,737,990	\$	-	\$	7,737,990	\$	13,473,190
2021	\$	7,388,850	\$	-	\$	7,388,850	\$	13,137,670
2020		7,380,570		-		7,380,570		12,945,966
2019		7,165,230		-		7,165,230		12,358,430
2018		6,850,130		-		6,850,130		12,105,526
2017		6,739,090		-		6,739,090		11,479,760
2016		6,530,810		-		6,530,810		10,978,606
2015		6,217,860		-		6,217,860		10,432,575
2014		5,988,620		-		5,988,620		9,877,990

County Tax Collection Record

Columbia County

Tax Collections (1)

Washington County
Tax Collections (1)

Fiscal	Percent Col	lected as of
Year	Levy Year ⁽²⁾	6/30/2023 ⁽³⁾
2023	97.88%	97.88%
2022	97.79%	98.80%
2021	97.79%	99.29%
2020	97.51%	99.78%
2019	97.12%	99.96%
2018	96.77%	99.97%

Fiscal	Percent Collecte	d as of
Year	Levy Year ⁽²⁾	6/30/2023 ⁽³⁾
2023	98.83%	98.83%
2022	99.05%	99.69%
2021	99.65%	99.84%
2020	99.81%	99.93%
2019	98.87%	99.97%
2018	99.98%	99.99%

- (1) Percentage of total tax levy collection in the County. Pre-payment discounts are considered to be **collected** when outstanding taxes are calculated. The tax rates are before offsets.
- (2) The percentage of taxes collected in the "year of levy" represents taxes collected in a single levy year, beginning July 1 and ending June 30.
- (3) The percentage of taxes show in the column represents taxes collected cumulatively from July 1 of a given levy year through June 30, 2023.

Levy Rates

Fiscal	Permanent	Bond Levy
Year	Rate	Rate
2023	5.0121	1.5686
2022	5.0121	1.5601
2021	5.0121	1.5686
2020	5.0121	1.6421

5.0121

5.0121

1.9225 1.8344

2019

2018

Historical Enrollment

	Average Daily	
Fiscal	Membership	
Year	$(\mathbf{w})^{(1)}$	Enrollment ⁽²⁾
2023	787.58	579
2022	780.96	575
2021 ⁽³⁾	744.18	555
2020 ⁽³⁾	781.8	555
2019 ⁽³⁾	757.79	566
2018	746.5	532

- (1) Weighted Average Daily Membership is
- (2) Enrollment is the number of students attending classes.

Major Taxpayers - Columbia County

Fiscal	Voor	20	22
T ISCAL	i eai	2U	122

Taxpayer	Business/Service	Tax	A	Assessed Value	Percent of Value
Portland Gen Elec Co	Electrical Utility	\$ 4,986,024	\$	586,631,000	9.17%
Northwest Natural Gas Co	Natural Gas Utility	3,727,485		278,444,400	4.35%
United States Gypsum	Wall board	1,296,779		74,024,050	1.16%
Airpark Development LLC	Real Estate	1,248,123		30,641,655	0.48%
Weyerhaueser Timber Holdings Inc	Forest Products	1,041,057		81,484,652	1.27%
Dyno Nobel, Inc.	Forest Products	879,094		34,318,465	0.54%
Cascades Tissue Group Oregon	Forest Products	853,895		57,508,980	0.90%
Columbia River PUD	Electrical Utility	673,637		49,737,500	0.78%
Northwest Aggregates Inc	Forest Products	456,209		34,807,490	0.54%
Clatskanie PUD	Utility	448,449		33,955,000	0.53%
Subtotal - ten of County's largest taxpay	vers			1,261,553,192	19.73%
All other County's taxpayers				5,133,823,011	80.27%
Total County			\$	6,395,376,203	100.00%

Major Taxpayers - Washington County

Fiscal Year 2022						
Taxpayer	Business/Service		Tax		Assessed Value	Value
Intel Corporation	Semiconductors	\$	31,610,158	\$	1,895,002,799	2.42%
Nike, Inc.	Athletic Shoes & Apparel		25,930,887		1,464,501,430	1.87%
Portland General Electric	Electrical Utility		18,707,111		1,124,597,930	1.44%
Pacific Realty Associates	Real Estate Investment		7,622,801		440,231,557	0.56%
Northwest Natural Gas Co.	Natural Gas Utility		7,525,622		468,313,450	0.60%
Verizon Communications	Telecommunications		6,069,140		360,262,000	0.46%
Genentech Inc.	research/manufacturing		5,573,004		328,238,530	0.42%
Comcast Corporation	Telecommunications		4,743,448		274,530,000	0.35%
Northwest Fiber LLC	Telecommunications		3,696,576		223,356,900	0.29%
LAM Research Corporation	Semiconductors		3,678,457		230,442,558	0.29%
Subtotal - ten of County's largest taxpayers	;				6,809,477,154	8.69%
All other County's taxpayers					71,509,388,692	91.31%
Total County				\$	78,318,865,846	100.00%

Major Taxpayers - Columbia County - Vernonia School District

Fiscal Year 2022

Taxpayer	Business/Service	Tax	A	ssessed Value	Percent of Value
Northwest Natural Gas Co	Natural Gas Utility	\$ 2,943,467	\$	253,511,700	36.00%
Weyerhaeuser Company	Forest Products	635,815		49,821,459	7.08%
Orm Timber Fund (REIT) III Inc	Forest Products	95,778		7,513,719	1.07%
Bascom Pacific LLC	Forest Products	84,476		6,657,913	0.95%
West Oregon Electric Coop Inc	Electrical Utility	66,564		4,053,100	0.58%
Olympic Forest Products Co	Forest Products	59,397		5,078,170	0.72%
John Hancock Mututal Life Co	Insurance Company	26,920		2,116,501	0.30%
Northwest Fiber LLC DBA Ziply	Telecommunications Utility	26,802		1,859,800	0.26%
Olympic Forest Products Co Inc	Forest Products	25,993		2,211,458	0.31%
Claruth Inc Willina Inc Franbea Inc 1/3	Investment Company	19,811		1,567,093	0.22%
Subtotal - ten of County's largest taxpayers				334,390,913	47.49%
All other County's taxpayers				369,786,028	52.51%
Total County			\$	704,176,941	100.00%
				-	·

Major Taxpayers - Washington County - Vernonia School District

Fiscal Year 2022

Taxpayer	Business/Service	Tax	A	ssessed Value	Percent of Value
Weyerhaeuser Columbia Timberlands LLC	Wood Products	\$ 44,896	\$	3,439,960	44.46%
Stimson Lumber Co	Wood Products	7,932		604,300	7.81%
Buckley, Peggy Lu	Individuals	5,379		395,850	5.12%
Schmidlin, Betty & Leonard Alfred Trust	Individuals	4,978		368,610	4.76%
Schmidlin, Michael W and Susan M	Individuals	4,901		368,060	4.76%
Brown, Lois Louise	Individuals	4,224		333,540	4.31%
McPherson, David	Individuals	2,939		224,130	2.90%
Sewell, Aaron J &	Individuals	2,395		162,080	2.09%
Wetzel Sunset LLC	Individuals	2,258		173,560	2.24%
Stringfield, Robert & Stringfield, Luletta D	Individuals	2,206		169,590	2.19%
Subtotal - ten of County's largest taxpayers				6,239,680	80.64%
All other County's taxpayers				1,498,310	19.36%
Total County			\$	7,737,990	100.00%