

**VERNONIA SCHOOL DISTRICT**  
**COLUMBIA COUNTY, OREGON**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2021**



12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2021

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

BOARD OF DIRECTORS

BOARD OF DIRECTORS

TERM EXPIRES

Susan Wagner, Chair	June 30, 2021
Greg Kintz, Vice Chair	June 30, 2023
Amy Cieloha	June 30, 2021
Joanie Jones	June 30, 2021
Stacey Pelster	June 30, 2021
Brittanie Roberts	June 30, 2021
Jeana Gump	June 30, 2021

All board members will receive mail at the following address:

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

Aaron Miller, Superintendent and Budget Officer  
Marie Knight, Accounting Manager

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

TABLE OF CONTENTS

\*\*\*\*\*

	<u>PAGE NUMBER</u>
Independent Auditor's Report	1
REQUIRED SUPPLEMENTARY INFORMATION:	
Management's Discussion and Analysis	<i>I-VIII</i>
BASIC FINANCIAL STATEMENTS:	
Government - Wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet- Governmental Funds	6
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund	
Balances - Governmental Funds	8
Reconciliation of the Governmental Funds Statements of Revenues,	
Expenditures and Changes in Fund Balance to the Statement of Activities	9
Statements of Revenues, Expenditures, and Changes in Fund Balance -	
Budget and Actual:	
General Fund	10
Special Revenue Fund	11
Notes to Basic Financial Statements	12
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of the Proportionate Share of the Net Pension Liability and Schedule of Contributions	40
Schedule of Changes in Other Post Employment Benefits (OPEB) Liability	41
SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
Budget and Actual:	
Debt Service Fund	42
Capital Projects Fund	43
Schedule of Property Tax Transactions	
and Balances of Taxes Uncollected – General Fund	44
Schedule of Property Tax Transactions	
and Balances of Taxes Uncollected – Debt Service Fund	45
Schedule of Expenditures of Federal Awards	46

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

T A B L E O F C O N T E N T S (CONTINUED)

\*\*\*\*\*

	<u>PAGE NUMBER</u>
REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS:	
Independent Auditor's Report Required by Oregon State Regulations	47
GRANT COMPLIANCE REVIEW	
Independent Auditors' Report on Internal Control Structure over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	49
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	51
Schedule of Findings and Questioned Costs	53
OTHER INFORMATION:	
Schedules Required by the Oregon Department of Education	
Revenue Summary – All Funds	55
Expenditure by Function/Object:	
General Fund	56
Special Revenue Funds	57
Debt Service Funds	58
Capital Projects Fund	59
Supplemental Information – As Required by the Oregon Department of Education Form 3211-C	60
Continuing Disclosure Information: Annual Operating Data	61



**PAULY, ROGERS, AND Co., P.C.**  
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November 23, 2021

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Vernonia School District No. 47 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Vernonia School District No. 47, as of June 30, 2021, and the respective changes in financial position and budgetary comparisons for the general fund and special revenue fund, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

The listing of board members containing their term expiration dates, located before the table of contents, and the other information as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## Reports on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our reports dated November 23, 2021 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 those reports 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 internal control over financial reporting or on compliance. The reports are 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 November 23, 2021, 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  
PAULY, ROGERS AND CO., P.C.

**VERNONIA SCHOOL DISTRICT 47J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year ended June 30, 2021**

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, 2021.

**FINANCIAL HIGHLIGHTS**

- In the government-wide statements, the net position of the District at June 30, 2021 was \$15,241,562. Of this amount, \$19,515,455 represents the District's net investment in capital assets, \$220,478 is restricted for debt service, grants and student body activities and the deficit of \$4,494,371 is unrestricted.
- The District's total net position decreased by \$1,005,158 for the fiscal year.
- The District's governmental funds reported a combined ending fund balance of \$782,280 at June 30, 2021, a decrease of \$1,019,808.
- At the end of the fiscal year ended June 30, 2021, the fund balance for the General Fund was \$473,132, which represents a decrease of \$136,692 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).

**VERNONIA SCHOOL DISTRICT 47J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year ended June 30, 2021**

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 6 and 8 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 nonmajor 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 12 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 40 and 41 of this report.

*Supplementary Information* present on pages 42 – 46, includes the budgetary comparisons for the nonmajor funds and schedules of property tax transactions and balances. *Other Information*

**VERNONIA SCHOOL DISTRICT 47J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year ended June 30, 2021**

including the schedule of expenditures of federal awards, schedules and supplemental information required by the Oregon Department of Education and continuing disclosure information can be found on pages 55-61.

**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 \$15,241,562 as of June 30, 2021, a decrease of \$1,005,158 during the year.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, net of accumulated depreciation, represent about 95.1 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 93.8 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, 2021.

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 decreased by \$1,005,158 compared to the previous year's net position. The District's net investment in capital assets decreased by \$209,178, primarily due principally to payment of related debt during the year. The unrestricted net position decreased by \$758,512 due mainly to the increase in the PERS net pension liability and related deferrals.

**VERNONIA SCHOOL DISTRICT 47J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year ended June 30, 2021**

<b>VERNONIA SCHOOL DISTRICT NO. 47J</b>			
<b>STATEMENT OF NET POSITION</b>			
	<b>Governmental Activities</b>		
	<b>June 30,</b>	<b>June 30,</b>	<b>Increase</b>
	<b>2021</b>	<b>2020</b>	<b>(Decrease)</b>
<b>ASSETS</b>			
Current and Other Assets	\$ 1,953,660	\$ 2,986,108	\$ (1,032,448)
Capital Assets, net of depreciation	38,277,864	38,299,446	(21,582)
Total Assets	<u>40,231,524</u>	<u>41,285,554</u>	<u>(1,054,030)</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Deferrals	2,960,466	2,534,762	425,704
Total OPEB Related Deferred Outflows	75,652	45,335	30,317
Deferred charge on refunding	1,213,165	1,299,819	(86,654)
Total Deferred Outflows of Resources	<u>4,249,283</u>	<u>3,879,916</u>	<u>369,367</u>
<b>LIABILITIES</b>			
Current Liabilities	1,741,336	1,700,313	41,023
PERS net pension liability	7,861,447	7,173,443	688,004
Long-Term Obligations	18,656,685	19,279,309	(622,624)
Total Liabilities	<u>28,259,468</u>	<u>28,153,065</u>	<u>106,403</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related Deferrals	943,455	719,548	223,907
Total OPEB Related Deferred Inflows	36,322	46,137	(9,815)
Total Deferred Inflows of Resources	<u>979,777</u>	<u>765,685</u>	<u>214,092</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	19,515,455	19,724,633	(209,178)
Restricted	220,478	257,946	(37,468)
Unrestricted	(4,494,371)	(3,735,859)	(758,512)
Total Net Position	<u>\$ 15,241,562</u>	<u>\$ 16,246,720</u>	<u>\$ (1,005,158)</u>

**Statement of Activities.** During the current fiscal year, the District's net position a decreased by \$1,005,158. The key elements of the change in the District's net position for the year ended June 30, 2021 are as follows:

- Operating grants and contributions decreased by \$1.1 million due to a grant-in-aid of \$1.7 million received in the prior year for capital projects which was a one-time receipt of funding, offset by increases in federal grants received in the current year.
- State sources revenue decreased \$167 thousand primarily due to the prior year adjustment

**VERNONIA SCHOOL DISTRICT 47J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year ended June 30, 2021**

in the State School Fund allocation.

- Support Services expense increased by \$419 thousand, due primarily to increased spending supported by federal grant funding for technology of \$219 thousand, attendance and social work of \$72 thousand, and other student services.

<b>VERNONIA SCHOOL DISTRICT NO. 47J</b>			
<b>CHANGES IN NET POSITION</b>			
<b>Year Ended June 30,</b>			
	<b>Governmental Activities</b>		<b>Increase</b>
	<b>2021</b>	<b>2020</b>	<b>(Decrease)</b>
<b>REVENUES</b>			
Program Revenues			
Charges for Services	\$ 72,506	\$ 258,381	\$ (185,875)
Operating Grants and Contributions	1,803,452	2,870,542	(1,067,090)
Capital Grants and Contributions	30,275	-	30,275
General Revenues			
Property Taxes Levied for:			
General Purposes	3,001,206	2,852,066	149,140
Debt Service	980,453	968,614	11,839
Earnings on Investments	22,126	70,544	(48,418)
Other Local Sources	69,007	73,894	(4,887)
Intermediate Sources	88,800	63,117	25,683
State Sources	4,329,344	4,496,685	(167,341)
Total revenues	<u>10,397,169</u>	<u>11,653,843</u>	<u>(1,256,674)</u>
<b>EXPENSES</b>			
Instruction	5,991,448	6,013,907	(22,459)
Support services	4,487,754	4,068,629	419,125
Enterprise and Community Services	458,254	380,760	77,494
Interest on Long-Term Debt	464,871	491,466	(26,595)
Total expenses	<u>11,402,327</u>	<u>10,954,762</u>	<u>447,565</u>
<b>Increase (Decrease) in Net Position</b>	(1,005,158)	699,081	(1,704,239)
Net Position - Beginning	<u>16,246,720</u>	<u>15,547,639</u>	<u>699,081</u>
Net Position - Ending	<u>\$ 15,241,562</u>	<u>\$ 16,246,720</u>	<u>\$ (1,005,158)</u>

**VERNONIA SCHOOL DISTRICT 47J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year ended June 30, 2021**

**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, 2021, the District's governmental funds reported combined ending fund balances of \$782,280 a decrease of \$1,019,808 in comparison with the prior year.

*General Fund.* The General Fund is the primary operating fund of the District. As of June 30, 2021, fund balance is \$473,132. The fund balance decreased by \$136,692 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 6.1 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, 2021 the ending fund balance is \$232,415. Of this amount \$207,502 is restricted and \$24,913 is nonspendable. The fund balance decreased \$4,521 during the current fiscal year.

*Debt Service Fund.* The Debt Service Fund has a total fund balance of \$12,976, all of which is restricted for the payment of debt service. The fund balance decreased \$30,063 during the current fiscal year.

*Capital Projects Fund.* The Capital Projects Fund has a total fund balance of \$63,757, all of which is dedicated for ongoing capital projects. All of the capital projects fund balance is restricted for capital improvements and repairs. The fund balance decreased \$848,532 during the current fiscal year.

**General Fund Budgetary Highlights**

The Board adopted the budget for the General Fund on June 11, 2020. The Board approved Resolution Number 2021-05 to adjust the original budget on June 12, 2021.

**VERNONIA SCHOOL DISTRICT 47J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year ended June 30, 2021**

**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, 2021, the District had invested \$38,277,864 in capital assets, net of depreciation, as shown in the following table, total capital assets net of depreciation decreased overall by \$21,582, due to an increase of \$972,982, for capital improvements and construction in progress offset by \$994,564 in depreciation of buildings, vehicles and equipment.

<b>VERNONIA SCHOOL DISTRICT NO 47J</b>			
<b>CAPITAL ASSETS</b>			
<b>(net of depreciation)</b>			
	<b>Governmental Activities</b>		
	<b>June 30,</b>	<b>June 30,</b>	<b>Increase</b>
	<b>2021</b>	<b>2020</b>	<b>(Decrease)</b>
Land	\$ 1,528,510	\$ 1,528,510	\$ -
Construction in Progress	11,448	502,675	(491,227)
Building and improvements	36,391,780	36,077,566	314,214
Vehicles and equipment	346,126	190,695	155,431
<b>Total Capital Assets, net of depreciation</b>	<b>\$ 38,277,864</b>	<b>\$ 38,299,446</b>	<b>\$ (21,582)</b>

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 \$18,826,166 in outstanding debt. This is a decrease of \$660,936 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.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

During the fiscal year ended June 30, 2021, the District continued to be faced with unprecedented public health, economic, social and educational challenges due to the COVID-19 pandemic. There were significant needs across the state in all facets of social service and state government that simply could not be addressed in full by the state budget. The economy,

**VERNONIA SCHOOL DISTRICT 47J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year ended June 30, 2021**

instructional strategies, and curricula in a virtual environment required educators to adapt in substantial ways.

In relation to the state's challenges, 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, 2021, the State School Fund – General Support provided about 96 percent of the District's General Fund resources. The Oregon Legislature passed a statewide education budget of \$9.3 billion for the 2021-23 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 2021-22 based on negotiated contractual obligations. Additionally, the district has included four additional staff contract days, including three additional student contract days for the 2021-22 school calendar, which are funded by the Student Investment Account (SIA). SIA funding has also allowed the district to add two licensed teaching positions to the 2021-22 budget, a high school math teacher, and a graduation coach.

Employer rates for the Public Employees Retirement System (PERS) declined for the 2021-23 biennium (from 32.03% to 26.83% for Tier 1 and Tier 2 employees and from 26.58% to 23.72% for OPSRP employees) and then are projected to increase in the 2023-2025 biennium. Market performance through the end of 2019 was used to set the 2021-2023 rates and therefore does not include the financial impact of the COVID-19 pandemic. The next rate setting action for the PERS system will be based on market performance through December of 2021 for the 2023-25 biennium. The projected contribution rate for the 2023-25 biennium is projected to increase by approximately 3.00 percent for each tier of the plan.

The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2021-22 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.

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

**VERNONIA SCHOOL DISTRICT NO. 47**  
**COLUMBIA COUNTY, OREGON**

**STATEMENT OF NET POSITION**  
**June 30, 2021**

	GOVERNMENTAL ACTIVITIES
<b>ASSETS</b>	
Cash and Investments	\$ 917,604
Taxes Receivables	171,073
Other Receivables	826,932
Prepays	13,138
Supply Inventory	24,913
Capital Assets:	
Land	1,528,510
Construction in Progress	11,448
Buildings and Equipment, net of depreciation	36,737,906
<b>Total Assets</b>	<b>40,231,524</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Net Pension Related Deferred Outflows	2,960,466
Total OPEB Related Deferred Outflows	75,652
Deferred charge on refunding	1,213,165
<b>Total Deferred Outflows of Resources</b>	<b>4,249,283</b>
<b>LIABILITIES</b>	
Accounts Payable	34,960
Accrued Payroll Liabilities	560,926
Other Liabilities	400,000
Accrued Interest Payable	16,493
Accrued Compensated Absences	12,359
Unearned Revenue	23,379
Long-term Obligations:	
Proportionate Share of Net Pension Liability (PERS)	7,861,447
Total OPEB Liability	454,170
Due within one year	693,219
Due in more than one year	18,202,515
<b>Total Liabilities</b>	<b>28,259,468</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Net Pension Related Deferred Inflows	943,455
Total OPEB Related Deferred Inflows	36,322
<b>Total Deferred Inflows</b>	<b>979,777</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	19,515,455
Restricted for Debt Service	12,976
Restricted for Grants and Student Activities	207,502
Unrestricted	(4,494,371)
<b>Total Net Position</b>	<b>\$ 15,241,562</b>

See accompanying notes to basic financial statements.

**VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021**

FUNCTIONS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Instruction	\$ 5,991,448	\$ -	\$ 1,221,428	\$ -	\$ 4,770,020
Support Services	4,487,754	70,851	165,277	30,275	4,221,351
Enterprise and Community Services	458,254	1,655	416,747	-	39,852
Interest on Long-Term Debt	464,871	-	-	-	464,871
<b>Total Governmental Activities</b>	<b>\$ 11,402,327</b>	<b>\$ 72,506</b>	<b>\$ 1,803,452</b>	<b>30,275</b>	<b>9,496,094</b>

General Revenues	
Property Taxes	
General purposes	3,001,206
Debt Service	980,453
State school fund - general support	3,338,651
Common School Fund	56,998
Unrestricted state and local support	836,001
Earnings on Investments	22,126
Miscellaneous	255,501
<b>Total General Revenues</b>	<b>8,490,936</b>
Changes in Net Position	(1,005,158)
Net Position - Beginning	16,246,720
Net Position - Ending	<b>\$ 15,241,562</b>

See accompanying notes to basic financial statements.

**VERNONIA SCHOOL DISTRICT NO. 47**  
**COLUMBIA COUNTY, OREGON**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2021**

	GENERAL	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
<b>ASSETS</b>					
Deposits and Investments	\$ 713,827	\$ 166,544	\$ -	\$ 37,233	\$ 917,604
Property Taxes Receivable	128,885	-	42,188	-	171,073
Other Accounts Receivable	361,130	454,611	11,191	-	826,932
Supply Inventory	-	24,913	-	-	24,913
Prepaid Expenses	13,138	-	-	-	13,138
Due from Other Funds	366,558	-	-	26,524	393,082
<b>Total Assets</b>	<b>\$ 1,583,538</b>	<b>\$ 646,068</b>	<b>\$ 53,379</b>	<b>\$ 63,757</b>	<b>\$ 2,346,742</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 34,668	\$ 292	\$ -	\$ -	\$ 34,960
Payroll Liabilities	560,926	-	-	-	560,926
Unearned Revenue	-	23,379	-	-	23,379
Other Liabilities	400,000	-	-	-	400,000
Due to Other Funds	-	389,982	3,100	-	393,082
<b>Total Liabilities</b>	<b>995,594</b>	<b>413,653</b>	<b>3,100</b>	<b>-</b>	<b>1,412,347</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue - Property Taxes	114,812	-	37,303	-	152,115
<b>Fund Balances:</b>					
Nonspendable	13,138	24,913	-	-	38,051
<b>Restricted for:</b>					
Debt Service	-	-	12,976	-	12,976
Other Purposes	-	40,958	-	-	40,958
Capital Projects	-	-	-	63,757	63,757
<b>Committed for:</b>					
Student Body	-	166,544	-	-	166,544
Unassigned	459,994	-	-	-	459,994
<b>Total Fund Balances</b>	<b>473,132</b>	<b>232,415</b>	<b>12,976</b>	<b>63,757</b>	<b>782,280</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,583,538</b>	<b>\$ 646,068</b>	<b>\$ 53,379</b>	<b>\$ 63,757</b>	<b>\$ 2,346,742</b>

See accompanying notes to basic financial statements.

**VERNONIA SCHOOL DISTRICT NO. 47**  
**COLUMBIA COUNTY, OREGON**

**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**June 30, 2021**

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Total Fund Balances - Governmental Funds \$ 782,280

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds

Cost	\$ 46,051,807	
Accumulated Depreciation	<u>(7,773,943)</u>	38,277,864

A portion of the District's property taxes are collected after year-end, but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.

Unavailable property taxes	152,115
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In 2016-17 bond refunding, a larger amount paid to the escrow agent than the premiums of the bonds being refunded that was recorded as interest expense. This deferred outflow of resources is recognized based on the schedule of maturities of the refunded bonds.	1,213,165
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The Net Pension Asset (Liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.	(7,861,447)
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The Total OPEB Liability is liability related to the other post employment benefits for health insurance premiums.	(454,170)
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Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

Pension deferred inflows	(943,455)
Pension deferred outflows	2,960,466
Total OPEB deferred inflows	(36,322)
Total OPEB deferred outflows	75,652

Long term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.

Long Term Obligations		
Bonds Payable	\$ (18,826,166)	
Accrued Interest Payable	(16,493)	
Early Retirement	(69,568)	
Accrued Vacation Payable	<u>(12,359)</u>	<u>(18,924,586)</u>

Net Position	<u>\$ 15,241,562</u>
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See accompanying notes to basic financial statements.

**VERNONIA SCHOOL DISTRICT NO. 47**  
**COLUMBIA COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2021**

	GENERAL	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
<b>REVENUES</b>					
Taxes	\$ 3,018,275	\$ -	\$ 980,453	\$ -	\$ 3,998,728
State and local Sources	4,395,595	461,485	-	-	4,857,080
Federal Sources	-	1,112,854	-	-	1,112,854
Charges for Services	5,500	67,006	-	-	72,506
Interest	17,779	-	1	4,346	22,126
Contributions and Donations	20,483	44,685	-	30,275	95,443
Other	219,573	35,928	-	-	255,501
<b>Total Revenues</b>	<b>7,677,205</b>	<b>1,721,958</b>	<b>980,454</b>	<b>34,621</b>	<b>10,414,238</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Instruction	4,368,334	823,090	-	-	5,191,424
Support Services	3,351,129	425,374	-	20,586	3,797,089
Enterprise & Community Services	-	397,064	-	-	397,064
Facilities Acquisition & Cons.	-	7,375	-	39,525	46,900
Capital Outlay	-	63,576	-	823,042	886,618
Debt Service	-	-	1,114,951	-	1,114,951
<b>Total Expenditures</b>	<b>7,719,463</b>	<b>1,716,479</b>	<b>1,114,951</b>	<b>883,153</b>	<b>11,434,046</b>
Excess of Revenues Over (Under) Expenditures	(42,258)	5,479	(134,497)	(848,532)	(1,019,808)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	20,000	10,000	104,434	-	134,434
Transfers Out	(114,434)	(20,000)	-	-	(134,434)
<b>Total Other Financing Sources (Uses)</b>	<b>(94,434)</b>	<b>(10,000)</b>	<b>104,434</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(136,692)</b>	<b>(4,521)</b>	<b>(30,063)</b>	<b>(848,532)</b>	<b>(1,019,808)</b>
<b>Beginning Fund Balance</b>	<b>609,824</b>	<b>236,936</b>	<b>43,039</b>	<b>912,289</b>	<b>1,802,088</b>
<b>Ending Fund Balance</b>	<b>\$ 473,132</b>	<b>\$ 232,415</b>	<b>\$ 12,976</b>	<b>\$ 63,757</b>	<b>\$ 782,280</b>

See accompanying notes to basic financial statements.

**VERNONIA SCHOOL DISTRICT NO. 47**  
**COLUMBIA COUNTY, OREGON**

**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, 2021**

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Net change in fund balances - total governmental funds \$ (1,019,808)

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	\$ (994,564)	
Asset additions	<u>972,982</u>	(21,582)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds as follows:

Unavailable property taxes recognized on a full accrual basis		(17,069)
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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	6,545	
Change in early retirement	(53,108)	
Change in accrued interest payable	<u>807</u>	(45,756)

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.		(486,207)
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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.		10,983
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Repayment of long term & short term obligations is an expenditure in the governmental funds, but the repayment reduces debt obligations in the government-wide statements.

Decrease in long term obligations		660,936
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In refunding bonds, the amount of new bonds in excess of the refunded bonds is a deferred outflow of resources for the Statement of Activities, whereas it is recorded as an interest expense in the year of refunding.

		<u>(86,655)</u>
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Change in net position of governmental activities		<u>\$ (1,005,158)</u>
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See accompanying notes to basic financial statements.

**VERNONIA SCHOOL DISTRICT NO. 47**  
**COLUMBIA COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET**  
**For the Year Ended June 30, 2021**

	<u>GENERAL FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Local Sources	\$ 2,966,700	\$ 2,966,700	\$ 3,204,442	\$ 237,742
Intermediate Sources	80,500	80,500	77,168	(3,332)
State Sources	4,728,670	4,728,670	4,395,595	(333,075)
<b>Total Revenue</b>	<u>7,775,870</u>	<u>7,775,870</u>	<u>7,677,205</u>	<u>(98,665)</u>
<b>EXPENDITURES</b>				
Instruction	4,512,771	4,512,771 (1)	4,368,334	144,437
Support Services	3,358,599	3,358,599 (1)	3,351,129	7,470
Contingency	300,000	300,000 (1)	-	300,000
<b>Total Expenditures</b>	<u>8,171,370</u>	<u>8,171,370</u>	<u>7,719,463</u>	<u>451,907</u>
Excess of Revenues Over (Under) Expenditures	(395,500)	(395,500)	(42,258)	353,242
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	20,000	20,000	20,000	-
Transfer Out	(164,500)	(164,500) (1)	(114,434)	50,066
<b>Total Other Financing Sources (Uses)</b>	<u>(144,500)</u>	<u>(144,500)</u>	<u>(94,434)</u>	<u>50,066</u>
Net Change in Fund Balance	(540,000)	(540,000)	(136,692)	403,308
Beginning Fund Balance	<u>600,000</u>	<u>600,000</u>	<u>609,824</u>	<u>9,824</u>
Ending Fund Balance	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 473,132</u>	<u>\$ 413,132</u>

(1) Appropriation Level

See accompanying notes to basic financial statements.

**VERNONIA SCHOOL DISTRICT NO. 47**  
**COLUMBIA COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET**  
**For the Year Ended June 30, 2021**

SPECIAL REVENUE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Local Sources	\$ 397,233	\$ 397,233	\$ 135,988	\$ (261,245)
Intermediate Sources	-	-	11,631	11,631
State Sources	891,395	891,395	461,485	(429,910)
Federal Sources	644,405	644,405	1,112,854	468,449
<b>Total Revenue</b>	<u>1,933,033</u>	<u>1,933,033</u>	<u>1,721,958</u>	<u>(211,075)</u>
<b>EXPENDITURES</b>				
Instruction	1,477,282	1,127,282 (1)	823,090	304,192
Support Services	312,931	512,931 (1)	425,374	87,557
Enterprise and Community Services	388,450	438,450 (1)	418,753	19,697
Facilities Acquisition and Construction	-	100,000 (1)	49,262	50,738
<b>Total Expenditures</b>	<u>2,178,663</u>	<u>2,178,663</u>	<u>1,716,479</u>	<u>462,184</u>
Excess of Revenues Over (Under) Expenditures	(245,630)	(245,630)	5,479	251,109
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	60,000	60,000	10,000	(50,000)
Transfers Out	(20,000)	(20,000) (1)	(20,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>40,000</u>	<u>40,000</u>	<u>(10,000)</u>	<u>(50,000)</u>
Net Change in Fund Balance	(205,630)	(205,630)	(4,521)	201,109
Beginning Fund Balance	<u>205,630</u>	<u>205,630</u>	<u>236,936</u>	<u>31,306</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,415</u>	<u>\$ 232,415</u>

(1) Appropriation Level

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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**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. 47 (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

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**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

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**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

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**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:

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

**Level 2** – 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)

**Level 3** – 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.

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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**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 an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in the category. One is the deferred charge on refunding reported in the government-wide statement of net position.

NOTES TO BASIC FINANCIAL STATEMENTS

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)**

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Additionally, Net Pension Related Deferrals and Total OPEB Related Deferrals related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

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 item unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government has two types of items, which arises under full accrual accounting in the Statement of Net Position. The Statement of Net Position reports deferred inflows from a Net Deferred Pension Asset and a Total OPEB related deferral resulting from actuarial valuations and contributions subsequent to measurement date.

**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.

NOTES TO BASIC FINANCIAL STATEMENTS

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**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, 2021 totaled \$12,359.

**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

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**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.

- Nonspendable fund balance 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).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance 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.
- Unassigned fund balance 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

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**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.

**3. CASH AND INVESTMENTS**

**DEPOSITS**

Deposits with financial institutions include bank demand deposits. The total bank balance per the bank statements on June 30, 2021 was \$779,055, \$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.

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**3. CASH AND INVESTMENTS (CONTINUED)**

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.

Cash and Investments at June 30, 2021 (recorded at fair value) consisted of:

Petty Cash	\$	100
Demand Deposits		580,356
Investments:		
LGIP		337,147
Total	\$	917,603

There were the following investments and maturities at June 30, 2021:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
State Treasurer's Investment Pool	\$ 337,147	\$ 337,147	\$ -	\$ -
Total	\$ 337,147	\$ 337,147	\$ -	\$ -

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 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. 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](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.

NOTES TO BASIC FINANCIAL STATEMENTS

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**3. CASH AND INVESTMENTS (CONTINUED)**

Credit Risk – Deposits

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, 2021, none of the bank balance was exposed to custodial credit risk because it was fully insured.

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, 2021, 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.

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**5. CAPITAL ASSETS**

Capital assets activity for the year was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 1,528,510	\$ -	\$ -	\$ 1,528,510
Construction in Progress	502,675	11,448	(502,675)	11,448
Total capital assets not being depreciated	<u>2,031,185</u>	<u>11,448</u>	<u>(502,675)</u>	<u>1,539,958</u>
Capital assets being depreciated:				
Buildings and Improvements	42,696,865	1,265,729	-	43,962,594
Equipment	325,125	198,480	-	523,605
Vehicles	25,650	-	-	25,650
Total capital assets being depreciated	<u>43,047,640</u>	<u>1,464,209</u>	<u>-</u>	<u>44,511,849</u>
Less total accumulated depreciation for:				
Buildings and Improvements	(6,619,299)	(951,515)	-	(7,570,814)
Equipment	(134,430)	(43,049)	-	(177,479)
Vehicles	(25,650)	-	-	(25,650)
Total accumulated depreciation	<u>(6,779,379)</u>	<u>(994,564)</u>	<u>-</u>	<u>(7,773,943)</u>
Total capital assets being depreciated, net	<u>36,268,261</u>	<u>469,645</u>	<u>-</u>	<u>36,737,906</u>
Total Capital Assets, Net	<u>\$ 38,299,446</u>			<u>\$ 38,277,864</u>

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

Program:

Instruction	\$ 550,121
Support Services	402,367
Enterprise and Community Services	42,076
	<u>\$ 994,564</u>

NOTES TO BASIC FINANCIAL STATEMENTS

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**6. DEFINED BENEFIT PENSION PLAN**

**Plan Description** – 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 Comprehensive Annual Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.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 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.

NOTES TO BASIC FINANCIAL STATEMENTS

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

- 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.
  
- 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, 2017 actuarial valuation, which became effective July 1, 2019. 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, 2021 were \$1,105,320, excluding amounts to fund employer specific liabilities. In addition approximately \$231,207 in employee contributions were paid or picked up by the District in fiscal 2021. At June 30, 2021, the District reported a net pension liability of \$7,861,447 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. The District's proportion of the net

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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, 2020 and 2019, the District's proportion was .036 percent and .041 percent, respectively. Pension expense for the year ended June 30, 2021 was \$486,207.

The rates in effect for the year ended June 30, 2021 were:

- (1) Tier 1/Tier 2 – 32.03%
- (2) OPSRP general services – 26.58%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 345,999	\$ -
Changes in assumptions	421,899	14,782
Net difference between projected and actual earnings on pension plan investments	924,404	-
Net changes in proportionate share	-	928,673
Differences between District contributions and proportionate share of contributions	162,844	-
Subtotal - Amortized Deferrals (below)	1,855,146	943,455
District contributions subsequent to measuring date	1,105,320	-
Deferred outflow (inflow) of resources	\$ 2,960,466	\$ 943,455

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, 2022.

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
2022	\$ 142,367
2023	302,196
2024	314,188
2025	187,062
2026	(34,123)
Thereafter	-
Total	\$ 911,691

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 5, 2021. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Actuarial Valuations** – The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (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.

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, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 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
Mortality	Healthy retirees and beneficiaries: 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 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

NOTES TO BASIC FINANCIAL STATEMENTS

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Assumed Asset Allocation:**

<b>Asset Class/Strategy</b>	<b>Low Range</b>	<b>High Range</b>	<b>OIC Target</b>
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Investments	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

*(Source: June 30, 2020 PERS CAFR; p. 102)*

**Long-Term Expected Rate of Return:**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 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.

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

*(Source: June 30, 2020 PERS CAFR; p. 74)*

**Discount Rate** – The discount rate used to measure the total pension liability was 7.20 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 7.20 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 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

NOTES TO BASIC FINANCIAL STATEMENTS

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 11,673,599	\$ 7,861,447	\$ 4,664,780

**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, 2020 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.

**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

NOTES TO BASIC FINANCIAL STATEMENTS

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2021.

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>

**Retirement Health Insurance Account**

**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

NOTES TO BASIC FINANCIAL STATEMENTS

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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 0.50% of annual covered OPERF payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. 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, 2019, 2020, and 2021 were \$14,517, \$3,657, and \$692 respectively, which equaled the required contributions each year.

At June 30, 2021, 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.

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>

**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).

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.

Funding Policy - 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.

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation as of July 1, 2019 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		2.21%
General Inflation Rate per year		2.50%
Salary Scale per year		3.50%
Annual Medical Premium increase rate	2020-21	5.50%
	2022-25	5.00%
	2026-34	4.75%
	2035-36	5.00%
	2036-37	5.50%
Decreasing 0.1% per year until 2028-39	2038-49	5.75%

Mortality rates were based on the Pub-2010 Teachers Table, separate employee/health annuitant, sex distinct, generation, no setback. Mortality rates for active male participants are 120% of the rates, and for active female participants are 100% of the rates.

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

Disability rates were based on the percentages developed for the valuation benefits under Oregon PERS and vary by employee age.

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.

Changes in Medical Benefit OPEB Liability:

	2021	2020	2019
Total OPEB Liability - Beginning	\$ 425,021	\$ 446,230	\$ 441,006
Changes for the Year:			
Service Cost	37,433	41,063	40,094
Interest	15,399	18,080	16,427
Differences Between Expected and Actual	-	(33,180)	-
Changes of Assumptions or Other Input	21,652	(6,549)	(6,384)
Benefit Payments	(45,335)	(40,623)	(44,913)
Net Changes for the Year	29,149	(21,209)	5,224
Total OPEB Liability - Ending	\$ 454,170	\$ 425,021	\$ 446,230

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

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 2.21% 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 (1.21%) or one percentage point higher (3.21%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 475,867	\$ 454,170	\$ 433,093

  

	1% Decrease Healthcare	Current Trend Rate Healthcare	1% Increase Healthcare
Total OPEB Liability	\$ 421,090	\$ 454,170	\$ 491,716

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits

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	\$ -	\$ (22,970)
Changes in assumptions	18,321	(13,352)
Benefit Payments	57,331	-
Deferred outflow (inflow) of resources	\$ 75,652	\$ (36,322)

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
2022	\$ (6,484)
2023	(6,484)
2024	(4,095)
2025	(2,884)
2026	280
Thereafter	1,666
Total	\$ (18,001)

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**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, 2021:

Issue Date	Interest Rates	Issue Amount	Outstanding July 1, 2020	Issued/ (Refunded)	Matured and Redeemed	Outstanding June 30, 2021	Due Within One Year
Direct borrowings and placements							
8/30/05	0%	487,660	\$ 51,297	\$ -	\$ 25,565	\$ 25,733	\$ 25,565
Bonds							
7/1/04	1.80-5.15%	995,000	275,000	-	65,000	210,000	65,000
				-			
7/14/16	2.85%	12,804,322	12,210,840	-	535,446	11,675,394	566,456
6/15/17	1.40-4.32%	4,205,275	4,161,691	-	23,262	4,138,429	36,198
12/15/17	3.00-4.00%	2,590,000	2,590,000	-	-	2,590,000	-
	Total Bonds		19,288,828	-	649,273	18,639,556	693,219
	Issuance Premium		198,274	-	11,663	186,610	-
	Total Bond Obligations		19,487,102	-	660,936	18,826,166	693,219
	Total Long-term Debt		<u>\$ 19,487,102</u>	<u>\$ -</u>	<u>\$ 660,936</u>	<u>\$ 18,826,166</u>	<u>\$ 693,219</u>
	Early Retirement Incentive		\$ 16,460	\$ 69,568	\$ 16,460	\$ 69,568	\$ -

**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.

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**8. LONG-TERM OBLIGATIONS (CONTINUED)**

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

<u>Year Ended</u>	<u>Total</u>	<u>Interest</u>
2022	\$ 693,219	\$ 449,266
2023	715,532	432,274
2024	775,746	405,322
2025	738,677	396,578
2026	810,820	362,185
2026-31	4,937,374	1,468,401
2031-36	6,034,557	1,395,366
2036-41	2,095,232	2,079,968
2041-46	1,543,833	3,286,168
2046+	294,566	760,433
	<u>\$ 18,639,556</u>	<u>\$ 11,035,961</u>

**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 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,

NOTES TO BASIC FINANCIAL STATEMENTS

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**8. LONG-TERM OBLIGATIONS (CONTINUED)**

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 law 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.

**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

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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**8. LONG-TERM OBLIGATIONS (CONTINUED)**

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.	\$ 210,000
Qualified zone academy bonds, series 2005 - issued August 2005, due in annual installments of principle and interest of \$25,565 through 2021.	25,733
The government issued \$12,804,522 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%.	11,675,394
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.	6,728,429
	<u>\$ 18,639,556</u>

**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.

**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, 2021 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

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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**11. PROPERTY TAX LIMITATION (CONTINUED)**

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**

	Transfers In	Transfers Out
General Fund	\$ 20,000	\$ 114,434
Special Revenue	10,000	20,000
Debt Service	104,434	-
	\$ 134,434	\$ 134,434

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 \$10,000 to the Special Revenue Fund to cover expenditures and \$104,434 to the Debt Service Fund for principal and interest payments.

	Due to	Due from
General Fund	\$ -	\$ 366,558
Special Revenue	389,982	-
Debt Service	3,100	-
Capital Projects	-	26,524
	\$ 393,082	\$ 393,082

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

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2021

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) District's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
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 required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
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

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.

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY  
For the fiscal year ended June 30, 2021

	2021	2020	2019	2018
Total OPEB Liability - Beginning	\$ 425,021	\$ 446,230	\$ 441,006	\$ 446,091
Changes for the year:				
Service Cost	37,433	41,063	40,094	40,922
Interest	15,399	18,080	16,427	13,271
Changes of Benefit Terms			-	-
Differences Between Expected and Actual Experience	-	(33,180)	-	-
Changes of Assumptions or Other Input	21,652	(6,549)	(6,384)	(16,196)
Benefit Payments	(45,335)	(40,623)	(44,913)	(43,082)
Net Changes for the Year	29,149	(21,209)	5,224	(5,085)
<b>Total OPEB Liability - Ending</b>	<b>\$ 454,170</b>	<b>\$ 425,021</b>	<b>\$ 446,230</b>	<b>\$ 441,006</b>
Covered Payroll	3,869,232	3,673,474	3,647,557	3,317,717
Net Single Employer Pension Plan as a Percentage of Covered Payroll	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.

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON  
SUPPLEMENTARY INFORMATION

**VERNONIA SCHOOL DISTRICT NO. 47**  
**COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET**  
**For the Year Ended June 30, 2021**

<u>DEBT SERVICE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Local Sources	\$ 990,027	\$ 990,027	\$ 980,454	\$ (9,573)
Total Revenue	<u>990,027</u>	<u>990,027</u>	<u>980,454</u>	<u>(9,573)</u>
<b>EXPENDITURES</b>				
Debt Service	<u>1,115,756</u>	<u>1,115,756 (1)</u>	<u>1,114,951</u>	<u>805</u>
Total Expenditures	<u>1,115,756</u>	<u>1,115,756</u>	<u>1,114,951</u>	<u>805</u>
Excess of Revenues Over (Under) Expenditures	(125,729)	(125,729)	(134,497)	(8,768)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	<u>104,500</u>	<u>104,500</u>	<u>104,434</u>	<u>(66)</u>
Total Other Financing Sources (Uses)	<u>104,500</u>	<u>104,500</u>	<u>104,434</u>	<u>(66)</u>
Net Change in Fund Balance	(21,229)	(21,229)	(30,063)	(8,834)
Beginning Fund Balance	<u>21,229</u>	<u>21,229</u>	<u>43,039</u>	<u>21,810</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,976</u>	<u>\$ 12,976</u>

(1) Appropriation Level

**VERNONIA SCHOOL DISTRICT NO. 47**  
**COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET**  
**For the Year Ended June 30, 2021**

CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Local Sources	\$ -	\$ -	\$ 34,621	\$ 34,621
EXPENDITURES				
Support Services	60,000	60,000 (1)	20,586	80,586
Facilities Acquisition & Cons.	1,240,000	1,240,000 (1)	862,567	377,433
Total Expenditure	1,300,000	1,300,000	883,153	458,019
Net Change in Fund Balance	(1,300,000)	(1,300,000)	(848,532)	451,468
Beginning Fund Balance	1,300,000	1,300,000	912,289	(387,711)
Ending Fund Balance	\$ -	\$ -	\$ 63,757	\$ 63,757

(1) Appropriation Level

**VERNONIA SCHOOL DISTRICT NO. 47**  
**COLUMBIA COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED**  
**For the Year Ended June 30, 2021**

GENERAL FUND

<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED JUNE 30, 2020</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED JUNE 30, 2021</u>
Current:						
2020-2021	\$ 3,041,258	\$ 81,449	\$ (4,409)	\$ 2,105	\$ 2,894,632	\$ 62,872
Prior Years:						
2019-2020	71,374	2	364	3,076	39,759	\$35,053
2018-2019	35,205	-	(294)	3,190	18,498	\$19,603
2017-2018	19,509	-	(122)	4,241	17,118	\$6,510
2016-2017	5,957	-	(201)	1,707	6,059	\$1,404
Prior	5,293	-	(199)	1,285	2,936	\$3,443
Total Prior	<u>137,338</u>	<u>2</u>	<u>(452)</u>	<u>13,499</u>	<u>84,370</u>	<u>66,013</u>
Total	<u>\$ 3,178,596</u>	<u>\$ 81,451</u>	<u>\$ (4,861)</u>	<u>\$ 15,604</u>	<u>\$ 2,979,002</u>	<u>\$ 128,885</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 2,979,002
Taxes from Washington County	36,279
Accrual of Receivables:	
June 30, 2021	14,105
June 30, 2020	<u>(11,111)</u>
Total GAAP Revenue	<u>\$ 3,018,275</u>

**VERNONIA SCHOOL DISTRICT NO. 47**  
**COLUMBIA COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED**  
**For the Year Ended June 30, 2021**

DEBT SERVICE FUND

<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED JUNE 30, 2020</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED JUNE 30, 2021</u>
Current:						
2020-2021	\$ 986,898	\$ 26,431	\$ (1,013)	\$ 683	\$ 939,318	\$ 20,819
Prior Years:						
2019-2020	24,672	1	(1,653)	998	12,902	\$11,115
2018-2019	11,735	-	(276)	1,035	6,003	\$6,491
2017-2018	6,503	-	(168)	1,376	5,555	\$2,156
2016-2017	1,986	-	(109)	554	1,966	\$465
Prior	1,765	-	(89)	418	953	1,141
Total Prior	46,660	1	(2,294)	4,381	27,379	21,368
Total	<u>\$ 1,033,558</u>	<u>\$ 26,431</u>	<u>\$ (3,307)</u>	<u>\$ 5,064</u>	<u>\$ 966,697</u>	<u>\$ 42,187</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 966,697
Taxes from Washington County	12,758
Accrual of Receivables:	
June 30, 2021	4,702
June 30, 2020	(3,704)
Total GAAP Revenue	<u>\$ 980,453</u>

**VERNONIA SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
SPECIAL PROGRAMS FUND  
YEAR ENDED JUNE 30, 2021**

<b>Program Title</b>	<b>Pass Through Organization</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Number</b>	<b>Period Covered</b>	<b>Expenditures</b>	<b>Pass Through to Subrecipients</b>
<b>U.S. Department of Education</b>						
Small Rural School Achievement Program	DIRECT	84.358A	S358A204075	07/01/20- 09/30/21	\$ 33,601	\$ -
Total Small Rural School Achievement Program					<u>33,601</u>	<u>-</u>
Title I Grants to Local Educational Agencies	ODE	84.010	58387	07/01/20- 09/30/21	141,371	-
Title I Grants to Local Educational Agencies	ODE	84.010	65162		60	-
Total Title I, Part A					<u>141,431</u>	<u>-</u>
Title IIA - Improving Teacher Quality State Grants	ODE	84.367	58881	07/01/20- 09/30/21	20,258	-
Total Title IIA - Improving Teacher Quality State Grants					<u>20,258</u>	<u>-</u>
Special Education Cluster (IDEA)						
Special Education Grants to States	ODE	84.027	60768	07/01/20 - 06/30/21	103,291	-
Special Education Grants to States	ODE	84.027	61454	07/01/20 - 06/30/21	7,551	-
Total Special Education Grants to States					<u>110,842</u>	<u>-</u>
Special Education Grants to States	ODE	84.173	54101	07/01/19- 09/30/20	1	-
Special Education Grants to States	ODE	84.173	60593	07/01/20- 09/30/21	720	-
Total Special Education Grant to States					<u>721</u>	<u>-</u>
Total Special Education Cluster (IDEA)					<u>111,563</u>	<u>-</u>
Student Support and Academic Enrichment Program	ODE	84.424				
Student Support and Academic Enrichment Program	ODE	84.424	58690	07/01/20 - 09/30/21	10,503	-
Total Support and Academic Enrichment Program					<u>10,503</u>	<u>-</u>
Governors Emergency ED Relief Fund	ODE	84.425C	61062	7/1/20-5/30/21	141,990	- (1)
Education Stabilization Fund	ODE	84.425D	57935	3/13/20-9/30/22	117,419	- (1)
Education Stabilization Fund	ODE	84.425D	64706	3/13/20-9/30/23	48,995	- (1)
Total ESSER					<u>308,404</u>	<u>-</u>
<b>Total U.S. Department of Education</b>					<b><u>625,760</u></b>	<b><u>-</u></b>
<b>U.S. Department of Agriculture</b>						
Child Nutrition Cluster:						
National School Lunch Program Commodities - Noncash Assistance	ODE	10.555	N/A	07/01/20 - 06/30/21	30,454	- (1)
Total National School Lunch Program					<u>30,454</u>	<u>-</u>
Summer Food Service Program for Children	ODE	10.559	N/A	10/01/20 - 09/30/21	336,186	- (1)
Summer Food Service Program for Children	ODE	10.559	N/A	10/01/20 - 09/30/21	47,827	(1)
Summer Food Service Program for Children Commodities - Noncash Assistance	ODE	10.559	N/A	10/01/20 - 09/30/21	192	(1)
Total Summer Food Service Program for Children					<u>384,205</u>	<u>-</u>
Total Child Nutrition Cluster					<u>414,659</u>	<u>-</u>
<b>Total U.S. Department of Agriculture Food and Nutrition Services</b>					<b><u>414,659</u></b>	<b><u>-</u></b>
<b>U.S. Department of Health &amp; Human Services</b>						
Rehabilitation Services/Vocational Rehabilitation Grants to States	ODHS	84.126	160758	07/01/20 - 06/30/21	63,447	-
Total Rehabilitation Services/Vocational Rehabilitation Grants to States					<u>63,447</u>	<u>-</u>
<b>Total U.S. Department of Health &amp; Human Services</b>					<b><u>63,447</u></b>	<b><u>-</u></b>
<b>U.S. Department of the Interior</b>						
Secure Rural Schools & Community Self Determination	BLM	15.234	L18AC00114-0002-0000	09/10/14 - 11/11/2021	8,989	-
Total Secure Rural Schools & Community Self Determination					<u>8,989</u>	<u>-</u>
<b>Total U.S. Department of the Interior</b>					<b><u>8,989</u></b>	<b><u>-</u></b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>					<b><u>\$ 1,112,855</u></b>	<b><u>\$ -</u></b>

(1) - Major Program  
(2) - Covid-19 Funding

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS



**PAULY, ROGERS, AND CO., P.C.**  
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November 23, 2021

### **Independent Auditor's Report Required by Oregon State Regulations**

We have audited the basic financial statements of Vernonia School District No. 47 for the year ended June 30, 2021, and have issued our report thereon dated November 23, 2021. 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's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial 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. 47 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.

#### **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.

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*

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

VERNONIA SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON

GRANT COMPLIANCE REVIEW



**PAULY, ROGERS, AND CO., P.C.**  
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November 23, 2021

To the Board of Directors  
Vernonia School District  
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 and each major fund of Vernonia School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated November 23, 2021.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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.

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 may exist that have not been identified.

## **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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.



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



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November 23, 2021

To the Board of Directors  
Vernonia School District  
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**

We have audited Vernonia School District's compliance with the types of compliance requirements described 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, 2021. The major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

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

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

**Opinion on Major Federal Program**

In our opinion, Vernonia School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



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

**VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2021**

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

    Material weakness(es) identified?  yes       no

    Significant deficiency(s) indentified 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

**IDENTIFICATION OF MAJOR PROGRAMS**

<u>AL NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
10.555, 10.559	Child Nutrition Cluster

84.425C, 84.425D      Elementary and Secondary School Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  yes       no

**VERNONIA SCHOOL DISTRICT NO. 47**  
**COLUMBIA COUNTY, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2021**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None Noted

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None Noted

**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.

VERNONIA SCHOOL DISTRICT NO. 47  
COLUMBIA COUNTY, OREGON

OTHER INFORMATION

**VERNONIA SCHOOL DISTRICT NO. 47J**

Columbia County, Oregon

**REVENUE SUMMARY - ALL FUNDS  
YEAR ENDED JUNE 30, 2021**

	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>TOTAL</b>
<b>Revenue from Local Sources</b>					
1111 Taxes - current year's levy	\$ 2,938,817	\$ -	\$ 951,658	\$ -	\$ 3,890,475
1112 Taxes - prior year's levies	77,788	-	28,449	-	106,237
1114 Taxes - payments in lieu of property taxes	799	-	41	-	840
1190 Penalties and interest on taxes	871	-	305	-	1,176
1510 Earnings on investments	17,779	-	1	4,345	22,125
1600 Food Service	-	1,655	-	-	1,655
1700 Extracurricular Activities	-	65,352	-	-	65,352
1910 Rentals	5,500	-	-	-	5,500
1920 Contributions and donations from private sources	20,483	44,685	-	30,275	95,443
1960 Recovery of prior year expenditures	1,179	-	-	-	1,179
1990 Miscellaneous	41,109	24,292	-	-	65,401
1994 Medicaid admin claiming	80,338	-	-	-	80,338
1995 Erate	19,772	-	-	-	19,772
<b>Total Revenue from Local Sources</b>	<b>3,204,435</b>	<b>135,984</b>	<b>980,454</b>	<b>34,620</b>	<b>4,355,493</b>
<b>Revenue from Intermediate Sources</b>					
2101 County school funds	11,014	-	-	-	11,014
2102 General education service district funds	16,600	11,631	-	-	28,231
2105 Natural gas, oil and mineral receipts	49,555	-	-	-	49,555
<b>Total Revenue from Intermediate Sources</b>	<b>77,169</b>	<b>11,631</b>	<b>-</b>	<b>-</b>	<b>88,800</b>
<b>Revenue from State Sources</b>					
3101 State School Support	3,285,222	-	-	-	3,285,222
3102 SSF School Lunch Match	-	2,088	-	-	2,088
3103 Common school fund	56,998	-	-	-	56,998
3104 State managed county timber	985,036	-	-	-	985,036
3199 Other unrestricted sources	33,037	-	-	-	33,037
3299 Other restricted grants-in-aid	35,302	459,398	-	-	494,700
<b>Total Revenue from State Sources</b>	<b>4,395,595</b>	<b>461,486</b>	<b>-</b>	<b>-</b>	<b>4,857,081</b>
<b>Revenue from Federal Sources</b>					
4300 Restricted Rev Fed Gov through State	-	42,590	-	-	42,590
4500 Restricted Rev Fed Gov through State	-	1,039,620	-	-	1,039,620
4900 USDA Donated Commodities	-	30,646	-	-	30,646
<b>Total Revenue from Federal Sources</b>	<b>-</b>	<b>1,112,856</b>	<b>-</b>	<b>-</b>	<b>1,112,856</b>
<b>Revenue from Other Sources</b>					
5200 Interfund Transfers	20,000	10,000	104,434	-	134,434
5400 Resources - Beginning Fund Balance	609,824	236,936	43,039	912,289	1,802,088
<b>Total Revenue from Other Sources</b>	<b>629,824</b>	<b>246,936</b>	<b>147,473</b>	<b>912,289</b>	<b>1,936,522</b>
<b>Total</b>	<b>\$ 8,307,023</b>	<b>\$ 1,968,893</b>	<b>\$ 1,127,927</b>	<b>\$ 946,909</b>	<b>\$ 12,350,752</b>

**VERNONIA SCHOOL DISTRICT NO. 47J**

Columbia County, Oregon

**GENERAL FUND  
EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2021**

**Fund: 100 General Fund**

	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>	<b>TOTAL</b>
<b>Instruction Expenditures</b>								
1111 Primary, K-3	\$ 521,990	\$ 309,358	\$ 45,620	\$ 7,370	\$ -	\$ -	\$ -	\$ 884,338
1121 Middle/Junior high school programs	352,699	223,485	12,194	1,991	-	-	-	590,369
1122 Middle/Junior high school extracurricular	27,248	9,819	2,250	557	-	-	-	39,874
1131 High school programs	715,413	481,034	23,535	10,070	-	-	-	1,230,052
1132 High school extracurricular	85,628	25,332	18,328	10,534	-	2,510	-	142,332
1210 Programs for the talented and gifted	-	-	-	424	-	-	-	424
1220 Restrictive programs for student with disabilities	-	-	103,864	-	-	-	-	103,864
1250 Less restrictive programs for student with disabilities	502,934	405,337	30,635	2,951	-	-	-	941,857
1260 Treatment and Habilitation	-	-	14,735	-	-	-	-	14,735
1271 Remediation	-	-	22,895	-	-	-	-	22,895
1280 Alternative education	161,169	117,817	33,286	73,125	-	-	-	385,397
1400 Summer School Programs	6,289	2,486	-	3,417	-	-	-	12,192
<b>Total Instruction Expenditures</b>	<b>2,373,370</b>	<b>1,574,668</b>	<b>307,342</b>	<b>110,439</b>	<b>-</b>	<b>2,510</b>	<b>-</b>	<b>4,368,329</b>
<b>Support Services Expenditures</b>								
2110 Attendance and social work services	58,601	35,431	19,400	-	-	-	-	113,432
2120 Guidance services	139,500	93,068	240	279	-	-	-	233,087
2130 Health services	-	-	21,759	870	-	-	-	22,629
2190 Service direction, student support services	14,373	14,426	-	-	-	-	-	28,799
2210 Improvement of instruction services	3,590	858	15,460	270	-	8,778	-	28,956
2220 Educational media services	53,753	59,581	-	1,668	-	-	-	115,002
2310 Board of education services	5,834	4,150	35,209	55	-	1,821	-	47,069
2320 Executive administration services	180,922	105,852	21,500	1,760	-	1,792	-	311,826
2410 Office of the principal services	262,557	179,849	38,450	5,200	-	2,992	-	489,048
2490 Other support services	70,602	43,037	838	-	-	595	-	115,072
2520 Fiscal services	113,864	95,064	39,947	967	-	3,842	-	253,684
2540 Operation and maintenance of plant services	168,153	108,659	205,785	30,070	-	117,456	-	630,123
2550 Student transportation services	-	-	808,442	-	-	-	-	808,442
2660 Technology services	11,569	9,039	37,146	42,687	-	150	-	100,591
2700 Supplemental retirement program	-	53,368	-	-	-	-	-	53,368
<b>Total Support Services Expenditures</b>	<b>1,083,318</b>	<b>802,382</b>	<b>1,244,176</b>	<b>83,826</b>	<b>-</b>	<b>137,426</b>	<b>-</b>	<b>3,351,128</b>
<b>Other Uses Expenditures</b>								
5200 Transfers of Funds	-	-	-	-	-	-	114,434	114,434
<b>Total Other Uses Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114,434</b>	<b>114,434</b>
<b>Total 100 General Fund</b>	<b>\$ 3,456,688</b>	<b>\$ 2,377,050</b>	<b>\$ 1,551,518</b>	<b>\$ 194,265</b>	<b>\$ -</b>	<b>\$ 139,936</b>	<b>\$ 114,434</b>	<b>\$ 7,833,891</b>

**VERNONIA SCHOOL DISTRICT NO. 47J**

Columbia County, Oregon

**SPECIAL REVENUE FUND  
EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2021**

**Fund: 200 Special Revenue Fund**

	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>	<b>TOTAL</b>
<b>Instruction Expenditures</b>								
1111 Primary, K-3	\$ 22,880	\$ 11,179	\$ -	\$ 3,658	\$ -	\$ -	\$ -	\$ 37,717
1121 Middle/Junior high school	2,535	1,093	-	8,204	-	-	-	11,832
1122 Middle/Junior high school extracurricular	-	-	-	297	-	-	-	297
1131 High school programs	106,424	89,697	21,664	33,212	-	-	-	250,997
1132 High school extracurricular	-	-	2,794	56,003	-	-	-	58,797
1250 Less restrictive programs for student with disabilities	78,782	37,512	645	-	-	-	-	116,939
1260 Treatment and Habilitation	-	-	721	-	-	-	-	721
1272 Title I	76,866	63,708	600	197	-	-	-	141,371
1280 Alternative education	98,297	90,163	304	7,291	-	-	-	196,055
1400 Summer school program	5,643	2,386	-	332	-	-	-	8,361
<b>Total Instruction Expenditures</b>	<b>391,427</b>	<b>295,738</b>	<b>26,728</b>	<b>109,194</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>823,087</b>
<b>Support Services Expenditures</b>								
2110 Attendance and social work services	43,673	21,908	585	5,764	-	-	-	71,930
2120 Guidance services	-	-	-	1,489	-	-	-	1,489
2130 Health services	-	-	1,200	-	-	-	-	1,200
2140 Psychological services	-	-	260	-	-	-	-	260
2210 Improve instruction services	10,179	3,786	22,207	60	-	-	-	36,232
2240 Instructional staff development	4,700	1,910	-	-	-	-	-	6,610
2410 Office of the principal services	-	-	-	3,668	-	-	-	3,668
2490 Other support services-school administration	9,238	-	-	-	-	-	-	9,238
2540 Operation and maintenance of plant services	-	-	43,218	5,325	-	-	-	48,543
2550 Student transportation services	-	-	1,643	-	-	-	-	1,643
2640 Staff services	4,810	1,543	462	6,559	-	12,592	-	25,966
2660 Technology services	-	-	13,752	204,844	-	-	-	218,596
<b>Total Support Services Expenditures</b>	<b>72,600</b>	<b>29,147</b>	<b>83,327</b>	<b>227,709</b>	<b>-</b>	<b>12,592</b>	<b>-</b>	<b>425,375</b>
<b>Enterprise and Community Services</b>								
3100 Food services	116,951	95,712	2,526	176,639	21,689	2,802	-	416,319
3300 Community services	-	-	2,435	-	-	-	-	2,435
<b>Total Enterprise and Community Services</b>	<b>116,951</b>	<b>95,712</b>	<b>4,961</b>	<b>176,639</b>	<b>21,689</b>	<b>2,802</b>	<b>-</b>	<b>418,754</b>
<b>Total 200 Special Revenue Fund</b>	<b>\$ 580,978</b>	<b>\$ 420,597</b>	<b>\$ 122,391</b>	<b>\$ 513,542</b>	<b>\$ 63,576</b>	<b>\$ 15,394</b>	<b>\$ 20,000</b>	<b>\$ 1,736,478</b>

**VERNONIA SCHOOL DISTRICT NO. 47J**

Columbia County, Oregon

**DEBT SERVICE FUND  
EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2021**

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	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>	<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Object 700</u>	<u>TOTAL</u>
<b>Fund: 300 Debt Service</b>								
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,114,951	\$ -	\$ 1,114,951
<b>Total Other Uses Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,114,951</b>	<b>-</b>	<b>1,114,951</b>
<b>Total 300 Debt Service Fund</b>	<b>\$ -</b>	<b>\$ 1,114,951</b>	<b>\$ -</b>	<b>\$ 1,114,951</b>				

**VERNONIA SCHOOL DISTRICT NO. 47J**

Columbia County, Oregon

**CAPITAL PROJECTS FUND  
EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2021**

<b>Fund: 400 Capital Projects Fund</b>								
Suppo Expenditure Description	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
2520 Fiscal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200	\$ -	\$ 1,200
2540 Operation and maintenance of plant services	-	-	19,385	-	-	-	-	19,385
<b>Total Support Services Expenditures</b>	-	-	<b>19,385</b>	-	-	<b>1,200</b>	-	<b>20,585</b>
<b>Facilities Acquisition and Construction Expenditures</b>								
4120 Site acquisition and development services	\$ -	\$ -	\$ 1,225	\$ -	\$ -	\$ -	\$ -	\$ 1,225
4150 Building acquisition, construction and improvement	-	-	17,080	20,532	823,042	688	-	861,342
<b>Total Facilities and Construction Expenditures</b>	-	-	<b>18,305</b>	<b>20,532</b>	<b>823,042</b>	<b>688</b>	-	<b>862,567</b>
<b>Total 400 Capital Projects Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,690</b>	<b>\$ 20,532</b>	<b>\$ 823,042</b>	<b>\$ 1,888</b>	<b>\$ -</b>	<b>\$ 883,152</b>

**VERNONIA SCHOOL DISTRICT NO. 47J**

Columbia County, Oregon

SUPPLEMENTAL INFORMATION REQUIRED BY THE STATE OF OREGON  
DEPARTMENT OF EDUCATION  
YEAR ENDED JUNE 30, 2021

School District Business Managers and Auditors:

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

Parts A is needed for computing Oregon’s full allocation for ESEA, Title I & other Federal Funds for Education.

**A. Energy Bill for Heating - All Funds:**

Please enter your expenditures for electricity  
& heating fuel for these Functions & Objects.

	Objects 325 &326 & *327	
Function 2540	\$	138,064
Function 2550	\$	-

**B. Replacement of Equipment – General Fund:**

Include all General Fund expenditures in object 542, except for the following exclusions:

\$	-
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Exclude these functions:

Exclude these functions:

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

**VERNONIA SCHOOL DISTRICT NO. 47J**  
**COLUMBIA COUNTY, OREGON**

**Taxable Property Values - Outstanding GO Debt and Capacity**

Fiscal Year	Total Assessed Value	Urban Renewal Excess	Net Assessed Value	M5 Real Market Value	GO Bond Capacity (7.95% of RMV)	GO Bonds Outstanding	Remaining Capacity
2021	\$ 633,665,269	\$ -	\$ 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	18,962,530	44,367,020
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	12,125,000	34,291,061
2015	456,757,487	-	456,757,487	542,435,560	43,123,627	12,360,000	30,763,627
2014	441,241,742	-	441,241,742	515,741,506	41,001,450	12,575,000	28,426,450
2013	452,813,178	-	452,813,178	532,262,591	42,314,876	12,750,000	29,564,876
2012	450,278,376	-	450,278,376	532,815,788	42,358,855	12,890,000	29,468,855

**Columbia County**

Fiscal Year	Total Assessed Valuation	Urban Renewal Excess	AV Used to Calculate Rates	M5 Real Market Value
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
2013	447,084,358	-	447,084,358	522,898,041
2012	444,697,836	-	444,697,836	523,401,517

**Washington County**

Fiscal Year	Total Assessed Valuation	Urban Renewal Excess	AV Used to Calculate Rates	M5 Real Market Value
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
2013	5,728,820	-	5,728,820	9,364,550
2012	5,580,540	-	5,580,540	9,414,271

**VERNONIA SCHOOL DISTRICT NO. 47J**  
**COLUMBIA COUNTY, OREGON**

**County Tax Collection Record**

**Columbia County**  
**Tax Collections<sup>(1)</sup>**

Fiscal Year	Percent Collected as of Levy Year <sup>(2)</sup>	6/30/2020 <sup>(3)</sup>
2021	97.79%	97.79%
2020	97.51%	98.79%
2019	97.12%	99.24%
2018	96.77%	99.74%
2017	96.73%	99.84%
2016	96.77%	99.96%
2015	96.60%	99.67%

**Washington County**  
**Tax Collections<sup>(1)</sup>**

Fiscal Year	Percent Collected as of Levy Year <sup>(2)</sup>	6/30/2020 <sup>(3)</sup>
2021	99.02%	99.02%
2020	98.96%	99.67%
2019	98.99%	99.84%
2018	98.95%	99.94%
2017	98.37%	99.98%
2016	98.33%	99.99%
2015	98.31%	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, 2021.

**Levy Rates**

Fiscal Year	Permanent Rate	Bond Levy Rate
2021	5.0121	1.5686
2020	5.0121	1.6421
2019	5.0121	1.9225
2018	5.0121	1.8344

**Historical Enrollment**

Fiscal Year	Average Daily Membership (w) <sup>(1)</sup>	Enrollment <sup>(2)</sup>
2021 <sup>(3)</sup>	779.64	555
2020 <sup>(3)</sup>	779.64	555
2019 <sup>(3)</sup>	785.5	566
2018	746.5	532
2017	742.9	524
2016	770.3	546
2015	764.5	585

(1) Weighted Average Daily Membership is the enrollment figure, adjusted for part-time students and students with special needs, that is used to allocate revenues appropriated by the State to school districts.

(2) Enrollment is the number of students attending classes.

**VERNONIA SCHOOL DISTRICT NO. 47J**  
**COLUMBIA COUNTY, OREGON**

**Major Taxpayers - Columbia County**

Fiscal Year 2021

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Percent of Value</b>
Portland Gen Elec Co	Electrical Utility	\$ 4,809,087	\$ 629,516,000	10.85%
Northwest Natural Gas Co	Natural Gas Utility	3,119,233	260,701,810	4.49%
United States Gypsum	Wall board	1,155,958	71,243,880	1.23%
Dyno Nobel, Inc.	Forest Products	699,697	54,913,481	0.95%
Longview Timberlands LLC	Forest Products	627,219	53,369,639	0.92%
Cascades Tissue Group Oregon	Forest Products	572,128	49,974,710	0.86%
Columbia River PUD	Electrical Utility	569,846	44,424,500	0.77%
Clatskanie PUD	Utility	446,287	34,643,000	0.60%
Northwest Aggregates Inc	Forest Products	370,505	30,278,920	0.52%
Cascade Kelly Holdings LLC	Forest Products	344,992	28,329,660	0.49%
Subtotal - ten of County's largest taxpayers			1,257,395,600	21.67%
All other County's taxpayers			4,544,461,101	78.33%
Total County			<u>\$ 5,801,856,701</u>	<u>100.00%</u>

**Major Taxpayers - Washington County**

Fiscal Year 2021

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Percent of Value</b>
Intel Corporation	Semiconductors	\$ 32,617,489	\$ 1,941,050,338	2.72%
Nike, Inc.	Athletic Shoes & Apparel	25,048,947	1,435,297,509	2.01%
Portland General Electric	Electrical Utility	13,308,138	819,111,924	1.15%
Pacific Realty Associates	Real Estate Investment	7,282,172	417,932,187	0.59%
Northwest Natural Gas Co.	Natural Gas Utility	6,557,810	408,827,140	0.57%
Verizon Communications	Telecommunications	5,064,128	299,376,000	0.42%
Genentech Inc.	research/manufacturing	4,640,669	273,303,730	0.38%
Comcast Corporation	Telecommunications	4,563,314	263,248,000	0.37%
LAM Research Corporation	Semiconductors	3,173,677	198,542,849	0.28%
BV Cenersal LLC	Telecommunications	2,720,553	155,910,754	0.22%
Subtotal - ten of County's largest taxpayers			6,212,600,431	8.72%
All other County's taxpayers			65,060,763,723	91.28%
Total County			<u>\$71,273,364,154</u>	<u>100.00%</u>

**VERNONIA SCHOOL DISTRICT NO. 47J**  
**COLUMBIA COUNTY, OREGON**

**Major Taxpayers - Columbia County - Vernonia School District**

**Fiscal Year 2021**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Percent of Value</b>
Northwest Natural Gas Co	Natural Gas Utility	\$ 2,443,870	\$ 209,925,210	33.52%
Longview Timberlands LLC	Forest Products	340,599	28,342,724	4.53%
Weyerhaeuser Company	Forest Products	160,438	13,227,025	2.11%
Orm Timber Fund (REIT) III Inc	Forest Products	85,363	7,093,024	1.13%
Bascom Pacific LLC	Forest Products	75,384	6,291,287	1.00%
Longview Fibre	Paper Manufacturing	67,896	5,653,439	0.90%
West Oregon Electric Coop Inc	Electrical Utility	64,639	3,740,440	0.60%
Olympic Forest Products Co	Forest Products	57,356	4,886,200	0.78%
Olympic Forest Products Co Inc	Forest Products	24,676	2,092,970	0.33%
Enerfin Resources Northwest LP	Forest Products	24,017	2,046,000	0.33%
John Hancock Mututal Life Co	Insurance Company	23,971	1,995,121	0.32%
Subtotal - ten of County's largest taxpayers			285,293,440	45.55%
All other County's taxpayers			340,982,979	54.45%
Total County			<u>\$ 626,276,419</u>	<u>100.00%</u>

**Major Taxpayers - Washington County - Vernonia School District**

**Fiscal Year 2021**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Percent of Value</b>
Weyerhaeuser Columbia Timberlands LLC	Wood Products	\$ 39,914	\$ 3,207,390	43.41%
Stimson Lumber Co	Wood Products	7,545	586,740	7.94%
Buckley, Peggy Lu	Individuals	5,073	384,330	5.20%
Schmidlin, Betty & Leonard Alfred Trust	Individuals	4,744	353,340	4.78%
Schmidlin, Michael W and Susan M	Individuals	4,730	357,480	4.84%
McPherson, David	Individuals	2,893	217,730	2.95%
Brown, Lois Louise	Individuals	2,862	222,810	3.02%
Sewell, Aaron J &	Individuals	2,340	161,050	2.18%
Wetzel Sunset LLC	Individuals	2,199	167,510	2.27%
Stringfield, Robert & Stringfield, Luletta D	Individuals	2,149	164,660	2.23%
Subtotal - ten of County's largest taxpayers			5,823,040	78.81%
All other County's taxpayers			1,565,810	21.19%
Total County			<u>\$ 7,388,850</u>	<u>100.00%</u>