

Nestucca Valley School District

Nestucca Valley Junior / Senior High School
Parkway Drive ♦ Cloverdale, Oregon 97112 ♦ (503) 392-3194

Board of Director's Meeting

December 14, 2020

6:00 pm – Executive Session

6:30 pm - Public Session

Topic: NVSD Board of Directors Meeting December 2020
Time: Dec 14, 2020 06:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/81949229124?pwd=RFRoMnlnQnl0QVRjZnA4L3c3SFFJdz09>

Meeting ID: 819 4922 9124

Passcode: 529495

Dial by your location

+1 253 215 8782 US (Tacoma)

Passcode: 529495

AGENDA

The Nestucca Valley School Board encourages public input. Persons wishing to address the Board on school related issues, are invited to do so, either when the item is presented on the agenda, or under the "Public Comments" section. In the interest of time and order, presentations from the public are limited to three (3) minutes per person, and the total time for individual agenda items shall not exceed twenty (20) minutes. An individual speaker's allotted time may not be increased by a donation of time from members of the public in attendance. If you wish to speak under Public Comments, please complete a Public Comment Form and turn it in to the Assistant to the Superintendent. The Board requests complaints or charges against an employee be held in Executive Session. Individuals who require disability-related accommodations or modifications to participate in the Board meeting should contact the Superintendent in writing prior to the meeting.

1.0 OPENING BUSINESS—High School Media Center—6:00 pm

1.1 Call to Order

1.2 Public Comment on Executive Session Topics

1.3 Convene to Executive Session Pursuant to:

To consider the dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or agent, unless he or she requests an open meeting. (ORS 192.660(2)(b))

2.0 EXECUTIVE SESSION- ROOM 210

2.1 Pursuant to ORS 192.660 (2) (b)

To consider the dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or agent, unless he or she requests an open meeting.

2.1.1 Review of formal complaint filed with the Board of Directors

2.2 Return to Public Session

3.0 OPENING OF PUBLIC SESSION—High School Media Center and Zoom—6:30 pm

3.1 Public Session Call To Order

3.2 Flag Salute

3.3 Attendance:

___ Annis Leslie

___ Emily Hurliman

___ Diane Boisa

___ Bill Hagerty, Board Vice Chair

___ Evan Carver, Board Chair

___ Misty Wharton, Superintendent

___ Ken Richwine, Junior-Senior High Principal

___ Chad Holloway, Associate Elementary Principal

___ Megan Kellow, Special Programs Administrator

Approval of Agenda –December 14, 2020

Recommendation: Approval of Agenda

MOTION: _____ 2nd: _____ AYES: _____ NOES: _____ ABSTAIN: _____

4.0 COMMUNITY/SCHOOL PRESENTATIONS

Student Presentation

Bond Oversight Committee Presentation- Janice Essenberg

5.0 SPECIAL REPORTS

5.1 Pauly, Rogers and Co., P.C. to report on the 2019-2020 Nestucca Valley School District Annual Audit-Brad Turano (Attachment 5.1)

6.0 PUBLIC COMMENT

***Opportunity for Citizens to address items not on the Agenda. Persons wishing to address the Board on any school related issue not listed elsewhere on the agenda are invited to do so now. Board Members are limited, but not required, to give a brief response to public statements or questions regarding non-agenda items.*

7.0 CONSENT AGENDA—consolidated motion

***The purpose of the Consent Agenda is to expedite action on routine agenda items. These items will be acted upon with one motion, second and approval of the Board, unless a member of the board or public wishes to pull the item for individual discussion and action. All matters listed under Consent Agenda are those on which the board has previously deliberated or can be classified as routine items of business. **There will be no separate discussion of these items prior to the vote by the Board unless members of the Board, staff, or public request specific items to be discussed or pulled from the Consent Agenda.** Members of the public who wish to speak on an item must first fill out a public comment card.*

7.1 Board Minutes from November 9 2020 (Attachment 7.1)

7.2 November 2020 Financial Report (Attachment 7.2)

7.3 Ratification of Employment (Attachment 7.3)

MOTION: _____ 2nd: _____ AYES: _____ NOES: _____ ABSTAIN: _____

8.0 ACTION /DISCUSSION

8.1 Recommendation: Approve- Be it resolved that the Nestucca Valley School district formally supports and will honor the Workforce Housing Ordinance that has been approved by the Office of Tillamook County Commissioners.

Explanation: As a district, we drafted a letter of support for incentivizing workforce housing construction. This resolution confirms the districts commitment to compiling with the newly approved ordinance to increase workforce housing in Tillamook County.

MOTION: _____ 2nd: _____ AYES: _____ NOES: _____ ABSTAIN: _____

9.0 INFORMATION/ DIRECTOR QUESTIONS

9.1 Admin Reports (Attachment 9.1)

9.2 COVID 19 Metrics

10.0 FURTHER BUSINESS

11.0 ADJOURNMENT

Any documents that are public records and are provided attachments to public session items on this agenda are accessible to the public on the District's Website, with the exception of documents provided at the time of the meeting. Documents that are public records, and are provided at the time of the meeting to a majority of the Board regarding a public session item, will be made available for public inspection upon request to the Superintendent's Assistant.

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NESTUCCA VALLEY SCHOOL DISTRICT NO. 101J
TILLAMOOK COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020



12700 SW 72nd Ave.
Tigard, OR 97223

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2020

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NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

BOARD OF DIRECTORS

<u>BOARD OF DIRECTORS</u>	<u>TERM EXPIRES</u>
Evan Carver, Chair	June 30, 2021
Annis Leslie	June 30, 2021
Diane Boisa	June 30, 2021
Bill Hagerty	June 30, 2023
Emily Hurliman	June 30, 2021

All board members will receive mail at the following address:

36925 Hwy. 101 S.
Cloverdale, Oregon 97112

ADMINISTRATION

Misty Wharton, Superintendent

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NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

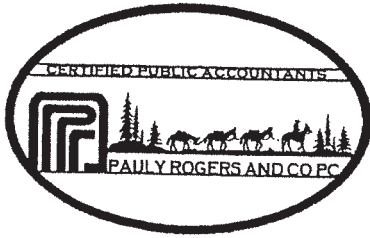
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TILLAMOOK COUNTY, OREGON

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www.paulyrogersandcpcpas.com

September 24, 2020

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Nestucca Valley School District No. 101
Ashland, Oregon

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Nestucca Valley School District No. 101 (the District) as of and for the year ended June 30, 2020 and the related notes to the basic 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 basic 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 basic 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 basic 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic 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 basic 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 basic 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Nestucca Valley School District No. 101 as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows 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 required supplementary 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 schedules of changes in total OPEB liability and related ratios and employer contributions for health insurance or the schedules of net pension liability and contributions for PERS or management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 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, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 not a required part of the basic financial statements. The supplementary information 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The other information, as listed in the table of contents, and the listing of board members, located before the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has 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.

Report on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our reports dated September 24, 2020 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 the reports are 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 September 24, 2020 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.



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

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NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

As management of Nestucca Valley School District No. 101 (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, 2020.

FINANCIAL HIGHLIGHTS

- In the government-wide financial statements, assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$8,270,618. Of this amount, \$80,834,792 represents investment in capital assets, net of related debt, \$21,427,581 is restricted for debt service, capital projects, OPEB asset, grants and student activities, and the deficit of \$93,991,755 is unrestricted.
- The District's total net position increased by \$5,742,253 for the year ended June 30, 2020.
- As of June 30, 2020, the District's governmental funds reported combined ending fund balances of \$24,488,778, a decrease of \$7,495,701 in comparison with the prior year. Approximately 12.7 percent of this total amount, \$3,096,685 is unassigned, available for appropriation at the District's discretion. The remaining fund balances are either nonspendable or restricted: \$20,458,669 for use on capital projects, \$462,593 for debt service, \$450,693 for grants and student activities and \$20,138 for prepaids and inventory.
- At June 30, 2020, the General Fund had an unassigned fund balance of \$3,096,685 or 47.2% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains 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* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. 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* presents information showing how the District's net position changed during the most recent fiscal year. 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

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

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

Governmental activities. The District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, state timber revenues and other intergovernmental revenues.

The government-wide financial statements can be found on pages 1 and 2 of this report.

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 and objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are reported as governmental funds.

Governmental funds. The *governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of available resources, as well as on balances of available resources 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 statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities.

The basic governmental fund financial statements can be found on pages 3 and 5 of this report.

Notes to the basic 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 on pages 7 – 36 of this report.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

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, other post employment benefits and budget to actual presentations for required major funds. Required supplementary information can be found on pages 37 - 40 of this report.

Supplementary Information presented on pages 41 – 45, includes the budgetary comparisons for the nonmajor funds and schedules of property tax transactions and balances and the schedule of expenditures of federal awards, *Other Information* including schedules and supplemental information required by the Oregon Department of Education and continuing disclosure information can be found on pages 46 – 54.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position, over time, may serve as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by \$8,270,618 as of June 30, 2020. During the 2019-20 fiscal year, the District's total Net Position increased by \$5,742,253 as compared to the previous year's net position.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 46% of total assets of governmental activities compared to about 26% the previous year. Other assets consist of investments, cash and receivables of property taxes and grants.

The District's largest liability (88%) is for the repayment of general obligation and limited tax pension obligation bonds and its proportionate share of the net pension liability. Other liabilities, representing about 12% of the District's total liabilities, consist principally of payables on tax anticipation notes, accounts and salaries and benefits.

The District's net position includes \$80,834,792 which reflects its investment in capital assets (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, since capital assets themselves cannot be used to liquidate these liabilities. In addition, \$21,427,581 of the District's net position is restricted for debt service, net OPEB asset – RHIA, capital projects, grants and student activities. The remaining balance in net position, a negative \$93,991,755 is unrestricted.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101			
NET POSITION			
	Governmental Activities		
	June 30, 2020	June 30, 2019	Increase (Decrease)
ASSETS			
Current and Other Assets	\$ 29,268,794	\$ 34,034,754	\$ (4,765,960)
Capital Assets, net of depreciation	24,821,009	11,951,388	12,869,621
Total Assets	54,089,803	45,986,142	8,103,661
DEFERRED OUTFLOWS OF RESOURCES			
Net Pension Related Deferred Outflows	2,018,780	2,340,683	(321,903)
OPEB Related Deferred Outflows - Health Ins	10,166	37,483	(27,317)
OPEB Related Deferred Outflows - RHIA	4,411	14,267	(9,856)
Deferred charge on refunding	611,604	688,055	(76,451)
LIABILITIES			
Current Liabilities	5,603,398	1,703,608	3,899,790
Long-Term Obligations	41,989,763	44,081,320	(2,091,557)
Total Liabilities	47,593,161	45,784,928	1,808,233
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferred Inflows	759,772	732,580	27,192
OPEB Related Deferred Inflows - Health Ins	100,107	10,829	89,278
OPEB Related Deferred Inflows - RHIA	11,106	9,928	1,178
NET POSITION			
Net Investment in Capital Assets	80,834,792	3,538,492	77,296,300
Restricted for Debt Service	462,593	286,774	175,819
Restricted for Grants & Student Activities	450,693	750,526	(299,833)
Restricted for Capital Projects	20,458,669	29,520,986	(9,062,317)
Restricted for Net OPEB asset - RHIA	55,626	33,882	21,744
Unrestricted	(93,991,755)	(31,602,295)	(62,389,460)
Total Net Position	\$ 8,270,618	\$ 2,528,365	\$ 5,742,253

Governmental activities. Revenues increased by \$3,318,645 in 2019-20 compared to the previous year primarily because the District received additional property taxes for debt service payments, federal grants and timber revenue.

Expenditure increases are primarily attributed to the issue of new bonds for building new school and payments of long-term debt.

The key elements of the change in the District's net position for the years ended June 30, 2020 and June 30, 2019 are as follows:

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101			
CHANGES IN NET POSITION			
Year Ended June 30,			
	Governmental Activities		Increase (Decrease)
	2020	2019	
REVENUES			
Program Revenues			
Charges for Services	\$ 42,816	\$ 108,757	\$ (65,941)
Operating Grants and Contributions	1,153,673	986,168	167,505
General Revenues			
Property Taxes Levied for:			
General Purposes	6,157,668	5,891,787	265,881
Debt Service	2,102,173	1,943,528	158,645
Bond Premium	8,110	6,095	2,015
Earnings on Investments	678,261	749,470	(71,209)
Gain/(Loss) on Sale of Assets	-	268,056	(268,056)
Other Local Sources	588,202	674,475	(86,273)
Intermediate Sources	847,663	710,381	137,282
State Sources	4,777,182	1,698,386	3,078,796
Total Revenues	<u>16,355,748</u>	<u>13,037,103</u>	<u>3,318,645</u>
EXPENSES			
Instruction	2,065,289	3,798,623	(1,733,334)
Support services	1,777,382	3,065,074	(1,287,692)
Enterprise and community services	93,529	418,056	(324,527)
Facilities Acquisition and Construction	5,187,736	1,142,821	4,044,915
Interest on long-term debt	1,489,559	1,379,306	110,253
Total expenses	<u>10,613,495</u>	<u>9,803,880</u>	<u>809,615</u>
Increase in Net Assets	5,742,253	3,233,223	2,509,030
Net Position, July 1	<u>2,528,365</u>	<u>(704,858)</u>	<u>3,233,223</u>
Net Position, June 30	<u>\$ 8,270,618</u>	<u>\$ 2,528,365</u>	<u>\$ 5,742,253</u>

FUND FINANCIAL ANALYSIS

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

To further enhance this analysis, the District implemented GASB Statement No. 54 for fiscal year ended June 30, 2011. This GASB reporting requirement requires an analysis and breakdown of ending fund balance for governmental fund types between five new fund balance categories. For

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

more information on the details behind each fund balance category see Note 1 beginning on page 7 of this report.

At June 30, 2020, the District's governmental funds reported combined ending fund balances of \$24,488,778, a decrease of \$7,495,701 in comparison with the prior year. Of this amount, \$21,392,093 (about 87%) of the ending fund balances constitutes nonspendable or restricted ending fund balance, which are amounts that are either not expendable (such as inventory or prepaid expenses) or are legally restricted by outside parties for a specific purpose (such as bonded debt). The remaining \$3,096,685 (13%) of the ending fund balances is unassigned and available for spending at the District's discretion.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2020 the fund balance was \$3,112,175. Of this amount \$3,096,685 of the ending fund balance is unassigned, the remaining \$15,490 is nonspendable. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The fund balance represents about 47.2% of total General Fund expenditures. The total fund balance increased by \$1,697,629 from the prior year, mainly due to an increase in property tax and state timber revenues.

Special Revenue. The Special Revenue Fund accounts for revenue and expenditures of grants restricted for specific educational projects as well as internal funds segregated by the Board for the food service program, student activities, and other activities. Grant revenues are primarily from Federal sources. As of June 30, 2020 the fund balance was \$455,341. Of this amount \$450,693 is restricted, the remaining is nonspendable. The fund balance decreased \$306,832 from the prior year, primarily due to increased transfers from the general fund for food services program and future equipment purchases in the prior year.

Debt Service. The Debt Service Fund has a total fund balance of \$462,593 all of which is restricted for the payment of debt service. The fund balance increased by \$175,819 due to an increase in property tax revenue received.

Capital Projects Fund. The Capital Projects Fund has a total fund balance of \$20,458,669, all of which is dedicated for ongoing capital projects. All of the Capital Projects fund balance is restricted for capital improvements and repairs.

CAPITAL ASSETS

The District's investment in capital assets includes land, buildings and building improvements, vehicles and equipment. As of June 30, 2020 the District had invested \$24,821,009 in capital assets, net of depreciation. As shown on the following table, total capital assets net of depreciation increased overall by \$12,869,621, due to an increase of \$515,456 for new equipment and bus purchases and \$12,616,274 construction in progress offset by \$262,109 in depreciation.

**NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101 CAPITAL ASSETS (net of depreciation)			
	<u>Governmental Activities</u>		Increase (Decrease)
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	
Land	\$ 114,403	\$ 114,403	\$ -
Construction in Progress	13,851,401	1,235,127	12,616,274
Building and Equipment, net of depreciation	<u>10,855,205</u>	<u>10,601,858</u>	<u>253,347</u>
Total Capital Assets, net of depreciation	<u>\$ 24,821,009</u>	<u>\$ 11,951,388</u>	<u>\$ 12,869,621</u>

Long-Term Debt. At the end of the current fiscal year, the District had \$33,832,776 in bonded debt outstanding. This is a decrease of \$785,000 from prior year, as the District continued to make payments on outstanding general obligation and limited tax pension obligation bonds. Refer to the footnotes to the basic financial statements for detailed information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most important economic factor affecting the District is the stability of the property tax base. As a district that receives little support through the State School Fund, the District's primary source of revenue is restricted by the statutory limits set out by Measures 5 and 50. As market values on real property continue to recover, continued growth of the tax base is anticipated.

Unassigned Ending Fund balance in the General Fund represents 47.2% of expenditures for the 2019-20 school year, which provides a contingency in the event of unexpected reductions in revenue or increases in expenditures. The District plans to increase this amount over time is reflected in this balance. During the 2020-21 fiscal year, the district will continue to engage in strategic planning, in order to ensure sustainability of programs and services for students.

Personnel expenses make up over 80% of the program costs for the instruction, support and administrative functions. While the District has been able to hold salary costs steady in recent years, associated payroll costs continue to increase. For example, health insurance costs are expected to increase. The premiums for District health insurance plans have increased over the years, consistent with state and national trends, and this trend will likely continue.

Employer rates for the Public Employees Retirement System (PERS) will remain the same for fiscal year 2020-21 (22.76% for Tier 1 and Tier 2 employees and 17.31% for OPSRP employees) and then decrease in the 2021-2023 biennium. Market performance through the end of 2019 was used to set the 2021-2022 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

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

performance through December of 2021 for the 2023-25 biennium. The projected contribution rate for the 2021-23 biennium is 18.42% of salary covered under the plan for Tiers 1 and 2 employees and 15.31% for employees covered under the Oregon Public Services Retirement Plan (OPSRP).

Other areas of concern: During the last quarter of fiscal year 2019-20, with the Covid-19 pandemic outbreak, we faced unprecedented public health, economic, and educational challenges at the local, national and global levels. The economic impacts of the pandemic are only just beginning to be seen; the short- and long-term effects remain a mystery.

The District's Budget Committee and School Board have considered all these factors while preparing the 2020-21 budget.

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 Misty Wharton, Superintendent at PO Box 99, Cloverdale, Oregon, 97112.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2020

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	\$ 24,957,045
Taxes Receivables	420,962
Other Receivables	3,815,023
Prepaid Expenses	15,490
Net OPEB Asset - RHIA	55,626
Supply Inventory	4,648
Capital Assets:	
Land	114,403
Construction in Progress	13,851,401
Buildings and Equipment, net of depreciation	10,855,205
Total Assets	54,089,803
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Deferred Outflows - PERS	2,018,780
OPEB Related Deferred Outflows - Health Insurance	10,166
OPEB Related Deferred Outflows - RHIA	4,411
Deferred charge on refunding	611,604
Total Deferred Outflows of Resources	2,644,961
Total Assets and Deferred Outflows	56,734,764
LIABILITIES	
Accounts Payable	2,760,316
Accrued Payroll Liabilities	464,324
Accrued Interest Payable	58,915
Tax Anticipation Note Payable	1,090,000
Unavailable revenue	24,854
Accrued Compensated Absences	11,850
Long-term Obligations:	
Proportionate Share of Net Pension Liability - PERS	5,189,223
OPEB Liability - Health Insurance	238,660
Due within one year	1,193,139
Due in more than one year	36,561,880
Total Liabilities	47,593,161
DEFERRED INFLOWS OF RESOURCES	
Pension Related Deferred Inflows - PERS	759,772
OPEB Related Deferred Inflows - Health Insurance	100,107
OPEB Related Deferred Inflows - RHIA	11,106
Total Deferred Inflows of Resources	870,985
Total Liabilities and Pension Related Deferrals	48,464,146
NET POSITION	
Net Investment in Capital Assets	80,834,792
Restricted for Net OPEB Asset - RHIA	55,626
Restricted for Debt service	462,593
Restricted for Special Revenue	450,693
Restricted for Capital Projects	20,458,669
Unrestricted	(93,991,755)
Total Net Position	\$ 8,270,618

See accompanying notes to basic financial statements.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 2,065,289	\$ 23,031	\$ 534,102	\$ 1,508,156
Support Services	1,777,382	19,824	345,607	1,411,951
Enterprise and Community Services	93,529	-	273,963	(180,434)
Facilities Acquisition and Construction	5,187,736	-	-	5,187,736
Interest on Long-Term Debt	1,489,559	-	-	1,489,559
Total Governmental Activities	<u>\$ 10,613,495</u>	<u>\$ 42,855</u>	<u>\$ 1,153,672</u>	<u>9,416,968</u>
General Revenues				
Property Taxes Levied for:				
General purposes				6,157,668
Debt service				2,102,173
Bond Premium				8,110
Earnings on Investments				678,261
Other Local Sources				588,164
Intermediate Sources				847,663
State Sources				<u>4,777,182</u>
Total General Revenues				<u>15,159,221</u>
Changes in Net Position				5,742,253
Net Position - Beginning				<u>2,528,365</u>
Net Position - Ending				<u>\$ 8,270,618</u>

See accompanying notes to basic financial statements.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	<u>GENERAL</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTALS</u>
ASSETS					
Deposits and Investments	\$ 2,764,528	\$ 48,989	\$ 159,844	\$ 21,983,684	\$ 24,957,045
Property Taxes Receivable	328,943	-	92,019	-	420,962
Other Accounts Receivable	124,221	237,541	17,543	3,435,718	3,815,023
Prepaid Expense	15,490	-	-	-	15,490
Supply Inventory	-	4,648	-	-	4,648
Due from Other Funds	1,742,459	208,148	277,017	-	2,227,624
Total Assets	<u><u>\$ 4,975,641</u></u>	<u><u>\$ 499,326</u></u>	<u><u>\$ 546,423</u></u>	<u><u>\$ 25,419,402</u></u>	<u><u>\$ 31,440,792</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 8,076	\$ 19,131	\$ -	\$ 2,733,109	\$ 2,760,316
Payroll Liabilities	464,324	-	-	-	464,324
Unearned Revenue	-	24,854	-	-	24,854
Tax Anticipation Note Payable	1,090,000	-	-	-	1,090,000
Due to Other Funds	-	-	-	2,227,624	2,227,624
Total Liabilities	<u>1,562,400</u>	<u>43,985</u>	<u>-</u>	<u>4,960,733</u>	<u>6,567,118</u>
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	301,066	-	83,830	-	384,896
Fund Balances:					
Nonspendable	15,490	4,648	-	-	20,138
Restricted for:					
Debt Service	-	-	462,593	-	462,593
Grants and Student Activity	-	450,693	-	-	450,693
Capital Projects	-	-	-	20,458,669	20,458,669
Unassigned	3,096,685	-	-	-	3,096,685
Total Fund Balances	<u>3,112,175</u>	<u>455,341</u>	<u>462,593</u>	<u>20,458,669</u>	<u>24,488,778</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 4,975,641</u></u>	<u><u>\$ 499,326</u></u>	<u><u>\$ 546,423</u></u>	<u><u>\$ 25,419,402</u></u>	<u><u>\$ 31,440,792</u></u>

See accompanying notes to basic financial statements.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2020

Total Fund Balances - Governmental Funds	\$	24,488,778
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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

Capital Assets, net		24,821,009
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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		384,896
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The unamortized issuance costs and issue premium for bonds are not available to pay for current period expenditures and therefore are not reported in the governmental funds

Unamortized original issue premium		(3,692,602)
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Deferred Outflows - deferred charges on GO Bond refundings		611,604
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The PERS 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.

		(5,189,223)
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Deferred Inflows and Outflows of resources related to the pension plan and OPEB include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

Deferred Outflows - PERS	2,018,780	
OPEB Deferred Outflows - Health Insurance	10,166	
OPEB Deferred Outflows - RHIA	4,411	
Deferred Inflows - PERS	(759,772)	
OPEB Deferred Inflows - Health Insurance	(100,107)	
OPEB Deferred Inflows - RHIA	(11,106)	
		1,162,372

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		
General Obligation Bonds	\$ (32,167,776)	
PERS UAL Bond	(1,665,000)	
Loan Payable	(49,337)	
Capital Lease	(180,304)	
OPEB Liability - Health Insurance	(238,660)	
OPEB Asset (Liability) - RHIA	55,626	
Accrued Interest Payable	(58,915)	
Accrued Vacation Payable	(11,850)	
		(34,316,216)

See accompanying notes to basic financial statements.

Net Position		\$ 8,270,618
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NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2020

	GENERAL	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES					
Local Sources	\$ 6,334,729	\$ 189,004	\$ 2,407,921	\$ 635,526	\$ 9,567,180
Intermediate Sources	847,663	-	-	-	847,663
State Sources	1,158,993	182,471	-	3,435,718	4,777,182
Federal Sources	11,397	1,142,275	-	-	1,153,672
Total Revenues	8,352,782	1,513,750	2,407,921	4,071,244	16,345,697
EXPENDITURES					
Current:					-
Instruction	3,493,402	874,184	-	-	4,367,586
Support Services	2,984,293	565,667	-	209,434	3,759,394
Enterprise & Community Services	-	448,404	-	-	448,404
Facilities Acquisition and Construction	-	-	-	12,924,127	12,924,127
Debt Service	117,895	-	2,232,102	-	2,349,997
Total Expenditures	6,595,590	1,888,255	2,232,102	13,133,561	23,849,508
Excess of Revenues Over (Under) Expenditures	1,757,192	(374,505)	175,819	(9,062,317)	(7,503,811)
OTHER FINANCING SOURCES (USES)					
Bond Premium	8,110	-	-	-	8,110
Transfers In	-	67,673	-	-	67,673
Transfers Out	(67,673)	-	-	-	(67,673)
Total Other Financing Sources (Uses)	(59,563)	67,673	-	-	8,110
Net Change in Fund Balance	1,697,629	(306,832)	175,819	(9,062,317)	(7,495,701)
Beginning Fund Balance	1,414,546	762,173	286,774	29,520,986	31,984,479
Ending Fund Balance	<u>\$ 3,112,175</u>	<u>\$ 455,341</u>	<u>\$ 462,593</u>	<u>\$ 20,458,669</u>	<u>\$ 24,488,778</u>

See accompanying notes to basic financial statements.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK 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, 2020

Net change in fund balances - total governmental funds		\$ (7,495,701)
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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:

Capitalized expenditures	\$ 13,131,730		
Depreciation	(262,109)		
			12,869,621

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	1,940
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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.

(Increase) Decrease in accrued compensated absences	\$ (2,332)		
(Increase) in accrued interest payable	1,738		(594)

The PERS 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.

(613,313)

OPEB Expense - Health Insurance
OPEB Expense - RHIA

(30,447)
10,710

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.

Payments of Long Term Debt	858,700
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Governmental funds report the total costs of bond issuance as a current year expenditure in the year in which the bonds are issued while the government-wide statements amortize them over the life of the bond.

Amortization of deferred outflows	\$ (76,451)		
Amortization of original issue premium (net)	217,788		141,337

Change in net position of governmental activities		\$ <u>5,742,253</u>
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See accompanying notes to basic financial statements.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic 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

Nestucca Valley School District No. 101 (the District) is a municipal corporation governed by an elected 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.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

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

Government-wide basic 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.

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.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND FINANCIAL STATEMENTS

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with 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 numbers 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 financial statements are reported using the current financial resources measurement focus and 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 which is 60 days. 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.

The following major governmental funds are reported:

GENERAL FUND

This fund accounts for all financial resources and expenditures except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

SPECIAL REVENUE FUND

This fund consists of all special revenue funds established to account for revenues and expenditures related to grants, student activities and other special revenues.

DEBT SERVICE FUND

This fund accounts for the property tax revenues related to debt service and makes the debt service payments on the general obligation bonds.

CAPITAL PROJECTS FUND

This fund accounts for all financial resources and expenditures that are used to fund capital projects.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, pension benefits, OPEB benefits, 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.

Expenditure budgets are appropriated at the following levels for each fund: Instruction, Support Services, Enterprise & Community Services, Facilities Acquisition and Construction, Other Uses - Debt Service and Interfund Transfers, and Operating Contingency.

Expenditures cannot legally exceed the adopted appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to unforeseen circumstances which could not be determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements include the original budget amounts. Appropriations lapse at the end of each fiscal year.

Expenditures of the various funds were within authorized appropriations with the exception of the following; General Fund where Transfers Out was over-expended by \$173.

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:

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Special Revenue 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	50 to 100 years
Equipment	5 to 30 years
Buses and Vehicles	5 to 20 years

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The District has four items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. 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, Pension and Health Insurance OPEB Related Deferrals related to the pension plan and retiree health insurance subsidies include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date. At June 30, 2020, there were deferred outflows representing PERS pension, RHIA OPEB, and Health Insurance OPEB related deferrals reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements 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 District has four types of items that qualify for reporting in this category. The first item, unavailable revenue, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At June 30, 2020, there were also deferred inflows representing PERS pension, RHIA OPEB, and Health Insurance OPEB related deferrals reported in the Statement of Net Position.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPENSATED ABSENCES

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

It is the policy to permit employees to accumulate earned but unused vacation. All unused vacation pay is accrued, if material, when earned in the government-wide financial statements.

RETIREMENT PLANS

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

USE OF ESTIMATES

The preparation of the basic 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.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

FUND BALANCE

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions, is followed. 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 are – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories.
- 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.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND BALANCE (CONTINUED)

There are no committed or assigned balances at June 30, 2020.

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. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions include bank demand deposits. The total bank balance per the bank statements on June 30, 2020 was \$668,101, of which \$294,308 was covered by federal depository insurance and the balance was collateralized by the Oregon Public Funds Collateralization Program (PFCP). Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

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, 2020 (recorded at fair value) consisted of:

Deposits with Financial Institutions:	
Demand Deposits	\$ 352,120
LGIP	24,604,925
Total	\$ 24,957,045

There were the following investments at June 30, 2020:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	18-59
State Treasurer's Investment Pool	\$ 24,604,925	\$ 24,604,925	\$ -	\$ -
Total	\$ 24,604,925	\$ 24,604,925	\$ -	\$ -

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

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.

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, 2020, none of the bank balance was exposed to custodial credit risk.

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.

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, 2020, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. 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.

4. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance July 1, 2019	Additions	Balance June 30, 2020
Capital assets not being depreciated:			
Land	\$ 114,403	\$ -	\$ 114,403
Construction in Progress	1,235,127	12,616,274	13,851,401
Total capital assets not being depreciated	<u>1,349,530</u>	<u>12,616,274</u>	<u>13,965,804</u>
Capital assets being depreciated:			
Buildings and Improvements	12,313,579	-	12,313,579
Buses and Vehicles	1,612,778	167,735	1,780,513
Equipment	398,920	347,721	746,641
Total capital assets being depreciated	<u>14,325,277</u>	<u>515,456</u>	<u>14,840,733</u>
Less total accumulated depreciation for:			
Buildings and Improvements	2,439,205	193,032	2,632,237
Buses and Vehicles	1,072,458	44,795	1,117,253
Equipment	211,756	24,282	236,038
Total accumulated depreciation	<u>3,723,419</u>	<u>262,109</u>	<u>3,985,528</u>
Total capital assets being depreciated, net	<u>10,601,858</u>		<u>10,855,205</u>
Total Capital Assets, Net	<u>\$ 11,951,388</u>		<u>\$ 24,821,009</u>

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

Program:	
Instruction	\$ 117,844
Support Services	95,093
Enterprise and Community Services	13,630
Facilities Acquisition and Construction	35,542
	<u>\$ 262,109</u>

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. 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/2019-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 on one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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

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

ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 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, 2020 were \$980,849, excluding amounts to fund employer specific liabilities.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability – At June 30, 2020, the District reported a net pension liability of \$5,189,223 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2017. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2019 and 2018, the District’s proportion was .030 percent and .033 percent, respectively. Pension expense for the year ended June 30, 2020 was \$613,313.

The rates in effect for the year ended June 30, 2020 were:

- (1) Tier 1/Tier 2 – 22.76%
- (2) PERS UAL – 8.00%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 286,170	\$ -
Changes in assumptions	703,977	-
Net difference between projected and actual earnings on pension plan investments	-	147,109
Net changes in proportionate share	9,656	568,361
Differences between District contributions and proportionate share of contributions	38,128	44,302
Subtotal - Amortized Deferrals (below)	1,037,931	759,772
District contributions subsequent to measurement date	980,849	-
Deferred outflow (inflow) of resources	\$ 2,018,780	\$ 759,772

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, 2021.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability

Subtotal amounts related to pension as deferred outflows of resources, \$1,037,931, and deferred inflows of resources, (\$759,772), net to \$278,159 and will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 292,640
2022	(108,709)
2023	45,019
2024	53,160
2025	(3,951)
Thereafter	-
Total	<u>\$ 278,159</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2020. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

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.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2017 rolled forward to June 30, 2019
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
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%/15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Date Scale.

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 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.5%	17.5%
Alternative Investments	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

(Source: June 30, 2019 PERS CAFR; p. 100)

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 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.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2019 PERS CAFR; p. 74)

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2019 and 2018 was 7.20 percent for both years, 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.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability (asset)	\$ 8,310,080	\$ 5,189,223	\$ 2,577,495

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, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

Pension Benefits:

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

Death Benefits:

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

Contributions:

Employees of the District pay six (6) percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2020.

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.

<https://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFITS (RHIA)

Plan Description:

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

Funding Policy:

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.06% of annual covered OPERF payroll and 0.00% 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, 2018, 2019 and 2020 were \$14,697, \$14,267 and \$3,553, respectively, which equaled the required contributions each year.

At June 30, 2020, the District reported a net OPEB liability/(asset) of (\$55,626) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2019, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2017. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) 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. As of the measurement dates of June 30, 2019 and 2018, the District's proportion was .03 percent and .03 percent, respectively. OPEB expense for the year ended June 30, 2020 was \$10,710.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFITS (RHIA) (CONTINUED)

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$	(7,234)
Net amortization of employer-specific deferred amounts from:		
- Changes in proportionate share (per paragraph 64 of GASB 75)		93
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)		-
Employer's Total OPEB Expense/(Income)	\$	(7,141)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 7,335
Changes in assumptions	-	58
Net difference between projected and actual earnings on pension plan investments	-	3,434
Net changes in proportionate share	858	279
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized deferrals (below)	858	11,106
District contributions subsequent to measurement date	3,553	-
Deferred outflow (inflow) of resources	\$ 4,411	\$ 11,106

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFITS (RHIA) (CONTINUED)

COMPONENTS OF DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2021.

Subtotal amounts related to OPEB as deferred outflows of resources, \$858, and deferred inflows of resources, (11,106), net to (\$10,248) and will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ (5,405)
2022	(4,601)
2023	(595)
2024	353
2025	-
Thereafter	-
Total	<u>\$ (10,248)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2019. That independently audited report was dated March 4, 2020 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2019/PERS%20GASB%2075%20RHIA%20Report%20FY%2006.30.19.pdf>

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFITS (RHIA) (CONTINUED)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2017 rolled forward to June 30, 2019
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount Rate	7.20 percent
Projected salary increase	3.50 percent
Retiree healthcare participation	Healthy retirees: 35%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement dates of June 30, 2019 and 2018 was 7.20 and 7.20 percent, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFITS (RHIA) (CONTINUED)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 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.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2019 PERS CAFR; p. 74)

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFITS (RHIA) (CONTINUED)

Sensitivity of the District’s proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District’s proportionate share of the net OPEB liability/(asset) 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.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net OPEB liability (asset)	\$ (43,125)	\$ (55,626)	\$ (66,279)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – HEALTH BENEFITS

The District operates a single-employer retiree benefit plan that provides access to post-employment health benefits to eligible employees and their spouses. Benefits and eligibility for members are established through the collective bargaining agreements.

The District’s post-retirement health insurance program was established in accordance with ORS 243.303. ORS stipulates 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 costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree health insurance premiums, represents the District’s implicit employer contribution. The plan is currently unfunded in accordance with GASB Statement No. 75.

At June 30, 2020, the following employees were covered by the benefit terms:

Active Employees	74
Eligible Employees	1
Total Participants	75

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) –HEALTH BENEFITS (CONTINUED)

The District's total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date	July 1, 2019 rolled forward to June 30, 2021
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.87% for results as of June 30, 2018. 3.50% for results as of June 30, 2019 measurement date. 2.21% for results as of June 30, 2020 measurement date. These rates reflect the Bond Buyer 20-year General Obligation Bond Index. Reporting Dates follow measurement dates by one full year.
Health Care Cost Trend	Dental and Vision: 4.00% per year Health cost trend affects both the projected health care costs as well as the projected health care premiums.
Annual Premium Increase Rate	6.5% increase in 2016-17 with later increases reducing annually by 0.1% to 5.0% and stable thereafter.
Inflation Rate	2.5% per year, used to develop other economic assumptions
Salary Scale	3.5% per year

Changes in Total OPEB Liability:

Total OPEB Liability at June 30, 2019	\$ 324,808
Changes for the year:	
Service Cost	44,431
Interest	13,571
Changes of Benefit Terms	-
Differences between expected and actual experience	(90,760)
Changes of assumptions or other inputs	(15,907)
Benefit Payments	(37,483)
Net Changes	<u>(86,148)</u>
Total OPEB Liability at June 30, 2020	<u>\$ 238,660</u>

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – HEALTH BENEFITS (CONTINUED)

Sensitivity of the total OPEB Liability to changes in discount rate: the following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate 1 percentage point higher and lower than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

Discount Rate Sensitivity:

<u>Discount rate:</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability, as of June 30, 2020	\$ 253,504	\$ 238,660	\$ 224,609

<u>Trend rate:</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability, as of June 30, 2020	\$ 216,764	\$ 238,660	\$ 264,211

Schedule of Deferred Inflows and Outflows of Resources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ (78,327)
Changes of assumptions or inputs	-	(21,780)
Subtotal	\$ -	\$ (100,107)
Benefits Payments subsequent to measurement date	10,166	-
Total as of June 30, 2020	\$ 10,166	\$ (100,107)

Subtotal amounts related to OPEB deferred inflows of resources are (\$100,107) and will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ (17,389)
2022	(17,389)
2023	(16,609)
2024	(15,113)
2025	(14,612)
Thereafter	(18,995)
Total	\$ (100,107)

Actuarial calculations of the OPEB plan reflect a long-term perspective and actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. SHORT TERM OBLIGATIONS

The following table illustrates changes in short term debt for the fiscal year ended June 30, 2020:

	Interest Rates	Original Issue Date	Balance 7/1/2019	Additions	Reductions	Balance 6/30/2020
Tax Revenue Anticipated Note	0.25%	6/5/2019	\$ 1,195,000	-	\$ 1,195,000	-
Tax Revenue Anticipated Note	2.00%	6/4/2020	-	1,090,000	-	1,090,000
Total Short-term Liabilities			<u>\$ 1,195,000</u>	<u>\$ 1,090,000</u>	<u>\$ -</u>	<u>\$ 1,090,000</u>

The District issues a six-month Tax Anticipation Note to adjust for the timing of property tax receipts. The proceeds are used to cover expenses from the start of the fiscal year until the November tax turnover.

9. LONG-TERM OBLIGATIONS

The following table shows changes in general obligation bonds, limited tax bonds, capital leases, loan payable, and other long-term debt for the fiscal year ended June 30, 2020:

	Outstanding July 1, 2019	Matured and Redeemed	Outstanding June 30, 2020	Due Within One Year
General Obligation Bonds	\$ 32,822,776	\$ 655,000	\$ 32,167,776	\$ 755,000
PERS/UAL Bond	1,795,000	130,000	1,665,000	150,000
Capital Leases	240,847	60,543	180,304	57,194
Loan Payable	62,494	13,157	49,337	13,157
Total Principal	34,921,117	858,700	34,062,417	975,351
Original Issue Premium	3,910,390	217,788	3,692,602	217,788
Total Long-Term Debt	<u>\$ 38,831,507</u>	<u>\$ 1,076,488</u>	<u>\$ 37,755,019</u>	<u>\$ 1,193,139</u>
Loss on Refunding	688,055	76,451	611,604	76,451

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The outstanding general obligation bonds were issued to provide funds for the acquisition and construction of school facilities. There is an issuance from 2012 (originally \$9,700,000) with remaining payments through 2028 at between 3.00-4.00% interest. There is an issuance from 2018 of \$25,697,776 with payments through 2039 at between 4.00-5.00% interest.

Limited pension bonds are direct obligations and pledge the full faith and credit of the District. The outstanding pension were issued to provide funds for the payment of the unfunded pension liability. The original amount of \$2,365,000 has payments remaining through 2028 at between 5.423-5.528% interest.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. LONG-TERM OBLIGATIONS (CONTINUED)

Capital leases are for the acquisition of capital assets, including two buses and food service equipment. Each lease is executed as a separate finance agreement, distinct from other Property Schedules. All capital leases will be paid in full by 2024. Default in payment can result in additional charges.

The loan payable was a direct borrowing from Tillamook PUD for the improvement of lighting for a District facility, and is payable over 5 years at 5.00% interest. If the District defaults on any payment, the lender may accelerate the remaining unpaid balance. In addition, the improvements in which the loan was issued for can be recalled by lender if the District defaults on payments.

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

Bonds Payable			Loans Payable		
Fiscal Year Ended	Principal	Interest	Fiscal Year Ended	Principal	Interest
2021	\$ 905,000	\$ 1,413,940	2021	\$ 13,157	\$ 1,740
2022	1,020,000	1,382,306	2022	13,157	1,740
2023	1,135,000	1,346,102	2023	13,157	1,740
2024	1,250,000	1,305,348	2024	9,866	1,305
2025	1,370,000	1,260,113	2025	-	-
2026-2030	8,050,000	5,410,582	2026-2030	-	-
2031-2035	11,250,000	3,262,000	2031-2035	-	-
2036-2039	8,852,776	4,252,224	2036-2039	-	-
	<u>\$ 33,832,776</u>	<u>\$ 19,632,615</u>		<u>\$ 49,337</u>	<u>\$ 6,525</u>

Capital Leases			Totals		
Fiscal Year Ended	Principal	Interest	Fiscal Year Ended	Principal	Interest
2021	\$ 57,194	\$ 8,060	2021	\$ 975,351	\$ 1,423,740
2022	57,906	6,225	2022	1,091,063	1,390,271
2023	59,680	4,450	2023	1,207,837	1,352,292
2024	5,524	1,522	2024	1,265,390	1,308,175
2025	-	-	2025	1,370,000	1,260,113
2026-2030	-	-	2026-2030	8,050,000	5,410,582
2031-2035	-	-	2031-2035	11,250,000	3,262,000
2036-2039	-	-	2036-2039	8,852,776	4,252,224
	<u>\$ 180,304</u>	<u>\$ 20,257</u>		<u>\$ 34,062,417</u>	<u>\$ 19,659,397</u>

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. LONG-TERM OBLIGATIONS (CONTINUED)

Advance Refunding

The District issued \$9,700,000 in general obligation refunding bonds with interest rates ranging from 3.0% to 4.0%. The proceeds were used to advance refund \$9,005,000 of outstanding Series 2005 general obligation bonds which had interest rates ranging from 3.25% to 5.00%. The net proceeds of \$10,357,923 (including a \$657,923 premium and after payment of \$53,350 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, the Series 2012 general obligation bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The District advance refunded the Series 2005 general obligation bonds to reduce its total debt service payments over 16 years by \$720,886. The economic loss on refunding was \$1,242,324, and is being amortized over the life of the new bonds. At June 30, 2020, \$611,604 remains to be amortized.

10. 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 purchased to minimize exposure to these risks. Settled claims have not exceeded this commercial coverage in the past three fiscal years.

11. COMMITMENTS AND CONTINGENCIES

Substantially all amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate they can cause either increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on operations cannot be determined.

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. However, the School expects the reduction of economic activity to negatively impact funds received.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

12. PROPERTY TAX LIMITATION

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

The State voters 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.

13. INTERFUND TRANSFERS AND DUE TO/DUE FROM:

Operating transfers between funds were made to fund various programs and activities as follows:

	Transfers Out	Transfers In
General Fund	\$ 67,673	\$ -
Special Revenue Fund	-	67,673
Total	\$ 67,673	\$ 67,673

The internal transfers are budgeted and recorded to show legal and operational commitments between funds such as cost sharing.

The composition of the interfund balances is as follows:

	Due From	Due To
General Fund	\$ 1,742,459	\$ -
Special Revenue Fund	208,148	-
Debt Service Fund	277,017	-
Capital Projects Fund	-	2,227,624
Total	\$ 2,227,624	\$ 2,227,624

14. TAX ABATEMENTS

As of June 30, 2020, the District potentially had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these basic financial statements, there were no material abatements disclosed by the county for the year ended June 30, 2020 for any program covered under GASB 77.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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NESTUCCA VALLEY SCHOOL DISTRICT
TILLAMOOK COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
At June 30, 2020

PERS

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) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.030 %	\$ 5,189,223	\$ 3,597,668	144.2 %	80.2 %
2019	0.033	4,925,005	3,505,231	140.5	82.1
2018	0.034	4,627,276	3,476,944	133.1	83.1
2017	0.037	5,600,204	3,984,277	140.6	80.5
2016	0.044	2,519,749	3,477,707	72.5	91.9
2015	0.038	(854,562)	3,396,583	(25.2)	103.6
2014	0.038	1,923,910	3,070,026	62.7	92.0

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

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
2020	\$ 980,849	\$ 980,849	\$ -	\$ 3,846,104	25.5 %
2019	931,096	931,096	-	3,597,668	25.9
2018	707,438	707,438	-	3,505,231	20.2
2017	546,804	546,804	-	3,476,966	15.7
2016	395,648	395,648	-	3,984,277	9.9
2015	417,655	417,655	-	3,477,707	12.0
2014	437,359	437,359	-	3,396,583	12.9

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

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.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS
June 30, 2020

IMPLICIT BENEFIT (OPEB) - HEALTH INSURANCE BENEFITS:
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2020	\$ 324,808	\$ 44,431	\$ 13,571	\$ 0	\$ (106,667)	\$ (37,483)	\$ 238,660	\$ 3,597,668	6.63%
2019	\$ 309,246	\$ 43,336	\$ 12,000	\$ 0	\$ (4,666)	\$ (35,108)	\$ 324,808	\$ 3,505,231	9.27%
2018	\$ 300,333	\$ 44,133	\$ 9,341	\$ 0	\$ (10,884)	\$ (33,677)	\$ 309,246	\$ 3,476,966	8.89%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b)-(a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2020	\$ 44,431	\$ -	\$ N/A	\$ 3,597,668	0.00%
2019	\$ 43,336	\$ -	\$ N/A	\$ 3,505,231	0.00%
2018	\$ 44,133	\$ -	\$ N/A	\$ 3,476,966	0.00%

The above table presents the most recent actuarial valuations for the District's post-retirement pension stipend and it provides information that approximates the funding progress of the plan.

In implementing GASB Statement No. 75, the following changes since the prior valuation were implemented; (i) the actuarial cost method was changed from Projected Unit Credit to Entry Age Normal, (ii) the interest rate for discounting future liabilities was lowered to match municipal bond rates, (iii) premium increase rates were modified to reflect anticipated experience, (iv) the percentage of future retirees covering a spouse on the plan was decreased to reflect the anticipated experience, (v) demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS, and (vi) an implicit rate subsidy is now being valued for participants in the health plans. In prior valuations, the District's participating in the health plans determined to be a community rated arrangement.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2020

<u>GENERAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Local Sources	\$ 5,929,500	\$ 5,929,500	\$ 6,334,729	\$ 405,229
Intermediate Sources	520,000	520,000	847,663	327,663
State Sources	312,000	312,000	1,158,993	846,993
Federal Sources	-	-	11,397	11,397
	<u>6,761,500</u>	<u>6,761,500</u>	<u>8,352,782</u>	<u>1,591,282</u>
EXPENDITURES				
Instruction	3,769,944	3,569,944 (1)	3,493,402	76,542
Support Services	2,851,253	3,051,253 (1)	2,984,293	66,960
Debt Service	122,803	122,803 (1)	117,895	4,908
Contingency	200,000	200,000 (1)	-	200,000
	<u>6,944,000</u>	<u>6,944,000</u>	<u>6,595,590</u>	<u>348,410</u>
Excess of Revenues Over (Under) Expenditures	(182,500)	(182,500)	1,757,192	1,939,692
OTHER FINANCING SOURCES (USES)				
Bond Premium	-	-	8,110	8,110
Transfer Out	(67,500)	(67,500) (1)	(67,673)	(173)
	<u>(67,500)</u>	<u>(67,500)</u>	<u>(59,563)</u>	<u>7,937</u>
Net Change in Fund Balance	(250,000)	(250,000)	1,697,629	1,947,629
Beginning Fund Balance	<u>350,000</u>	<u>350,000</u>	<u>1,414,546</u>	<u>1,064,546</u>
Ending Fund Balance	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 3,112,175</u>	<u>\$ 3,012,175</u>

(1) Appropriation Level

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
<u>SPECIAL REVENUE FUND</u>				
REVENUES				
Local Sources	\$ 299,000	\$ 299,000	\$ 189,004	\$ (109,996)
State Sources	283,000	283,000	182,471	(100,529)
Federal Sources	<u>1,097,409</u>	<u>1,097,409</u>	<u>1,142,275</u>	<u>44,866</u>
Total Revenue	<u>1,679,409</u>	<u>1,679,409</u>	<u>1,513,750</u>	<u>(165,659)</u>
EXPENDITURES				
Instruction	999,470	999,470 (1)	874,184	125,286
Support Services	434,604	734,604 (1)	565,667	168,937
Enterprise and Community Services	<u>537,835</u>	<u>537,835 (1)</u>	<u>448,404</u>	<u>89,431</u>
Total Expenditures	<u>1,971,909</u>	<u>2,271,909</u>	<u>1,888,255</u>	<u>383,654</u>
Excess of Revenues Over (Under) Expenditures	(292,500)	(592,500)	(374,505)	217,995
OTHER FINANCING SOURCES (USES)				
Transfer In	<u>67,500</u>	<u>67,500</u>	<u>67,673</u>	<u>173</u>
Net Change in Fund Balance	(225,000)	(525,000)	(306,832)	218,168
Beginning Fund Balance	<u>225,000</u>	<u>525,000</u>	<u>762,173</u>	<u>237,173</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 455,341</u>	<u>\$ 455,341</u>

(1) Appropriation Level

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2020

<u>DEBT SERVICE FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u></u>
REVENUES				
Local Sources	\$ 2,223,350	\$ 2,223,350	\$ 2,407,921	\$ 184,571
EXPENDITURES				
Long-term Debt Service	2,234,350	2,234,350 (1)	2,232,102	2,248
Net Change in Fund Balance	(11,000)	(11,000)	175,819	186,819
Beginning Fund Balance	11,000	11,000	286,774	275,774
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 462,593</u>	<u>\$ 462,593</u>

(1) Appropriation Level

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020

<u>CAPITAL PROJECTS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Local Sources	\$ 200,000	\$ 200,000	\$ 635,526	\$ 435,526
State Sources	<u>6,476,280</u>	<u>6,476,280</u>	<u>3,435,718</u>	<u>(3,040,562)</u>
Total Revenue	<u>6,676,280</u>	<u>6,676,280</u>	<u>4,071,244</u>	<u>435,526</u>
EXPENDITURES				
Support Services	1,865,000	1,865,000 (1)	209,434	1,655,566
Facilities Acquisition and Construction	<u>31,014,274</u>	<u>31,014,274 (1)</u>	<u>12,924,127</u>	<u>18,090,147</u>
Total Expenditures	<u>32,879,274</u>	<u>32,879,274</u>	<u>13,133,561</u>	<u>19,745,713</u>
Net Change in Fund Balance	(19,726,714)	(19,726,714)	(9,062,317)	10,664,397
Beginning Fund Balance	<u>26,202,994</u>	<u>26,202,994</u>	<u>29,520,986</u>	<u>3,317,992</u>
Ending Fund Balance	<u>\$ 6,476,280</u>	<u>\$ 6,476,280</u>	<u>\$ 20,458,669</u>	<u>\$ 13,982,389</u>

(1) Appropriation Level

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2020

<u>GENERAL FUND</u>						
TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED JUNE 30, 2019	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED JUNE 30, 2020
Current:						
2019-20	\$ 6,283,515	\$ 160,019	\$ (5,860)	\$ 3,598	\$ 5,968,911	\$ 152,323
Prior Years:						
2018-19	161,500	2	(7,612)	6,389	84,868	75,407
2017-18	66,298	(1)	(6,365)	5,320	27,874	37,380
2016-17	41,655	-	(8,736)	7,717	25,667	14,969
2015-16	18,372	-	(5,360)	4,357	11,903	5,466
Prior	48,763	-	(4,059)	2,061	2,913	43,398
Total Prior	336,588	1	(32,132)	25,844	153,225	176,620
Total	\$ 6,620,103	\$ 160,020	\$ (37,992)	\$ 29,442	\$ 6,122,136	\$ 328,943

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 6,122,136
Accrual of Receivables:	
June 30, 2019	(24,683)
June 30, 2020	27,051
Taxes in Lieu	33,164
Total Revenue	\$ 6,157,668

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2020

DEBT SERVICE FUND

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED JUNE 30, 2019	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED JUNE 30, 2020
Current:						
2019-20	\$ 2,164,235	\$ 55,114	\$ (2,010)	\$ 1,240	\$ 2,055,882	\$ 52,469
Prior Years:						
2018-19	54,428	1	(2,561)	2,153	28,598	25,421
2017-18	9,732	-	(934)	781	4,091	5,488
2016-17	6,237	-	(1,309)	1,156	3,843	2,241
2015-16	2,694	-	(783)	639	1,748	802
Prior	6,174	-	(517)	267	377	5,598
Total Prior	79,265	1	(6,104)	4,996	38,657	39,550
Total	<u>\$ 2,243,500</u>	<u>\$ 55,115</u>	<u>\$ (8,114)</u>	<u>\$ 6,236</u>	<u>\$ 2,094,539</u>	<u>\$ 92,019</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 2,094,539
Accrual of Receivables:	
June 30, 2019	(8,228)
June 30, 2020	9,017
Taxes in Lieu	6,845
Total Revenue	<u>\$ 2,102,173</u>

NESTUCCA VALLEY SCHOOL DISTRICT NO.101
TILLAMOOK COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 As required by Oregon Department of Education
 For the Year Ended June 30, 2020

Federal Grantor/Pass Through Grantor/ Program Title	Pass Through Organization	Federal CFDA Number	Pass Through Number	Grant Period	Expenditures	Pass Through to Sub-Recipients
U.S. Department of Education						
Title I Grants to Local Educational Agencies	ODE	84.010	54333	2019-2020	44,750	-
Title I Grants to Local Educational Agencies	ODE	84.010	53321	2019-2020	134,920	-
Total Title I, Part A					<u>179,670</u>	-
Special Education Cluster						
Special Education Grants to States	ODE	84.027	45218	2018-2019	41,937	-
Special Education Grants to States	ODE	84.027	49917	2018-2019	78,355	-
Special Education Grants to States	ODE	84.027	51318	2017-2018	2,122	-
Total Special Education Grants to States CFDA					<u>122,414</u>	-
Special Education Preschool Grants	ODE	84.173	50143	2018-2019	1,608	-
Total Special Education Preschool Grants					<u>1,608</u>	-
Total, Special Education Cluster					<u>124,022</u>	-
Title IIA - Improving Teacher Quality State Grants	ODE	84.367	53583	2019-2020	9,940	-
Total IIA Improving Teacher Quality State Grants					<u>9,940</u>	-
Title IV-A Student Support and Academic	ODE	84.424	50776	2018-2019	11,397	-
Total IV-A Student Support and Academic					<u>11,397</u>	-
Twenty-First Century Community Learning Centers	ODE	84.287	54272	2018-2023	313,030	-
	ODE	84.287	49063	2018-2023	62,734	-
Total Twenty-First Century Community Learning					<u>375,764</u>	-
Career and Technical Education - Basic Grants to	Tillamook SD	84.048		2019-2020	989	-
Total Career and Technical Education - Basic					<u>989</u>	-
Total, U.S. Department of Education					<u>701,782</u>	-
U.S. Department of Health and Human Services						
Total, U.S. Department of Health and	Tillamook SD	84.126	N/A	2019-2021	58,823	-
					<u>58,823</u>	-
U.S. Department of Agriculture						
Child Nutrition Cluster School Breakfast Program	ODE	10.553	N/A	2019-2020	35,139	-
Total School Breakfast Program					<u>35,139</u>	-
National School Lunch Program	ODE	10.555	N/A	2019-2020	90,112	-
National School Lunch Program CARES	ODE	10.555	N/A	2019-2020	130,938	-
National School Lunch Program Commodities	ODE	10.555	N/A	2019-2020	17,958	-
Total National School Lunch Program CFDA					<u>239,008</u>	-
Total, Child Nutrition Cluster					<u>274,147</u>	-
Child and Adult Food Care Program	ODE	10.558	N/A	2019-2020	83,314	-
Total Child and Adult Food Care Program					<u>83,314</u>	-
Total, U.S. Department of Agriculture					<u>357,461</u>	-
U.S. Department of the Interior						
Youth Conservation Programs	BLM	15.231	L17AC001	2014-2020	35,606	-
Total, U.S. Department of the					<u>35,606</u>	-
Total, Federal Awards					<u>\$ 1,153,672</u>	-

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NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

OTHER INFORMATION

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Nestucca Valley School District No. 101
Tillamook County, Oregon

REVENUE SUMMARY - ALL FUNDS
YEAR ENDED JUNE 30, 2020

Revenue from Local Sources	Fund 100	Fund 200	Fund 300	Fund 400	TOTAL
1111 Taxes - current year's levy	\$ 5,987,803	\$ -	\$ 2,062,105	\$ -	\$ 8,049,908
1112 Taxes - prior year's levies	190,464	-	47,262	-	237,726
1114 Taxes - payments in lieu of taxes	10,461	-	-	-	10,461
1130 Construction excise tax	-	81,748	-	-	81,748
1190 Penalties and interest on taxes	5,339	-	994	-	6,333
1400 Transportation fees	1,284	-	-	-	1,284
1510 Earnings on investments	70,438	-	18,667	589,156	678,261
1600 Food Service	-	16,588	-	-	16,588
1700 Extracurricular Activities	174	84,323	-	-	84,497
1920 Contributions and donations from private sources	12,444	5,540	-	-	17,984
1960 Recovery of prior year expenditures	22,652	537	-	-	23,189
1970 Services Provided to other Funds	-	-	278,893	-	278,893
1980 Fees Charged to Grants	2,694	-	-	-	2,694
1990 Miscellaneous	26,519	268	-	46,369	73,156
1992 Driver's Ed	4,455	-	-	-	4,455
Total Revenue from Local Sources	6,334,727	189,004	2,407,921	635,525	9,567,177
Revenue from Intermediate Sources					
2101 County school funds	847,663	-	-	-	847,663
Total Revenue from Intermediate Sources	847,663	-	-	-	847,663
Revenue from State Sources					
3103 Common school fund	41,823	-	-	-	41,823
3104 State managed county timber	1,083,938	-	-	-	1,083,938
3199 Other unrestricted sources	30,769	-	-	-	30,769
3299 Other restricted grants-in-aid	2,464	182,471	-	3,435,718	3,620,653
Total Revenue from State Sources	1,158,994	182,471	-	3,435,718	4,777,183
Revenue from Federal Sources					
4500 Restricted Rev Fed Gov through State	11,397	1,124,317	-	-	1,135,714
4900 USDA Donated Commodities	-	17,958	-	-	17,958
Total Revenue from Federal Sources	11,397	1,142,275	-	-	1,153,672
Revenue from Other Sources					
5120 Bond Premium	8,110	-	-	-	8,110
5200 Interfund Transfers	-	67,673	-	-	67,673
5400 Resources - Beginning Fund Balance	1,414,546	762,173	286,774	29,520,986	31,984,479
Total Revenue from Other Sources	1,422,656	829,846	286,774	29,520,986	32,060,262
Total	\$ 9,775,437	\$ 2,343,596	\$ 2,694,695	\$ 33,592,229	\$ 48,405,957

Nestucca Valley School District No. 101
Tillamook County, Oregon

**GENERAL FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2020**

Fund: 100 General Fund

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Instruction Expenditures								
1111 Primary, K-3	\$ 714,582	\$ 504,003	\$ 20,381	\$ 11,023	\$ -	\$ 3,449	\$ -	\$ 1,253,438
1121 Middle/Junior high school programs	119,878	95,165	1,431	4,244	-	1,850	-	222,568
1122 Middle/Junior high school extracurricular	1,690	566	6,175	3,835	-	150	-	12,416
1131 High school programs	679,601	433,762	5,471	7,697	-	3,740	-	1,130,271
1132 High school extracurricular	131,416	41,897	20,706	7,834	-	6,167	-	208,020
1210 Programs for the talented and gifted	-	-	88	-	-	-	-	88
1220 Restrictive programs for student with disabilities	20,107	21,995	-	195	-	-	-	42,297
1250 Less restrictive programs for student with disabilities	245,497	225,531	10,043	1,717	-	16,943	-	499,731
1260 Treatment and Habilitation	-	-	225	-	-	-	-	225
1272 Title IA/D	7,593	-	-	-	-	-	-	7,593
1280 Alternative education	-	-	66,027	-	-	2,447	-	68,474
1291 English second language programs	17,925	28,625	132	397	-	139	-	47,218
1400 Summer school programs	980	82	-	-	-	-	-	1,062
Total Instruction Expenditures	1,939,269	1,351,626	130,679	36,942	-	34,885	-	3,493,401
Support Services Expenditures								
2120 Guidance services	40,819	25,621	1,206	584	-	-	-	68,230
2130 Health services	-	-	2,533	897	-	-	-	3,430
2140 Psychological services	-	-	1,000	-	-	-	-	1,000
2190 Service direction, student support services	105,585	70,890	1,115	280	-	-	-	177,870
2210 Improvement of instruction services	-	-	-	-	-	-	-	-
2220 Educational media services	53,092	63,390	655	27,360	-	-	-	144,497
2230 Assessment testing	-	-	426	1,013	-	-	-	1,439
2240 Instructional staff development	1,500	1,292	2,480	-	-	25	-	5,297
2310 Board of education services	-	-	51,297	1,522	-	82,559	-	135,378
2320 Executive administration services	141,927	85,206	13,506	15,143	-	19,908	-	275,690
2410 Office of the principal services	305,695	219,756	6,601	15,905	-	3,360	-	551,317
2520 Fiscal services	56,283	45,301	66,879	20,246	-	4,630	-	193,339
2540 Operation and maintenance of plant services	167,758	124,216	221,474	66,084	-	838	-	580,370
2550 Student transportation services	232,766	228,134	11,263	49,601	-	2,337	-	524,101
2570 Internal services	-	-	20,956	-	-	-	-	20,956
2640 Staff services	36,823	27,756	2,165	696	-	6,610	-	74,050
2660 Technology services	109,854	74,967	35,421	6,937	-	150	-	227,329
Total Support Services Expenditures	1,252,102	966,529	438,977	206,268	-	120,417	-	2,984,293
Other Uses Expenditures								
5100 Debt Service	-	-	33,888	-	-	84,007	-	117,895
5200 Transfers of Funds	-	-	-	-	-	-	67,673	67,673
Total Other Uses Expenditures	-	-	33,888	-	-	84,007	67,673	185,568
Total 100 General Fund	\$ 3,191,371	\$ 2,318,155	\$ 603,544	\$ 243,210	\$ -	\$ 239,309	\$ 67,673	\$ 6,663,262

Nestucca Valley School District No. 101
Tillamook County, Oregon

**SPECIAL REVENUE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2020**

Fund: 200 Special Revenue Fund

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Instruction Expenditures								
1111 Elementary programs	\$ -	\$ -	\$ -	\$ 3,261	\$ -	\$ -	\$ -	\$ 3,261
1113 Elementary extracurricular	-	-	-	8,146	-	-	-	8,146
1122 Middle/junior high school extracurricular	-	-	-	5,476	-	-	-	5,476
1131 High School Programs	48,415	36,542	96	7,236	-	-	-	92,289
1132 High school extracurricular	-	-	2,920	80,330	-	-	-	83,250
1250 Less restrictive programs for student with disabilities	100,051	76,815	521	2,696	-	-	-	180,083
1271 Remediation	631	216	-	-	-	-	-	847
1272 Title IA/D	58,990	46,221	465	28,743	-	113	-	134,532
1280 Alternative education	178,102	47,759	23,388	23,858	-	2,694	-	275,801
1291 English Second Language Program	52,731	16,185	85	999	-	-	-	90,000
Total Instruction Expenditures	438,920	243,738	27,475	161,243	-	2,807	-	874,183
Support Services Expenditures								
2140 Psychological Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	8,746	4,965	2,472	-	-	-	-	16,183
2120 Guidance Services	28,683	18,045	-	-	-	-	-	46,728
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2320 Executive Administration Services	12,701	7,439	-	-	-	-	-	20,140
2410 Office of the Principal Services	10,087	6,417	-	-	-	-	-	16,504
2550 Student Transportation Services	-	-	1,900	-	121,911	-	-	123,811
2540 Operation and maintenance of plant services	42,803	30,932	90,222	13,777	85,691	578	-	264,003
2660 Technology Services	-	-	-	78,298	-	-	-	78,298
Total Support Services Expenditures	103,020	67,798	94,594	92,075	207,602	578	-	565,667
Enterprise and Community Services								
3100 Food services	95,264	98,802	41,595	191,703	-	16,507	-	443,871
3300 Community Services	4,194	339	-	-	-	-	-	4,533
Total Enterprise and Community Services	99,458	99,141	41,595	191,703	-	16,507	-	448,404
Total 200 Special Revenue Fund	\$ 641,398	\$ 410,677	\$ 163,664	\$ 445,021	\$ 207,602	\$ 19,892	\$ -	\$ 1,888,254

Nestucca Valley School District No. 101
Tillamook County, Oregon

DEBT SERVICE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2020

Fund: 300 Debt Service	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Other Uses Expenditures								
5100 Debt Service	-	-	-	-	-	2,232,102	-	2,232,102
Total Other Uses Expenditures	-	-	-	-	-	2,232,102	-	2,232,102
Total 300 Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,232,102	\$ -	\$ 2,232,102

Nestucca Valley School District No. 101
Tillamook County, Oregon

CAPITAL PROJECTS FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2020

Fund: 400 Capital Projects Fund								
	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Support Services Expenditures								
2520 Fiscal Services	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
2540 Operation and Maintenance of Plant Services	-	-	106,700	2,734	-	-	-	109,434
Total Support Services Expenditures	-	-	206,700	2,734	-	-	-	209,434
Facilities Acquisition and Construction Expenditures								
4110 Service area direction	\$ -	\$ -	\$ 1,883,598	\$ -	\$ -	\$ -	\$ -	\$ 1,883,598
4150 Building Acquisition, Construction and Improvement Services	\$ -	\$ -	\$ 292,462	\$ 86,475	\$ 10,500,659	\$ 160,933	\$ -	\$ 11,040,529
Total Facilities Acquisition and Construction Expenditures	-	-	2,176,060	86,475	10,500,659	160,933	-	12,924,127
Total 400 Capital Projects Fund	\$ -	\$ -	\$ 2,382,760	\$ 89,209	\$ 10,500,659	\$ 160,933	\$ -	\$ 13,133,561

NESTUCCA VALLEY SCHOOL DISTRICT
TILLAMOOK COUNTY, OREGON

SUPPLEMENTAL INFORMATION
 As Required by The Oregon Department of Education - Form 3211-C
 For the Year Ended June 30, 2020

A.	Energy bills for heating - all funds:		<u>Objects 325 and 326 & *327</u>
		Function 2540	\$ 138,035
		Function 2550	740

B.	Replacement of equipment - General Fund:		
	Include all General Fund expenditures in Object 542, except for the following exclusions:		<u>Amount</u>
	Exclude these functions:		
	1113, 1122 & 1132 Co-curricular activities 4150 Construction		\$ 18,258
	1140 Pre-kindergarten 2550 Pupil transportation		
	1300 Continuing education 3100 Food service		
	1400 Summer school 3300 Community services		

**Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.*

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
ANNUAL OPERATING DATA
Ending June 30, 2020

Debt Ratios - As of June 30 2020

Real Market Value	\$	1,770,242,380	
Estimated Population		4,521	
Per Capital Real Market Value	\$	391,560	
Debt Information			
		Gross Direct Debt ⁽¹⁾	Net Direct Debt ⁽²⁾
District Direct Debt	\$	33,832,776	\$ 33,832,776
Overlapping Direct Debt		7,194,214	6,633,891
Total Direct Debt	\$	<u>41,026,990</u>	<u>\$ 40,466,667</u>
Bonded Debt Ratios			
District Direct Debt to Real Market Value		0.019111946	1.91%
Total Direct Debt to Real Market Value		2.32%	2.29%
Per Capita District Direct Debit	\$	7,483	\$ 7,483
Per Capital Total Direct Debt	\$	9,075	\$ 8,951

(1) Gross Direct Debt includes all unlimited (general obligation bonds) and limited (full faith and credit obligations) tax supported debt. Limited tax pension obligations are included. (Gross Direct Debt less Debt Service Fund Balance) Beginning in FY 2010, the state changed its classification for pension bonds from self supporting to no-supporting. As a result, they are now included in the Net Direct Debt total.

Historical Average Daily Membership(w) ⁽¹⁾	
2020 ⁽²⁾	704.2
2019 ⁽²⁾	689.3
2018	684.7
2017	680.5
2016	686.1
2015	652.4

(1) Weighted Average Daily Membership is the enrollment figure, adjusted for part time students and students with special needs, that is used to allocate revenue appropriated

(2) Preliminary, subject to change

General Obligation Bond Debt Capacity - Fiscal Year 2020

Real Market Value (Fiscal Year 2020)	\$	1,770,242,380
Debt Capacity		
General Obligation Debt Capacity (7.95% of Real Market Value)		140,734,269
Less: Outstanding Debt Subject to Limit		(32,167,776)
Remaining General Obligation Debt Capacity		108,566,493
Percent of Capacity Issued		22.86%

Taxable Property Values

Fiscal Year	MS Real Market Value	Total Assessed Value	Urban Renewal Excess	Net Assessed Value
2020	\$ 1,770,242,380	\$ 1,299,393,450	\$ -	\$ 1,299,393,450
2019	1,654,922,932	1,243,798,059	-	1,243,798,059
2018	1,546,067,710	1,188,019,521	-	1,188,019,521
2017	1,453,275,042	1,148,885,279	-	1,148,885,279
2016	1,429,413,711	1,115,303,684	-	1,115,303,684
2015	1,359,450,275	1,078,038,802	-	1,078,038,802
2014	1,324,270,053	1,057,426,721	-	1,057,426,721
2013	1,327,316,755	1,031,259,139	-	1,031,259,139
2012	1,428,097,214	1,005,152,186	-	1,005,152,186
2011	1,529,677,898	974,163,246	-	974,163,246

Representative Levy Rate

Fiscal Year	Permanent Rate	Bond Levy	Total
2020	\$ 4.8580	\$ 1.6309	\$ 6.4889
2019	4.8580	1.6234	6.4814
2018	4.8580	0.7056	5.5636
2017	4.8580	0.7200	5.5780
2016	4.8580	0.7041	5.5621
2015	4.8580	0.6117	5.4697
2014	4.8580	0.4728	5.3308
2013	4.8580	0.6884	5.5464
2012	4.8580	0.7461	5.6041
2011	4.8580	0.7698	5.6278

Major Taxpayers - Fiscal Year 2019-20

Tillamook County

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
Tillamook County Creamery AS	Retail	\$ 967,591	\$ 103,467,744	1.95%
Tillamook PUD	Electrical/Utility	927,211	84,242,650	1.59%
Stimson Lumber Companyy	Wood Products	781,796	70,488,761	1.33%
Centurylink	Telecommunications	390,360	35,986,000	0.68%
Charter Communications	Telecommunications	267,975	23,498,200	0.44%
Hampton Lumber Mills Co	Wood Products	216,365	18,118,520	0.34%
Fred Meyer Stores Inc	Retail	208,329	17,442,520	0.33%
Store Capital Acquistions LLC	Retail	176,440	15,004,700	0.28%
Pacific Carriage Limited	Telecommunications	144,785	14,719,000	0.28%
Kiwanda Lodge LLC	Travel	136,660	10,978,290	0.21%
Subtotal - ten of County's largest taxpayers			290,478,641	5.48%
All other County's taxpayers			5,007,371,416	94.52%
Total County			\$ 5,297,850,057	100.00%

Major Taxpayers - Fiscal Year 2019-20

Nestucca Valley School District

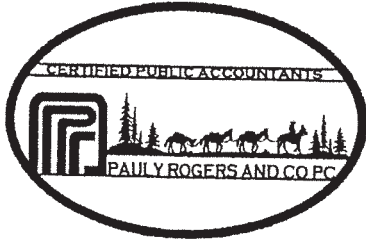
Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
Tillamook PUD	Electrical/Utility	\$ 154,897	\$ 13,642,810	1.05%
Kiwanda Lodge LLC	Real Estate	136,660	10,978,290	0.84%
Centurylink	Telecommunications	126,428	10,928,000	0.84%
Stimson Lumber Companyy	Wood Products	125,541	10,419,395	0.80%
Micrsoft Corpotation	Technology	109,644	3,313,790	0.26%
Kiwanda Properties LLC	Real Estate	102,265	8,193,470	0.63%
L & C Tree Farms LLC		80,394	6,629,575	0.51%
Sahhali South LLC	Real Estate	79,864	6,677,660	0.51%
Nestucca Forests LLC	Wood Products	45,451	3,723,410	0.29%
Thousand Trails Inc	Real Estate	38,999	3,406,750	0.26%
Subtotal - ten of District's largest taxpayers			77,913,150	6.00%
All other District's taxpayers			1,221,480,300	94.00%
Total District			\$ 1,299,393,450	100.00%

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NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

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September 24, 2020

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of Nestucca Valley School District No. 101 for the year ended June 30, 2020, and have issued our report thereon dated September 24, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the basic 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 the basic 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.**

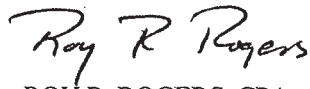
In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000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

1. Expenditures of various funds were within authorized appropriations, except as noted on page 9 of the financial report.

OAR 162-10-0230 Internal Control

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

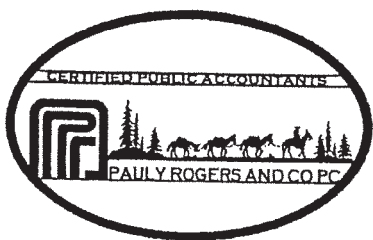
This report is intended solely for the information and use of the Board of Directors, Management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

NESTUCCA VALLEY SCHOOL DISTRICT NO. 101
TILLAMOOK COUNTY, OREGON
GRANT COMPLIANCE REVIEW

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September 24, 2020

To the Board of Directors
Nestucca Valley School District No.101
Tillamook County, Oregon

INDEPENDENT AUDITORS' 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 basic financial statements of the governmental activities and each major fund of Nestucca Valley School District No.101 as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated September 24, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic 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 basic 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 basic 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.

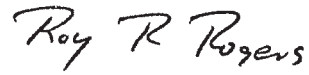
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

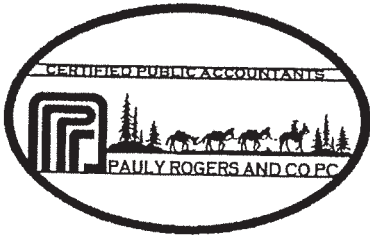
As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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.



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.



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September 24, 2020

To the Board of Directors
Nestucca Valley School District No.101
Tillamook County, Oregon

INDEPENDENT AUDITORS' 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 Nestucca Valley School District No.101'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, 2020. The major federal programs are identified in the summary of auditors' 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 each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and 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 Each Major Federal Program

In our opinion, Nestucca Valley School District No.101 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Other Matters


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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.


Roy R. Rogers, CPA -
PAULY, ROGERS AND CO., P.C.

NESTUCCA VALLEY SCHOOL DISTRICT NO.101
TILLAMOOK COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

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) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Any GAGAS audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(s) identified 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>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
84.287	21 st Century Community Learning
10.553, 10.555	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? yes no

NESTUCCA VALLEY SCHOOL DISTRICT NO.101
TILLAMOOK COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

1. **BASIS OF PRESENTATION**

The schedule of expenditures of federal awards included in this report includes 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule of expenditure of federal awards 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 District has elected not to use the ten percent de minimis 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 minimis rate.

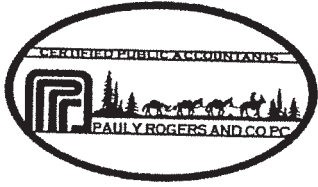
NESTUCCA VALLEY SCHOOL DISTRICT NO.101J
TILLAMOOK COUNTY, OREGON

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEAR ENDED JUNE 30, 2020



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Tigard, OR 97223



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September 24, 2020

To the Board of Directors
Nestucca Valley School District
Tillamook County, Oregon

We have audited the basic financial statements of the governmental activities and each major fund of Nestucca Valley School District (the District) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules
- federal, state and other agency rules and regulations related to expenditures of federal awards

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities. Our engagement letter details our nonaudit services we provide; these services do not constitute an audit under Government Auditing Standards.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of the basic financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about compliance with the types of compliance requirements described in the OMB's Compliance Supplement applicable to each of the major federal programs for the purpose of expressing an opinion on compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on compliance with those requirements.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment, except as noted on pg. 55 of the financial report.
3. Management letter – No separate management letter was issued.
4. Federal Awards – We found no issues of non-compliance and no questioned costs. We have responsibility to review these programs and give our opinion on the schedule of expenditures of federal awards, and tests of the internal control system, compliance with laws and regulations, and general and specific requirements mandated by the various awards.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2020. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the basic financial statements were Management’s estimate of Receivables, PERS Pension Liabilities & Deferrals, OPEB and RHIA Health Insurance assets, liabilities, & Deferrals, and Capital Asset depreciation which are based on estimated collectability of receivables, actuarial assumptions and useful lives of assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the basic financial statements are neutral, consistent, and clear.

Pauly, Rogers and Co., P.C.
September 24, 2020

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. There were immaterial uncorrected misstatements noted during the audit which were discussed with management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

Supplementary Information

With respect to the supplementary information accompanying the basic financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Other Information

We were not engaged to report on the other information, as listed in the table of contents, and the listing of board members, located before the table of contents, which accompanies the basic financial statements but is not required supplementary information. Such information has 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 it.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accountants and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 87 – LEASES

This Statement is effective for fiscal years beginning after June 15, 2021, as extended by GASB 95. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB 89 – ACCOUNTING FOR INTEREST COST INCURRED BEFORE THE END OF A CONSTRUCTION PERIOD

This Statement is effective for fiscal years beginning after December 15, 2020, as extended by GASB 95. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 2989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

Best Practices – Not Significant Deficiencies

1. Fidelity Insurance Coverage

Cash balances exceed fidelity (employee honesty) insurance coverage of \$100,000. While this may be an appropriate level of coverage, we recommend each year that the Board determine if this is an acceptable level of risk based on the potential liability.

2. Governing Body Monitoring

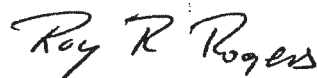
An integral part of internal controls is the monitoring of financial activities by those charges with governance the Board. This can be accomplished by asking specifically designed questions to senior staff, by reviewing financial statements and projections and by comparing financial results to pre-established benchmarks. While the Board participates in the budget adoption process and receives staff prepared financial statements, these only partially fulfill the monitoring function. We recommend that the governing body articulate their monitoring practices and record in the minutes when those activities occur.

3. 403(b) Compliance Requirements

The Internal Revenue Service (IRS) has published 403(b) regulations providing guidance on several administrative compliance requirements. A third party has been contracted with to outsource compliance with these requirements. Noncompliance subjects the District to potential penalties and fines. Since the third party provider does not provide the District with a SSAE 16 service provider report or internal control report covering their operations, we recommend that the District monitor current practices to determine compliance with accountability requirements for the Section 403(b) plan and consider the sufficiency of documentation received from the third party vendor to reduce the District risks in this area. The District should also consider being named as an additional insured on the vendors' insurance policies.

Pauly, Rogers and Co., P.C.
September 24, 2020

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

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, stylized "R" and "R".

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

7.1

Nestucca Valley School District

Board of Director's Meeting

Minutes-November 9, 2020

OPENING OF PUBLIC SESSION

- The Public Session was called to order by Board Chair Carver at 6:30 pm. Board Chair Carver led the Pledge of Allegiance.

Attendance:

- Annis Leslie-Not present
- X - Emily Hurliman
- X - Diane Boisa
- X - Bill Hagerty, Vice Chair
- X - Evan Carver, Board Chair-
- X - Misty Wharton, Superintendent
- X - Ken Richwine, Junior-Senior High Principal
- X- Megan Kellow, Special Programs Administrator
- X - Chad Holloway-Associate Elementary Principal

Patrons, Students and Staff: Jim Oeder, Brian Hardebeck, Diane Wilkenson, Madlen Silkwood, Heidi Morrell, Tevin Gianella, Andre Schellhaas, Danny Maddox (Student Council President), Maile Samak

Approval of Agenda-November 9, 2020

MOTION: Bill Hagerty 2nd: Emily Hurliman AYES: 4 NOES: 0 ABSTAIN: 0

COMMUNITY/SCHOOL PRESENTATIONS

- K-8 Bond Project Update: Brian Hardebeck from Day CPM gives an update regarding progress on the K-8 construction project. Mr. Hardebeck reports that the project is on budget and set to be completed earlier than originally projected (April '21). He also states that there are 100 workers there each day taking the necessary precautions to prevent the spread of COVID. As a result, there have been no reports of COVID from the job site. Other highlights include a discussion around the new ventilation system, which previously did not meet the COVID OSHA standards, but

now does. Mr. Hardebeck also discusses the possibility of “add backs” to fully spend the contingency.

- Fire Chief, Jim Oeder, discusses the possibility of the fire department and school district working together to develop and improve the land behind the fire department/NVELC. This land could be used as a possible location for a bus barn. Chief Oeder believes this could benefit all involved. Board member Hagerty brings up the possibility of adding a fuel station and a bay for mechanic work to share between the district and fire department as a way to save money. Chief Oeder mentions that they have to send out fire trucks for repair, but did acknowledge that basic repairs done on site was a possibility. Board Member Boisa asks about cost. Superintendent reports that this will be a basic structure and the possibility of using the previously mentioned “add back” funds to complete this project.
- Danny Maddox introduces himself to the Board of Directors as the new Student Body President. He also announces the names of the other elected student leaders (Vice President: Leif Marsh, Treasurer: Cara Simpson and Secretary: Eva Marshall).

PUBLIC COMMENT

- None

CONSENT AGENDA—consolidated motion

- Board Minutes from the October 12, 2020 Board Meeting
- October 2020 Financial Report
- Ratification of Employment

MOTION: Diane Boisa 2nd: Emily Hurliman AYES: 4 NOES: 0 ABSTAIN: 0

ACTION DISCUSSION

- None

INFORMATION/DIRECTOR QUESTIONS

- 6.1: No questions regarding administration reports
- 6.2: Ms. Wharton goes over the new metrics that Governor Brown put out last Friday. While we initially qualified to bring students back in a hybrid model, our current metrics no longer allow for this. The Board voted in October to wait to bring our students back until January 2021. This will continue to be the plan unless the

COVID numbers increase further, which could put us all back into quarantine, placing the decision making out of hands. Ms. Wharton also reports what school would look like in a hybrid model. The district has planning in place, but is not quite ready yet.

- 6.3: Internet Access Update: All towers have been purchased. The district is ready to go, but we are waiting for permits. These towers were funded by federal and state grants (grants were created to support projects such as these during COVID). Ms. Wharton gives special shout out to Lucy Schiminesky who has been supporting the district by installing internet in the homes of our students.
- 6.4: Diane Boisa expresses her appreciation for the Bond Oversight Committee. She reports that there has been a lot of support and involvement from Brian Hardebeck and team. No further reports.

FURTHER BUSINESS

- Fire Chief Oeder reports that it has been very nice working with O'Brien Construction on the job site.
- With no further business, Board Chair Carver adjourned the meeting at 7:07 p.m.

**Nestucca Valley School District
Financial Report
2020-21**

7.2

For Period Ending November 30, 2020

General Fund - Revenue & Expenditures by Object Code

	Budget	Actual	Encumbrances	Variance
Revenue:				
1111 Current Taxes	\$ 5,918,000	\$ 5,527,385	\$ -	\$ (390,615)
1112 Prior Taxes	150,000	66,443	-	(83,557)
1114 PILOT	-	-	-	-
1190 Interest on Taxes	7,500	313	-	(7,187)
1411 Transportation Fees/Other	-	-	-	-
1510 Interest	62,000	7,144	-	(54,856)
1790 Extra Curricular Activities	-	-	-	-
1920 Contributions & Donations	2,500	-	-	(2,500)
1960 Recovery of Expenditures	10,000	17,078	-	7,078
1990 Miscellaneous Revenue	30,000	380	-	(29,620)
1991 E-Rate Reimbursement	-	13,920	-	13,920
Total Local Revenue	6,180,000	5,632,663	-	(547,337)
2101 County School Fund	500,000	-	-	(500,000)
Total Intermediate Revenue	500,000	-	-	(500,000)
3103 Common School Fund	45,000	-	-	(45,000)
3104 State Timber Revenue	300,000	257	-	(299,743)
3199 Unrestricted Revenue	30,000	-	-	(30,000)
3204 Driver Education	-	-	-	-
3299 Other Restricted Grants in Aid	-	-	-	-
Total State Revenue	375,000	257	-	(374,743)
4300/4500 Federal Revenue	-	-	-	-
Total Federal Revenue	-	-	-	-
5400 Beginning Fund Balance	2,300,000	3,112,175	-	812,175
Total Other Sources	2,300,000	3,112,175	-	812,175
Total Revenues	\$ 9,355,000	\$ 8,745,095	\$ -	\$ (609,905)
Expenditures:				
100 - Salaries	\$ 3,566,257	\$ 996,221	\$ 2,191,705	\$ 378,331
200 - Benefits	2,564,347	673,308	1,554,121	336,918
300 - Purchased Services	705,594	149,323	291,477	264,794
400 - Supplies & Materials	416,887	107,225	155,190	154,472
500 - Capital Outlay	-	-	-	-
600 - Other Objects	276,915	204,775	10,515	61,625
700 - Transfers	625,000	-	625,000	-
800 - Operating Contingency	600,000	-	-	600,000
800 - Unappropriated EFB	600,000	-	-	600,000
Total Expenditures	\$ 9,355,000	\$ 2,130,852	\$ 4,828,008	\$ 2,396,140

**Nestucca Valley School District
Financial Report
2020-21**

For Period Ending November 30, 2020

Special Revenue Funds - Revenue & Expenditures by Object Code

	Budget	Actual	Encumbrances	Variance
Revenue:				
Local Revenue	\$ 440,000	\$ 48,185	\$ -	\$ (391,815)
State Revenue	1,728,709	52,865	-	(1,675,844)
Federal Revenue	1,111,143	138,979	-	(972,164)
Interfund Transfers	625,000	-	625,000	-
Beginning Fund Balance	200,000	455,342	-	255,342
Total Revenues	\$ 4,104,852	\$ 695,371	\$ 625,000	\$ (2,784,481)
Expenditures:				
100 - Salaries	\$ 869,411	\$ 228,545	\$ 530,790	\$ 110,076
200 - Benefits	674,329	166,447	388,435	119,447
300 - Purchased Services	390,775	55,512	15,350	319,913
400 - Supplies & Materials	1,083,998	302,907	197,581	583,510
500 & 600 - Capital & Other Objects	300,000	414,514	1,124	(115,638)
700 - Transits	730,000	204,150	523,975	1,875
800 - Reserved for Next Yr	56,339	-	-	56,339
Total Expenditures	\$ 4,104,852	\$ 1,372,075	\$ 1,657,255	\$ 1,075,522

Board Notes-12/14/2020

Special Education:

1. We are currently working on our annual SPR&I process. This ODE collection requires that special education files are picked at random and are carefully evaluated for compliancy with current special education legal requirements. Generally speaking, this is a process done by myself, our SPED Secretary and all case managers. It is very helpful in determining any compliance issues the district may have missed and an opportunity to for case managers to see firsthand the expectations set by the state. Unfortunately, we will not be doing this during the 20-21 school year. I will be working with Liz Kellow (part time SPED Secretary) to complete the SPR&I process this year. Our selected files are focused on our high school students with SPED services and transition. Once all files have been carefully reviewed, any errors must be immediately addressed and corrected via additional file review or reconvening the special education team to correct specific paperwork. Although this year has been very complicated when it comes to compliance given the circumstances we find ourselves in, ODE is acknowledging those challenges, so I believe this process will be fairly smooth thanks to the efforts of the SPED Team putting students' needs/services as a top priority.
2. The SECC (special education child count) district paperwork was due December 1, 2020. It was a lot of work, but I am happy to report that all paperwork was in by the deadline. I am still working on the final submission to the state, as there are some complicating factors related to the COVID Pandemic and how to best document when students aren't present in the buildings. The SECC provides the Department of Education with accurate counts and specific data for state and national reports. In January, we will receive our ECR (Electronic Correction Report). This ECR will tell us if they have identified errors within our report (for example, if two districts report the same student) and we must make immediate efforts to correct the problem. Kudos to our case managers and Liz Kellow for going above and beyond to make sure all paperwork is in and accurate before the December 1st deadline!

Special Programs:

1. The 2nd period cumulative ADM collection is due next month. I am still admittedly in the learning process with this collection, but I am starting to get the hang of it. It also gives me the ability to gain a deeper understanding about our student data system, which allows me to be more independent when accessing data for other ODE collections.
2. I have completed all the private school collections for the state. With Neskowin Valley School closing for the 20-21 school year, these reports and how we expend funds looks much different than in the past.
3. All Fall ELL reporting is complete and approved by ODE.

December 10, 2020

Board Members,

Even in the midst of this pandemic our students' still find joy in the Holiday Season. I had the opportunity to be present in several elementary zoom class where the students were talking with each other and their teachers about the upcoming Holidays and a consistent theme was the Elf on the Shelf. The student excitement about the Elf and the Holidays was infectious and provided a great point of connection with each other.

Since Thanksgiving Mr. Richwine and I have been working on organizing for the possibility of initiating Limited In Person Instruction (LIPI) in January. Running LIPI safely along with everything else we do will be a significant challenge. The guidance provided by ODE lays out a number of requirements for LIPI that make running LIPI a planning and logistics challenge. However, provided circumstances allow, the great team of staff we have will be able to meet the challenge.

A big thanks to the maintenance crew in their efforts to have the old elementary gym ready to receive the new furniture for the K-8 facility on December 14. As many of you know most of the materials from the old portion of the K-8 facility were stored in the old gym. In order to be ready for the new furniture the old gym had to be substantially cleared so the new furniture could be delivered and assembled in the old gym. Consequently the maintenance crew has been working on clearing the gym in addition to their normal duties.

Finally, thank you for your and the community's support of our students and staff during these difficult times.

Sincerely,

Chad C. Holloway
Principal
Nestucca Valley Elementary School

NVELC Board Report
12.14.2020

We are wrapping up this crazy year. The first ELC staff evaluations are all done and the last packets of the year have been sent home to families. The staff have done an incredible job of staying engaged with families, running Zoom classes with materials that are sent home every week. We have about 80% of our families engaged on a regular basis. We have started working more closely with Tami and Barb to learn family history and share those that are new to the district. Even in this weird time, we are excited about the connection between us and the school district and look forward to the positive message it will send to the community.

Looking to January and a potential in-person plan, we are working in conjunction with the K-12 team, evaluating those families who have not been engaged at all, due to internet or other circumstances. With the goal being to invite siblings and families for scheduling and safety purposes, we will offer an opportunity for Limited In-Person Instruction. I am looking at a LIPI plan along with NKN school district preschool as well.

We are following this rubric: 1. Will the parents even want access to an in-person program?

2. Which parents will and will their schedules accommodate our hours? (We will not have transportation, or before/after care.)

3. Which of our staff will be able to work on site? 4 out of 5 of our ed team have children in K-8.

We are working on a Social Story presentation that shows pictures of the teachers with and without masks and walks the students through the building and a day at school. We have some families enrolled who have never even been to NVELC. This story will help staff and families approach the separation anxiety that children (and parents) might experience. As a team, we are all very aware of the traumatic time this has been for our young students and their parents and we want to honor each and every student's situation.

As always, we remain grateful to be a part of the team and look forward to better times with the district.

Stay safe, and happy holidays.

Diane Wilkinson
Early Learning Program Director
Nestucca Valley Early Learning Center
503-392-3194 x355
www.nvelc.com