

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023



12700 SW 72nd Ave.
Tigard, OR 97223

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

2022-2023 FINANCIAL REPORT

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

2022-2023 FINANCIAL REPORT

Board of Directors

Brian Taylor, Chair	June 30, 2025
Chris Corder, Vice-Chair	June 30, 2027
Sondra Gomez	June 30, 2027
Brian Owen	June 30, 2025
Shannon Swedenborg	June 30, 2027
Michelle Hawken	June 30, 2025
Kevin LaCoste	June 30, 2027

Board members receive mail at the District address listed below.

ADMINISTRATION

Susan Penrod
Superintendent

Toni Vandershule (Registered Agent)
Business Manager
2600 Spruce Drive, Suite 100
Seaside, OR 97138

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

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December 12, 2023

Board of Directors
Seaside School District
Clatsop County, Oregon

INDEPENDENT AUDITORS' REPORT

Qualified and Unmodified Opinions

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Seaside School District, as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Seaside School District, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on Each Major Fund

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of Seaside School District, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

Management has not implemented GASB Statement Number 96, *Subscription Based Information Technology Arrangements* (SBITAs). Accounting principles generally accepted in the United States of America require recognition of right-to-use assets and related liabilities for subscriptions. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use asset. The amount by which this departure would affect net position, liabilities and expenses of the governmental activities is not reasonably determinable.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the basic financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

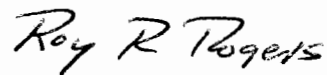
Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include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

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

Report on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our report dated December 13, 2023 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 13, 2023 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive, slightly slanted style.

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

**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

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

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$26,236,977. Of this amount, \$26,676,667 represents the District's net investment in capital assets, \$2,407,184 is restricted for various purposes and the deficit of \$2,846,874 is unrestricted.
- The District's total net position increased \$6,876,619 for the fiscal year.
- The District's governmental funds reported a combined ending fund balance of \$17,490,869 at June 30, 2023, an increase of \$539,834.
- At June 30, 2023, the unassigned fund balance for the General Fund was \$8,047,619.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

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

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

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

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/food services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, timber revenue, and other intergovernmental revenues.

**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between government funds and government-wide financial statements.

The District maintains four individual governmental funds. Information for the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund are presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances.

Notes to Basic Financial Statements: The notes provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The Management's Discussion and Analysis, is considered required supplementary information.

Other required supplementary information is presented on the basic financial statements. Other additional supplemental information and additional schedules are presented. The independent auditors' report required by Oregon State regulations are presented; as well as grant compliance review.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by \$26,236,977 as of June 30, 2023, an increase of \$6,876,619 during the year.

Capital assets, which consist of the District's land, buildings, building improvements, and equipment, net of accumulated depreciation, represent about 86.9 percent of total assets. The remaining assets consist mainly of investments, cash, grants and property taxes receivable.

The District's largest liability, which represents 85.5 percent of total liabilities, is for the repayment of long-term obligations. The District's proportionate share of the net pension liability and OPEB liability represents 11.9 percent of total liabilities. Other liabilities consist primarily of payables on accounts, and salaries and benefits payable as of June 30, 2023.

**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

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

SEASIDE SCHOOL DISTRICT STATEMENT OF NET POSITION			
	Governmental Activities		
	June 30, 2023	June 30, 2022	Increase (Decrease)
ASSETS			
Current and Other Assets	\$ 20,189,881	\$ 18,864,021	\$ 1,325,860
Capital Assets, net of depreciation	133,910,297	132,310,607	1,599,690
Total Assets	<u>154,100,178</u>	<u>151,174,628</u>	<u>2,925,550</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferrals	6,206,266	6,131,493	74,773
Total OPEB Related Deferred Outflows	<u>281,720</u>	<u>412,476</u>	<u>(130,756)</u>
Total Deferred Outflows of Resources	6,487,986	6,543,969	(55,983)
LIABILITIES			
Current Liabilities	5,663,952	4,589,074	1,074,878
PERS net pension liability	13,096,027	9,655,284	3,440,743
Long-Term Obligations	<u>110,401,274</u>	<u>114,702,582</u>	<u>(4,301,308)</u>
Total Liabilities	<u>129,161,253</u>	<u>128,946,940</u>	<u>214,313</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferrals	4,785,890	8,952,110	(4,166,220)
Total OPEB Related Deferred Inflows	<u>404,044</u>	<u>459,189</u>	<u>(55,145)</u>
Total Deferred Inflows of Resources	5,189,934	9,411,299	(4,221,365)
NET POSITION			
Net Investment in Capital Assets	26,676,667	22,511,104	4,165,563
Restricted	2,407,184	2,107,631	299,553
Unrestricted	<u>(2,846,874)</u>	<u>(5,258,377)</u>	<u>2,411,503</u>
Total Net Position	<u>\$ 26,236,977</u>	<u>\$ 19,360,358</u>	<u>\$ 6,876,619</u>

**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

Governmental Activities. During the current fiscal year, the District's net position increased by \$6,876,619. The key elements of the change in the District's net position for the year ended June 30, 2023 are as follows:

- Several hard to fill positions remained vacant
- ESSER funds were still available and supplemented some of our programs
- Major projects for schools and fields have been delayed

SEASIDE SCHOOL DISTRICT CHANGES IN NET POSITION Year End			
	Governmental Activities		Increase
	June 30, 2023	June 30, 2022	(Decrease)
REVENUES			
Program Revenues			
Charges for Services	\$ 3,310	\$ 4,256	\$ (946)
Operating Grants and Contributions	4,499,153	4,153,956	345,197
General Revenues			
Property Taxes Levied for:			
General Purposes	19,598,706	18,769,487	829,219
Debt Service	5,016,250	4,986,868	29,382
Timber Harvest Tax Revenue	1,455,508	845,873	609,635
Earnings on Investments	591,609	131,756	459,853
Other Local Sources	2,185,263	1,695,371	489,892
Intermediate Sources	1,651,376	1,702,110	(50,734)
Gain (Loss) on Disposal	(4,643)	2,966,807	(2,971,450)
State Sources	95,741	188,194	(92,453)
Total revenues	<u>35,092,273</u>	<u>35,444,678</u>	<u>(352,405)</u>
EXPENSES			
Instruction	15,573,956	14,749,347	824,609
Support services	8,528,512	7,624,117	904,395
Enterprise and Community Services	1,038,274	974,751	63,523
Facilities Acquisition	(5,445)	187,925	(193,370)
Interest on Long-Term Debt	<u>3,080,357</u>	<u>3,228,080</u>	<u>(147,723)</u>
Total expenses	<u>28,215,654</u>	<u>26,764,220</u>	<u>1,451,434</u>
Increase (Decrease) in Net Position	6,876,619	8,680,458	(1,803,839)
Net Position - Beginning	<u>19,360,358</u>	<u>10,679,900</u>	<u>8,680,458</u>
Net Position - Ending	<u><u>\$ 26,236,977</u></u>	<u><u>\$ 19,360,358</u></u>	<u><u>\$ 6,876,619</u></u>

**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

At June 30, 2023, the District's governmental funds reported combined ending fund balances of \$17,490,869, an increase of \$539,834 in comparison with the prior year. Of the fund balance, \$2,083,080 of the ending fund balances constitutes restricted ending fund balance, amounts that are legally restricted by outside parties for a specific purpose (such as grants). \$7,312,669 of fund balance is assigned for capital projects, and \$47,501 is non-spendable. The remaining ending fund balance, \$8 million, 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, 2023, the total fund balance was \$8,047,619.

Special Revenue Fund: These funds consist of local, state and federal grants, as well as, the student body, food service, and scholarships. The combined ending fund balance for these accounts was \$2,329,659.

Debt Service Fund: The Debt Service Fund had a total fund balance of (\$230,475).

Capital Projects Fund: These funds consist of general capital projects, a general obligation school construction project, and a capital maintenance reserve fund. The combined ending fund balance for these accounts was \$7,312,669.

CAPITAL ASSETS

The District's investment in capital assets includes land, buildings and building improvements, vehicles and equipment. As of June 30, 2023 the District had invested \$133,910,297 in capital assets, net of depreciation. As shown on the following table, total capital assets net of depreciation increased overall by \$1,599,690, due to construction in progress offset by regular depreciation of assets.

**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

SEASIDE SCHOOL DISTRICT CAPITAL ASSETS (net of depreciation)			
	Governmental Activities		
	June 30, 2023	June 30, 2022	Increase (Decrease)
Land	\$ 168,631	\$ 161,131	\$ (7,500)
Construction in Progress	130,404,202	130,115,845	288,357
Building and improvements	1,998,263	594,897	1,403,366
Vehicles and equipment	1,339,201	1,438,734	(99,533)
Total Capital Assets, net of depreciation	<u>\$ 133,910,297</u>	<u>\$ 132,310,607</u>	<u>\$ 1,599,690</u>

Long-term Debt. At the end of the current fiscal year, the District had \$112,544,615 in outstanding debt. This includes issuances of general obligation bonds and full faith and credit obligations offset by regular debt payments and amortization of premiums. Additional information on the District's long-term debt can be found in the notes to basic financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most important economic factor affecting the District is the stability of the property tax base. As the district 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.

The City of Seaside has implemented the Southeast Seaside Urban Renewal Plan. As an impacted taxing educational District, the establishment of Urban Renewal Plan does not directly reduce the District's current tax revenues; however, it does reduce the growth of revenues. Over time, as the increment between the frozen base and the actual assessed value grows, more revenues are diverted from the taxing districts to the Urban Renewal Agency. These diverted revenues do have an impact on the District's future years operating budgets because they do equate to increased revenues that are not being collected for the District infused into the District's revenue stream.

For the year ended June 30, 2023, property taxes and timber monies provided 74.29 percent of the District's program resources (including debt service obligations).

In November 2020, the District received authorization to continue a local option tax for operating purposes for a period of five years commencing fiscal year 2021–2022 and ending fiscal year 2025–2026, at a fixed rate of \$0.52 per \$1,000 of assessed value.

In November 2016, voters gave the District authorization to sell general obligation bonds not to exceed \$99.7 million. On February 14, 2017, the District sold two series of bonds totaling \$97.4 million which also resulted in

**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

an additional \$11.6 million in bond premium. A premium bond is when a bond trades at a premium when it offers a coupon rate higher than prevailing interest rates because investors want a higher yield and will pay more for it. Taxpayers are not responsible for paying for the additional funds that bond premiums generate. They are responsible only for the \$97.4 million sold. In fiscal year 2020-21, the District sold the remaining \$2,207,343 in general obligation bonds (with \$957,821 in bond premium) and also issued \$8,180,000 in Full Faith and Credit Obligations, to fund the remaining construction of the K-12 project.

Grants that were supplementing the hardship incurred during the COVID-19 pandemic are going to end for us in the 2023-2024 school year. The Elementary and Secondary School Emergency Relief (ESSER) grants have allowed the District to purchase supplies, hire additional staff, and implement the needed technology to deliver instructional support for students over the past few years. These positions have been moved to stable funding. However, the projects and supplies will need to be reallocated to other grants, and the general fund.

Integrated Guidance has been implemented. It combines six individual grants and programs that have previously been developed and submitted separately. For further information on our programs, our Integrated Guidance plan can be found on our website.

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 the District's Business Manager at 2600 Spruce Drive, Suite 100, Seaside, Oregon 97138.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2023

ASSETS:	
Cash and Investments	\$ 11,310,800
Property Taxes Receivable	1,130,402
Accounts Receivable	7,328,264
Prepaid Expense	31,397
Inventory	16,104
Net OPEB Asset - RHIA	324,104
Right-to-Use-Asset, net of Amortization	48,810
Capital Assets:	
Non-depreciable	130,572,833
Depreciable, Net of Depreciation	3,337,464
Total Assets	154,100,178
DEFERRED OUTFLOWS OF RESOURCES:	
Pension Related Deferrals - PERS	6,206,266
OPEB Related Deferrals - RHIA	42,328
OPEB Related Deferrals - Health Insurance	195,263
OPEB Related Deferrals - Stipends	44,129
Total Deferred Outflows:	6,487,986
TOTAL ASSETS AND PENSION RELATED DEFERRALS	160,588,164
LIABILITIES:	
Current:	
Accounts Payable	99,017
Accrued Payroll, Taxes, and Employee Withholdings	1,511,762
Accrued Compensated Absences	185,106
Current Lease Liability	24,740
Accrued Interest	140,519
Long-term Liabilities Due within One Year	3,702,808
Noncurrent:	
Long-term Liabilities Due in More Than One Year	98,676,150
Bond Premium	10,165,657
Long Term Lease Liability	25,627
Net Pension Liability - PERS	13,096,027
OPEB Liability - Health Insurance	1,234,210
OPEB Liability - Stipends	299,630
Total Liabilities	129,161,253
DEFERRED INFLOWS OF RESOURCES:	
Pension Related Deferrals - PERS	4,785,890
OPEB Related Deferrals - RHIA	44,303
OPEB Related Deferrals - Health Insurance	322,481
OPEB Related Deferrals - Stipends	37,260
Total Deferred Inflows:	5,189,934
TOTAL LIABILITIES AND PENSION RELATED DEFERRALS	134,351,187
NET POSITION:	
Net Investment in Capital Assets	26,676,667
Restricted:	
Net OPEB - RHIA	324,104
Special Revenue	2,313,555
Unrestricted	(3,077,349)
Total Net Position	\$ 26,236,977

See accompanying notes to the basic financial statements.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

FUNCTIONS	EXPENDITURES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 15,573,956	\$ -	\$ 2,419,811	\$ (13,154,145)
Support Services	8,528,512	2,596	1,280,626	(7,245,290)
Community Services	1,038,274	714	798,716	(238,844)
Facilities Expense	(5,445)	-	-	5,445
Interest on Long-Term Debt	3,080,357	-	-	(3,080,357)
Total Governmental Activities	<u>\$ 28,215,654</u>	<u>\$ 3,310</u>	<u>\$ 4,499,153</u>	<u>(23,713,191)</u>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	19,598,706
Property Taxes, Levied for Debt Service	5,016,250
Timber Harvest Tax Revenue	1,455,508

Income Not Restricted to Specific Programs:

Local Sources	2,185,263
Intermediate Sources	1,651,376
Common School Fund	95,741
Interest and Investment Earnings	591,609
Gain (Loss) on Disposal	(4,643)

Total General Revenues	<u>30,589,810</u>
Changes in Net Position	6,876,619
Net Position – Beginning	<u>19,360,358</u>
Net Position – Ending	<u>\$ 26,236,977</u>

See accompanying notes to the basic financial statements

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS:					
Cash and Investments	\$ 6,203,835	\$ -	\$ -	\$ 5,106,965	\$ 11,310,800
Receivables:					
Taxes	896,205	-	234,197	-	1,130,402
Accounts	992,050	6,227,264	108,950	-	7,328,264
Due from Other Funds	2,126,085	-	-	2,205,704	4,331,789
Prepaid Expenses	31,397	-	-	-	31,397
Inventory	-	16,104	-	-	16,104
Total Assets	\$ 10,249,572	\$ 6,243,368	\$ 343,147	\$ 7,312,669	\$ 24,148,756
LIABILITIES:					
Payroll Liabilities	\$ 1,510,291	\$ 1,471	\$ -	\$ -	\$ 1,511,762
Accounts Payable	95,506	3,511	-	-	99,017
Due to Other Funds	-	3,908,727	423,062	-	4,331,789
Total Liabilities	1,605,797	3,913,709	423,062	-	5,942,568
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	564,759	-	150,560	-	715,319
Total Deferred Inflows of Resources	564,759	-	150,560	-	715,319
FUND BALANCES:					
Nonspendable	31,397	16,104	-	-	47,501
Restricted:					
Special Revenue	-	2,313,555	-	-	2,313,555
Assigned	-	-	-	7,312,669	7,312,669
Unassigned	8,047,619	-	(230,475)	-	7,817,144
Total Fund Balances	8,079,016	2,329,659	(230,475)	7,312,669	17,490,869
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,249,572	\$ 6,243,368	\$ 343,147	\$ 7,312,669	\$ 24,148,756

See accompanying notes to the basic financial statements

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

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

Total Fund Balances - Governmental Funds		\$	17,490,869
<p>The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.</p>			
Capital Assets, Net of Depreciation			133,910,297
<p>The Net PERS 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.</p>			
OPEB RHIA Asset			324,104
<p>Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.</p>			
Deferred Outflows (PERS)	\$	6,206,266	
Deferred Outflows (OPEB-PERS RHIA)		42,328	
Deferred Outflows (OPEB-Health Insurance)		195,263	
Deferred Outflows (OPEB Stipends)		44,129	
Deferred Inflows (PERS)		(4,785,890)	
Deferred Inflows (OPEB-PERS RHIA)		(44,303)	
Deferred Inflows (OPEB-Health Insurance)		(322,481)	
Deferred Inflows (OPEB Stipends)		(37,260)	1,298,052
<p>The net OPEB obligation is not reported as a liability in the governmental funds. (Stipends)</p>			
			(299,630)
<p>The net OPEB obligation is not reported as a liability in the governmental funds. (Health Insurance)</p>			
			(1,234,210)
<p>Long-term liabilities applicable to the 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.</p>			
Long term Liabilities			
PERS Bonds Payable		(4,360,000)	
Loan Payable		(107,125)	
General Obligation Bonds Payable		(97,911,833)	
Bond Premium		(10,165,657)	
Interest Payable		(140,519)	
Accrued Compensated Absences		(185,106)	(112,870,240)
<p>Unavailable revenue related to property taxes</p>			
			715,319
<p>Right-to-use assets are not financial resources and therefore are not reported in the governmental funds.</p>			
Right-to-Use, Net			48,810
<p>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, both current and long-term, are reported in the statements of Net Position.</p>			
Lease Payable on Right-to-Use Assets			(50,367)
Net Position	\$		26,236,977

See accompanying notes to the basic financial statements

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:					
Local Sources	\$ 20,603,815	\$ 651,570	\$ 6,037,625	\$ 11,705	\$ 27,304,715
Intermediate Sources	1,582,245	69,131	-	-	1,651,376
State Sources	515,440	3,742,787	-	-	4,258,227
Federal Sources	40,718	1,751,457	-	-	1,792,175
Total Revenues	22,742,218	6,214,945	6,037,625	11,705	35,006,493
EXPENDITURES:					
Current:					
Instruction	13,003,352	2,861,074	-	-	15,864,426
Support Services	7,538,039	1,122,420	-	-	8,660,459
Community Services	-	1,057,638	-	-	1,057,638
Facilities Acquisition	-	20,000	-	1,850,448	1,870,448
Capital Outlay	91,702	18,500	-	-	110,202
Debt Service	-	27,540	6,875,946	-	6,903,486
Total Expenditures	20,633,093	5,107,172	6,875,946	1,850,448	34,466,659
Excess of Revenues Over, (Under) Expenditures	2,109,125	1,107,773	(838,321)	(1,838,743)	539,834
Other Financing Sources, (Uses):					
Transfers In	-	37,540	-	-	37,540
Transfers Out	(37,540)	-	-	-	(37,540)
Total Other Financing Sources, (Uses)	(37,540)	37,540	-	-	-
Net Change in Fund Balance	2,071,585	1,145,313	(838,321)	(1,838,743)	539,834
Beginning Fund Balance	6,007,431	1,184,346	607,846	9,151,412	16,951,035
Ending Fund Balance	\$ 8,079,016	\$ 2,329,659	\$ (230,475)	\$ 7,312,669	\$ 17,490,869

See accompanying notes to the basic financial statements

SEASIDE SCHOOL DISTRICT
CLATSOP 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, 2023

Total Net Changes in Fund Balances - Governmental Funds	\$	539,834
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Capital asset additions are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital assets additions exceeds depreciation.

Capital Asset Additions	\$	1,986,095	
Gain (Loss) on Sale of Capital Assets		(4,643)	
Depreciation Expense		(381,762)	1,599,690

The Pension Income (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. - PERS		800,250
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Repayment of bond principal, capital leases, compensated absences and post retirement obligations are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Additions to these liabilities are an expense for the Statement of Activities but not the governmental funds. This is the amount by which proceeds exceeded repayments:

PERS Bond Repaid		740,000	
Loan Repaid		23,640	
Bond Premium (Amortized)		437,537	
GO and FFCO Bonds Repaid		2,590,227	
Accrued Interest		5,614	
Accrued Compensated Absences		(3,258)	3,793,760

Change in net OPEB asset and deferrals - RHIA		33,336
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Change in net OPEB liability and deferrals - Stipends		39,525
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Change in net OPEB liability and deferrals - Health Insurance		(19,689)
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Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes unavailable revenue for all property taxes levied but not received; however, in the Statement of Activities, there is no unavailable revenue and the full property tax receivable is accrued.

Change in Unearned Revenue, General Fund		71,254	
Change in Unearned Revenue, Debt Service Fund		19,169	90,423

In the Statement of Activities, there is no unavailable revenue related to commodities and inventory that were received during the year. These amounts are recognized as revenue in the Statement of Net Position.

Payment on Lease Liability on Right-to-Use Assets		23,893
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Amortization Expense increases the expenses on the Statement of Activities.

Amortization Expense on Right-to-Use Assets		(24,403)
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Change in Net Position of Governmental Activities	\$	6,876,619
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See accompanying notes to the basic financial statements

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Administrative School District No. 10 (Seaside) (the District) is a municipal corporation organized under provisions of Oregon Revised Statutes Chapter 332 for the purpose of operating elementary and secondary public schools. Control is vested in its elected Board of Directors. Administrative functions are delegated to individuals who report to and are responsible to the Board. The chief administrative officer is the Superintendent. As required by accounting principles generally accepted in the United States of America, all activities have been included in these basic financial statements.

The major sources of revenue are property taxes, timber sales, and grants from the federal and state governments. Monies are expended to provide elementary and secondary education to school-age children residing within the school district boundaries.

The District has authority to levy taxes on property within the district for elementary and secondary education and for payment of general obligation bonds. It has exercised that authority for several years.

Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the District's reporting because of the significance of their operational or financial relationships with the District. Based on these criteria, the District is not a component unit of another entity, nor is any other entity required to be included in the basic financial statements of the District.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

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

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

Program Revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the general revenues. Program revenues include (1) charges for fees, rentals, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as 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 on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND FINANCIAL STATEMENTS

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.

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 the general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is 60 days. Property tax revenue and proceeds from sale of property are not considered available and, therefore, are not recognized until received. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences and claims and judgments, pension and OPEB costs which are not recognized as expenditures because they will be liquidated with future expendable financial resources.

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

There are the following major governmental funds:

GENERAL FUND

This fund accounts for all financial operations that are not accounted for in any other fund. Principal sources of revenue are property taxes and distributions from the State of Oregon. Expenditures in the fund are made for instructional purposes and related support services.

SPECIAL REVENUE FUND

This fund accounts for revenues and expenditures of grants and scholarships. Principal revenue sources are federal and state grants.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND TYPES (CONTINUED)

DEBT SERVICE FUND

Bond principal and interest payments are accounted for in the Debt Service Fund. The main source of revenue is local property taxes.

CAPITAL PROJECTS FUND

This fund accounts for activities related to acquisition, construction, and furnishing of facilities.

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 basic financial statements and reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

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

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

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

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

PROPERTY TAXES

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; therefore no allowance for uncollectible taxes has been established. 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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 is recorded as a liability in the balance sheet and statement of net position.

SUPPLIES INVENTORIES

District operating supplies, maintenance supplies, and food and other cafeteria supplies are stated at average invoice cost. Commodities purchased from the United States Department of Agriculture in the Food Service Fund are included in inventories at USDA wholesale value. Inventory is accounted for based on the consumption method in the government-wide statements and on the purchase method in the governmental statements. Under the consumption method inventory is recorded when purchased and expenditures/expenses are recorded when inventory items are used. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused donated commodities at the balance sheet date is considered immaterial by management for reporting purposes.

CAPITAL ASSETS

Capital assets, which include land, buildings, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

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

Land	Not depreciated
Land Improvement	20 years
Buildings	45 years
Equipment	5 to 10 years
Vehicles	5 to 10 years

COMPENSATED ABSENCES

It is policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued in the government-wide statements.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 straight line method, which is substantially the same as 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.

NET POSITION

Net position is comprised of the various net earnings from operations, non-operating 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.

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

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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. At June 30, 2023, there were deferred outflows representing pension, and OPEB related deferrals from PERS, RHIA, OPEB Health Insurance, and OPEB Stipends 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. At June 30, 2023, there were deferred inflows representing pension and OPEB related deferrals from PERS, RHIA, OPEB Health Insurance, and OPEB Stipends reported in the statement of the net position. There is also a deferred inflow reported in the governmental funds balance sheet representing unavailable revenue from property tax.

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.
- 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. Authority to assign ending fund balances has been granted to the Superintendent and Business Manager.
- 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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND BALANCES (CONTINUED)

There were no committed fund balance amounts at year end.

The governing body 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.

LEASE RECEIVABLE

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the District, reduced by principal payments received.

LEASE ASSETS

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

LEASES PAYABLE

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

A budget is prepared and legally adopted for each fund in accordance with Oregon Local Budget Law. The budget is prepared using the modified accrual basis of accounting.

The budgeting process begins by appointing Budget Committee members in late fall. Budget recommendations are developed by management through spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June, and the hearing is held in June. The budget is adopted, appropriations are made and the tax levy is declared no later than June 30. Expenditure budgets are appropriated at the major function level (instruction, support services, community services, debt service, contingency, and transfers) for each fund.

Expenditure appropriations may not legally be over expended, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of the fund's original budget may be adopted by the Board of Directors at a regular meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board.

Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels). Such transfers require approval by the Board.

Budget amounts shown in the basic financial statements include the original budget amounts. Appropriations lapse at the end of each fiscal year. Expenditures are appropriated at any or all of the following levels of control for each fund:

Instruction	Debt Service
Support Services	Interfund Transfers
Community Services	Operating Contingency
Facilities Acquisition/Construction	

Expenditures of the various funds were within authorized appropriations except for the Special Revenue Fund – Facilities Acquisition which was over-expended by \$20,000.

3. BUDGET/GAAP REPORTING DIFFERENCES

The budgetary statements provided as part of supplementary information in this report are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The budgetary basis of accounting is substantially the same as generally accepted accounting principles in the United States of America with the exceptions that capital outlay expenditures are expensed when purchased and depreciation and amortization are not recorded, property taxes are recorded as revenue when received, inventories of supplies are budgeted as expenditures when purchased, debt, OPEB liabilities, and compensated absences are expensed as paid instead of when incurred, pension costs are not recorded until paid, and debt is recorded as a revenue when borrowed.

4. CASH AND INVESTMENTS

Cash and Investments (recorded at FMV) consisted of the following at June 30, 2023:

Deposits with Financial Institutions:	
Demand Deposits	\$ 2,240,748
Certificates of Deposit	80,072
Savings Bonds	15,000
Investments - LGIP	<u>8,974,980</u>
Total Cash and Investments	<u>\$ 11,310,800</u>

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2023 was \$3,310,711, of which \$393,061 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2023, none of the bank balances were exposed to custodial credit risk.

INVESTMENTS

Statutes authorize investing in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Fitch Ratings and Standard & Poor's Corporation or P1 by Moody's Commercial Paper Record (A-2/P-2 if Oregon commercial paper) and the State Treasurer's Investment Pool. The investments during the year were invested in the State Treasurer's Investment Pool.

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. 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. As of June 30, 2023, the fair value of the position in the LGIP is 99.63% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

At year-end, the investment balances were as follows:

Investment Type	Cost	Investment Maturities (in Months)		
		Less than 3	3-18	18-59
State Treasurer's Investment Pool	\$ 8,974,980	\$ 8,974,980	\$ -	\$ -
Savings Bonds	15,000	15,000	-	-
Total Investments	<u>\$ 8,989,980</u>	<u>\$ 8,989,980</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk – Investments

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. Cash not expected or used within thirty days is invested in the Local Government Investment Pool which manages investment rate risk. Other funds are invested in certificates of deposit, savings bonds, treasury obligations and US Government agency securities, with maturities ranging from less than three months to between three and eighteen months.

Credit Risk – Investments

Oregon Revised Statutes do 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 Risk

At June 30, 2023, 99.83% of total investments were in the State Treasurer's Investment Pool and 0.17% were in U.S. Savings Bonds. State statutes do not limit the percentage of investments in these instruments.

5. ACCOUNTS / GRANTS RECEIVABLE

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. Accounts receivable is mostly comprised of grant money. No allowance for uncollectible accounts has been recorded because all receivables are considered by management to be collectible.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2023 are as follows

	July 1, 2022	Additions	(Deletions)	June 30, 2023
Non-Depreciable:				
Construction in Progress	\$ 130,115,845	\$ 288,357	\$ -	\$ 130,404,202
Land	161,131	7,500	-	168,631
Total Non-Depreciable	<u>130,276,976</u>	<u>295,857</u>	<u>-</u>	<u>130,572,833</u>
Depreciable:				
Land Improvements	241,914	1,497,099	-	1,739,013
Buildings & Improvements	2,434,794	-	-	2,434,794
Equipment	472,694	41,379	-	514,073
Licensed Vehicles	2,322,741	151,760	(121,158)	2,353,343
Total Depreciable	<u>5,472,143</u>	<u>1,690,238</u>	<u>(121,158)</u>	<u>7,041,223</u>
Accumulated Depreciation:				
Land Improvements	229,339	79,242	-	308,581
Buildings & Improvements	1,852,472	14,491	-	1,866,963
Equipment	150,187	56,252	-	206,439
Licensed Vehicles	1,206,514	231,777	(116,515)	1,321,776
Total	<u>3,438,512</u>	<u>\$ 381,762</u>	<u>\$ (116,515)</u>	<u>3,703,759</u>
Total Net Capital Assets	<u>\$ 132,310,607</u>			<u>\$ 133,910,297</u>

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

Instruction	\$ 236,741
Support Services	129,238
Community Services	<u>15,783</u>
Total Depreciation Expense	<u>\$ 381,762</u>

During the year ending June 30, 2023, the District disposed of capital assets and the difference between disposal proceeds and book value resulted in a loss of \$4,643, reported in the Statement of Activities. Total capital assets were decreased, as well as total accumulated depreciation, resulting in an increase in net capital assets.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. 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 Annual Comprehensive Financial Report which can be found at:

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

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

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

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
 - i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
 - iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$2,742,131 excluding amounts to fund employer specific liabilities.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability – At June 30, 2023, the District reported a net pension liability of \$13,096,027 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2022 and 2021, the District's proportion was .086 percent and .081 percent, respectively. Pension income for the year ended June 30, 2023 was \$800,250.

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

- (1) Tier 1/Tier 2 – 21.09%
- (2) OPSRP general services – 15.64%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 635,706	\$ 81,669
Changes in assumptions	2,054,837	18,773
Net difference between projected and actual earnings on pension plan investments	-	2,341,316
Net changes in proportionate share	712,669	1,024,201
Differences between employer contributions and proportionate share of contributions	60,923	1,319,931
Subtotal - Amortized Deferrals (below)	3,464,135	4,785,890
District contributions subsequent to measuring date	2,742,131	-
Deferred outflow (inflow) of resources	<u>\$ 6,206,266</u>	<u>\$ 4,785,890</u>

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

Subtotal amounts related to pension as deferred outflows of resources \$3,464,135, and deferred inflows of resources, (\$4,785,890), net to (\$1,321,755) and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2024	\$ (382,393)
2025	(590,227)
2026	(1,275,298)
2027	946,768
2028	(20,605)
Thereafter	-
Total	<u>\$ (1,321,755)</u>

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

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

Actuarial Methods and Assumptions:

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

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

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

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

Long-Term Expected Rate of Return:

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

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

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. 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, 2022 and 2021 was 6.90 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 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 23,224,671	\$ 13,096,027	\$ 4,618,819

Changes Subsequent to the Measurement Date

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

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

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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits:

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

Death Benefits:

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

Contributions:

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

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

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA)

Plan Description:

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

Funding Policy:

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

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

At June 30, 2023, the District reported a net OPEB liability (asset) of (\$324,104) for its proportionate share of the net OPEB liability (asset). The OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2020. 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, 2022 and 2021, the District's proportion was 0.091 percent and 0.097 percent, respectively. OPEB income for the year ended June 30, 2023 was \$33,336.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Components of OPEB Expense/(Income):

Employer's Proportionate share of collective system OPEB Expense/(Income)	\$ (48,526)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	17,432
Employer's Total OPEB Expense/(Income)	<u>\$ (31,094)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 8,783
Changes of assumptions	2,538	10,803
Net Difference between projected and actual earnings on investment	-	24,717
Changes in proportionate share	39,790	-
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Subtotal - Amortized Deferrals (below)	42,328	44,303
Contributions subsequent to measurement date	-	-
Deferred outflow (inflow) of resources	<u>\$ 42,328</u>	<u>\$ 44,303</u>

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, 2024.

Subtotal amounts related to OPEB as deferred outflows of resources, \$42,328, and deferred inflows of resources, (\$44,303), net to (\$1,975) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2024	\$ 18,044
2025	(12,338)
2026	(15,598)
2027	7,917
2028	-
Thereafter	-
Total	<u>\$ (1,975)</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, 2022. That independently audited report was dated February 2, 2023 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB-75-RHIA-2022.pdf>

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2022 and June 30, 2021 was 6.90 percent for both years. 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.

Long-Term Expected Rate of Return:

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

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

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

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net OPEB liability (asset)	\$ (292,109)	\$ (324,104)	\$ (351,531)

Changes Subsequent to the Measurement Date

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

EARLY RETIREMENT PROGRAM

A single-employer early retirement program is in effect for regular full-time teachers. To qualify for the plan, a teacher must have 15 years of experience in education, have been employed by the district for a minimum of ten years and be at least 58 years of age at retirement. Teachers receive a monthly payment of \$452 until age 65. This program is not available to any employee hired after July 1, 2004.

Teachers who have 30 years of participation with the Oregon Public Employees Retirement System and 20 years of service with the District are eligible for early retirement prior to age 58. They receive the dollar amount they would have received from age 58 to age 65 prorated monthly from age of retirement until age 65. Ten years of service prior to July 1, 2004 is required for full benefits. Benefits are prorated for individuals with less than ten years of service prior to July 1, 2004. Administrators have an early retirement program available at age 58 after ten years of service. They receive 1% per month of their final year's salary to age 62 and \$200 per month from age 62 to age 65 and paid medical insurance coverage based on the amount at retirement date.

POST-EMPLOYMENT STIPENDS

Total OPEB Stipend Liability – The District's total pension liability of \$299,630 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2021. Amount was actuarially determined in accordance with the parameters of GASB Statement 73. For detailed information and a table showing the components of the District's annual OPEB costs and liabilities, see page 44.

<u>OPEB Expense</u>	<u>2022-2023</u>
Service Cost	\$ 9,049
Interest in total OPEB liability	7,217
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	
Recognition of assumption changes	(1,387)
OPEB Expense	<u>\$ 14,879</u>

The following table shows the sensitivity of the Total OPEB Liability for Stipends to changes in discount rates on June 30, 2023:

	<u>1%</u>	<u>Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount</u>	<u>Increase</u>
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Total OPEB Stipend Liability	\$ 310,143	\$ 299,630	\$ 289,127

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

POST-EMPLOYMENT STIPENDS (CONTINUED)

For the year ended June 30, 2023, the District recognized OPEB Stipend income of \$39,525. At June 30, 2023, the District reported deferred outflows and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>
Differences between expected and actual experience	\$ (26,211)	\$ -
Changes of assumptions	<u>(11,049)</u>	<u>6,990</u>
<i>Subtotal- Amortized Deferrals (Below)</i>	(37,260)	6,990
Benefit Payments after measurement date	<u>-</u>	<u>37,139</u>
Total as of June 30, 2023	<u>\$ (37,260)</u>	<u>\$ 44,129</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability in the fiscal year ended June 30, 2023.

Subtotal amounts related to OPEB as deferred outflows of resources, \$6,990, and deferred inflows of resources, (\$37,620), net to (\$30,270) and will be recognized in OPEB expense as follows:

<u>Year ended June 30,</u>	<u>Annual Recognition</u>
2024	\$ (14,598)
2025	(12,652)
2026	(3,020)
2027	-
2028	-
Thereafter	-
Total	<u>\$ (30,270)</u>

Actuarial Methods and Assumptions - The Total OPEB Liability for stipends for the current year was determined as part of the July 1, 2021 actuarial valuation using the entry age normal method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) an interest discount rate of 3.54% per year; (b) an inflation rate of 2.4% per year; (c) a payroll increase of 3.4% per year; (d) demographic assumptions based on Oregon PERS valuation assumptions as of December 31, 2020.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

POST-EMPLOYMENT STIPENDS (CONTINUED)

At June 30, 2023, the following employees were covered by the benefit terms:

<u>Number of members</u>	<u>All Members</u>
Active	29
Retired Members	11
Total	<u>40</u>

OTHER POST-EMPLOYMENT BENEFITS (HEALTH INSURANCE)

Total OPEB Liability – The District’s total OPEB liability of \$1,234,210 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2021. Amount was actuarially determined in accordance with the parameters of GASB Statement 75. For detailed information and a table showing the components of the District’s annual OPEB costs and liabilities, see page 45.

<u>OPEB Expense</u>	<u>2022-2023</u>
Service Cost	\$ 141,390
Interest in total OPEB liability	29,906
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	(40,576)
Recognition of assumption changes	(6,704)
OPEB Expense	<u>\$ 124,016</u>

The following tables shows the sensitivity of Total OPEB Liability for Health Insurance to changes in discount and trend rates on June 30, 2023:

Discount Rate Sensitivity:

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability	\$ 1,305,080	\$ 1,234,210	\$ 1,166,658

Health Care Trend Sensitivity:

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Trend</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability	\$ 1,133,831	\$ 1,234,210	\$ 1,350,028

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OTHER POST-EMPLOYMENT BENEFITS (HEALTH INSURANCE)

For the year ended June 30, 2023, the District recognized OPEB loss for Health Insurance of \$19,689. At June 30, 2023, the District reported deferred outflows and deferred inflows of resources related to OPEB for Health Insurance from the following sources:

	Deferred Inflows	Deferred Outflows
Differences between expected and actual experience	\$ (220,695)	\$ -
Changes of assumptions	(101,786)	90,936
Subtotal - Amortized Deferrals (Below)	(322,481)	90,936
Benefit Payments after measurement date	-	104,327
Total as of June 30, 2023	<u>\$ (322,481)</u>	<u>\$ 195,263</u>

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

Subtotal amounts related to OPEB as deferred outflows of resources, \$90,936, and deferred inflows of resources, (\$322,481), net to (\$231,545) and will be recognized in OPEB expense as follows:

<u>Year ended June 30,</u>	<u>Annual Recognition</u>
2024	\$ (42,232)
2025	(35,238)
2026	(33,288)
2027	(34,560)
2028	(44,393)
Thereafter	(41,834)
Total	<u>\$ (231,545)</u>

Actuarial Methods and Assumptions - The Total OPEB Liability for the current year was determined as part of the July 1, 2021 actuarial valuation using the entry age normal method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) an interest discount rate of 3.54% per year; (b) an inflation rate of 2.4% per year; (c) a payroll increase of 3.4% per year; (d) demographic assumptions based on Oregon PERS valuation assumptions as of December 31, 2020.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

At June 30, 2023 the following employees were covered by the benefit terms:

<u>Number of members</u>	<u>All Members</u>
Active	199
Retired Members	16
Total	<u>215</u>

10. PROPERTY TAX LIMITATIONS

The voters of the State of Oregon approved ballot Measure 5, a constitutional limit on property taxes for schools and non-school government operations, in November, 1990. 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 initiative 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 voters of the State of Oregon passed ballot Measure 50 in May, 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit. The District's permanent operating property tax rate was fixed at \$4.7448 per thousand of assessed value.

Measure 50 reduced the amount of operating property tax revenues available to the District for its 1998-1999 fiscal year, and thereafter. This reduction was accomplished by rolling assessed 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 Measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State of Oregon to minimize the impact of the tax cuts to school districts. The ultimate impact to the Districts as a result of this measure has been greater reliance on state funding and less reliance on local funding. However, Seaside relies more heavily on Timber Revenue and local funding.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. LONG-TERM OBLIGATIONS

The following changes occurred in the liabilities during the year ended June 30, 2023:

	Interest Rates	Original Issue	Outstanding 7/1/2022	Matured and Redeemed	Outstanding 6/30/2023	Due Within One Year
Bonds Payable:						
PERS 2005 Series Bond	4.849%-5.011%	\$ 10,080,000	\$ 5,100,000	\$ 740,000	\$ 4,360,000	\$ 820,000
2017 GO Bond	4.58%	97,492,656	90,847,656	2,155,000	88,692,656	2,405,000
2020 GO Bond	2.04%	2,207,343	1,959,404	125,227	1,834,177	133,389
2020 FFCO	2.375%-4.000%	8,180,000	7,695,000	310,000	7,385,000	320,000
Direct Borrowings:						
SELP Loan	3.25%	326,570	130,765	23,640	107,125	24,419
Total Long Term Debt			105,732,825	3,353,867	102,378,958	3,702,808
Premium			10,603,194	437,537	10,165,657	-
Total			<u>\$ 116,336,019</u>	<u>\$ 3,791,404</u>	<u>\$ 112,544,615</u>	<u>\$ 3,702,808</u>

Future maturities of Long-Term liabilities are as follows:

Year Ending	PERS 2005 Series		SELP Loan		2017 GO Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 820,000	\$ 218,480	\$ 24,419	\$ 3,121	\$ 2,405,000	\$ 2,884,250
2025	900,000	177,390	25,226	2,314	2,670,000	2,764,000
2026	990,000	132,290	26,057	1,483	2,955,000	2,630,500
2027	1,080,000	82,682	26,916	624	3,255,000	2,482,750
2028	570,000	28,562	4,507	-	3,575,000	2,320,000
2029-2033	-	-	-	-	23,430,000	8,561,750
2034-2038	-	-	-	-	25,615,156	11,024,844
2039-2043	-	-	-	-	14,387,785	27,572,215
2044-2048	-	-	-	-	10,399,715	27,525,285
Total	\$ 4,360,000	\$ 639,404	\$ 107,125	\$ 7,542	\$ 88,692,656	\$ 87,765,594
Year Ending	2020 GO Bond		2020 FFCO Bond		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 133,389	\$ 37,417	\$ 320,000	\$ 245,800	\$ 3,702,808	\$ 3,389,068
2025	142,416	34,696	335,000	233,000	4,072,642	3,211,400
2026	148,127	31,791	340,000	226,300	4,459,184	3,022,364
2027	157,448	28,769	355,000	212,700	4,874,364	2,807,525
2028	166,319	25,557	370,000	198,500	4,685,826	2,572,619
2029-2033	974,336	73,113	2,075,000	759,300	26,479,336	9,394,163
2034-2038	112,142	2,288	2,500,000	334,681	28,227,298	11,361,813
2039-2043	-	-	1,090,000	38,951	15,477,785	27,611,166
2044-2048	-	-	-	-	10,399,715	27,525,285
Total	\$ 1,834,177	\$ 233,631	\$ 7,385,000	\$ 2,249,232	\$ 102,378,958	\$ 90,895,403

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. LONG-TERM OBLIGATIONS (CONTINUED)

On July 15, 2020 the District issued an additional \$2,207,343 in General Obligations Bonds to finance the relocation, building, and expansion of three schools for increased safety. On October 7, 2020 the District issued an additional \$8,180,000 in Full Faith and Credit Obligations to finance real and personal property.

The SELP loan agreement has a default clause stating that should the District default on the loan, the remaining amount of principal and interest can be accelerated to be due immediately. No other significant clauses are contained in the loan agreement for the SELP loan or for any of the above mentioned bonds.

The District received a Premium for the issuance of its General Obligation Bond in fiscal year 2016-17. The total premium was \$11,689,385 and will be amortized over 30 years on a straight-line basis, so that \$389,646 was recognized starting in fiscal year 2017-18 and for each year following.

The District received a Premium for the issuance of its Full Faith and Credit Obligations (FFCO) in fiscal year 2020-21. The total premium was \$957,821 and will be amortized over 20 years on a straight-line basis, so that \$47,891 was recognized starting in fiscal year 2020-21 and for each year following.

12. 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 for any of the past three fiscal years.

13. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by these agencies, principally the federal government. The amount, if any, of costs that 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. Therefore, the District expects this matter to negatively affect its operating result. The ultimate impact on the District's finances is not determinable.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

14. INTERFUND TRANSFERS

The composition of interfund transfers is as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 37,540	\$ -
Special Revenue Fund	-	37,540
Debt Service Fund	-	-
Capital Projects Fund	-	-
Total Transfers	<u>\$ 37,540</u>	<u>\$ 37,540</u>

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

15. INTERFUND RECEIVABLES/PAYABLES

The composition of interfund balances is as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 2,126,085	\$ -
Special Revenue Fund	-	3,908,727
Debt Service Fund	-	423,062
Capital Projects Fund	2,205,704	-
Total Transfers	<u>\$ 4,331,789</u>	<u>\$ 4,331,789</u>

The internal balances are recorded to show legal and operational commitments between funds.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

16. PROPERTY TAX ABATEMENT

As of June 30, 2023, 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, 2023 for any program covered under GASB 77.

17. LEASE LIABILITY

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the 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. For additional information, refer to the disclosures below.

On 07/01/2021, the District entered in a 60 month lease as Lessee for the use of Elem Flex Ricoh MP305SPF. An initial lease liability was recorded in the amount of \$2,333. As of 06/30/2023, the value of the lease liability is \$1,204. The District is required to make monthly fixed payments of \$52. The lease has an interest rate of 3.50%. The equipment's estimated useful life was 5 years as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$2,333 with accumulated amortization of \$1,166 is included with Equipment on the Lease Class Activities table found below.

On 07/01/2021, the District entered in a 60 month lease as Lessee for the use of HS Flex Ricoh MP305SPF. An initial lease liability was recorded in the amount of \$2,333. As of 06/30/2023, the value of the lease liability is \$1,204. The District is required to make monthly fixed payments of \$52. The lease has an interest rate of 3.50%. The equipment's estimated useful life was 5 years as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$2,333 with accumulated amortization of \$1,166 is included with Equipment on the Lease Class Activities table found below.

On 07/01/2021, the District entered in a 60 month lease as Lessee for the use of Elem Staff Ricoh 6503. An initial lease liability was recorded in the amount of \$15,088. As of 06/30/2023, the value of the lease liability is \$7,785. The District is required to make monthly fixed payments of \$337. The lease has an interest rate of 3.50%. The equipment's estimated useful life was 5 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$15,088 with accumulated amortization of \$7,544 is included with Equipment on the Lease Class Activities table found below.

On 07/01/2021, the District entered in a 60 month lease as Lessee for the use of Elem Office Ricoh MP6305. An initial lease liability was recorded in the amount of \$12,228. As of 06/30/2023, the value of the lease liability is \$6,309. The District is required to make monthly fixed payments of \$273. The lease has an interest rate of 3.50%. The equipment's estimated useful life was 5 years as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$12,228 with accumulated amortization of \$6,114 is included with Equipment on the Lease Class Activities table found below.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

17. LEASE LIABILITY (RIGHT-TO-USE ASSETS) (CONTINUED)

On 07/01/2021, the District entered in a 60 month lease as Lessee for the use of Elem Library Ricoh MP5055. An initial lease liability was recorded in the amount of \$15,088. As of 06/30/2023, the value of the lease liability is \$7,785. The District is required to make monthly fixed payments of \$336. The lease has an interest rate of 3.50%. The equipment's estimated useful life was 5 years as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$15,088 with accumulated amortization of \$7,544 is included with Equipment on the Lease Class Activities table found below.

On 07/01/2021, the District entered in a 60 month lease as Lessee for the use of Broadway MS Ricoh MP6503. An initial lease liability was recorded in the amount of \$12,228. As of 06/30/2023, the value of the lease liability is \$6,309. The District is required to make monthly fixed payments of \$273. The lease has an interest rate of 3.50%. The equipment's estimated useful life was 5 years as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$12,228 with accumulated amortization of \$6,114 is included with Equipment on the Lease Class Activities table found below.

On 07/01/2021, the District entered in a 60 month lease as Lessee for the use of HS Office Ricoh M5055. An initial lease liability was recorded in the amount of \$12,228. As of 06/30/2023, the value of the lease liability is \$6,309. The District is required to make monthly fixed payments of \$273. The lease has an interest rate of 3.50%. The equipment's estimated useful life was 5 years as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$12,228 with accumulated amortization of \$6,114 is included with Equipment on the Lease Class Activities table found below.

On 07/01/2021, the District entered in a 60 month lease as Lessee for the use of HS Staff Ricoh M6503. An initial lease liability was recorded in the amount of \$15,088. As of 06/30/2023, the value of the lease liability is \$7,785. The District is required to make monthly fixed payments of \$336. The lease has an interest rate of 3.50%. The equipment's estimated useful life was 5 years as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$15,088 with accumulated amortization of \$7,544 is included with Equipment on the Lease Class Activities table found below.

On 07/01/2021, the District entered in a 60 month lease as Lessee for the use of DO Ricoh M6503. An initial lease liability was recorded in the amount of \$11,002. As of 06/30/2023, the value of the lease liability is \$5,677. The District is required to make monthly fixed payments of \$245. The lease has an interest rate of 3.50%. The equipment's estimated useful life was 5 years as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$11,002 with accumulated amortization of \$5,500 is included with Equipment on the Lease Class Activities table found below.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

17. LEASE LIABILITY (RIGHT-TO-USE ASSETS (CONTINUED))

	Lease Class Activity				
	Outstanding 7/1/2022	Issued	Matured and Redeemed	Outstanding 7/1/2023	Due Within One Year
Equipment					
Elem Flex Ricoh MP305SPF	\$ 1,775	\$ -	\$ 571	\$ 1,204	\$ 591
HS Flex Ricoh MP305SPF	1,775	-	571	1,204	591
Elem Staff Ricoh 6503	11,478	-	3,693	7,785	3,824
Elem Office Ricoh MP6503	9,302	-	2,993	6,309	3,099
Elem Lib Ricoh MP5055	11,478	-	3,693	7,785	3,824
Broadway MS Ricoh MP6503	9,302	-	2,993	6,309	3,099
HS Office Ricoh M5055	9,302	-	2,993	6,309	3,099
HS Staff Ricoh M6503	11,478	-	3,693	7,785	3,824
DO Ricoh MPC6503	8,370	-	2,693	5,677	2,789
Total Lease Liability	\$ 74,260	\$ -	\$ 23,893	\$ 50,367	\$ 24,740

Principal Interest Requirments to Maturity

Governmental Activitys
Equipment

Fiscal Year Ending June 30,	Prinicpal Payments	Interest Payments
2024	\$ 24,743	\$ 1,368
2025	25,624	487
2026	-	-
2027	-	-
2028	-	-
Thereafter	-	-
	\$ 50,367	\$ 1,855

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

18. RIGHT TO USE ASSET

The right-to-use assets apply to the lease disclosures in Note 17.

Amount of Lease Assets by Major Classes of Underlying Asset (Right to Use)

	Balance Beginning of Year	Additions	(Deletions)	Balance End Of Year
Right-to-Use Asset				
Equipment				
Elem Flex Ricoh MP305SPF	\$ 2,333	\$ -	\$ -	\$ 2,333
HS Flex Ricoh MP305SPF	2,333	-	-	2,333
Elem Staff Ricoh 6503	15,088	-	-	15,088
Elem Office Ricoh MP6503	12,228	-	-	12,228
Elem Lib Ricoh MP5055	15,088	-	-	15,088
Broadway MS Ricoh MP6503	12,228	-	-	12,228
HS Office Ricoh M5055	12,228	-	-	12,228
HS Staff Ricoh M6503	15,088	-	-	15,088
DO Ricoh MPC6503	11,002	-	-	11,002
Total	<u>\$ 97,616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,616</u>
Accumulated Amortization				
Equipment				
Elem Flex Ricoh MP305SPF	\$ 583	\$ 583	\$ -	\$ 1,166
HS Flex Ricoh MP305SPF	583	583	-	1,166
Elem Staff Ricoh 6503	3,772	3,772	-	7,544
Elem Office Ricoh MP6503	3,057	3,057	-	6,114
Elem Lib Ricoh MP5055	3,772	3,772	-	7,544
Broadway MS Ricoh MP6503	3,057	3,057	-	6,114
HS Office Ricoh M5055	3,057	3,057	-	6,114
HS Staff Ricoh M6503	3,772	3,772	-	7,544
DO Ricoh MPC6503	2,750	2,750	-	5,500
Total	<u>\$ 24,403</u>	<u>\$ 24,403</u>	<u>\$ -</u>	<u>\$ 48,806</u>
Right-to-Use Asset, net	<u>\$ 73,213</u>			<u>\$ 48,810</u>

19. DEFICIT FUND BALANCE

The District has reported a deficit fund balance in the Debt Service fund of (\$230,475).

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
At June 30, 2023

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
2023	0.086 %	\$ 13,096,027	\$ 12,377,291	105.8 %	84.5 %
2022	0.081	9,655,284	10,540,742	91.6	87.6
2021	0.089	19,365,762	9,890,857	195.8	75.8
2020	0.088	15,254,028	9,675,867	157.7	80.2
2019	0.094	14,216,081	9,322,526	152.5	82.1
2018	0.090	12,145,085	9,043,286	134.3	83.1
2017	0.100	14,446,035	8,519,028	169.6	80.5
2016	0.100	5,665,583	8,318,382	68.1	91.9
2015	0.110	(2,536,434)	7,739,243	(32.8)	103.6
2014	0.110	5,710,377	8,423,979	67.8	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 presented.

These schedules are presented to illustrate the requirements to show information for 10 years.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	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
2023	\$ 2,742,131	\$ 2,742,131	\$ -	\$ 13,218,233	20.7 %
2022	2,593,527	2,593,527	-	12,377,291	21.0
2021	2,822,761	2,822,761	-	10,540,742	26.8
2020	2,714,180	2,714,180	-	9,890,857	27.4
2019	2,203,572	2,203,572	-	9,675,867	22.8
2018	2,150,260	2,150,260	-	9,322,526	23.1
2017	1,684,301	1,684,301	-	9,043,286	18.6
2016	1,621,170	1,621,170	-	8,519,028	19.0
2015	1,882,433	1,882,433	-	8,318,382	22.6
2014	1,770,618	1,770,618	-	7,739,243	22.9

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 presented.

These schedules are presented to illustrate the requirements to show information for 10 years.

SEASIDE SCHOOL DISTRICT

CLATSOP COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2023

OPEB - RHIA

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT BENEFITS (OPEB) ASSET/(LIABILITY)

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset/ (liability) (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset/ (liability) (NOA/(L))	(c) Employer's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.091 %	\$ 324,104	\$ 12,377,291	2.6185 %	194.6 %
2022	0.097	331,544	10,540,742	3.1454	183.9
2021	0.159	324,488	9,890,857	3.2807	150.1
2020	0.090	174,714	9,675,867	1.8057	144.4
2019	0.092	102,168	9,322,526	1.0959	124.0
2018	0.090	37,643	9,043,286	0.4163	108.9
2017	0.091	(24,782)	8,519,028	(0.2909)	94.2

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 presented.

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

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	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
2023	N/A	N/A	\$ -	\$ 13,218,233	N/A
2022	N/A	N/A	-	12,377,291	N/A
2021	N/A	N/A	-	10,540,742	N/A
2020	N/A	N/A	-	9,890,857	N/A
2019	N/A	N/A	-	9,675,867	N/A
2018	N/A	N/A	-	9,322,526	N/A
2017	N/A	N/A	-	9,043,286	N/A

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 presented.

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

All statutorily required contributions were made and are included within PERS contributions (see p. 42).

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST EMPLOYMENT BENEFITS
June 30, 2023

PLAN I OPEB: STIPENDS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Economic/ Demographic Gains or Losses	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2023	\$ 352,141	\$ 9,049	\$ 7,217	\$ -	\$ -	\$ (14,345)	\$ (54,432)	\$ 299,630	N/A	N/A
2022	469,535	11,265	9,666	-	(52,017)	1,007	(87,315)	352,141	N/A	N/A
2021	524,180	8,705	16,903	-	-	20,469	(100,722)	469,535	N/A	N/A
2020	608,251	13,183	22,166	-	(17,296)	(3,841)	(98,283)	524,180	N/A	N/A
2019	678,831	13,168	22,996	-	-	(6,550)	(100,194)	608,251	N/A	N/A
2018	749,876	24,752	20,443	-	-	(772)	(115,468)	678,831	N/A	N/A
2017	804,600	21,362	29,400	-	-	20,364	(125,850)	749,876	N/A	N/A

The above table presents the most recent actuarial valuations for the District's post-retirement pension stipend.

This schedule is 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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST EMPLOYMENT BENEFITS
June 30, 2023

PLAN II OPEB: Health Insurance

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Economic Demographic Gains or Losses	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2023	\$ 1,586,309	\$ 141,390	\$ 29,906	\$ -	\$ -	\$ (104,663)	\$ (150,345)	\$ 1,502,597	N/A	N/A
2022	1,586,309	135,653	35,976	-	(287,711)	36,921	(189,226)	1,317,922	N/A	N/A
2021	1,520,415	117,415	54,008	-	-	85,621	(191,150)	1,586,309	N/A	N/A
2020	1,536,176	97,668	59,692	-	(19,574)	31,022	(184,569)	1,520,415	N/A	N/A
2019	1,596,018	96,130	57,246	-	-	(25,344)	(187,874)	1,536,176	N/A	N/A
2018	1,729,506	100,128	49,073	-	-	(65,603)	(217,086)	1,596,018	N/A	N/A

The above table presents the most recent actuarial valuations for the District's post-retirement health insurance.

This schedule is 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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

GENERAL FUND

	ADOPTED BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO BUDGET
REVENUES:				
Local Sources	\$ 19,029,164	\$ 19,029,164	\$ 20,603,815	\$ 1,574,651
Intermediate Sources	1,090,000	1,090,000	1,582,245	492,245
State Sources	570,703	570,703	515,440	(55,263)
Federal Sources	15,000	15,000	40,718	25,718
Total Revenues	20,704,867	20,704,867	22,742,218	2,037,351
EXPENDITURES:				
Instruction	13,607,158	13,607,158 (1)	13,003,352	603,806
Support Services	8,293,409	8,293,409 (1)	7,629,741	663,668
Contingency	2,500,000	2,500,000 (1)	-	2,500,000
Total Expenditures	24,400,567	24,400,567	20,633,093	3,767,474
Excess of Revenues Over, (Under) Expenditures	(3,695,700)	(3,695,700)	2,109,125	5,804,825
Other Financing Sources, (Uses):				
Transfers Out	(804,300)	(804,300) (1)	(37,540)	766,760
Total Other Financing Sources, (Uses)	(804,300)	(804,300)	(37,540)	766,760
Net Change in Fund Balance	(4,500,000)	(4,500,000)	2,071,585	6,571,585
Beginning Fund Balance	4,500,000	4,500,000	6,007,431	1,507,431
Ending Fund Balance	\$ -	\$ -	\$ 8,079,016	\$ 8,079,016

(1) Appropriation Level

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

SPECIAL REVENUE FUND

	ADOPTED BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO BUDGET
REVENUES:				
Local Sources	\$ 976,445	\$ 976,445	\$ 651,570	\$ (324,875)
Intermediate Sources	27,000	27,000	69,131	42,131
State Sources	2,587,752	2,587,752	3,742,787	1,155,035
Federal Sources	4,517,840	4,517,840	1,751,457	(2,766,383)
Total Revenues	8,109,037	8,109,037	6,214,945	(1,894,092)
EXPENDITURES:				
Instruction	5,357,676	5,357,676 (1)	2,879,574	2,478,102
Support Services	2,107,683	2,107,683 (1)	1,122,420	985,263
Community Service	1,308,162	1,308,162 (1)	1,057,638	250,524
Facilities Acquisition	-	- (1)	20,000	(20,000)
Debt Service	27,603	27,603 (1)	27,540	63
Total Expenditures	8,801,124	8,801,124	5,107,172	3,693,952
Excess of Revenues Over, (Under) Expenditures	(692,087)	(692,087)	1,107,773	1,799,860
Other Financing Sources, (Uses):				
Transfers In	161,100	161,100	37,540	(123,560)
Total Other Financing Sources, (Uses)	161,100	161,100	37,540	(123,560)
Net Change in Fund Balance	(530,987)	(530,987)	1,145,313	1,676,300
Beginning Fund Balance	809,415	809,415	1,184,346	374,931
Ending Fund Balance	\$ 278,428	\$ 278,428	\$ 2,329,659	\$ 2,051,231

(1) Appropriation Level

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SUPPLEMENTARY INFORMATION

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

DEBT SERVICE FUND

	<u>ADOPTED BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO BUDGET</u>
REVENUES:				
Local Sources	\$ 6,058,227	\$ 6,058,227	\$ 6,037,625	\$ (20,602)
Total Revenues	<u>6,058,227</u>	<u>6,058,227</u>	<u>6,037,625</u>	<u>(20,602)</u>
EXPENDITURES:				
Debt Service:				
Redemption of Principal	3,330,227	3,330,227	3,330,227	-
Interest	<u>3,546,200</u>	<u>3,546,200</u>	<u>3,545,719</u>	<u>481</u>
Total Debt Service	<u>6,876,427</u>	<u>6,876,427</u> (1)	<u>6,875,946</u>	<u>481</u>
Total Expenditures	<u>6,876,427</u>	<u>6,876,427</u>	<u>6,875,946</u>	<u>481</u>
Excess of Revenues Over, (Under) Expenditures	(818,200)	(818,200)	(838,321)	(20,121)
Other Financing Sources, (Uses):				
Transfers In	<u>568,200</u>	<u>568,200</u>	<u>-</u>	<u>(568,200)</u>
Total Other Financing Sources, (Uses)	<u>568,200</u>	<u>568,200</u>	<u>-</u>	<u>(568,200)</u>
Net Change in Fund Balance	(250,000)	(250,000)	(838,321)	(588,321)
Beginning Fund Balance	<u>250,000</u>	<u>250,000</u>	<u>607,846</u>	<u>357,846</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (230,475)</u>	<u>\$ (230,475)</u>

(1) Appropriation Level

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

CAPITAL PROJECTS FUND

	<u>ADOPTED BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO BUDGET</u>
REVENUES:				
Local Sources	\$ -	\$ -	\$ 11,705	\$ (11,705)
Total Revenues	<u>-</u>	<u>-</u>	<u>11,705</u>	<u>11,705</u>
EXPENDITURES:				
Facilities Acquisition and Construction	<u>6,800,000</u>	<u>6,800,000 (1)</u>	<u>1,850,448</u>	<u>4,949,552</u>
Total Expenditures	<u>6,800,000</u>	<u>6,800,000</u>	<u>1,850,448</u>	<u>4,949,552</u>
Excess of Revenues Over, (Under) Expenditures	(6,800,000)	(6,800,000)	(1,838,743)	4,961,257
Other Financing Sources, (Uses):				
Transfers In	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Net Change in Fund Balance	(6,725,000)	(6,725,000)	(1,838,743)	4,886,257
Beginning Fund Balance	<u>7,881,000</u>	<u>7,881,000</u>	<u>9,151,412</u>	<u>1,270,412</u>
Ending Fund Balance	<u>\$ 1,156,000</u>	<u>\$ 1,156,000</u>	<u>\$ 7,312,669</u>	<u>\$ 6,156,669</u>

(1) Appropriation Level

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

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

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 7/1/22	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/23
<u>GENERAL FUND:</u>						
Current:						
2022-23	\$ 20,231,413	\$ 536,284	\$ (18,905)	\$ 8,973	\$ 19,150,781	\$ 534,416
Prior Years:						
2021-22	416,747	-	(52,634)	15,839	183,273	196,679
2020-21	154,228	-	(11,625)	11,117	58,861	94,859
2019-20	97,152	-	(14,799)	14,262	46,134	50,481
2018-19	30,583	-	(9,033)	8,565	25,271	4,844
Prior Years	19,079	-	(3,663)	1,878	2,368	14,926
Total Prior	717,789	-	(91,754)	51,661	315,907	361,789
Total General Fund	\$ 20,949,202	\$ 536,284	\$ (110,659)	\$ 60,634	\$ 19,466,688	\$ 896,205

RECONCILIATION TO REVENUE:	GENERAL FUND
Cash Collections by County Treasurer Above	\$ 19,466,688
Accrual of Receivables:	
June 30, 2022	(224,284)
June 30, 2023	331,446
Change in Prior Years Unearned Revenue, see page 6	71,254
Taxes in Lieu	(46,398)
Total Revenue	\$ 19,598,706

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

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

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 7/1/22	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/23
<u>DEBT SERVICE</u>						
Current:						
2022-23	\$ 5,145,561	\$ 136,396	\$ (4,808)	\$ 2,282	\$ 4,870,718	\$ 135,921
Prior Years:						
2021-22	110,838	-	(13,998)	4,212	48,743	52,309
2020-21	43,667	-	(3,290)	3,147	16,666	26,858
2019-20	27,659	-	(4,214)	4,061	13,134	14,372
2018-19	8,788	-	(2,596)	2,461	7,261	1,392
Prior Years	3,626	-	(171)	421	531	3,345
Total Prior	194,578	-	(24,269)	14,302	86,335	98,276
Total Debt Service	<u>\$ 5,340,139</u>	<u>\$ 136,396</u>	<u>\$ (29,077)</u>	<u>\$ 16,584</u>	<u>\$ 4,957,053</u>	<u>\$ 234,197</u>

RECONCILIATION TO REVENUE:	DEBT SERVICE FUND
Cash Collections by County Treasurer Above	\$ 4,957,053
Accrual of Receivables:	
June 30, 2022	(63,187)
June 30, 2023	83,637
Change in Prior Year's Unearned Revenue, See p. 6	19,169
Taxes in Lieu	19,578
Total Revenue	<u>\$ 5,016,250</u>

**SEASIDE SCHOOL DISTRICT NO.
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
As required by Oregon Department of Education
For the Year Ended June 30, 2023**

Federal Grantor/Pass Through Grantor/ Program Title	Pass Through Organization	Federal AL Number	Pass Through Entity Number	Grant Period	Expenditures
U.S. Department of Education					
Title I Grants to Local Educational Agencies	ODE	84.010	67070	2022-23	\$ 73,654
Title I Grants to Local Educational Agencies	ODE	84.010	72611	2022-23	325,633
Total Title I Grants to Local Educational Agencies					399,287
Title IIA - Improving Teacher Quality State Grants	ODE	84.367	72808	2022-23	24,197
Total Title IIA Improving Teacher Quality					24,197
Title IV-A Student Support and Academic Enrichment	ODE	84.424	58664	2022-23	3,292
Total IV-A Student Support and Academic Enrichment					3,292
Special Education Cluster					
Special Education Grants to States	ODE	84.027	68478	2022-23	67,923
Special Education Grants to States	ODE	84.027	74123	2022-23	18,268
Special Education Grants to States	ODE	84.027	60727	2022-23	48,310
Total Special Education Grants to States					134,501
Total, Special Education Cluster					134,501
Career and Technical Education - Basic Grants to States					40,717
Total Career and Technical Education - Basic Grants to States	CCC	84.048	N/A	2022-23	40,717
ARP-HCY II McKinney-Vento Act: Homeless Education Program		84.425	69400	2022-23	2,892
Education Stabilization Fund-State Educational Agency (ESD-SEA)	ODE	84.425U	64679	2022-23	588,460
Education Stabilization Fund-State Educational Agency (ESD-SEA)	ODE	84.425D	64983	2022-23	48,437
Total LEA ESSER Fund - Formula					639,789
Total, U.S. Department of Education					1,241,783
U.S. Department of Agriculture					
Child Nutrition Cluster					
School Breakfast Program	ODE	10.553	N/A	2022-23	180,807
Total Breakfast Program					180,807
National School Lunch Program	ODE	10.555	N/A	2022-23	288,597
National School Lunch Program Commodities	ODE	10.555	N/A	2022-23	60,652
Total National School Lunch Program					349,249
Summer Food Service Program Commodities	ODE	10.559	N/A	2022-23	2,817
Summer Food Service Program	ODE	10.559	N/A	2022-23	17,519
Total Summer Food Service Program					20,336
Total, Child Nutrition Cluster					550,392
Total, U.S. Department of Agriculture					550,392
Total Federal Financial Assistance					\$ 1,792,175

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

OTHER INFORMATION

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS OF BONDED DEBT - GO Bonds
June 30, 2023

YEAR	2017A Bond		2017B Bond		TOTAL REQUIREMENT ALL ISSUES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
		Due 12/30 & 6/30		Due 12/30 & 6/30		
	Due 6/30		Due 6/30			
2023-2024	\$ -	\$ -	\$ 2,405,000	\$ 2,884,250	\$ 2,405,000	\$ 2,884,250
2024-2025	-	-	2,670,000	2,764,000	2,670,000	2,764,000
2025-2026	-	-	2,955,000	2,630,500	2,955,000	2,630,500
2026-2027	-	-	3,255,000	2,482,750	3,255,000	2,482,750
2027-2028	-	-	3,575,000	2,320,000	3,575,000	2,320,000
2028-2029	-	-	3,915,000	2,141,250	3,915,000	2,141,250
2029-2030	-	-	4,280,000	1,945,500	4,280,000	1,945,500
2030-2031	-	-	4,660,000	1,731,500	4,660,000	1,731,500
2031-2032	-	-	5,070,000	1,498,500	5,070,000	1,498,500
2032-2033	-	-	5,505,000	1,245,000	5,505,000	1,245,000
2033-2034	-	-	5,965,000	969,750	5,965,000	969,750
2034-2035	-	-	6,455,000	671,500	6,455,000	671,500
2035-2036	-	-	6,975,000	348,750	6,975,000	348,750
2036-2037	3,141,838	4,383,162	-	-	3,141,838	4,383,162
2037-2038	3,078,318	4,651,682	-	-	3,078,318	4,651,682
2038-2039	3,003,528	4,941,472	-	-	3,003,528	4,941,472
2039-2040	2,939,477	5,220,523	-	-	2,939,477	5,220,523
2040-2041	2,877,061	5,507,939	-	-	2,877,061	5,507,939
2041-2042	2,814,434	5,800,566	-	-	2,814,434	5,800,566
2042-2043	2,753,285	6,101,715	-	-	2,753,285	6,101,715
2043-2044	2,691,962	6,408,038	-	-	2,691,962	6,408,038
2044-2045	2,630,436	6,719,565	-	-	2,630,436	6,719,565
2045-2046	2,568,857	7,036,143	-	-	2,568,857	7,036,143
2046-2047	2,508,460	7,361,539	-	-	2,508,460	7,361,539
TOTALS	\$ 31,007,656	\$ 64,132,344	\$ 57,685,000	\$ 23,633,250	\$ 88,692,656	\$ 87,765,594

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SUPPLEMENTAL INFORMATION
As Required by the Oregon Department of Education
For the Year Ended June 30, 2023

A. Energy bills for heating - all funds:

	Objects 325 and 326 and 327
Function 2540	\$ 207,416
Function 2550	

B. Replacement of equipment - General Fund:

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

Exclude these functions:

	Amount
1113, 1122 & 1132 Co-curricular activities 4150 Construction	\$ -
1140 Pre-kindergarten 2550 Pupil transportation	-
Continuing education 3100 Food service	-
1400 Summer school 3300 Community services	

Seaside School District

Clatsop County, Oregon

**REVENUE SUMMARY - ALL FUNDS
YEAR ENDED JUNE 30, 2023**

	Fund 100	Fund 200	Fund 300	Fund 400	TOTAL
Revenue from Local Sources					
1111 Taxes - current year's levy	\$ 17,530,377	\$ -	\$ 4,872,550	\$ -	\$ 22,402,927
1112 Taxes - prior year's levies	355,065	-	104,953	-	460,018
1114 Taxes - payments in lieu of taxes	104,917	-	-	-	104,917
1121 Local option valorem taxes levied by district - current	1,978,888	-	-	-	1,978,888
1122 Local option valorem taxes levied by district - prior	35,887	-	-	-	35,887
1311 Tuition from Individuals	-	42,575	-	-	42,575
1510 Earnings on investments	408,323	417	14,114	11,705	434,559
1600 Food Service	-	(714)	-	-	(714)
1700 Extracurricular Activities	-	166,008	-	-	166,008
1740 Student Fees	1,650	-	-	-	1,650
1910 Rentals	13,931	-	-	-	13,931
1970 Services Provided to Other Funds	-	-	981,447	-	981,447
1990 Miscellaneous	174,777	443,284	64,561	-	682,622
Total Revenue from Local Sources	20,603,815	651,570	6,037,625	11,705	27,304,715
Revenue from Intermediate Sources					
2101 County school funds	1,582,245	-	-	-	1,582,245
2102 General Education Service Funds	-	69,131	-	-	69,131
Total Revenue from Intermediate Sources	1,582,245	69,131	-	-	1,651,376
Revenue from State Sources					
3103 Common school fund	95,741	-	-	-	95,741
3104 State managed county timber	419,699	-	-	-	419,699
3299 Other restricted grants-in-aid	-	3,742,787	-	-	3,742,787
Total Revenue from State Sources	515,440	3,742,787	-	-	4,258,227
Revenue from Federal Sources					
4500 Restricted Rev Fed Gov through State	40,718	1,660,501	-	-	1,701,219
4900 USDA Donated Commodities	-	90,956	-	-	90,956
Total Revenue from Federal Sources	40,718	1,751,457	-	-	1,792,175
Revenue from Other Sources					
5200 Interfund Transfers	-	37,540	-	-	37,540
5400 Resources - Beginning Fund Balance	6,007,431	1,184,346	607,846	9,151,411	16,951,034
Total Revenue from Other Sources	6,007,431	1,221,886	607,846	9,151,411	16,988,574
Total	\$ 28,749,649	\$ 7,436,831	\$ 6,645,471	\$ 9,163,116	\$ 51,995,067

Seaside School District

Clatsop County, Oregon

**GENERAL FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2023****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	\$ 2,601,786	\$ 1,559,796	\$ 147,890	\$ 60,817	\$ -	\$ 9,370	\$ -	\$ 4,379,659
1113 Elementary extracurricular	969	351	88,200	-	-	-	-	89,520
1121 Middle/Junior high school programs	1,227,759	708,654	85,261	25,900	-	2,535	-	2,050,109
1122 Middle/Junior high school extracurricular	96,188	23,520	8,772	4,786	-	-	-	133,266
1131 High school programs	1,477,537	797,531	88,263	80,387	-	5,292	-	2,449,010
1132 High school extracurricular	239,606	65,154	28,357	14,772	-	6,920	-	354,809
1220 Restrictive programs for student with disabilities	467,064	331,040	8,056	11,107	-	-	-	817,267
1250 Less restrictive programs for student with disabilities	857,449	605,893	90,599	18,472	-	-	-	1,572,413
1280 Alternative education	30,492	30,068	380,202	-	-	-	-	440,762
1291 English second language programs	426,803	289,734	-	-	-	-	-	716,537
Total Instruction Expenditures	7,425,653	4,411,741	925,600	216,241	-	24,117	-	13,003,352
Support Services Expenditures								
2110 Attendance and social work services	12,039	3,473	-	-	-	-	-	15,512
2120 Guidance services	320,844	204,539	306	628	-	-	-	526,317
2130 Health services	-	-	-	1,963	-	140	-	2,103
2150 Speech pathology and audiology services	-	-	335,774	-	-	-	-	335,774
2190 Service direction, student support services	147,488	75,065	-	-	-	-	-	222,553
2210 Improvement of instruction services	-	-	-	367	-	645	-	1,012
2220 Educational media services	91,649	74,050	-	12,982	-	-	-	178,681
2230 Supplies	-	-	-	123	-	-	-	123
2240 Instructional staff development	-	1,469	44,002	12,548	-	-	-	58,019
2310 Board of education services	-	-	96,462	3,987	-	410	-	100,859
2320 Executive administration services	350,120	169,058	-	-	-	6,847	-	526,025
2410 Office of the principal services	951,880	532,793	1,158	15,472	-	13,381	-	1,514,684
2520 Fiscal services	223,967	113,384	17,301	25,633	-	278,948	-	659,233
2540 Operation and maintenance of plant services	606,686	402,976	449,938	185,357	-	7,633	-	1,652,590
2550 Student transportation services	482,243	298,223	59,417	131,029	152,021	34,673	-	1,157,606
2660 Technology services	153,769	60,416	50,482	321,410	-	150	-	586,227
2700 Supplemental retirement program	59,492	32,931	-	-	-	-	-	92,423
Total Support Services Expenditures	3,400,177	1,968,377	1,054,840	711,499	152,021	342,827	-	7,629,741
Other Uses Expenditures								
5200 Transfers of Funds	-	-	-	-	-	-	37,540	37,540
Total Other Uses Expenditures	-	-	-	-	-	-	37,540	37,540
Total 100 General Fund	\$ 10,825,830	\$ 6,380,118	\$ 1,980,440	\$ 927,740	\$ 152,021	\$ 366,944	\$ 37,540	\$ 20,670,633

Seaside School District
Clatsop County, Oregon

**SPECIAL REVENUE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2023**

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	\$ 303,783	\$ 142,393	\$ 1,989	\$ 14,990	\$ -	\$ -	\$ -	\$ 463,155
1113 Elementary extracurricular	-	-	-	5,545	-	-	-	5,545
1121 Middle/Junior high school programs	19,732	19,322	-	7,392	-	-	-	46,446
1122 Middle/Junior high school extracurricular	-	-	-	18,405	-	-	-	18,405
1131 High School Programs	169,809	92,882	26,634	530,964	-	-	-	820,289
1132 High school extracurricular	10,823	3,176	-	455,908	-	-	-	469,907
1220 Restrictive programs for student with disabilities	3,301	3,126	-	959	-	-	-	7,386
1250 Less restrictive programs for student with disabilities	160,754	100,113	1,222	-	-	-	-	262,089
1272 Title IA/D	182,689	142,663	306	73,630	-	-	-	399,288
1280 Alternative education	35,523	-	65,581	27,355	-	-	-	128,459
1291 English language learner	53,519	28,523	14,052	45,463	-	-	-	141,557
1400 Summer school program	82,183	23,875	-	10,991	-	-	-	117,049
Total Instruction Expenditures	1,022,116	556,073	109,784	1,191,602	-	-	-	2,879,575
Support Services Expenditures								
2110 Attendance and social work services	28,754	22,758	3,705	46	-	-	-	55,263
2120 Guidance Services	311,758	179,470	-	2,900	-	-	-	494,128
2130 Health services	105,859	66,605	-	-	-	-	-	172,464
2240 Instructional Staff Development	16,883	3,490	106,477	12,565	-	385	-	139,800
2540 Operation and maintenance of plant services	-	-	-	28,831	-	-	-	28,831
2550 Student Transportation services	33,464	18,560	-	-	-	-	-	52,024
2640 Staff services	17,053	64,735	55,000	21,758	-	466	-	159,012
2660 Technology services	-	-	1,409	19,489	-	-	-	20,898
Total Support Services Expenditures	513,771	355,618	166,591	85,589	-	851	-	1,122,420
Enterprise and Community Services								
3100 Food services	194,229	149,322	1,910	263,495	-	1,155	-	610,111
3300 Community services	254,048	148,363	5,406	39,709	-	-	-	447,526
Total Enterprise and Community Services	448,277	297,685	7,316	303,204	-	1,155	-	1,057,637
Facilities Acquisition and Construction Expenditures								
4150 Building acquisition, construction and improvement	-	-	-	-	20,000	-	-	20,000
Total Facilities and Construction Expenditures	-	-	-	-	20,000	-	-	20,000
Other Uses Expenditures								
5100 Debt Service	-	-	-	-	-	27,540	-	27,540
Total Other Uses Expenditures	-	-	-	-	-	27,540	-	27,540
Total 200 Special Revenue Fund	\$ 1,984,164	\$ 1,209,376	\$ 283,691	\$ 1,580,395	\$ 20,000	\$ 29,546	\$ -	\$ 5,107,172

Seaside School District

Clatsop County, Oregon

**DEBT SERVICE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2023**

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,875,946	\$ -	\$ 6,875,946
Total Other Uses Expenditures	-	-	-	-	-	6,875,946	-	6,875,946
Total 300 Debt Service Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,875,946</u>	<u>\$ -</u>	<u>\$ 6,875,946</u>

Seaside School District
Clatsop County, Oregon

**CAPITAL PROJECTS FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2023**

Fund: 400 Capital Projects Fund

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Facilities Acquisition and Construction Expenditures								
4150 Building Acquisition, Construction and Improvement Services	\$ -	\$ -	\$ 1,781,836	\$ -	\$ 32,500	\$ 36,112	\$ -	\$ 1,850,448
Total Facilities Acquisition and Construction Expenditures	-	-	1,781,836	-	32,500	36,112	-	1,850,448
Total 400 Capital Projects Fund	\$ -	\$ -	\$ 1,781,836	\$ -	\$ 32,500	\$ 36,112	\$ -	\$ 1,850,448

Seaside School District 10 (Administrative SDS 10)
Clatsop, County

Historical and Projected Weighted Average Daily Membership (ADMw) and State School Fund Grant
State School Fund Grant Apportionment

	2022	2023
Extended ADMw:		
Current Fiscal Year Estimated ADMw	1829.0	1818.8
Prior Fiscal Year Estimated ADMw	1951.4	1829.0
Extended ADMw (greater of Current or Prior Year)	1829.0	1818.8
Experience Adjustment:		
District Average Teacher Experience	14.23	9.76
State Average Teacher Experience	12.3	11.9
Experience Adjustment (District and State Teacher Experience Difference)	1.93	-2.14
Local Revenue:		
Property Taxes	\$ 16,707,926	\$ 17,209,164
Federal Forest Fees	-	-
Common School Fund	188,194	191,481
County School Fund	2,000,000	1,328,492
State Managed Timber	289,546	400,000
In-lieu of Property Taxes	-	-
Revenue Adjustments	(1,447,164)	(877,640)
Local Revenue	\$ 17,738,502	\$ 18,251,497
Transportation Grant:	\$ 1,374,987	\$ 1,395,614
Net Eligible Transportation Costs	962,491	976,930
Grant (70% of Net Eligible Transportation Costs)		
General Purpose Grant:		
(Extended ADMw x [\$4,500 + (\$25 x Experience Adjust.)] x Funding Ratio	\$ 16,776,011	\$ 17,274,568
Total Formula Revenue:		
General Purpose Grant + Transportation Grant =	\$ 17,738,502	\$ 18,251,497
State School Fund Grant:		
Total Formula Revenue - Local Revenue =	(0)	0

Source: Oregon Department of Education, School Finance Office, Fiscal Year 2122 data as of March 2, 2022 and Fiscal Year 2223 data as of March 1, 2023

Taxable Property Values

(Fiscal Year 2023)

Clatsop County (1)

Taxpayer	Business/Service	Tax (2)	Assessed Value (3)	Percent of Value
Georgia Pacific Consumer Products	Paper Manufacturing	\$ 1,688,404	\$ 167,974,913	2.27%
L&C Tree Farms LLC	Forest Products	1,102,956	22,845,479	0.31%
Pacificorp	Electrical Utility	1,056,116	78,966,000	1.07%
Hampton Lumber Mills Inc	Forest Products	996,612	74,267,080	1.00%
Northwest Natural Gas Co.	Natural Gas Utility	726,004	53,707,000	0.72%
WorldMark The Club	Timeshare Resort	665,491	10,434,522	0.14%
Dulcich Realty LLC	Real Estate	573,494	42,363,928	0.57%
Charter Communications	Telecommunications	526,815	35,137,000	0.47%
Weyerhaeuser Company	Forest Products	445,374	12,023,151	0.16%
Lumen Technologies	Telecommunications	311,891	22,570,000	0.30%
Subtotal - ten of County's largest taxpayers			520,289,073	
All other County's taxpayers			6,890,321,892	92.98%
Total County			7,410,610,965	100.00%

(1) Covers Clatsop Community College District and Seaside School District No. 10.

(2) Tax amount is the total tax paid by the taxpayer within the boundaries of the County. This amount is distributed individual local governments by the County.

(3) Assessed value does not exclude offsets such as urban renewal and farm tax credits.

(4) Georgia-Pacific is a manufacturer and distributor of tissue, pulp, paper, packaging, building products and related chemicals. Georgia Pacific owns the Wauna Mill in Clatskanie. Source: www.gp.com.

Source: *Clatsop County Department of Assessment and Taxation.*

Seaside School District No. 10 - GO Capacity

Real Market Value (Fiscal Year 2021)(1)	\$ 8,017,676,754
Debt Capacity	
General Obligation Debt Capacity (7.95% of Real Market Value)	\$ 637,405,302
Less: Outstanding Debt Subject to Limit	\$ (88,692,656) (2)
Remaining General Obligation Debt Capacity	\$ 637,405,302
Percent of Capacity Issued	13.91%

(1) The District's fiscal year commences July 1 and ends on June 30 of the following year (the "Fiscal Year").

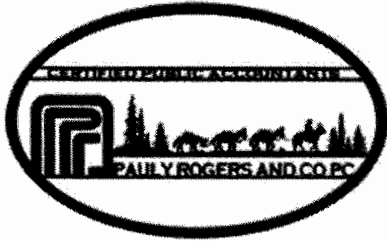
(2) Represents voter-approved, unlimited-tax general obligations of the District, including the Bonds.

**Taxable Property Values
Fiscal Year 2023**

M5 Real Market	Total Assessed Value	Urban Renewal	Net Assessed Value
\$ 8,017,676,754	\$ 4,343,459,635	\$ 66,193,116	\$ 4,277,266,519

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS



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December 12, 2023

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the governmental activities and each major fund of Seaside School District as of and for the year ended June 30, 2023, and have issued our report thereon dated December 12, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of 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.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

In connection with our testing nothing came to our attention that caused us to believe the Seaside School 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 follows:

1. Expenditures were within authorized appropriations except as noted on page 15.

OAR 162-10-0230 Internal Control

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

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

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

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

GRANT COMPLIANCE REVIEW



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December 12, 2023

To the Board of Directors
Seaside School District
Clatsop 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 the Seaside School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 12, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the 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 financial statements will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

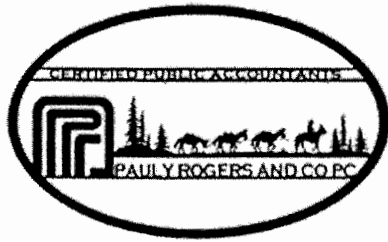
As part of obtaining reasonable assurance about whether Seaside School District's financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and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

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.

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive, slightly stylized font.

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



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December 12, 2023

To the Board of Directors
Seaside School District
Clatsop County, Oregon

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Seaside School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2023. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of compliance with the compliance requirements referred to above.

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.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about compliance with the requirements of each major federal program as a whole.

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

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

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

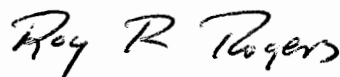
Report on Internal Control over Compliance

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

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

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

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



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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued	Modified
Internal control over financial reporting:	
Material weakness(es) identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
<u>Significant</u> deficiency(s) identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Any GAGAS audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

FEDERAL AWARDS

Internal control over major programs:	
Material weakness(es) identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Significant deficiency(s) identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER

84.425, 84.425D, 84.425U

NAME OF FEDERAL PROGRAM CLUSTER

Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards presented 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 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, since they already have a negotiated indirect cost rate with the Oregon Department of Education, and therefore are not allowed to use the de minimis rate.