

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021



12700 SW 72nd Ave.
Tigard, OR 97223

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

2020-2021 FINANCIAL REPORT

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

2020-2021 FINANCIAL REPORT

Board of Directors

Mark Truax, Chair	June 30, 2023
Brian Taylor, Vice-Chair	June 30, 2021
Sondra Gomez	June 30, 2023
Brian Owen	June 30, 2021
Shannon Swedenborg	June 30, 2023
Lori Lum	June 30, 2021
Michelle Wunderlich	June 30, 2021

Board members receive mail at the District address listed below.

ADMINISTRATION

Susan Penrod
Superintendent

Toni Vandershule
Business Manager
2600 Spruce Drive, Suite 100
Seaside, OR 97138

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

TABLE OF CONTENTS

PAGE
NUMBER

Independent Auditors' Report

i

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

iv

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:

Statement of Net Position

1

Statement of Activities

2

Fund Financial Statements:

Balance Sheet – Governmental Funds

3

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position

4

Statement of Revenues, Expenditures and Changes in Fund
Balances – Governmental Funds

5

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balance to the Statement of Activities

6

Notes to Basic Financial Statements

7

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of the Net Pension Liability – PERS

42

Schedule of Contributions – PERS

42

Schedule of Proportionate Share of the Net OPEB Asset – RHIA

43

Schedule of Employer Contributions – RHIA

43

Schedule of Changes in Total OPEB Liability and Related Ratios - (Stipends)

44

Schedule of Changes in Total OPEB Liability and Related Ratios - (Health Insurance)

45

Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual:

General Fund

46

Special Revenue Fund

47

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

TABLE OF CONTENTS (CONTINUED)

PAGE
NUMBER

SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Debt Service Fund	48
Capital Projects Fund	49
Schedule of Property Tax Transactions and Balances of Taxes Uncollected:	
General Fund	50
Debt Service Fund	51
Schedule of Expenditures of Federal Awards	52

OTHER INFORMATION

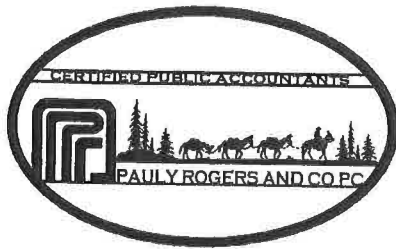
Schedule of Future Requirements of Bonded Debt - G.O. Bonds	53
Supplemental Information as Required by the Oregon Department of Education	54
Revenues by Function	55
Expenditures by Function/Object	
General Fund	56
Special Revenue Fund	57
Debt Service Fund	58
Capital Projects Fund	59
State School Fund Grant Apportionment	60
Taxable Property Values for Clatsop County	61
General Obligation Debt Capacity	62

REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS

Independent Auditors' Report Required by Oregon State Regulations	63
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GRANT COMPLIANCE REVIEW

Report on Internal Control Structure over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	65
Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with Uniform Guidance	67
Schedule of Findings and Questioned Costs	69



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December 28, 2021

Board of Directors
Seaside School District
Clatsop County, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and each major fund of the Seaside School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the Schedule of changes in total OPEB liability and related ratios for stipends or health insurance, or the schedules of net pension liability, net OPEB asset, and contributions for PERS, or RHIA, or Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

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

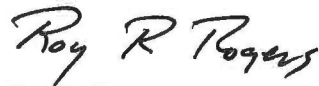
Other Information

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

Reports on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our reports December 28, 2021 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 28, 2021, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

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**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

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, 2021.

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, 2021 by \$10,679,900. Of this amount, \$19,306,644 represents the District's net investment in capital assets, \$1,873,181 is restricted for various purposes and the deficit of \$10,499,925 is unrestricted.
- The District's total net position increased \$14,867,854 for the fiscal year - with a prior period adjustment of \$8,012,734 recording fixed assets, RHIA assets, and adjusting property tax deferrals, and a change in net position of \$6,855,120.
- The District's governmental funds reported a combined ending fund balance of \$13,240,932 at June 30, 2021, an increase of \$350,861. Of that increase, \$236,358 was a prior period adjustment, and \$114,503 was the change in fund balance for the fiscal year.
- At June 30, 2021, unassigned fund balance for the General Fund was \$5,558,119, which represents an increase of \$2,009,913 in comparison with the prior year. The increase in fund balance included a prior period adjustment of \$191,948 to adjust property tax deferrals, and the change in fund balance for the fiscal year of \$1,817,965.
- The District's total debt increased by \$8,270,472 during the 2020-21 fiscal year.

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.

**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

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.

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.

**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

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 \$10,679,900 as of June 30, 2021, an increase of \$14,867,854 during the year. This increase includes a prior period adjustment of \$8,012,734 recording fixed assets, RHIA assets, and adjusting property tax deferrals, and a change in net position of \$6,855,120.

Capital assets, which consist of the District's land, buildings, building improvements, and equipment, net of accumulated depreciation, represent about 89.2 percent of total assets. The remaining assets consist mainly of investments, cash, grants and property taxes receivable.

The District's largest liability, which represents 73.9 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 15.0 percent of total liabilities. Other liabilities consist primarily of payables on accounts, and salaries and benefits payable as of June 30, 2021.

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

**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

SEASIDE SCHOOL DISTRICT STATEMENT OF NET POSITION			
	Governmental Activities		
	June 30, 2021	June 30, 2020, restated	Increase (Decrease)
ASSETS			
Current and Other Assets	\$ 15,860,444	\$ 15,470,774	\$ 389,670
Capital Assets, net of depreciation	131,455,949	114,248,307	17,207,642
Total Assets	<u>147,316,393</u>	<u>129,719,081</u>	<u>17,597,312</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferrals	7,218,701	5,860,706	1,357,995
Total OPEB Related Deferred Outflows	449,170	473,271	(24,101)
Total Deferred Outflows of Resources	<u>7,667,871</u>	<u>6,333,977</u>	<u>1,333,894</u>
LIABILITIES			
Current Liabilities	4,850,060	4,095,567	754,493
PERS net pension liability	19,365,762	15,254,028	4,111,734
Long-Term Obligations	118,829,400	111,256,348	7,573,052
Total Liabilities	<u>143,045,222</u>	<u>130,605,943</u>	<u>12,439,279</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferrals	1,067,190	1,524,509	(457,319)
Total OPEB Related Deferred Inflows	191,952	97,826	94,126
Total Deferred Inflows of Resources	<u>1,259,142</u>	<u>1,622,335</u>	<u>(363,193)</u>
NET POSITION			
Net Investment in Capital Assets	19,306,644	9,089,399	10,217,245
Restricted	1,873,181	1,163,439	709,742
Unrestricted	(10,499,925)	(6,428,058)	(4,071,867)
Total Net Position	<u>\$ 10,679,900</u>	<u>\$ 3,824,780</u>	<u>\$ 6,855,120</u>

Governmental Activities. During the current fiscal year, the District's net position a increased by \$14,867,854. The key elements of the change in the District's net position for the year ended June 30, 2021 are as follows:

- A prior period adjustment of \$8,012,734 recorded fixed assets, RHIA assets, and adjusting property tax receivables.
- Operating grants and contributions decreased by \$970,069 due to a one-time grant-in-aid received in the prior year for capital projects, offset by increases in federal grants for education stabilization and emergency education relief received in the current year.
- Earnings on investments decreased \$1,270,414 as a result of reduced investments held during the year,

**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

- and reduced interest rates.
- Property tax and timber collections increased \$1,144,523 and county funds increased \$1,039,319.
- Overall changes in expenses saw an increase of \$1,482,281 in instruction, support services and enterprise and community and facilities acquisition services due primarily to increases in salaries and benefits and pension expenses, construction progress and increased grant funding for education stabilization and emergency education relief.

SEASIDE SCHOOL DISTRICT CHANGES IN NET POSITION Year Ended June 30,			
	Governmental Activities		Increase
	2021	2020, restated	(Decrease)
REVENUES			
Program Revenues			
Charges for Services	\$ 4,256	\$ 72,307	\$ (68,051)
Operating Grants and Contributions	4,785,642	5,755,711	(970,069)
General Revenues			
Property Taxes Levied for:			
General Purposes	17,986,632	17,374,934	611,698
Debt Service	5,130,469	4,936,731	193,738
Timber Harvest Tax Revenue	2,126,482	1,787,395	339,087
Earnings on Investments	131,756	1,402,170	(1,270,414)
Other Local Sources	708,279	433,195	275,084
Intermediate Sources	1,174,943	135,624	1,039,319
Gain (Loss) on Disposal	1,096,148	403,055	693,093
State Sources	227,290	153,224	74,066
Total revenues	<u>33,371,897</u>	<u>32,454,346</u>	<u>917,551</u>
EXPENSES			
Instruction	14,852,699	14,767,893	84,806
Support services	7,907,706	7,264,611	643,095
Enterprise and Community Services	994,824	713,490	281,334
Facilities Acquisition	395,109	-	395,109
Interest on Long-Term Debt	2,366,439	2,288,502	77,937
Total expenses	<u>26,516,777</u>	<u>25,034,496</u>	<u>1,482,281</u>
Increase (Decrease) in Net Position	6,855,120	7,419,850	(564,730)
Net Position - Beginning, restated	3,824,780	(3,595,070)	7,419,850
Net Position - Ending	<u>\$ 10,679,900</u>	<u>\$ 3,824,780</u>	<u>\$ 6,855,120</u>

**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds: The focus of the District's governmental funds is to provide information of 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, 2021, the District's governmental funds reported combined ending fund balances of \$13,240,932, an increase of \$350,861 in comparison with the prior year, which includes a prior period adjustment of \$236,358 and net change in fund balance of \$114,503. Of the fund balance, \$1,548,693 (about 11.7 percent) 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). \$6,106,765 (about 46.1 percent) of fund balance is assigned for capital projects, and \$59,075 (0.4 percent) is non-spendable. The remaining 41.8 percent of the ending fund balances, \$5.53 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, 2021, the total fund balance was \$5,558,119 (unassigned or *unreserved* \$5,526,399; non-spendable \$31,720).

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 were \$889,038.

Debt Service Fund: The Debt Service Fund had a total fund balance of \$687,010.

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 \$6,106,765.

**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

CAPITAL ASSETS

The District's investment in capital assets includes land, buildings and building improvements, vehicles and equipment. As of June 30, 2021 the District had invested \$131,455,949 in capital assets, net of depreciation. As shown on the following table, total capital assets net of depreciation increased overall by \$17,207,642, due to construction in progress offset by regular depreciation of assets.

SEASIDE SCHOOL DISTRICT CAPITAL ASSETS (net of depreciation)			
	Governmental Activities		
	June 30, 2021	June 30, 2020, restated	Increase (Decrease)
Land	\$ 161,131	\$ 161,131	\$ -
Construction in Progress	128,876,318	110,474,471	18,401,847
Building and improvements	790,527	2,110,847	(1,320,320)
Vehicles and equipment	1,627,973	1,501,858	126,115
Total Capital Assets, net of depreciation	\$ 131,455,949	\$ 114,248,307	\$ 17,207,642

Long-term Debt. At the end of the current fiscal year, the District had \$119,799,380 in outstanding debt. This is an increase of \$8,270,472 from prior year, which includes issuances of general obligation bonds and full faith and credit obligations totaling \$11,345,164 offset by regular debt payments and amortization of premiums of \$3,074,692. 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

**SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON**

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

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, 2021, local property taxes and State timber monies provided 75.6 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 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.

Public school districts across the country have experienced a year like no other due to the COVID-19 pandemic, causing districts to shift to distance learning. Seaside School District adapted quickly and developed a comprehensive distance learning program as well as a fully online program, known as Online Thrive. The District's 2021-2022 budget includes the multiple resources provided by federal and state grants designed to support the transition back to full time, onsite instruction that meets all health and safety requirements. The Student Investment Act (SIA) is projected to be fully funded and supports the programs developed through a community engagement process, but were unable to implement due to reduced funding. 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 instruction both virtually and onsite. The priorities of the District for the 2021-2022 fiscal year include:

- Using resources to bring all students safely back onsite full time;
- Expanding intervention programs that focus on unfinished learning from the past year, and;
- Continuing the District's commitment to the Strategic Plan that by June 2024, all student prek-12 will be on track to graduate and be prepared with a plan beyond high school, and that all students prek-12 will develop the social and emotional skills to be positive community members.

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(s) at 2600 Spruce Drive, Suite 100, Seaside, Oregon 97138.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2021

ASSETS:	
Cash and Investments	\$ 11,266,716
Property Taxes Receivable	930,500
Accounts Receivable	3,279,665
Prepaid Expense	31,720
Inventory	27,355
Net OPEB Asset - RHIA	324,488
Capital Assets:	
Non-depreciable	129,037,449
Depreciable, Net of Depreciation	2,418,500
Total Assets	147,316,393
DEFERRED OUTFLOWS OF RESOURCES:	
Pension Related Deferrals - PERS	7,218,701
OPEB Related Deferrals - RHIA	36,404
OPEB Related Deferrals - Health Insurance	285,359
OPEB Related Deferrals - Stipends	127,407
Total Deferred Outflows:	7,667,871
TOTAL ASSETS AND PENSION RELATED DEFERRALS	154,984,264
LIABILITIES:	
Current:	
Accounts Payable	323,534
Accrued Payroll, Taxes, and Employee Withholdings	1,160,140
Accrued Compensated Absences	189,355
Accrued Interest	151,207
Long-term Liabilities Due within One Year	3,025,824
Noncurrent:	
Long-term Liabilities Due in More Than One Year	105,732,825
Bond Premium	11,040,731
Net Pension Liability - PERS	19,365,762
OPEB Liability - Health Insurance	1,586,309
OPEB Liability - Stipends	469,535
Total Liabilities	143,045,222
DEFERRED INFLOWS OF RESOURCES:	
Pension Related Deferrals - PERS	1,067,190
OPEB Related Deferrals - RHIA	120,632
OPEB Related Deferrals - Health Insurance	53,014
OPEB Related Deferrals - Stipends	18,306
Total Deferred Inflows:	1,259,142
TOTAL LIABILITIES AND PENSION RELATED DEFERRALS	144,304,364
NET POSITION:	
Net Investment in Capital Assets	19,306,644
Restricted:	
Net OPEB - RHIA	324,488
Debt Service	687,010
Special Revenue	861,683
Unrestricted	(10,499,925)
Total Net Position	\$ 10,679,900

See accompanying notes to the basic financial statements.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 14,852,699	\$ -	\$ 2,576,584	\$ (12,276,115)
Support Services	7,907,706	3,178	1,200,427	(6,704,101)
Community Services	994,824	1,078	1,008,631	14,885
Facilities Expense	395,109	-	-	(395,109)
Interest on Long-Term Debt	2,366,439	-	-	(2,366,439)
Total Governmental Activities	<u>\$ 26,516,777</u>	<u>\$ 4,256</u>	<u>\$ 4,785,642</u>	<u>(21,726,879)</u>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	17,986,632
Property Taxes, Levied for Debt Service	5,130,469
Timber Harvest Tax Revenue	2,126,482
Income Not Restricted to Specific Programs:	
Local Sources	1,762,884
Intermediate Sources	120,338
Common School Fund	227,290
Interest and Investment Earnings	131,756
Gain (Loss) on Disposal	1,096,148

Total General Revenues	<u>28,581,999</u>
Changes in Net Position	6,855,120
Net Position – Beginning, As Previously Reported	(4,187,954)
Prior Period Adjustment	<u>8,012,734</u>
Net Position – Beginning, As Restated	<u>3,824,780</u>
Net Position – Ending	<u>\$ 10,679,900</u>

See accompanying notes to the basic financial statements

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS:					
Cash and Investments	\$ 6,922,601	\$ -	\$ -	\$ 4,344,115	\$ 11,266,716
Receivables:					
Taxes	729,320	-	201,180	-	930,500
Accounts	918,256	2,301,965	59,444	-	3,279,665
Due from Other Funds	-	-	729,792	1,762,650	2,492,442
Prepaid Expenses	31,720	-	-	-	31,720
Inventory	-	27,355	-	-	27,355
Total Assets	\$ 8,601,897	\$ 2,329,320	\$ 990,416	\$ 6,106,765	\$ 18,028,398
LIABILITIES:					
Payroll Liabilities	\$ 1,033,056	\$ 127,084	\$ -	\$ -	\$ 1,160,140
Accounts Payable	190,338	3,196	130,000	-	323,534
Due to Other Funds	1,193,690	1,298,752	-	-	2,492,442
Total Liabilities	2,417,084	1,429,032	130,000	-	3,976,116
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	626,694	-	173,406	-	800,100
Unavailable Revenue - Commodities	-	11,250	-	-	11,250
Total Deferred Inflows of Resources	626,694	11,250	173,406	-	811,350
FUND BALANCES:					
Nonspendable	31,720	27,355	-	-	59,075
Restricted:					
Debt Service	-	-	687,010	-	687,010
Special Revenue	-	861,683	-	-	861,683
Assigned	-	-	-	6,106,765	6,106,765
Unassigned	5,526,399	-	-	-	5,526,399
Total Fund Balances	5,558,119	889,038	687,010	6,106,765	13,240,932
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,601,897	\$ 2,329,320	\$ 990,416	\$ 6,106,765	\$ 18,028,398

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, 2021

Total Fund Balances - Governmental Funds		\$	13,240,932
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.			
Capital Assets, Net of Depreciation			131,455,949
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.			
			(19,365,762)
OPEB RHIA Asset			324,488
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.			
Deferred Outflows (PERS)	\$	7,218,701	
Deferred Outflows (OPEB-PERS RHIA)		36,404	
Deferred Outflows (OPEB-Health Insurance)		285,359	
Deferred Outflows (OPEB Stipends)		127,407	
Deferred Inflows (PERS)		(1,067,190)	
Deferred Inflows (OPEB-PERS RHIA)		(120,632)	
Deferred Inflows (OPEB-Health Insurance)		(53,014)	
Deferred Inflows (OPEB Stipends)		(18,306)	6,408,729
The net OPEB obligation is not reported as a liability in the governmental funds. (Stipends)			
			(469,535)
The net OPEB obligation is not reported as a liability in the governmental funds. (Health Insurance)			
			(1,586,309)
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.			
Long term Liabilities			
PERS Bonds Payable	\$	(5,770,000)	
Loan Payable		(153,650)	
General Obligation Bonds Payable		(102,834,999)	
Bond Premium		(11,040,731)	
Interest Payable		(151,207)	
Accrued Compensated Absences		(189,355)	(120,139,942)
Unavailable revenue related to commodities and inventory			11,250
Unavailable revenue related to property taxes			800,100
Net Position		\$	10,679,900

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, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:					
Local Sources	\$ 18,364,904	\$ 571,109	\$ 5,131,911	\$ 1,089,306	\$ 25,157,230
Intermediate Sources	1,064,994	109,949	-	-	1,174,943
State Sources	1,303,161	1,098,409	-	1,615,825	4,017,395
Federal Sources	8,894	2,047,270	-	-	2,056,164
Total Revenues	20,741,953	3,826,737	5,131,911	2,705,131	32,405,732
EXPENDITURES:					
Current:					
Instruction	11,669,151	1,712,868	-	-	13,382,019
Support Services	6,666,114	458,590	-	-	7,124,704
Community Services	-	896,319	-	-	896,319
Facilities Acquisition	-	-	-	395,109	395,109
Capital Outlay	149,366	476,285	-	18,401,847	19,027,498
Debt Service	-	27,540	5,392,502	-	5,420,042
Total Expenditures	18,484,631	3,571,602	5,392,502	18,796,956	46,245,691
Excess of Revenues Over, (Under) Expenditures	2,257,322	255,135	(260,591)	(16,091,825)	(13,839,959)
Other Financing Sources, (Uses):					
Bond Proceeds	-	-	-	10,387,343	10,387,343
Bond Proceeds - Premium	-	-	-	957,821	957,821
Transfers In	-	3,215	370,440	75,000	448,655
Transfers Out	(448,655)	-	-	-	(448,655)
Proceeds from Sale of Fixed Assets	9,298	-	-	2,600,000	2,609,298
Total Other Financing Sources, (Uses)	(439,357)	3,215	370,440	14,020,164	13,954,462
Net Change in Fund Balance	1,817,965	258,350	109,849	(2,071,661)	114,503
Prior Period Adjustment	191,948	-	44,410	-	236,358
Beginning Fund Balance	3,548,206	630,688	532,751	8,178,426	12,890,071
Ending Fund Balance	\$ 5,558,119	\$ 889,038	\$ 687,010	\$ 6,106,765	\$ 13,240,932

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, 2021

Total Net Changes in Fund Balances - Governmental Funds	\$	114,503
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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	\$	19,027,498	
Proceeds on Sale of Capital Assets		(2,609,298)	
Gain (Loss) on Disposal of Capital Assets		1,096,148	
Depreciation Expense		<u>(306,706)</u>	17,207,642

The Pension Expense represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits. - PERS		(2,296,420)
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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		600,000	
Loan Repaid		22,155	
Issuance of Bonds		(11,345,164)	
Bond Premium (Amortized)		437,537	
GO and FFCO Bonds Repaid		2,015,000	
Accrued Interest		(21,089)	
Accrued Compensated Absences		<u>55,927</u>	(8,235,634)

Change in net OPEB asset and deferrals - RHIA		99,113
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Change in net OPEB liability and deferrals - Stipends		77,586
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Change in net OPEB liability and deferrals - Health Insurance		18,313
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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	(110,621)	
Change in Unearned Revenue, Debt Service Fund	<u>(30,612)</u>	(141,233)

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.

Change in Unearned Revenue, Special Revenue Fund		11,250
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Change in Net Position of Governmental Activities	\$	<u>6,855,120</u>
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See accompanying notes to the basic financial statements

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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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, 2021, 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, 2021, 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.

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.

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 Debt Service Fund – Debt Service which was overexpended by \$342,098.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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, 2021:

Deposits with Financial Institutions:	
Petty Cash	\$ 550
Demand Deposits	4,856,635
Certificates of Deposit	80,019
Savings Bonds	15,000
Investments - LGIP	<u>6,314,512</u>
Total Cash and Investments	<u>\$ 11,266,716</u>

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, 2021 was \$5,923,026, of which \$595,019 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, 2021, none of the bank balances were exposed to custodial credit risk.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

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. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. 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.

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	\$ 6,314,512	\$ 6,314,512	\$ -	\$ -
Savings Bonds	15,000	15,000	-	-
Total Investments	<u>\$ 6,329,512</u>	<u>\$ 6,329,512</u>	<u>\$ -</u>	<u>\$ -</u>

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

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, 2021, 99.76% of total investments were in the State Treasurer's Investment Pool and 0.24% 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, 2021 are as follows:

	<u>7/1/2020</u>	<u>Adjustments</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>6/30/2021</u>
Non-Depreciable:					
Construction in Progress	\$ 102,839,242	\$ 7,635,229	\$18,401,847	\$ -	\$ 128,876,318
Land	161,131	-	-	-	161,131
Total Non-Depreciable	<u>103,000,373</u>	<u>7,635,229</u>	<u>18,401,847</u>	<u>-</u>	<u>129,037,449</u>
Depreciable:					
Land Improvements	660,513	-	-	(88,148)	572,365
Buildings & Improvements	8,151,299	-	189,643	(4,364,437)	3,976,505
Equipment	516,375	-	291,642	(132,020)	675,997
Licensed Vehicles	2,327,123	-	144,366	(225,906)	2,245,583
Total Depreciable	<u>11,655,310</u>	<u>-</u>	<u>625,651</u>	<u>(4,810,511)</u>	<u>7,470,450</u>
Accumulated Depreciation:					
Land Improvements	594,119	-	4,387	(43,103)	555,403
Buildings & Improvements	6,106,846	-	25,807	(2,929,713)	3,202,940
Equipment	362,691	-	55,156	(101,682)	316,165
Licensed Vehicles	978,949	-	221,356	(222,863)	977,442
Total	<u>8,042,605</u>	<u>\$ -</u>	<u>\$ 306,706</u>	<u>\$ (3,297,361)</u>	<u>5,051,950</u>
Total Net Capital Assets	<u>\$ 106,613,078</u>				<u>\$ 131,455,949</u>
Instruction			\$ 191,765		
Support Services			102,097		
Community Services			<u>12,844</u>		
Total Depreciation Expense			<u>\$ 306,706</u>		

During the year ending June 30, 2021, the District disposed of capital assets and the difference between disposal proceeds and book value resulted in a gain of \$1,096,148 reported in the Statement of Activities. Additionally, the District made adjustments to its capital assets to reflect its updated capital asset register. Total capital assets were increased, with no change to accumulated depreciation, resulting in a prior period adjustment of \$7,635,229 in the Statement of Activities (See Note 19).

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS

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

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

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
- ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
- member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- 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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

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

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

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

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

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

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

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

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 requires employees to pay contributions on re-employed PERS retirees' salaries as if they were an active member, excluding IAP (6%) contributions. Employer contributions for the year ended June 30, 2021 were \$2,822,761, excluding amounts to fund employer specific liabilities.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

Pension Asset or Liability – At June 30, 2021, the District reported a net pension liability of \$19,365,762 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2020 and 2019, the District's proportion was .089 percent and .088 percent, respectively. Pension expense for the year ended June 30, 2021 was \$2,296,420.

The rates in effect for the year ended June 30, 2021 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	\$ 852,328	\$ -
Changes in assumptions	1,039,299	36,415
Net difference between projected and actual earnings on pension plan investments	2,277,162	-
Net changes in proportionate share	227,151	545,043
Differences between employer contributions and proportionate share of contributions	-	485,732
Subtotal - Amortized Deferrals (below)	4,395,940	1,067,190
District contributions subsequent to measuring date	2,822,761	-
Deferred outflow (inflow) of resources	\$ 7,218,701	\$ 1,067,190

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2022.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

Subtotal amounts related to pension as deferred outflows of resources, \$4,395,940, and deferred inflows of resources, (\$1,067,190), net to \$3,328,750 and will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 643,753
2023	1,032,794
2024	935,392
2025	715,137
2026	1,674
Total	<u>\$ 3,328,750</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 12, 2021. Oregon PERS produces an independently audited CAFR which can be found at:

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

Actuarial Valuations – The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Assumed Asset Allocation:

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

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 percent for both years for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 28,756,558	\$ 19,365,762	\$ 11,491,145

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available. There are no changes subsequent to the June 30, 2020 Measurement Date that meet this requirement.

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. RETIREMENT PLANS (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 OPSERP members earning \$2,500 or more per month 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 OPSERP 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, 2021.

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

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

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 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2019, 2020 and 2021 were \$44,811, \$11,372 and \$2,583, respectively, which equaled the required contributions each year. These amounts are combined and presented with the District's contributions to PERS in the Required Supplementary Information PERS Schedule of Contributions on Page 42.

At June 30, 2021, the District reported a net OPEB RHIA liability/(asset) of (\$324,488) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2018. 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, 2020 and 2019, the District's proportion was .159 percent and .090 percent, respectively. OPEB expense/(income) for the year ended June 30, 2021 was (\$99,113).

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Components of OPEB Expense/(Income):

Components of OPEB Expense/(Income)

Employer's Proportionate share of collective system OPEB Expense/(Income)	\$ (52,191)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(36,793)
Employer's Total OPEB Expense/(Income)	<u>\$ (88,984)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 33,172
Changes of assumptions	-	17,248
Net Difference between projected and actual earnings on investment	36,086	-
Changes in proportionate share	318	70,212
Deferred outflow (inflow) of resources	<u>\$ 36,404</u>	<u>\$ 120,632</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, 2022.

Subtotal amounts related to OPEB as deferred outflows of resources, \$36,404, and deferred inflows of resources, (\$120,632), net to (\$84,228) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2022	\$ (69,032)
2023	(39,919)
2024	13,339
2025	11,384
Total:	<u>\$ (84,228)</u>

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

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, 2020. That independently audited report was dated March 12, 2021 and can be found at:

https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_75_FYE_6.30.2020.pdf

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Retiree healthcare participation	Healthy retirees: 32%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net OPEB liability (asset)	<u>\$ (261,969)</u>	<u>\$ (324,488)</u>	<u>\$ (377,943)</u>

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2020 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

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 \$469,535 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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>	
Service Cost	\$ 8,705
Interest in total OPEB liability	16,903
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	(375)
Recognition of assumption changes	19,152
OPEB Expense	<u>\$ 44,385</u>

The following table shows the sensitivity of the Total OPEB Liability for Stipends to changes in discount rates on June 30, 2021:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Stipend Liability	\$ 485,399	\$ 469,535	\$ 453,702

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, 2021, the District recognized OPEB Stipend income of \$77,586. At June 30, 2021, 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	\$ (9,434)	\$ 3,911
Changes of assumptions	(8,872)	36,181
<i>Subtotal- Amortized Deferrals (Below)</i>	(18,306)	40,092
Benefit Payments after measurement date	-	87,315
Total as of June 30, 2021	<u>\$ (18,306)</u>	<u>\$ 127,407</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, 2022.

Subtotal amounts related to OPEB as deferred outflows of resources, \$40,092, and deferred inflows of resources, (\$18,306), net to \$21,786 and will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	<u>Annual Recognition</u>
2022	\$ 18,777
2023	(1,453)
2024	2,601
2025	1,861
Total	<u>\$ 21,786</u>

Actuarial Methods and Assumptions - The Total OPEB Liability for stipends for the current year was determined as part of the July 1, 2019 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 2.21% per year; (b) an inflation rate of 2.5% per year; (c) a payroll increase of 3.5% per year; (d) demographic assumptions based on Oregon PERS valuation assumptions as of December 31, 2018.

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, 2021, the following employees were covered by the benefit terms:

<u>Number of members</u>	<u>All Members</u>
Active	36
Retired Members	17
Total	<u>53</u>

OTHER POST-EMPLOYMENT BENEFITS (HEALTH INSURANCE)

Total OPEB Liability – The District’s total OPEB liability of \$1,586,309 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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>2020-2021</u>
Service Cost	\$ 117,415
Interest in total OPEB liability	54,008
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	(2,719)
Recognition of assumption changes	2,209
OPEB Expense	<u>\$ 170,913</u>

The following tables shows the sensitivity of Total OPEB Liability for Health Insurance to changes in discount and trend rates on June 30, 2021:

Discount Rate Sensitivity:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,669,407	\$ 1,586,309	\$ 1,505,907

Health Care Trend Sensitivity:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,466,257	\$ 1,586,309	\$ 1,723,592

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

OTHER POST-EMPLOYEMENT BENEFITS (HEALTH INSURANCE)

For the year ended June 30, 2021, the District recognized OPEB income for Health Insurance of \$18,313. At June 30, 2021, the District reported deferred outflows and deferred inflows of resources related to OPEB for Health Insurance from the following sources:

	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>
Differences between expected and actual experience	\$ (14,136)	\$ -
Changes of assumptions	(38,878)	96,133
<i>Subtotal - Amortized Deferrals (Below)</i>	(53,014)	96,133
Benefit Payments after measurement date	-	189,226
Total as of June 30, 2021	<u>\$ (53,014)</u>	<u>\$ 285,359</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, 2022.

Subtotal amounts related to OPEB as deferred outflows of resources, \$96,133, and deferred inflows of resources, (\$53,014), net to \$43,119 and will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	<u>Annual Recognition</u>
2022	\$ (510)
2023	(510)
2024	4,538
2025	11,532
2026	13,482
Thereafter	14,587
Total	<u>\$ 43,119</u>

Actuarial Methods and Assumptions - The Total OPEB Liability for the current year was determined as part of the July 1, 2019 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 2.21% per year; (b) an inflation rate of 2.5% per year; (c) a payroll increase of 3.5% per year; (d) demographic assumptions based on Oregon PERS valuation assumptions as of December 31, 2018.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

At June 30, 2021 the following employees were covered by the benefit terms:

<u>Number of members</u>	<u>All Members</u>
Active	196
Retired Members	19
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, 2021:

	Interest Rates	Original Issue	Outstanding 7/1/2020	Issued	Matured and Redeemed	Outstanding 6/30/2021	Due Within One Year
General Obligation Bonds:							
2017 GO Bond	4.58%	97,492,656	\$ 94,462,656	\$ -	\$ 1,695,000	\$ 92,767,656	\$ 1,920,000
2020 GO Bond	2.04%	2,207,343	-	2,207,343	130,000	2,077,343	117,939
		Total General Obligation Principal:	94,462,656	2,207,343	1,825,000	94,844,999	2,037,939
Premium			10,520,447	957,821	437,537	11,040,731	-
		Total General Obligation:	104,983,103	3,165,164	2,262,537	105,885,730	2,037,939
Full Faith & Credit:							
2020 FFCO	2.375%-4.000%	8,180,000	-	8,180,000	190,000	7,990,000	295,000
		Total Full Faith & Credit:	-	8,180,000	190,000	7,990,000	295,000
Direct Borrowings:							
SELP Loan	3.25%	326,570	175,805	-	22,155	153,650	22,885
		Total Direct:	175,805	-	22,155	153,650	22,885
Pension Bonds							
PERS 2005 Series Bond	4.849%-5.011%	10,080,000	6,370,000	-	600,000	5,770,000	670,000
		Total Pension Bonds:	6,370,000	-	600,000	5,770,000	670,000
		Total	\$ 111,528,908	\$ 11,345,164	\$ 3,074,692	\$ 119,799,380	\$ 3,025,824

Future maturities of Long-Term liabilities are as follows:

Year Ending	PERS 2005 Series		2017 GO Bond		2020 GO Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 670,000	\$ 289,134	\$ 1,920,000	\$ 3,088,000	\$ 117,939	\$ 42,378
2023	740,000	255,562	2,155,000	2,992,000	125,227	39,972
2024	820,000	218,480	2,405,000	2,884,250	133,389	37,417
2025	900,000	177,390	2,670,000	2,764,000	142,416	34,696
2026	990,000	132,290	2,955,000	2,630,500	148,127	31,791
2027-2031	1,650,000	111,244	19,685,000	10,621,000	878,417	109,927
2032-2036	-	-	29,970,000	4,733,500	531,828	19,800
2037-2041	-	-	15,040,222	24,704,778	-	-
2042-2046	-	-	13,458,974	32,066,027	-	-
2047-2050	-	-	2,508,460	7,361,539	-	-
Total	\$ 5,770,000	\$ 1,184,100	\$ 92,767,656	\$ 93,845,594	\$ 2,077,343	\$ 315,981

Year Ending	2020 FFCO Bond		SELP Loan (reimb)		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 295,000	\$ 270,000	\$ 22,885	\$ 4,655	\$ 3,025,824	\$ 3,694,167
2023	310,000	258,200	23,640	3,900	3,353,867	3,549,634
2024	320,000	245,800	24,419	3,121	3,702,808	3,389,068
2025	335,000	233,000	25,226	2,314	4,072,642	3,211,400
2026	340,000	226,300	26,057	1,483	4,459,184	3,022,364
2027-2031	1,920,000	915,900	31,423	624	24,164,840	11,758,695
2032-2036	2,335,000	500,100	-	-	32,836,828	5,253,400
2037-2041	2,135,000	128,132	-	-	17,175,222	24,832,910
2042-2046	-	-	-	-	13,458,974	32,066,027
2047-2050	-	-	-	-	2,508,460	7,361,539
Total	\$ 7,990,000	\$ 2,777,432	\$ 153,650	\$ 16,097	\$ 108,758,649	\$ 98,139,204

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. However, the related financial impact and duration cannot be reasonably estimated at this time.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

14. OPERATING LEASE AGREEMENTS

OPERATING LEASE PAYABLE

On December 15, 2006 the District entered into a lease with the City of Seaside, OR for the leasing of the Seaside Chamber of Commerce Office Building, restrooms, parking facilities, together with other pertinent structures. The lease had a 25 year term ending December 15, 2031 and required the District to assume all responsibility for maintenance and upkeep of the improvements and the grounds and carry insurance coverage as consideration for the rental. Repair and maintenance expense for the year ended June 30, 2021 totaled \$20,237.

During September 2020 the District entered into negotiations to sell its lease and all related improvements to the Sunset Empire Park and Recreation District. The transaction was completed in December 2020. The District received \$2.2 million in consideration for the sale.

On August 5, 2020, the District entered into an agreement with Ricoh USA, Inc. for the leasing of copier machines. The lease has a 60 months term with a monthly payment of \$2,644. Lease payments for the year ended June 30, 2021 totaled \$29,083.

Future minimum operating lease obligations for equipment is as follows:

Year Ended June 30,	Amount
2022	\$ 31,727
2023	31,727
2024	31,727
2025	31,727
2026	2,644
Total	<u>\$ 129,552</u>

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

15. SHORT-TERM OBLIGATIONS

In July 2020, the District issued a Tax Revenue Anticipation Note, Series 2020, in the amount of \$846,250, to continue operations of the District prior to receipt of annual tax revenue. The note matured and was paid in full in December 2020, and bore interest at a rate of 2.0%.

16. INTERFUND TRANSFERS

The composition of interfund transfers is as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 448,655	\$ -
Special Revenue Fund	-	3,215
Debt Service Fund	-	370,440
Capital Projects Fund	-	75,000
Total Transfers	<u>\$ 448,655</u>	<u>\$ 448,655</u>

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

17. 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	\$ -	\$ 1,193,690
Special Revenue Fund	-	1,298,752
Debt Service Fund	729,792	-
Capital Projects Fund	1,762,650	-
Total Transfers	<u>\$ 2,492,442</u>	<u>\$ 2,492,442</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

18. PROPERTY TAX ABATEMENT

As of June 30, 2021, 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, 2021 for any program covered under GASB 77.

19. PRIOR PERIOD ADJUSTMENTS

An adjustment to Capital Assets was made to account for Construction in Progress not previously capitalized and reported in the District's capital asset schedule. The total construction in progress recorded increased Beginning Net Position in the Statement of Activities by \$7,635,229.

Adjustments to Net OPEB RHIA Asset, and its related Deferred Outflows of Resources and Inflows of Resources, were made to account for economic resources that existed at the end of the previous fiscal year but had not been recognized or reported as they had previously been considered not material to the basic financial statements. The Net OPEB RHIA Asset, and related Deferred Outflows of Resources and Deferred Inflows of Resources, increased Beginning Net Position in the Statement of Activities by \$141,147.

An adjustment was made to the beginning fund balances of the general and debt service fund to account for a local option levy in property tax receivable. This increased the beginning fund balance of the general fund by \$191,948 and the debt service fund by \$44,410.

Below is a summary of prior period adjustments and the resulting restated Beginning Net Position.

Net position-Beginning as previously reported	\$ (4,187,954)
June 30, 2020 Capital Asset Adjustment	7,635,229
June 30, 2020 RHIA Asset	141,147
General Fund Property Tax Adjustment	191,948
Debt Service Fund Property Tax Adjustment	44,410
Net position-Beginning as restated	<u>\$ 3,824,780</u>

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

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
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. 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

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2021	\$ 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. 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

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

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
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
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, 2021

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
2021	\$ 524,180	\$ 8,705	\$ 16,903	\$ -	\$ -	\$ 20,469	\$ (100,722)	\$ 469,535	\$ 9,890,857	4.7472 %
2020	608,251	13,183	22,166	-	(17,296)	(3,841)	(98,283)	524,180	\$ 9,675,867	5.4174
2019	678,831	13,168	22,996	-	-	(6,550)	(100,194)	608,251	\$ 6,332,445	9.6053
2018	749,876	24,752	20,443	-	-	(772)	(115,468)	678,831	\$ 5,641,461	12.0329
2017	804,600	21,362	29,400	-	-	20,364	(125,850)	749,876	\$ 5,373,174	13.9559

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, 2021

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
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, 2021

GENERAL FUND

	ADOPTED BUDGET		ACTUAL	VARIANCE TO BUDGET
REVENUES:				
Local Sources	\$ 18,852,201		\$ 18,364,904	\$ (487,297)
Intermediate Sources	1,142,905		1,064,994	(77,911)
State Sources	424,199		1,303,161	878,962
Federal Sources	15,000		8,894	(6,106)
Total Revenues	20,434,305		20,741,953	307,648
EXPENDITURES:				
Instruction	13,666,519	(1)	11,674,151	1,992,368
Support Services	8,128,529	(1)	6,810,480	1,318,049
Contingency	400,000	(1)	-	400,000
Total Expenditures	22,195,048		18,484,631	3,710,417
Excess of Revenues Over, (Under) Expenditures	(1,760,742)		2,257,322	4,018,064
Other Financing Sources, (Uses):				
Transfers Out	(1,214,808)	(1)	(448,655)	766,153
Proceeds from Sale of Fixed Assets	-		9,298	9,298
Total Other Financing Sources, (Uses)	(1,214,808)		(439,357)	766,153
Net Change in Fund Balance	(2,975,550)		1,817,965	4,784,217
Prior Period Adjustment	-		191,948	191,948
Beginning Fund Balance	2,975,550		3,548,206	572,656
Ending Fund Balance	\$ -		\$ 5,558,119	\$ 5,548,821

(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, 2021

SPECIAL REVENUE FUND

	ADOPTED BUDGET		ACTUAL	VARIANCE TO BUDGET
REVENUES:				
Local Sources	\$ 1,226,800		\$ 571,109	\$ (655,691)
Intermediate Sources	313,864		109,949	(203,915)
State Sources	1,825,581		1,098,409	(727,172)
Federal Sources	1,412,257		2,047,270	635,013
	<u>4,778,502</u>		<u>3,826,737</u>	<u>(951,765)</u>
Total Revenues				
EXPENDITURES:				
Instruction	2,422,963	(1)	1,982,294	440,669
Support Services	1,227,766	(1)	458,590	769,176
Community Service	1,333,144	(1)	913,535	419,609
Facilities Acquisition	421,000	(1)	189,643	231,357
Debt Service:	27,540	(1)	27,540	-
	<u>5,432,413</u>		<u>3,571,602</u>	<u>1,860,811</u>
Total Expenditures				
Excess of Revenues Over, (Under) Expenditures	(653,911)		255,135	909,046
Other Financing Sources, (Uses):				
Transfers In	252,392		3,215	(249,177)
	<u>252,392</u>		<u>3,215</u>	<u>(249,177)</u>
Total Other Financing Sources, (Uses)				
Net Change in Fund Balance	(401,519)		258,350	659,869
Beginning Fund Balance	538,693		630,688	91,995
Ending Fund Balance	<u>\$ 137,173</u>		<u>\$ 889,038</u>	<u>\$ 751,865</u>

(1) Appropriation Level

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

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

DEBT SERVICE FUND

	ADOPTED BUDGET	ACTUAL	VARIANCE TO BUDGET
REVENUES:			
Local Sources	\$ 4,920,404	\$ 5,131,911	\$ 211,507
Total Revenues	4,920,404	5,131,911	211,507
EXPENDITURES:			
Debt Service:			
Redemption of Principal	1,841,720	1,767,900	73,820
Interest	3,208,684	3,624,602	(415,918)
Total Debt Service	5,050,404	(1) 5,392,502	(342,098)
Total Expenditures	5,050,404	5,392,502	(342,098)
Excess of Revenues Over, (Under) Expenditures	(130,000)	(260,591)	(130,591)
Other Financing Sources, (Uses):			
Transfers In	-	370,440	-
Total Other Financing Sources, (Uses)	-	370,440	-
Net Change in Fund Balance	(130,000)	109,849	239,849
Prior Period Adjustment	-	44,410	44,410
Beginning Fund Balance	130,000	532,751	402,751
Ending Fund Balance	\$ -	\$ 687,010	\$ 687,010

(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, 2021

CAPITAL PROJECTS FUND

	ADOPTED BUDGET	ACTUAL	VARIANCE TO BUDGET
REVENUES:			
Local Sources	\$ 136,500	\$ 1,089,306	\$ (952,806)
State Sources	-	1,615,825	1,615,825
Total Revenues	136,500	2,705,131	2,568,631
EXPENDITURES:			
Facilities Acquisition and Construction	22,751,404	(1) 18,796,956	3,954,448
Total Expenditures	22,751,404	18,796,956	3,954,448
Excess of Revenues Over, (Under) Expenditures	(22,614,904)	(16,091,825)	6,523,079
Other Financing Sources, (Uses):			
Proceeds from Loans and Issuance of Bonds	12,205,000	10,387,343	(1,817,657)
Proceeds from Issuance of Bond - Premium	-	957,821	957,821
Transfers In	2,347,140	75,000	(2,272,140)
Transfers Out	(1,384,725)	(1) -	1,384,725
Proceeds from Sale of Fixed Assets	5,000,000	2,600,000	(2,400,000)
Total Other Financing Sources (Uses)	18,167,416	14,020,164	(4,147,252)
Net Change in Fund Balance	(4,447,489)	(2,071,661)	2,375,828
Beginning Fund Balance	4,522,489	8,178,426	3,655,938
Ending Fund Balance	\$ 75,000	\$ 6,106,765	\$ 6,031,765

(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, 2021

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 7/1/20	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/21
<u>GENERAL FUND:</u>						
Current:						
2020-21	\$ 18,361,651	\$ 481,263	\$ 14,381	\$ 11,309	\$ 17,516,143	\$ 389,935
Prior Years:						
2019-20	574,104	-	(37,990)	25,383	376,579	184,918
2018-19	217,647	-	(31,783)	22,532	115,510	92,886
2017-18	120,384	-	(24,686)	24,245	87,889	32,054
2016-17	26,028	-	(7,027)	6,804	20,699	5,106
Prior Years	33,824	-	(7,977)	5,678	7,104	24,421
Total Prior	971,987	-	(109,463)	84,642	607,781	339,385
Total General Fund	\$ 19,333,638	\$ 481,263	\$ (95,082)	\$ 95,951	\$ 18,123,924	\$ 729,320

RECONCILIATION TO REVENUE:		GENERAL FUND
Cash Collections by County Treasurer Above		\$ 18,123,924
Accrual of Receivables:		
June 30, 2020		(179,426)
June 30, 2021		102,626
Change in Prior Years Unearned Revenue, see page 6		(110,621)
Taxes in Lieu		50,129
Total Revenue		\$ 17,986,632

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

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

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 7/1/20	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/21
<u>DEBT SERVICE</u>						
Current:						
2020-21	\$ 5,198,815	\$ 136,262	\$ 4,757	\$ 3,202	\$ 4,960,108	\$ 110,404
Prior Years:						
2019-20	163,448	-	(10,816)	7,227	107,212	52,647
2018-19	62,537	-	(9,132)	6,474	33,190	26,689
2017-18	35,517	-	(7,283)	7,153	25,930	9,457
2016-17	9,886	-	(2,669)	2,584	7,862	1,939
Prior Years	59	-	(13)	10	12	44
Total Prior	271,447	-	(29,913)	23,448	174,206	90,776
Total Debt Service	\$ 5,470,262	\$ 136,262	\$ (25,156)	\$ 26,650	\$ 5,134,314	\$ 201,180

RECONCILIATION TO REVENUE:

	DEBT SERVICE FUND
Cash Collections by County Treasurer Above	\$ 5,134,314
Accrual of Receivables:	
June 30, 2020	(45,017)
June 30, 2021	27,773
Change in Prior Year's Unearned Revenue, See p. 6	(30,612)
Taxes in Lieu	44,011
Total Revenue	\$ 5,130,469

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

As required by Oregon Department of Education
For the Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/ Program Title	Pass Through Organization	Federal AL Number	Pass Through Number	Grant Period	Expenditures	Pass Through to Sub-Recipients
U.S. Department of Education						
Rural Education Achievement Program	USDOE	84.358	55338	07/01/19-09/30/20	\$ 2,910	\$ -
Total Rural Education Achievement Program					2,910	-
Title I Grants to Local Educational Agencies	ODE	84.010	53366	2019-2020	46,459	-
Title I Grants to Local Educational Agencies	ODE	84.010	58360	2020-2021	361,803	-
Total Title I, Part A					408,262	-
Special Education Cluster						
Special Education Grants to States	ODE	84.027	56747	2019-2020	3,599	-
Special Education Grants to States	ODE	84.027	57438	2019-2020	270	-
Special Education Grants to States	ODE	84.027	60747	2020-2021	256,690	-
Total Special Education Grants to States					260,559	-
Total, Special Education Cluster					260,559	-
Title IIA - Improving Teacher Quality State Grants	ODE	84.367	49405	2019-2020	9,734	-
Title IIA - Improving Teacher Quality State Grants	ODE	84.367	58854	2020-2021	22,384	-
Total IIA Improving Teacher Quality State Grants					32,118	-
Title IV-A Student Support and Academic Enrichment	ODE	84.424	54618	2020-2021	22,316	-
Total IV-A Student Support and Academic Enrichment					22,316	-
Educational Stabilization Fund	ODE	84.425D	57908	03/13/20-09/30/22	316,436	-
Educational Stabilization Fund	ODE	84.425D	64679	03/13/20-09/30/23	302,163	16,519
Total Educational Stabilization Fund					618,599	16,519
Governor's Emergency Education Relief (GEER) Fund	ODE	84.425C	61071	07/01/20-05/30/21	112,640	7,655
Total Governor's Emergency Education Relief (GEER) Fund					112,640	7,655
Total, U.S. Department of Education					1,457,404	24,174
U.S. Department of Health and Human Services						
Vocational Rehabilitation Grants to States	Tillamook SD	84.126	N/A	2020-2021	8,894	-
Total, U.S. Department of Health and Human Services					8,894	-
U.S. Department of Agriculture						
Child Nutrition Cluster						
National School Lunch Program Commodities	ODE	10.555	N/A	2020-2021	45,414	-
Total National School Lunch Program					45,414	-
Summer Food Service Program	ODE	10.559	N/A	2020-2021	501,155	-
Summer Food Service Program CARES	ODE	10.559	N/A	2020-2021	43,297	-
Total Summer Food Service Program					544,452	-
Total, Child Nutrition Cluster					589,866	-
Total, U.S. Department of Agriculture					589,866	-
Total, Federal Awards					\$ 2,056,164	\$ 24,174

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

OTHER INFORMATION

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS OF BONDED DEBT - GO Bonds
June 30, 2021

YEAR	2017A Bond		2017B Bond		TOTAL REQUIREMENT ALL ISSUES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	Due 6/30	Due 12/30 & 6/30	Due 6/30	Due 12/30 & 6/30		
2021-2022	\$ -	\$ -	\$ 1,920,000	\$ 3,088,000	\$ 1,920,000	\$ 3,088,000
2022-2023	-	-	2,155,000	2,992,000	2,155,000	2,992,000
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	\$ 61,760,000	\$ 29,713,250	\$ 92,767,656	\$ 93,845,594

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SUPPLEMENTAL INFORMATION
As Required by the Oregon Department of Education
For the Year Ended June 30, 2021

A. Energy bills for heating - all funds:

	Objects 325 and 326 and 327
Function 2540	\$
Function 2550	245,085

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, 2021

	Fund 100	Fund 200	Fund 300	Fund 400	TOTAL
Revenue from Local Sources					
1111 Taxes - current year's levy	\$ 15,853,915	\$ -	\$ 4,956,328	\$ -	\$ 20,810,243
1112 Taxes - prior year's levies	835,620	-	204,753	-	1,040,373
1114 Taxes - payments in lieu of taxes	38,835	-	-	-	38,835
1121 Local option valorem taxes levied by district - current	1,550,113	-	-	-	1,550,113
1122 Local option valorem taxes levied by district - prior	49,553	-	-	-	49,553
1510 Earnings on investments	56,269	91	15,240	60,368	131,968
1600 Food Service	-	1,078	-	-	1,078
1700 Extracurricular Activities	-	45,178	-	-	45,178
1920 Contributions and donations from private sources	-	177,000	-	-	177,000
1960 Recovery of prior year expenditures	21,463	-	-	-	21,463
1990 Miscellaneous	151,083	347,767	-	1,028,938	1,527,788
Total Revenue from Local Sources	18,556,851	571,114	5,176,321	1,089,306	25,393,592
Revenue from Intermediate Sources					
2101 County school funds	1,054,605	-	-	-	1,054,605
2102 General Education Service Funds	2,500	109,949	-	-	112,449
2199 Other intermediate sources	7,889	-	-	-	7,889
Total Revenue from Intermediate Sources	1,064,994	109,949	-	-	1,174,943
Revenue from State Sources					
3103 Common school fund	227,290	-	-	-	227,290
3104 State managed county timber	1,071,877	-	-	-	1,071,877
3299 Other restricted grants-in-aid	3,994	1,098,409	-	1,615,825	2,718,228
Total Revenue from State Sources	1,303,161	1,098,409	-	1,615,825	4,017,395
Revenue from Federal Sources					
4500 Restricted Rev Fed Gov through State	8,894	1,944,512	-	-	1,953,406
4900 USDA Donated Commodities	-	102,758	-	-	102,758
Total Revenue from Federal Sources	8,894	2,047,270	-	-	2,056,164
Revenue from Other Sources					
5110 Bond Proceeds	-	-	-	10,387,343	10,387,343
5120 Bond Premium	-	-	-	957,821	957,821
5200 Interfund Transfers	-	3,215	370,440	75,000	448,655
5300 Sale/compensation fixed assets	9,298	-	-	2,600,000	2,609,298
5400 Resources - Beginning Fund Balance	3,548,206	630,688	532,751	8,178,426	12,890,071
Total Revenue from Other Sources	3,557,504	633,903	903,191	22,198,590	27,293,188
Total	\$ 24,491,404	\$ 4,460,645	\$ 6,079,512	\$ 24,903,721	\$ 59,935,282

Seaside School District
Clatsop County, Oregon

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

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	\$ 2,258,383	\$ 1,428,252	\$ 51,309	\$ 124,679	\$ -	\$ -	\$ -	\$ 3,862,623
1113 Elementary extracurricular	1,624	614	39,472	-	-	-	-	41,710
1121 Middle/Junior high school programs	1,056,660	641,045	17,744	42,426	-	-	-	1,757,875
1122 Middle/Junior high school extracurricular	9,564	3,221	1,233	-	-	-	-	14,018
1131 High school programs	1,508,206	929,977	27,413	69,457	-	-	-	2,535,053
1132 High school extracurricular	230,530	57,451	11,200	5,566	-	1,920	-	306,667
1220 Restrictive programs for student with disabilities	490,659	446,642	155,207	978	-	-	-	1,093,486
1250 Less restrictive programs for student with disabilities	595,864	559,140	7,504	1,588	-	-	-	1,164,096
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1272 Title 1A/D	-	-	-	-	-	-	-	-
1280 Alternative education	26,235	30,251	337,325	-	-	-	-	393,811
1291 English second language programs	270,158	233,303	568	784	-	-	-	504,813
1400 Summer school programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	6,447,883	4,329,896	648,975	245,478	-	1,920	-	11,674,152
Support Services Expenditures								
2110 Attendance and social work services	30,539	23,319	-	-	-	-	-	53,858
2120 Guidance services	390,098	241,885	-	229	-	-	-	632,212
2130 Health services	71,000	34,621	-	2,635	-	242	-	108,498
2150 Speech pathology and audiology services	-	-	204,407	-	-	-	-	204,407
2190 Service direction, student support services	133,282	83,993	3,660	100	-	595	-	221,630
2210 Improvement of instruction services	63,554	44,290	1,500	1,811	-	595	-	111,750
2220 Educational media services	80,979	80,226	-	2,723	-	-	-	163,928
2240 Instructional staff development	11,948	3,555	71,788	-	-	-	-	87,291
2310 Board of education services	-	-	47,078	-	-	3,688	-	50,766
2320 Executive administration services	229,231	131,479	4,960	3,201	-	5,650	-	374,521
2410 Office of the principal services	897,711	601,568	21,699	9,257	-	6,557	-	1,536,792
2520 Fiscal services	236,365	156,666	13,028	5,085	-	262,519	-	673,663
2540 Operation and maintenance of plant services	484,105	402,235	382,116	73,828	-	8,020	-	1,350,304
2550 Student transportation services	273,230	268,035	18,097	91,054	144,366	29,185	-	823,967
2660 Technology services	138,949	77,338	61,575	25,058	-	150	-	303,070
2700 Supplemental retirement program	83,415	30,402	-	-	-	-	-	113,817
Total Support Services Expenditures	3,124,406	2,179,612	829,908	214,981	144,366	317,201	-	6,810,474
Other Uses Expenditures								
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	-	-	-	-	-	-	448,655	448,655
Total Other Uses Expenditures	-	-	-	-	-	-	448,655	448,655
Total 100 General Fund	\$ 9,572,289	\$ 6,509,508	\$ 1,478,883	\$ 460,459	\$ 144,366	\$ 319,121	\$ 448,655	\$ 18,933,281

Seaside School District
Clatsop County, Oregon

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

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	\$ 124,490	\$ 73,658	\$ 8,972	\$ 232,773	\$ -	\$ -	\$ -	439,893
1113 Elementary extracurricular	-	-	-	7,480	-	-	-	7,480
1121 Middle/Junior high school programs	-	-	2,260	65,618	-	-	-	67,878
1122 Middle/Junior high school extracurricular	-	-	-	878	-	-	-	878
1131 High School Programs	62,119	32,200	23,988	254,647	135,394	-	-	508,348
1132 High school extracurricular	6,901	2,080	-	168,316	-	-	-	177,297
1140 Pre-kindergarten programs	-	-	-	-	-	-	-	-
1250 Less restrictive programs for student with disabilities	163,521	97,038	-	-	-	-	-	260,559
1271 Remediation	3,282	993	-	-	-	-	-	4,275
1272 Title IA/D	206,471	182,393	19,398	-	-	-	-	408,262
1280 Alternative education	1,600	-	10,495	22,574	-	-	-	34,669
1291 English language learner	42,753	26,664	-	-	-	-	-	69,417
1400 Summer school program	1,201	408	-	1,727	-	-	-	3,336
Total Instruction Expenditures	612,338	415,434	65,113	754,013	135,394	-	-	1,982,292
Support Services Expenditures								
2120 Guidance Services	48,794	42,308	-	-	-	-	-	91,102
2130 Health services	-	-	100	16,125	-	-	-	16,225
2240 Instructional Staff Development	50,942	19,141	53,888	13,451	-	-	-	137,422
2410 Office of the principal	-	-	-	5,280	-	-	-	5,280
2540 Operation and maintenance of plant services	-	-	-	42,827	-	-	-	42,827
2550 Student Transportation Services	17,132	9,032	-	4,185	-	-	-	30,349
2660 Technology Services	-	-	113,530	21,854	-	-	-	135,384
Total Support Services Expenditures	116,868	70,481	167,518	103,722	-	-	-	458,589
Enterprise and Community Services								
3100 Food services	135,958	153,057	251,115	86,888	-	-	-	627,018
3300 Community Services	152,106	91,913	500	42,001	-	-	-	286,520
Total Enterprise and Community Services	288,064	244,970	251,615	128,889	-	-	-	913,538
Facilities Acquisition and Construction Expenditures								
4150 Building acquisition, construction and improvement	-	-	-	-	189,643	-	-	189,643
Total Facilities and Construction Expenditures	-	-	-	-	189,643	-	-	189,643
Other Uses Expenditures								
5100 Debt Service	-	-	-	-	-	27,540	-	27,540
Total Other Uses Expenditures	-	-	-	-	-	27,540	-	27,540
Total 200 Special Revenue Fund	\$ 1,017,270	\$ 730,885	\$ 484,246	\$ 986,624	\$ 135,394	\$ 27,540	\$ -	\$ 3,571,602

Seaside School District
Clatsop County, Oregon

DEBT SERVICE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2021

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,392,502	\$ -	\$ 5,392,502
Total Other Uses Expenditures	-	-	-	-	-	5,392,502	-	5,392,502
Total 300 Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,392,502	\$ -	\$ 5,392,502

Seaside School District
Clatsop County, Oregon

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

Fund: 400 Capital Projects Fund

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Facilities Acquisition and Contruction Expenditures								
4110 Service area direction	\$ -	\$ -	\$ 208,875	\$ -	\$ -	\$ 3,562	\$ -	\$ 212,437
4120 Site Acquisition and Development Services	-	-	127,500	-	-	57,805	-	185,305
4150	-	-	17,042,264	1,356,723	-	228	-	18,399,215
Building Acquisition, Contruction and Improvement Services								
Total Facilities Acquistion and Contruction Expenditures	-	-	17,378,639	1,356,723	-	61,595	-	18,796,957
Total 400 Capital Projects Fund	\$ -	\$ -	\$ 17,378,639	\$ 1,356,723	\$ -	\$ 61,595	\$ -	\$ 18,796,957

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

	2021	2022
Extended ADMw:		
Current Fiscal Year Estimated ADMw	1834.2	1909.0
Prior Fiscal Year Estimated ADMw	1951.4	1834.2
Extended ADMw (greater of Current or Prior Year)	1834.2	1909.0
Experience Adjustment:		
District Average Teacher Experience	14.09	14.21
State Average Teacher Experience	12.11	12.18
Experience Adjustment (District and State Teacher Experience Difference)	1.98	2.03
Local Revenue:		
Property Taxes	\$ 16,485,855	\$ 16,707,926
Federal Forest Fees	-	-
Common School Fund	153,775	165,440
County School Fund	1,790,000	2,000,000
State Managed Timber	499,546	289,546
In-lieu of Property Taxes	-	-
Revenue Adjustments	(919,693)	(1,627,464)
Local Revenue	\$ 18,009,482	\$ 17,535,448
Transportation Grant:	\$ 1,265,388	\$ 1,303,349
Net Eligible Transportation Costs	885,772	912,344
Grant (70% of Net Eligible Transportation Costs)		
General Purpose Grant:		
(Extended ADMw x [\$4,500 + (\$25 x Experience Adjust.)] x Funding Ratio	\$ 17,123,711	\$ 16,623,104
Total Formula Revenue:		
General Purpose Grant + Transportation Grant =	\$ 18,009,482	\$ 17,535,448
State School Fund Grant:		
Total Formula Revenue - Local Revenue =	-	-

Source: Oregon Department of Education, School Finance Office, Fiscal Year 2021 data as of March 2, 2021 and Fiscal Year 2122 data as of March 1, 2021
<http://www.oregon.gov/ode/schools-and-districts/grants/pages/default.aspx>.

Taxable Property Values

(Fiscal Year 2021)

Clatsop County⁽¹⁾

Taxpayer	Business/Service	Tax ⁽²⁾	Assessed Value ⁽³⁾	Percent of Value
Georgia Pacific Consumer Products	Paper Manufacturing	\$ 1,587,877	\$ 156,919,056	2.30%
L&C Tree Farms LLC	Forest Products	1,035,690	22,180,216	0.32%
Pacificorp	Electrical Utility	880,521	67,334,000	0.99%
Pacific Coast Seafoods Co.	Seafood Processor	876,816	39,022,045	0.57%
Hampton Lumber Mills Inc	Forest Products	694,351	50,998,966	0.75%
WorldMark The Club	Timeshare Resort	619,262	10,130,616	0.15%
Northwest Natural Gas Co.	Natural Gas Utility	577,672	43,359,700	0.63%
Charter Communications	Telecommunications	483,225	31,988,000	0.47%
Weyerhaeuser Company	Forest Products	418,097	11,279,492	0.17%
Lumen Technologies	Telecommunications	345,766	26,326,000	0.39%
Subtotal - ten of County's largest taxpayers			459,538,091	
All other County's taxpayers			6,373,116,706	93.27%
Total County			6,832,654,797	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 10 (Administrative SD 10), Clatsop County

GO Capacity

(Fiscal Year 2021)

Real Market Value (Fiscal Year 2021) ⁽¹⁾	\$ 5,450,388,445
Debt Capacity	
General Obligation Debt Capacity (7.95% of Real Market Value)	433,305,881
Less: Outstanding Debt Subject to Limit	<u>(94,844,999) ⁽²⁾</u>
Reamining General Obligation Debt Capacity	\$ 433,305,881
Percent of Capacity Issued	21.89%

(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

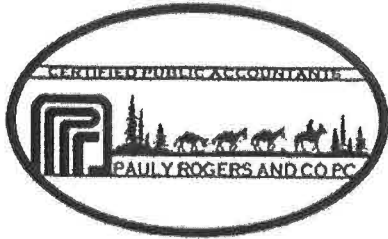
Fiscal Year 2021

M5 Real Market	Total Assessed Value	Urban Renewal Excess	Net Assessed Value
\$ 5,450,388,445	\$ 3,849,245,885	\$ 24,961,593	\$ 3,824,284,292

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS

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December 28, 2021

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, 2021, and have issued our report thereon dated December 28, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the 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 14.

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 style with a large, stylized "R".

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

GRANT COMPLIANCE REVIEW

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December 28, 2021

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 Seaside School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 28, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the basic financial statements will not be prevented, or detected and corrected on a timely basis.

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

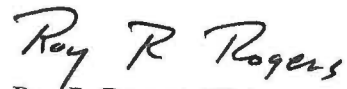
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

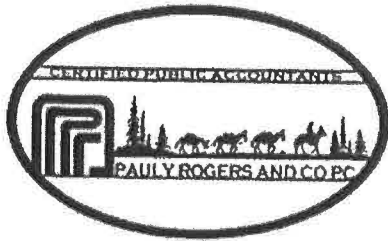
As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

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

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

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



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December 28, 2021

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

We have audited Seaside School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2021. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

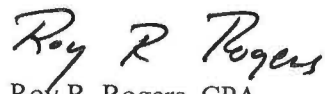
Report on Internal Control Over Compliance

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

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

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

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



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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes ☒ no

Significant deficiency(s) identified that are not considered to be material weaknesses?

☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Any GAGAS audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

☐ yes ☒ no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?

☐ yes ☒ no

Significant deficiency(s) identified that are not considered to be material weaknesses?

☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

☐ yes ☒ no

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER

NAME OF FEDERAL PROGRAM CLUSTER

84.425C

GEER

84.425D

ESF

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

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.